



Fact Sheet

Effective Date: December 9, 2013

A CHIP Home Income Plan is the simple and sensible way to turn up to 50% of the value that is locked up in your home into tax-free cash you can use today.

You do not have to make any payments – interest or principal – for as long as you or your spouse live in your home. You maintain ownership and control of your home while enjoying all the benefits of having converted some of your home's value into cash.

For these reasons and more, a CHIP Home Income Plan is a sound financial solution for many people.

Your interest rate options

We offer a range of interest rate options to suit your needs.

- Fixed (6 months, 1 year, 3 years or 5 years) or a variable interest rate.
- If you select a fixed rate, you can switch to one of our other fixed rates or to the variable rate during or at the end of your interest rate term. An interest rate differential may be applicable if you switch during your current interest term.
- If you select the variable rate, you can switch to one of our fixed rates at any time.

Your opportunity to save money

While you're not obligated to, many clients choose to pay interest.

- If you choose to pay your full annual interest by making regular payments, you will receive a 0.25% discount for the following year.¹
- If you choose to make regular interest payments, you'll preserve more of your home equity and always have the security of knowing that you can stop making payments at any time you wish.

Current interest rates and closing costs

Option	Interest Rate	Legal, Closing and Administrative Costs	Annual Percentage Rate (APR) ²
6 month ³	3.99%	\$1,495	5.49%
1 year ⁴	4.95%	\$1,495	5.95%
3 years	5.40%	\$795	5.58%
5 years	5.79%	\$495	5.86%
Variable	4.75%	\$1,495	4.95%

1. For clients receiving planned advances, the interest payment discount is not available.

2. The Annual Percentage Rate (APR) is the cost of borrowing over the selected interest rate term, expressed as an annual percentage. It is based on the opening interest rate and includes closing costs. The APR shown for illustration purposes is based on a CHIP Home Income Plan of \$150,000.

Special Offers are not posted rates of HomEquity Bank. Special offers may be changed, withdrawn or extended at any time without notice.

3. 6 month special rate applies to new clients only. Existing clients' 6 month rate is 4.99%.

4. 1 year special rate applies to new clients only. Existing clients' 1 year rate is 5.25%.

Your money, your way

You can choose from five convenient options, described below:

1. Receive it all at once – via a **Single Lump Sum**.
2. Receive it in stages – via an **Initial Lump Sum** (minimum \$20,000), with **Subsequent Advances** (minimum \$10,000) by request as needed.¹
3. Receive it at regular intervals over a set period of time – via **Planned Advances**, monthly, quarterly, semi-annually or annually (minimum \$1,000 a month when Initial Lump Sum is less than \$20,000; minimum \$500 a month when Initial Lump Sum is \$20,000 or more).
4. Receive it via a combination of Initial, Subsequent and Planned Advances.
5. Receive only Planned Advances (minimum \$1,000 per advance), no Initial Lump Sum.

Option	Minimum advance
1. Single lump sum (100% of funds)	\$ 25,000
2. Initial lump sum with Subsequent Advances ¹	\$ 20,000 \$ 10,000
3. Initial lump sum with Planned Advances (e.g. monthly)	\$ 20,000 \$ 500
4. Initial lump sum with Planned & Subsequent Advances	\$ 20,000
• Planned Advances (e.g. monthly)	\$ 500
• Subsequent Advances	\$ 10,000
5. 100% Planned Advances (no initial lump sum)	\$ 1,000

¹ Subsequent Advance Administration fee: \$50/advance

The information listed in this Fact Sheet is subject to change.

The most current information is available at www.chip.ca

Your payment options

No payments of principal or interest are required as long as you or your spouse live in your home. Your CHIP Home Income Plan only becomes due when your home is sold or you both move out.

You can choose to make payments earlier as follows:

Interest Payments

At any time, you can pay all or part of the accumulated interest by:

- making one payment in a rolling 12 month period (minimum of \$1,000 or total accumulated interest, whichever is less) , or
- making regularly scheduled payments. Regularly scheduled payments are eligible for an interest payment discount of 0.25%.

Principal Payments

Provided you also pay at that time any charges and accumulated interest, no prepayment charges will apply when you pay funds at any time:

- on the first 10% of total funds owing you pay once in a rolling 12 month period,
- up to 10 years of receiving the initial advance, when you have a fixed rate and you make the payment within 30 days before the interest reset date of your CHIP Home Income Plan, or
- after 10 years of receiving your initial advance.

Your set-up costs

Independent Home Appraisal

- Fees typically range from \$175 to \$400, paid by the client.
- Actual amount varies by province and by urban versus rural properties.

Independent legal advice is required

- Fees typically range from \$300 to \$600, assuming no title issues.
- Paid by the client or from proceeds.
- At homeowner's request, CHIP can provide clients with a list of legal advisors in their area who are familiar with the CHIP Home Income Plan.

Legal, closing and administrative costs

- Costs will be deducted from CHIP funds.
- Includes title search, title insurance and mortgage registration.
- Costs vary depending on the interest rate or term chosen. Reference the interest rates and closing costs chart on the first page.