INCOME ADVANTAGE RATE SHEET

EFFECTIVE JULY 13, 2017

Interest Rates and Closing Costs

The following is a summary of the current Income Advantage interest rates and terms.

Income Advantage	Term	Interest Rate	Annual Percentage Rate (APR)	Closing, and Administrative Costs [1]
Planned Advance Account	Variable[2]	4.74%	5.04%[3]	$1,495
Lump-Sum Account	Fixed 1 Year	4.74%	4.96%[4]	
	Fixed 3 Year	4.89%	5.12%[4]	
	Fixed 5 Year	5.09%	5.32%[4]	
	Variable[2]	4.74%	4.96%[4]	

1. These fees may vary based on individual circumstances.
2. Variable refers to the HomEquity Bank Prime Rate plus a fixed spread of 1.79%. The fixed spread is guaranteed for 5 years.
3. APR is for 5 years based on $2,000 per month in planned advances and a $1,495 initial advance at our 5 year posted rate for the Lump-Sum Account. It is not for the full period of the mortgage and includes the applicable closing costs.
4. APR is for 5 years based on a mortgage of $150,495 and no planned advances. It is not for the full period of the mortgage and includes the closing costs.

Options to Receive the Money

Income Advantage has two accounts with different interest rates:

- **Planned Advance Account:** A variable interest rate account for regularly scheduled advances, either monthly or quarterly. A minimum of $500/month or $1,500/quarter is required.
- **Lump-Sum Account:** A fixed or variable interest rate account with money received as an initial lump-sum and advances as needed, but each subsequent advance must be a minimum of $5,000.

If you do not schedule planned advances, a minimum $25,000 initial advance is required.

Setup costs

Independent home appraisal

- Fees typically range from $175 to $400, depending on the province and whether it's an urban or rural property.

Independent legal advice is required

- Fees typically range from $300 to $600.†
- Paid by the client or from mortgage proceeds.
- At homeowner's request, HomEquity Bank can provide clients with a list of legal advisors in their area who are familiar with Income Advantage.

Closing and administrative costs

- Costs will be deducted from mortgage proceeds.
- Includes title search, title insurance and mortgage registration.
- Costs may vary depending on the interest rate, term chosen and/or province.

Prepayment

No payments of principal or interest are required as long as the homeowner lives in the home.

No prepayment charge applies:

- On one prepayment of up to 10% of the outstanding principal and interest made within 30 days following each anniversary date.
- After 5 years of the initial advance, if the prepayment is made within 30 days following an interest reset date.

Interest Rate Options

If the homeowner selects a fixed rate in the Lump-Sum Account, it can be switched to a different fixed rate or to the variable rate during or at the end of the interest rate term. An interest rate differential may be applicable if switching during the current interest term. If the variable rate is selected, it can be switched to a fixed rate at any time.

†Other legal costs may apply if additional legal work is required (eg. title issues).

The information listed in this Rate Sheet is subject to change without notice. | The most current information is available at www.chipadvisor.ca/client-rates

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