

REVERSE MORTGAGE

Loan Facilities

Heartland Regular Advance and Cash Reserve Facilities

Heartland has three flexible drawdown options available to reverse mortgage customers. In addition to the initial advance drawn at settlement, customers can apply for a Regular Advance and/or Cash Reserve facility.

What is a Regular Advance?

Heartland's Regular Advance option enables customers to receive a monthly, quarterly or annual payment for up to 10 years. This enables customers to supplement their income and improve the quality of their retirement.

The Regular Advance is paid into the customers elected bank account on the anniversary of the loan settlement for the payment period selected (monthly, quarterly or annually).

What is a Cash Reserve Facility?

Similar to a 'line of credit', the Cash Reserve option allows customers to set aside funds for future needs such as emergency expenses, unplanned home repairs, healthcare, holidays, and more.

Customers can apply to draw on this "Reserve" at any time, and once a signed request form has been received Heartland will assess this application. If accepted, funds will be paid directly into their nominated bank account, usually within 2 business days.*

Why does Heartland suggest customers to consider these facilities instead of drawing the whole loan amount as a lump sum?

As a responsible lender, it is important that Heartland provides a loan that is structured to fit the customers best interest. This includes only drawing money as it is needed.

Any funds kept aside in the Regular Advance or Cash Reserve facilities do not accrue interest charges, customers are only ever charged interest on funds they have drawn. Over time, this could mean that the customers could have more equity available in their home, as their interest charges will be lower than if the full loan amount was outstanding from the day of the initial settlement drawdown.

Additionally, if your customer is receiving a Centrelink benefit such as an Age Pension, any surplus funds from the loan drawdown may have an effect on their payments if it remains in their bank account and assessed as part of their asset test.

For these reasons, if the customer cannot provide sufficient evidence as to why they require the full lump sum at settlement, Heartland may require a Regular Advance or Cash Reserve facility as a part of their loan structure in order to proceed.

If you have any questions or concerns about these facilities, and additional information as to how they work, please feel free to contact the Heartland Broker Support Team on 1300 662 865 or brokers@seniorsfinance.com.au.

*Customers can apply to draw on this "Reserve" at any time. It is not however guaranteed that we will approve this application, as we may reduce or cancel this "Reserve".

IMPORTANT NOTICE: This information has been prepared without taking account of the needs, objectives, or financial situation of any particular individual. Applicants should consider their own circumstances and, if necessary, seek professional advice. Applications are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by ASF Custodians Pty Ltd.

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