



YOUR GUIDE TO A REVERSE MORTGAGE

UNLOCK THE VALUE IN YOUR HOME



YOUR GUIDE TO A REVERSE MORTGAGE

UNLOCK THE VALUE IN YOUR HOME

By Kam Brar

Original text Copyright 2017

Updated text Copyright 2021

KAM BRAR

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted by any means - electronic, mechanical, photographic (photocopying), recording, or otherwise - without prior permission in writing from the author.

This text reflects the best available information at the time of writing. In order to ensure that you have the most up-to-date information, contact your mortgage professional to confirm the details for your specific situation.

Learn more information at: <https://auxiliummortgage.com>

CONTENTS

| | |
|--|----|
| Introduction | 01 |
| 1 - What is a Reverse Mortgage? | 02 |
| 2 - The Benefits of a Reverse Mortgage | 03 |
| 3 - The Difference Between a Reverse Mortgage and Other Loans | 05 |
| 4 - How Do I Qualify? | 07 |
| 5 - Five Easy Steps to Your Reverse Mortgage | 08 |
| 6 - FAQs | 10 |

INTRODUCTION



Your retirement years should be the best years of your life. You've worked hard, and now you've planned to enjoy the fruits of your labour.

Unfortunately, we all know that sometimes the best laid plans don't come to pass. You may run into financial troubles because of unexpected expenses or illness. You

may need to make your investments last a bit longer. Or you may just want to help your children or grandchildren realize their dreams.

In each of these cases, wouldn't it be nice if you had the money to take care of them without worrying? A reverse mortgage could be just what you need. It's the simple and sensible way to unlock the value in your home and turn it into cash to help you enjoy life on your terms.

I've put together this guide to help you better understand your options for a reverse mortgage solution. If you have any questions, I hope you'll reach out and we can chat about them.

Sincerely,
Kam Brar
Owner, Auxilium Mortgage



1. WHAT IS A REVERSE MORTGAGE?

A reverse mortgage is a loan secured against the value of your home. It lets you unlock the value in your home and convert part of your equity into cash without having to sell or move.



**You always maintain ownership
and control of your home.**

All you have to do is:

- pay your property taxes and home insurance
- keep your property well maintained.



2. THE BENEFITS OF A REVERSE MORTGAGE

A reverse mortgage is specifically designed for homeowners 55+, so it takes into account the things that are important to you.

Keep your home. Stay in your home and community. Maintain complete ownership and control of your home for as long as you choose to stay.

No payments. With a reverse mortgage you never have to make regular payments until you or your spouse no longer live in the home.*

* You are required to pay your property taxes, have valid and adequate first insurance and keep your property well maintained.

Relieve financial stress. Use up to 55%** of the equity in your home to pay off debts or handle unforeseen expenses.

Enjoy retirement. The money you access through a reverse mortgage is tax-free and yours to use as you wish.

Take control. Get your finances under control and gain the freedom to set your own plans and priorities.

TESTIMONIAL



"We looked at our options and we decided this was the best thing for us, and it has been the best thing we've done. It truly is."

+ Ed & Bea F.

***Some conditions apply.*



** Some conditions apply.



3.

THE DIFFERENCE BETWEEN A REVERSE MORTGAGE AND OTHER LOANS

Unlike a traditional home equity line of credit or a conventional mortgage in which you make regular payments to someone else, a reverse mortgage pays you. A reverse mortgage does not require monthly mortgage payments for as long as you live in your home.

TESTIMONIAL



A Reverse Mortgage helped Judy by allowing her to pay off debts that had built up after her husband's stroke.

| Feature | Home Equity Line of Credit | Private Second Mortgage | Reverse Mortgage |
|----------------|---|--|---|
| Qualifying | Primarily based on equity | Based on your income, credit and equity | Based on equity |
| Payments | Typically interest-only, but the lender has the ability to modify the terms | Typically interest-only | None required as long as you or your spouse live in the home |
| Interest Rates | Prime + 0.5% | 10-18% | As low as 4.29%* |
| Fees | Legal and closing fees | 1-3% of the mortgage amount, plus legal and closing fees | The cost of your appraisal and legal fees |
| Your Money | Access your money as you need it | Received in a single lump sum when the deal closes | You choose how to access your money: in monthly installments or initial and periodic advances |

* Rate subject to change



4. HOW DO I QUALIFY?

It's easy to qualify for a reverse mortgage in Canada:

- You and your spouse are both 55+
- You own your home
- Your home is your principal residence
- Any loans secured by your home - for example, a conventional mortgage or a home equity line of credit - must be less than the funds available from the reverse mortgage



There is NO health check required.

Limited income or bruised credit is OK!



5. FIVE EASY STEPS TO YOUR REVERSE MORTGAGE

1) [Contact](#) your Auxilium mortgage specialist for more information on a reverse mortgage. They will calculate the estimated amount of money you are eligible to receive.

Because your Auxilium Mortgage Specialist has access to a multitude of mortgage lenders and products, they can thoroughly compare a reverse mortgage to the other options in the marketplace. This consultation ensures that, based on your specific situation and needs, the reverse mortgage is truly the right solution.

2) If you **decide** to proceed, your Auxilium Mortgage Specialist will help you complete an application and assist in arranging an independent appraisal of your home.

3) Once the appraisal has been received, your Auxilium Mortgage Specialist will firm up the amount of money you qualify for and answer any questions you may still have. In addition, they will **prepare** the regulatory documents and review the lender terms & conditions with you.

4) Once step 3 is complete, your Auxilium Mortgage Specialist will forward everything to the lender. The lender will then prepare the final legal document package, which will be forwarded to an independent solicitor of your choosing for full and final **review** with you to ensure you clearly understand all the terms and conditions of your pending new mortgage.

5) **Receive** your tax-free money to spend as you see fit.

Basic Documentation Requirements

- Two pieces of valid identification.
- Property tax statement (current year or deferred property tax statement).
- Valid and adequate fire insurance.
- Statements for any secured debt.
- Power of Attorney and Power of Attorney Identification (if applicable).



6. FAQS

How much money can I get?

The amount you are eligible to receive depends on your age, the age of your spouse, your home's value, the type of property and the location of your home.

Do I have to make any payments?

No, there are no mortgage payments required until you move or sell your home.

TESTIMONIAL



A reverse mortgage helped Bill and Linda finally renovate their home, so it could fully accommodate all the family celebrations they enjoy hosting so much!

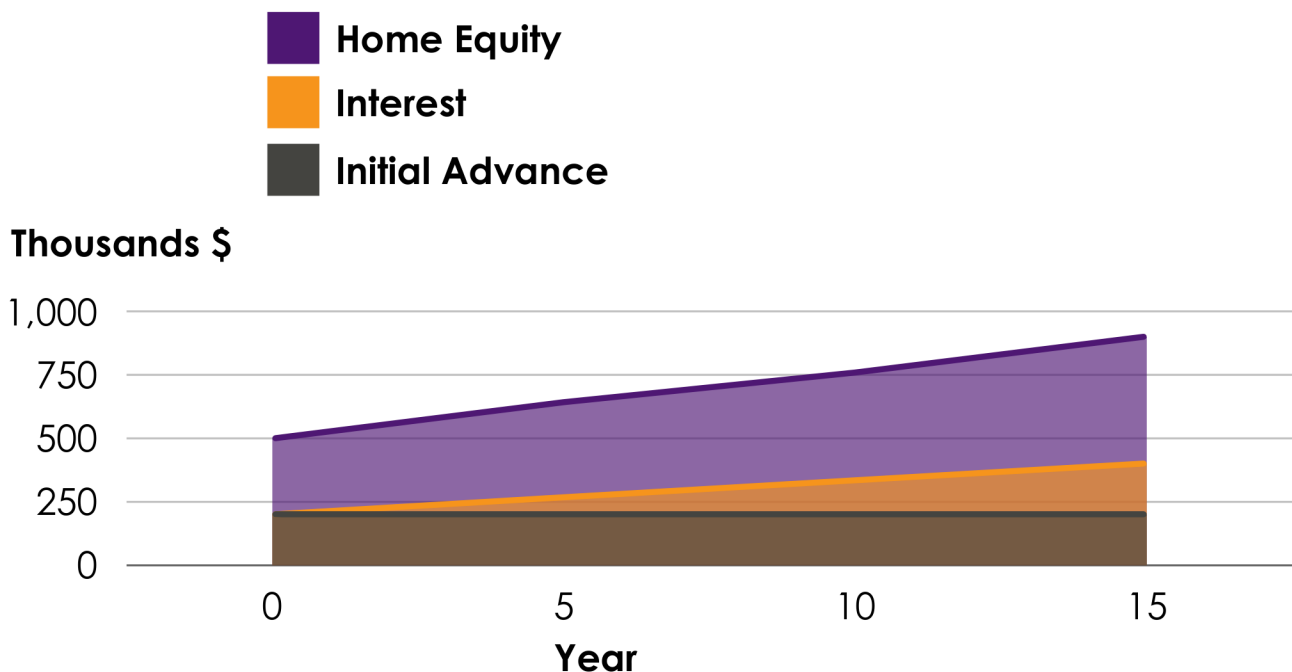
Will I ever owe more than my home is worth?

As the homeowner, you keep all the equity remaining in your home. In our lenders' many years of experience, over 99% of homeowners have money left over when their reverse mortgage is repaid. And on average, the amount left over is more than 50% of the value of the home.

The reasons for this remaining equity are:

- The conservative limit (up to 55%) put on the amount that is made available to you;
- The fact that most homes continue to increase in value.

Home Equity Graph



Calculations and chart are for illustration purposes only. External factors not accounted for in the calculations may affect future projections and are based on certain assumptions. This information is not intended as specific financial, accounting, legal, or tax advice for any individual and should not be relied on as such.

Can I lose my home?

You will remain the owner of your home. The lender will never ask you to move or sell, provided you: pay your property taxes and home insurance, and keep your property well maintained.

Will my government benefits be affected?

No, your reverse mortgage will not affect any government benefits you may receive, such as Old Age Security (OAS), Canada Pension Plan (CPP), or Guaranteed Income Supplement (GIS).

What if I already have a mortgage?

The lender will first pay off your existing mortgage and then give you the remaining proceeds.

How will I receive my money?

It's up to you. You can receive your money monthly, in a single lump sum, or through periodic advances - or choose a combination of these options.

Do I have to pay tax on my reverse mortgage money?

No. Because you are unlocking home equity from your primary residence, it's tax-free.

When it's time to repay the loan, could my other assets be affected?

The lender guarantees that the amount to be repaid will not exceed the fair market value of your home.* Your other assets are completely protected.

* Account must be in good standing.

Should reverse mortgages only be considered as a loan of last resort?

Absolutely not! More and more financial professionals recommend a reverse mortgage to supplement monthly income instead of selling and downsizing, or taking out a conventional mortgage or a line of credit.

What fees are associated with a reverse mortgage?

There are one time fees to arrange a reverse mortgage such as an appraisal fee, fee for independent legal advice as well as the lender fee for administration, title insurance, and registration. With the exception of the appraisal fee, these fees are paid for with the funding dollars.

Who offers reverse mortgage products?

Our team of reverse mortgage specialists offer reverse mortgage products in partnership with:

- Home Equity Bank (CHIP and Income Advantage); and
- Equitable Bank.

Both of these lenders are fully regulated Schedule 1 Canadian financial institutions.

TESTIMONIAL



"I have secured my living, I don't have to worry... It was the best financial decision." + Richard M.

**Retirement on your terms, in your home.
We can help.**

**The Auxilium Team has licensed brokers
with experience in reverse mortgages
on site who can help you learn more
and do a **FREE** comparison to see if a
Reverse Mortgage is right for you.**



CONNECT WITH US TODAY



Phone:

250-590-6520

Email:

mortgagehelp@auxiliummortgage.com

Website:

<https://auxiliummortgage.com>

Office:

307 Goldstream Ave.

Victoria, BC, V9B 2W4