

INCOME ADVANTAGE RATE SHEET

EFFECTIVE JUNE 1, 2016

Interest Rates and Closing Costs

The following is a summary of the current Income Advantage interest rates and terms.

Income Advantage	Term	Interest Rate	Annual Percentage Rate (APR)	Deferred Closing Administration Fee ¹
Planned Advance Account	Variable ²	4.45%	4.69% ³	\$1,495
Lump-Sum Account	Fixed 1 Year	4.79%	4.98% ⁴	
	Fixed 3 Year	4.89%	5.08% ⁴	
	Fixed 5 Year	4.99%	5.19% ⁴	
	Variable ²	4.45%	4.65% ⁴	

¹ Deferred closing administration fee is only payable if the mortgage is repaid in full within the first 10 years.

² Variable refers to the HomEquity Bank Prime Rate plus a fixed spread of 1.75%. The fixed spread is guaranteed for 5 years.

³ APR is for 5 years based on \$2,000 per month in planned advances for 60 months. It is not for the full period of the mortgage and includes the deferred closing administration fee.

⁴ APR is for 5 years based on a mortgage of \$150,495 and no planned advances. It is not for the full period of the mortgage and includes the deferred closing administration fee.

Options to Receive the Money

Income Advantage has two accounts with different interest rates:

- **Planned Advance Account:** A variable interest rate account for regularly scheduled advances, either monthly or quarterly. A minimum of \$500/month or \$1,500/quarter is required.
- **Lump-Sum Account:** A fixed or variable interest rate account with money received as an initial lump-sum and advances as needed, but each subsequent advance must be a minimum of \$10,000.

If you do not schedule planned advances, a minimum \$25,000 initial advance is required.

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 Income Advantage.

Deferred closing administration fee

- The fee of \$1,495 only applies upon full repayment in the first 10 years.
- Includes title search, title insurance and mortgage registration.

Prepayment

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

No prepayment charge applies:

- On one prepayment of up to 10% of the outstanding principal and interest made within 30 days following each anniversary date.
- After 5 years of the initial advance, if the prepayment is made within 30 days following an interest rate reset date.

Interest Rate Options

If the homeowner selects a fixed rate in the Lump-Sum Account, 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.chipadvisor.ca/current-rates

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