

CHIP REVERSE MORTGAGE RATE SHEET

EFFECTIVE APRIL 1, 2016

Interest Rates and Closing Costs

The following is a summary of the current CHIP Reverse Mortgage interest rates and terms.

Term	Interest Rate	Annual Percentage Rate (APR) ¹	Closing, and Administrative Costs ²
6 month	5.39%	5.58%	\$1,495
1 year	4.74% ⁵	5.32%	\$1,495
3 year	5.24%	5.43%	\$1,495
5 year	5.59%	5.72%	\$995 ⁴
Variable ³	4.95%	5.15%	\$1,495

¹ APR is the estimated cost of borrowing for 5 years expressed as an annual percentage. It is based on a mortgage of \$150,000 and includes the applicable closing costs.

² These fees may vary based on individual circumstances.

³ Variable refers to the HomEquity Bank Prime Rate plus a fixed spread of 2.25%. The fixed spread is guaranteed for 5 years.

⁴ Subject to certain conditions, closing fee may be waived when the initial advance is \$150,495 or more.

⁵ The 1 year promotional rate applies to new clients only. Application must be received by May 31st, 2016 and mortgage closed by June 30th, 2016. Reset rate is 5.24%.

Options to Receive the Money

- Single lump-sum: 100% of funds the homeowner is approved for.
- Initial lump-sum with Subsequent Advances: homeowner takes less than 100% of approved funds initially and sets aside the rest.
- The minimum initial advance is \$25,000.

Setup Costs

Independent home appraisal

- Fees typically range from \$175 to \$400, depending on the province and whether it's an urban or rural property.

Independent legal advice is required

- Fees typically range from \$300 to \$600.*
- Paid by the client or from mortgage proceeds.
- At homeowner's request, HomEquity Bank can provide clients with a list of legal advisors in their area who are familiar with CHIP.

Closing and administrative costs

- Costs will be deducted from mortgage proceeds.
- Includes title search, title insurance, and mortgage registration.
- Costs vary depending on the interest rate or term chosen.

Prepayment

No regular payments of principal or interest are required as long as the homeowner lives in the home.

Should the homeowner choose to make payments earlier, no prepayment charge applies:

- On regular interest payments of a fixed amount by automatic withdrawal
- On a single prepayment up to 10% of the outstanding principal and interest made within 30 days following each anniversary date
- After 5 years, on payments made within 30 days following an interest rate reset date

Interest Rate Options

If the homeowner selects a fixed rate, it can be switched to a different fixed rate or to the variable rate during or at the end of the interest rate term. An interest rate differential may be applicable if switching during the current interest term. If the variable rate is selected, it can be switched to a fixed rate at any time.

*Other legal costs may apply if additional legal work is required (eg. title issues).

For more information, please contact me.

The information listed in this Rate Sheet is subject to change without notice. | The most current information is available at www.homeequitybank.ca/chiprates

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