

HomEquity Bank is a Schedule I Canadian Bank, and is the only financial institution exclusively dedicated to providing financial solutions to Canadian homeowners 55+. HomEquity Bank has been Canada's leading provider of reverse mortgages for more than 25 years. For many homeowners, their home is the largest asset they own. It is an untapped source of funds that seniors can use to achieve the lifestyle they want while still retaining full control and ownership of their home.

About Our Reverse Mortgage Products

A reverse mortgage is a life term loan against the accumulated equity in a home that requires no regular payments of principal or interest while the client(s) continue living in the home. With a reverse mortgage, seniors can convert some of their accumulated but illiquid home equity into immediate cash flow to enjoy life on their terms.

Our lending practice is conservative, typically only up to 55% of the value of the home, depending on the client's age, location of the home and property type. This safeguards clients by ensuring that the reverse mortgage will not exceed the fair market value of the home. In our more than 25 years of experience, the majority of our clients have at least 50% of the equity remaining at the time the home is sold.

You will find enclosed further information on the applicable HomEquity Bank reverse mortgage product(s).

The HomEquity Bank Independent Legal Advisor (ILA) Introduction Service

Prior to distributing the reverse mortgage funds, we require that all clients receive independent legal advice to review the mortgage contract and ensure that they fully understand the terms and conditions.

As many clients request a referral to legal counsel, we have an ILA Introduction Service that matches local ILAs to clients. Please visit www.ila.chip.ca for further information.

Your Role as an Independent Legal Advisor

In ensuring clients are fully aware of the program mechanics, contract review usually centers around the following key tenets (see the Standard Charge Terms for details):

- The client and their estate will never owe more than the fair market value of the home, excluding certain expenses and any interest that accumulates after the reverse mortgage is due
- There are no regular payments of principal or interest required
- As long as the client's obligations are met,
 - ✓ Clients will never be asked to repay their reverse mortgage until the last surviving borrower passes away
 - ✓ HomEquity Bank will not force the client to sell or move - the client retains full control and ownership

Should you have any questions regarding HomEquity Bank, please contact:

Pamela Marr

HomEquity Bank

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CHIP REVERSE MORTGAGE FACT SHEET

EFFECTIVE DECEMBER 1, 2016

The following is information pertaining to HomEquity Bank's CHIP Reverse Mortgage product.

Purpose of Funds	<ul style="list-style-type: none">• Finance, refinance, purchase (owner occupied principal residence).• Help seniors who want to remain in their homes.• Cover life expenses (debt, renovations/improvement, travel, help children/grandchildren).• Pay for in-home care or medical expenses.
Plans Available	<ul style="list-style-type: none">• Lump-sum (single advance of all available funds).• Subsequent advance (partial initial advance and open for future advances).
Maximum LTV	<ul style="list-style-type: none">• Up to 55% for a CHIP Reverse Mortgage (dependent upon age, location and type of home).
Mortgage Amount	<ul style="list-style-type: none">• Minimum \$25,000 for lump-sum initial advance.• Minimum \$5,000 for each subsequent advance.
Terms (see Rate Sheet for rates)	<ul style="list-style-type: none">• 6 month fixed, 1 year fixed, 3 year fixed, 5 year fixed.• 5 year variable rate mortgage.
Amortization	<ul style="list-style-type: none">• None.
Payments	<ul style="list-style-type: none">• No regular monthly payment is required.
Prepayment Privileges	No prepayment charge applies: <ul style="list-style-type: none">• 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 reset date
Debt Servicing	<ul style="list-style-type: none">• None required (up to 55% LTV for approved CHIP amount).
Documentation Requirements	<ul style="list-style-type: none">• Valid and adequate fire insurance.• Property tax statement (current year or deferred property tax statement).• Two pieces of valid identification.• Power of Attorney and Power of Attorney Identification (if applicable).• Statements for any secured debt.
Portable	<ul style="list-style-type: none">• Not in a traditional sense, but refinancing available with fees waived.
Fees	<ul style="list-style-type: none">• Please see www.homeequitybank.ca/CHIPrates
Appraisal	<ul style="list-style-type: none">• Required (approximately \$175 - \$400 for most properties).
Independent Legal Advice	<ul style="list-style-type: none">• Required approximately \$300 - \$600.†
Property Taxes	<ul style="list-style-type: none">• Must be up-to-date (can be paid out of the mortgage proceeds).

†Additional legal costs may apply if additional legal work is required (eg. title issues).

Interest rates, terms and products subject to change without notice. E. & O.E.

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INCOME ADVANTAGE FACT SHEET

EFFECTIVE DECEMBER 3, 2016

The following is information pertaining to HomEquity Bank's Income Advantage product.

Purpose of Funds	<ul style="list-style-type: none">• Finance, refinance, purchase (owner occupied principal residence).• Fund retirement using all assets (front end of retirement).• More tax efficient cash flow in retirement (supports diversified financial plans).• Preserve investment assets.*• Cover life expenses (renovations, debt, home improvement, travel, help children/grandchildren).• Pay for in-home care or medical expenses.• Pay insurance premiums for estate planning needs.
Plans Available (combinations permitted)	<ul style="list-style-type: none">• Planned Advance (monthly advances).• Lump-sum (single advance of all available funds).• Subsequent Advance (partial initial advance and open for future advances).
Maximum LTV	<ul style="list-style-type: none">• Up to 40% (dependent upon age, location and type of home) 75% of which is available in the first year.
Mortgage Amount	<ul style="list-style-type: none">• Planned advances from \$500/month or \$1,500/quarter.• Minimum \$5,000 for each subsequent advance.
Terms (see Rate Sheet for rates)	<ul style="list-style-type: none">• Planned Advance: variable rate mortgage.• Lump-sum: 5 year fixed, 3 year fixed, 1 year fixed, variable rate mortgage.
Amortization	<ul style="list-style-type: none">• None.
Payments	<ul style="list-style-type: none">• No regular payments are required.
Prepayment Privileges	No prepayment charge applies: <ul style="list-style-type: none">• 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 a rate reset date.
Debt Servicing	<ul style="list-style-type: none">• None required.
Documentation Requirements	<ul style="list-style-type: none">• Valid and adequate fire insurance.• Property tax statement (current year or deferred property tax statement).• Two pieces of valid identification.• Power of Attorney and Power of Attorney Identification (if applicable).• Statements for any secured debt.
Portable	<ul style="list-style-type: none">• Not in a traditional sense, but refinancing available with fees waived.
Fees	<ul style="list-style-type: none">• Please see www.homeequitybank.ca/IArates
Appraisal	<ul style="list-style-type: none">• Required (Approximately \$175 - \$400 for most properties).
Independent Legal Advice	<ul style="list-style-type: none">• Required (Approximately \$300 - \$600).†
Property Taxes	<ul style="list-style-type: none">• Must be up-to-date (can be paid out of the mortgage proceeds).

*Consult a financial or tax advisor for further information.

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

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CHIP REVERSE MORTGAGE WITH ADDITIONAL FUNDS FACT SHEET

The following is information pertaining to HomEquity Bank's CHIP Reverse Mortgage with Additional Funds product.

Purpose of Additional Funds	<ul style="list-style-type: none"> When the client requires more money than what they received from their CHIP Reverse Mortgage to cover their debts or needs.
Plans Available	<ul style="list-style-type: none"> Lump-sum (single advance of all available funds).
Maximum LTV	<ul style="list-style-type: none"> Up to 65% LTV (dependent upon age, location and type of home).
Mortgage Amount Minimum	<ul style="list-style-type: none"> CHIP Portion - \$25,000. Additional Funds (AF) portion - \$3,500.
Terms (see Rate Sheet for rates)	<ul style="list-style-type: none"> CHIP portion - 5 year fixed rate. AF portion - 5 year variable rate mortgage + rate premium.
Amortization	<ul style="list-style-type: none"> 1 - 15 years (set by HomEquity Bank upon approval and for AF portion only).
Payments	<ul style="list-style-type: none"> Regular monthly payment required (interest + principal), but only on the AF portion until the AF portion is paid back in full.
Debt Servicing	<ul style="list-style-type: none"> 32% GDS / 40% TDS (Only on AF portion).
Credit Bureau Report	<ul style="list-style-type: none"> Required - for internal use only.
Borrower Qualifications	<ul style="list-style-type: none"> Income must be from satisfactory source and verifiable via documentation. No income tax arrears. No property tax arrears. Power of Sale properties do not qualify.
Documentation Requirements	<ul style="list-style-type: none"> Include documentation required for a CHIP Reverse Mortgage (see CHIP Reverse Mortgage Fact Sheet). Notice of Assessment & T1 General. Borrower acknowledgment form to conduct a credit bureau verification. <p>Income Verification</p> <ul style="list-style-type: none"> If employed full-time, a current paystub and letter of employment (confirming F/T, salary/wage, guaranteed hours). If employed part-time, a current paystub and letter of employment (confirming wage, average hours) and T4s (2 years). If self-employed, NOA and T1 General (2 years) with business activities pages. If incorporated, financial statements (2 years). Pension statements or T4A and bank statements showing direct deposit. RIF income - T4RIF and RIF asset statement showing sufficient resources to sustain AF payments. Other sources considered on a case by case basis: alimony, disability, investments, rental income (50%), with documented support to sustain AF payments.
Fees	<ul style="list-style-type: none"> \$2,995 (inclusive of the CHIP fees).
Appraisal	<ul style="list-style-type: none"> Required (approximately \$175 - \$400 for most properties).
Independent Legal Advice	<ul style="list-style-type: none"> Required approximately \$300 - \$600.†

†Additional legal costs may apply if additional legal work is required (eg. title issues).

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