



Heartland Reverse Mortgage Fact Sheet

Key Product Features
Effective: February 26 2018

Purpose of Loan Any purpose such as home improvements, motor vehicle needs, in-home care, debt consolidation or simply to ease the pressure of day to day living expenses.

Availability Borrower(s) and/or Nominated Resident(s) aged 60 or over (maximum of two).

Interest Rate A variable rate, currently 7.82% per annum, compounded and added to your loan.
Heartland Seniors Finance aims to maintain the variable rate at approximately 1.5% - 2% above the major banks' variable mortgage lending rates. This rate is subject to change at any time and will be on the next statement. If there is any change to the rate we will publish it on our website and in national daily newspapers.

Guarantee Heartland Seniors Finance offers the following guarantees provided you meet your obligations under your loan.

- **Lifetime Occupancy guarantee** – Your home will remain the place you live in for as long as you choose.
- **No Negative Equity guarantee** – The amount required to repay your loan will never exceed the net sale proceeds of the property.
- **Loan Repayment guarantee** – There is no requirement to make any loan repayment until the end of your loan.

30 Day Cooling Off Period 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.

Minimum Loan

Initial draw down	\$5,000
Express Top Up draw downs	\$5,000
Further advance draw downs	\$5,000
Minimum month advance	\$300

Minimum Property Value \$250,000

Equity Protection Option 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.

Early Repayment You can make repayments on your loan at any time. This includes fully repaying your loan. There are no early repayment charges with your loan. However, the Mortgage Discharge Fee will apply when you fully repay your loan.

Loan Entitlement 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). The following table illustrates examples of this percentage at various ages. The percentage is based on the age of the youngest borrower minus 45, and the ages below are shown as examples.

Age of Youngest Borrower	60	65	70	75	80	85
Maximum % of Home's Value Available (home value minus chattels)	15%	20%	25%	30%	35%	40%

Payment Options 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, a minimum lump sum must be drawn. In addition, the following options are available.

- On application you can establish an Express Top Up Facility (if available) that will allow you to request further drawdowns up to the approved facility limit.
- On application you can establish a regular monthly advance. Minimum monthly advance amount is \$300 and as available funds allow.
- All of the above can be used in combination.

Loan increases

If you have not established an Express Top Up 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

There are certain fees charged for a reverse mortgage.

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	\$1,275	Charged on the initial settlement date of your loan. This fee will be deducted from your initial drawdown.
Equity Protection Option Fee	\$58	deducted from your initial drawdown if applicable
Your Legal Costs		Check with your solicitor

Other fees

Express Top Up Fee	\$125	Charged on, and deducted from, each drawdown of your Express Top Up Facility.
Further Advance Fee	\$450	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	\$365	Charged if the terms of your loan are varied. This fee will be added to the loan balance of your loan.
Substitution Fee	\$1,200	Charged if we approve the transfer of your loan to a new property. This fee will be added to the loan balance of your loan (plus any applicable valuation fee and mortgage discharge fee) or deducted from the next drawdown of your loan.
Mortgage Discharge Fee	\$490	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	\$125	A one time set-up fee which is charged at the time of initial drawdown if you request a monthly advance.
Administration Fee	\$30	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	\$295	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.

Property Criteria

Your property must be 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.

Further lending criteria may apply, and lending is subject to a satisfactory title search of your property.

Substitution

You may be able to transfer your loan to a new property. We will consider any such requests against our lending criteria, the outstanding balance of your loan, the value of your new property, and your age. Please speak to a member of the Heartland Bank team for further details.

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. Additional lending criteria, terms and conditions and fees may apply. Heartland Seniors Finance is a brand established and owned by Heartland Bank Limited.

*all fee's include GST