

Down Payment Gift HomeBridge

Overview

HomeEquity Bank's **HomeBridge** solution enables a range of financial planning options for Financial Advisors and Canadian homeowners aged 55+. Our Wealth Management solutions are designed to unlock the tremendous value available in the Home Equity Asset Class to provide Clients with a smart and strategic option to finance a wide range of investment opportunities, while preserving tax-efficient investment portfolios for further growth.

Situation

Meet Mike, a retired business owner who has a 30-year-old daughter, Susan who has just completed her nursing education and is returning to her hometown to begin her new career. Returning to Kelowna to live is proving to be financially difficult. Mike recognizes the importance of home ownership and wants to help Susan build a solid financial foundation.

So, he reached out to his trusted Financial Advisor who has provided him valuable financial guidance to see if there were any options for him to help his daughter purchase a condo now.



Client Profile

Homeowner
Male Age 70

Home Value
\$1,300,000

Investment Portfolio

RSP \$600,000
TFSA \$105,000
Non-Registered \$140,000

Financing Required

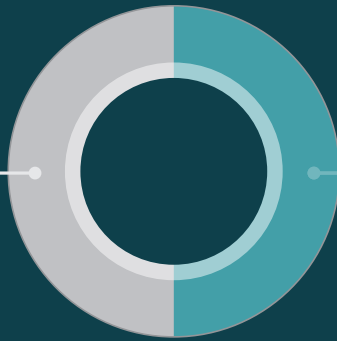
\$250,000
((\$200K for down payment + \$50K for renovations)

Solution Options



Traditional Financial Plan

- » Liquidate a combination of registered and non-registered investments to provide the condo down payment required
- » Reduce retirement lifestyle to account for the large decrease in investment assets and projected cashflow shortfall in later years



HomeBridge Enabled Plan

- ✓ Release required equity sum with this tax-free manoeuvre to provide the condo down payment needed
- ✓ Preserve the registered and non-registered investment portfolios to ensure stable cashflow throughout retirement

Decision

Mike chose the **HomeBridge** solution to gift his daughter the down payment she needs to purchase her first home and **continued to follow the original retirement income plan** he established with his Financial Advisor years earlier.

HomeBridge Tax-Free Funds

\$250,000 Initial Advance

\$283,500 Unused & Available

(Based on an approval amount of \$533,500)

Assumptions: Inflation at 3.0% per annum, Investment Growth Rate at 3.5% per annum

Key Benefits

- ✓ The Client continues to remain in the home he loves, enjoy the lifestyle he earned and still benefits from his home's appreciation
- ✓ The Client's investment portfolio remains intact/structured to generate the required cashflow, avoiding a potential shortfall in later retirement
- ✓ The Client has access to \$283,500 in remaining available funds for any unexpected future cashflow needs*

*Subsequent advances of unused/available funds are subject to our lending terms and conditions. The amount of the subsequent advance funds available may increase or decrease.

Contact me today:

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