

Effective: 1 December 2020

<b>Purpose of loan</b>	A Heartland Reverse Mortgage is designed to help you live a more comfortable retirement. You can use it to complete home improvements, consolidate debt, upgrade your motor vehicle, fund travel, pay medical expenses or just to take the pressure out of everyday expenses.																
<b>Availability</b>	Borrower(s) and/or Nominated Resident(s) aged 60 or over (maximum of two borrowers).																
<b>Interest rate</b>	A variable rate, currently <b>5.95%</b> per annum, compounded and added to your loan monthly. Should the interest rate change, we will reflect these changes on our website and detail the new interest rate on your next statement. Your interest is calculated on the balance outstanding, and added monthly to your loan.																
<b>30 day cooling off period</b>	If you change your mind within the first 30 calendar days of taking out your loan, you can simply pay it off, including interest and fees, and we will refund the Arrangement Fee in full.																
<b>Minimum loan</b>	Initial draw down \$5,000 Cash reserve facility drawdowns \$2,500 Further Advance drawdowns \$5,000 Minimum monthly advance \$300																
<b>Property criteria</b>	Minimum property value is \$250,000. Your property must be a residential property of conventional construction and in good repair, mortgage free (or be mortgage free at or before your initial drawdown, at which point you can use part of this drawdown to repay any outstanding mortgage) and be your primary place of residence except for a Secondary Property Loan. Lending criteria, including location restrictions do apply.																
<b>Secondary Property Loans</b>	Heartland offers a Secondary Property Loan which allows you to take a reverse mortgage against a secondary property, such as an investment property or holiday home. A Secondary Property Loan can help you to live a more comfortable retirement, while continuing to benefit from the protection a Heartland Reverse Mortgage provides. Specific lending criteria applies for a Secondary Property Loan.																
<b>Loan entitlement</b>	Your maximum loan entitlement can be estimated by multiplying the value of your home by a percentage (calculated as the age of the youngest borrower on your loan minus 45). <table border="1"><thead><tr><th>Age of youngest borrower</th><th>60</th><th>65</th><th>70</th><th>75</th><th>80</th><th>85</th><th>90+</th></tr></thead><tbody><tr><td>Maximum % of home's value available</td><td>15%</td><td>20%</td><td>25%</td><td>30%</td><td>35%</td><td>40%</td><td>45%</td></tr></tbody></table>	Age of youngest borrower	60	65	70	75	80	85	90+	Maximum % of home's value available	15%	20%	25%	30%	35%	40%	45%
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<b>Drawdown options</b>	Drawing all or substantially all of the entitlement from the outset may reduce the equity in the property in the years ahead. Customers are not required to take the whole entitlement immediately. However, there is a required \$5,000 initial drawdown. In addition, the following options are available. <ul style="list-style-type: none"><li>• On application you can establish a Cash Reserve Facility(if available) that will allow you to request further drawdowns up to the approved facility limit. There is no interest charged on your facility unless you drawdown funds.</li><li>• On application you can establish a regular monthly advance.</li><li>• Or a combination of both.</li></ul>																
<b>Equity Protection Option</b>	Under the Equity Protection Option, you may choose to protect a percentage of the eventual net sale proceeds of your home (up to 50%). When your loan is repaid, you or your estate are guaranteed to receive your chosen Equity Protection percentage.																
<b>Repayments</b>	While there is no requirement to make regular repayments, repayments can be made at any time without penalty, subject to maintaining a minimum loan balance of \$5,000. There are no early repayment charges, however the mortgage discharge fee will apply when you fully repay your loan.																

## Loan increases

If you have not established a Cash Reserve Facility, or your loan is fully drawn you can apply for a Further Advance. At this time, we will consider this application against the lending criteria applicable at the time of your application, the outstanding balance of your loan, any changes to the value of your property and your age.

## Fees

### Initial fees

Valuation Fee	\$600	Where rating value is below \$1m
	\$855	Where rating value is above \$1m or a Lifestyle property. If both apply additional costs may be incurred.
This fee can be deducted from your initial drawdown. Additional mileage costs may apply for properties outside major towns but will be quoted and accepted prior to proceeding.		
Initial Arrangement Fee	\$995	Charged on the initial settlement date of your loan. This fee will be deducted from your initial drawdown
Equity Protection Fee	\$80	Deducted from your initial drawdown if applicable. This feature is optional.
Legal Costs		Check with your solicitor.
Cash Reserve Facility	\$75	Charged on, and deducted from, each drawdown of your Cash Reserve Facility.
Further Advance Fee	\$475	Charged on the settlement date of a further advance to your loan. This fee will be deducted from the initial drawdown of any further advance.
Loan Variation Fee	\$375	Charged if the terms of your loan are varied. This fee will be added to the balance of your loan.
Mortgage Discharge Fee	\$300	Charged at the time your loan is fully repaid. This fee will be added to the loan balance of your loan and will form part of the repayment required.
Monthly Advance Set-up	\$120	A one time set-up fee which is charged at the time of initial drawdown if you request a monthly advance.
Administration Fee	\$23	Charged each time we pay rates or insurance costs on your behalf. This fee will be added to the loan balance of your loan.
Agency Fee	\$179	Charged if we have to send an agent out to the property to obtain any documentation or information we require for the purposes of your loan agreement.

## Independent advice

It is important that you make sure the loan is right for you. You must obtain independent legal advice and we recommend you consider seeking independent financial advice. You may also want to discuss your options with your solicitor and family prior to application.

This Fact Sheet, and fees are only a guide and are subject to change. Lending criteria, terms and conditions and fees may apply. Heartland Reverse Mortgages is a brand established and owned by Heartland Bank Limited. \*Fees include GST