

Reverse mortgages

Live a more comfortable retirement.

Free yourself from financial stress and continue to own and live in your home, with a reverse mortgage.



HEARTLAND
— Seniors Finance —

UNLOCK THE EQUITY IN YOUR HOME

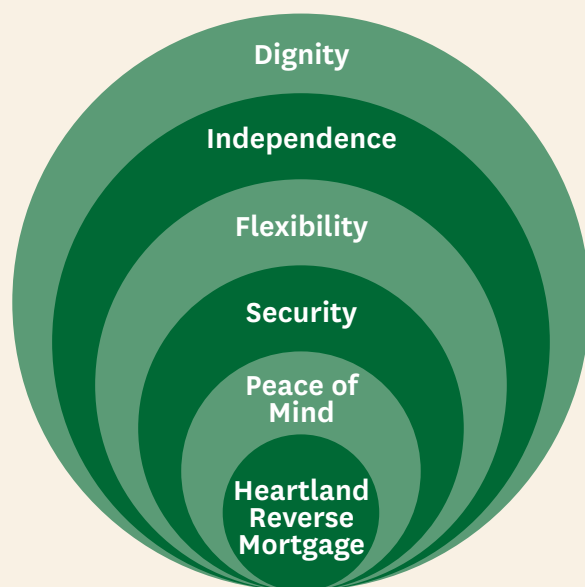


If you would like the financial ability to spend your retirement how you choose, with independence and dignity, you should talk to us.

A Heartland Reverse Mortgage will allow you to borrow against the equity in your home without having to sell it – releasing funds for a well-earned and comfortable retirement.

This brochure explains what the Heartland Reverse Mortgage is, how it works and how it could help you. If you need more information, please remember we are only a phone call away to answer any of your questions – simply call our friendly team on 1300 889 338. We are here to help you.

At Heartland Seniors Finance, we pride ourselves on being the Reverse Mortgage specialist that helps you live a better retirement.



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About Heartland

Heartland Seniors Finance is Australia's leading Reverse Mortgage provider.

With an award winning product and dedicated personalised service, Heartland is proud to be the Reverse Mortgage lender of choice for many Australian seniors, and has been awarded Money magazine's 'Best Reverse Mortgage' for four consecutive years.

Established in 2004, originally as 'Australian Seniors Finance', we have helped over 15,000 Australian seniors release home equity to fund a better lifestyle in retirement.

Heartland is a leading product innovator in the field of seniors' equity release, and over the last decade has played a significant role in the development of public policy and regulation of

the Australian Reverse Mortgage market. This regulation, and our commitment, provides our customers with protection and peace of mind.

Heartland Seniors Finance is owned by Heartland Group Holdings Limited, a New Zealand based financial services group with operations in New Zealand and Australia with roots stretching back to 1875.

Here at Heartland, we believe our commitment to older Australians has been demonstrated over a long period of time. As a specialist provider we pride ourselves on helping senior Australians live a more comfortable retirement, with independence, dignity and peace of mind.

"I am very impressed by having this Heartland Seniors Finance help. It has been life-changing for me and I appreciate your communication and the compassionate awareness of seniors' needs. Thank you so much for it all."

January, 2018

"I have on two occasions sought out Heartland Seniors Finance for a reverse mortgage loan and I have found each time their years of experience has made the process stress free."

July, 2017

How a Heartland Reverse Mortgage works

What is a Heartland Reverse Mortgage?

Many seniors are now living in homes that hold much of their wealth. By accessing some of this wealth without having to move, you can do the things you need, or have always wanted to do and live the retirement you deserve.

A Heartland Reverse Mortgage enables you to use some of the money tied up in your home without having to sell it by taking out a loan secured against your home. The total loan amount, including accumulated interest, is repayable when you move permanently from your home; this could occur when you sell your property, move into long-term care or pass away.

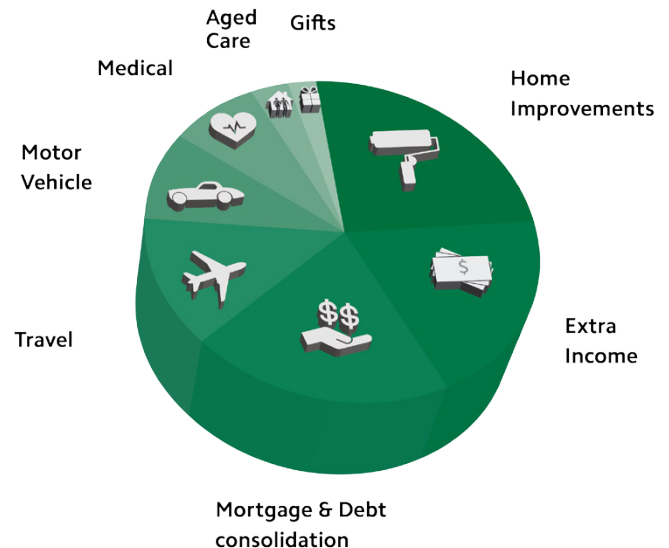
You continue to own and live in your home for as long as you wish, benefiting from any potential increase in property values. Making regular repayments is not necessary, although you are free to do so at any time.

The amount you can borrow is typically based on your age, property location and the value of your home. A Heartland Reverse Mortgage is designed to help you manage your financial requirements by accessing only what you need, as and when you need it.

What can I do with the money?

A Heartland Reverse Mortgage can be used for whatever you choose.

Many people use the loan to fund home repairs or improvements, repay debt, travel to visit family, pay for medical procedures, upgrade to a more reliable car, assist with in-home care, or a host of other uses to make life easier and more comfortable. Fundamentally, a Heartland Reverse Mortgage is designed to help you live a better retirement.



Though a Heartland loan can be used for any personal purpose, you should review carefully any proposal that involves borrowing to invest, and we strongly recommend you discuss any such proposal with a lawyer or financial adviser and your family.

You should contact Centrelink to discuss any impact borrowing may have on your pension or other government entitlements.

Who can apply?

Applications are subject to loan approval criteria, including location restrictions. Anyone aged 60 or over who owns their own home can apply for a Heartland Reverse Mortgage.

Partnering with Dementia Australia

As part of Heartland's commitment to seniors, we have partnered with Dementia Australia to support the great work that they do in raising Dementia awareness and promoting healthy ageing. For more information, go to www.dementia.org.au or call the national dementia hotline on 1800 100 500.



Our promises to you

At Heartland Seniors Finance, we recognise the trust that those taking out the Heartland Reverse Mortgage have placed in us. In return, and provided you meet your obligations under the loan*, we make the following promises:



PROMISE ONE – Lifetime Occupancy

Your home will remain the place you live in for as long as you choose.



PROMISE TWO – No Negative Equity Guarantee

The amount required to repay the loan will never exceed the net sale proceeds of the property.



PROMISE THREE – Loan Repayment

There is no requirement to make any loan repayment until the end of the loan.

“Our vision is to be Australia’s leading provider of funding solutions to seniors. To achieve this we aim to have the best product, best people and best process. This gives our customers peace of mind and enables them to live a more comfortable retirement.

If you have any questions about your specific situation, or would like further information, please give us a call on 1300 889 338. We are here to help you.”

Sharon Yardley
Head of Operations, Risk and Compliance

**Subject to complying with the terms and conditions of the Heartland Reverse Mortgage, you will not owe more than the net sale proceeds of your home and you can keep your home for as long as you choose.*



100% Committed to the Banking and Finance Oath

At Heartland Seniors Finance we are proud to help seniors live a better retirement, with independence and dignity, through our reverse mortgage. We have become 100% committed to The Banking and Finance Oath because of its alignment to our core values of excellence, integrity, trust, teamwork, respect and professionalism. We understand that each and every customer places their trust in us when we provide them with finance. All of our team are BFO signatories and are proud to uphold this trust through treating these customers in a fair and ethical manner.

Releasing equity with your Heartland Reverse Mortgage

Loan Drawdown Options

Heartland encourages you to only borrow what you need. Our reverse mortgage is designed to facilitate this by providing three flexible options to access the equity in your home when required, which can be used in combination:

1. Lump Sum

This is the initial advance made to you on settlement.

In addition, you may also have a Regular Advance or Cash Reserve facility made available on settlement.

2. Regular Advances

Our Regular Advance option enables you to complement your retirement income with a regular installment. This can be done monthly, quarterly or annually over 5 or 10 years and helps many of our customers live a better retirement.

3. Cash Reserve*

Our Cash Reserve facility enables you to put aside some funds for future needs, whether that be renovations, travel, health care, to take the stress out of bills or those unexpected expenses.

There is no interest charged on any amount of your facility that has not been drawn down. Fees and minimum drawdown amounts apply. Further information can be found on our Product Guide and Fee Schedule.

Property criteria

Your property must be residential, of conventional construction and in good repair. It must also meet our minimum property criteria, including valuation, size and location.

The property should be mortgage free, or if there is a mortgage outstanding, it must be repaid with your Heartland Reverse Mortgage.

**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”.*

Secondary Properties

A Heartland Reverse Mortgage is also available to be taken over an Investment Property or Holiday Home.

Aged Care Option

Heartland’s Aged Care Option is available for those residing in or moving into permanent long-term care. It has a maximum term of 5 years. Any customers who currently reside in and intend to stay in their home are not able to select this option.

How much can you borrow?

The following tables show the **maximum** percentage of your home’s value (as assessed by an independent valuer) that you can borrow at various ages. The percentage is based on the age of the youngest nominated borrower, and those noted below are examples.

Standard Reverse Mortgage

Age of youngest borrower	Maximum % of home’s value available*
60	15%
65	20%
70	25%
75	30%
80	35%
85	40%
90	45%

Aged Care Option

Age of youngest borrower	Maximum % of home’s value available*
60	20%
65	25%
70	30%
75	35%
80	40%
85	45%
90	50%

**Subject to lending criteria, property location and change. If the security property is an Investment Property or Holiday Home, the maximum amount available is reduced by 25%.*

Example of a Heartland Reverse Mortgage

We are often asked how a Heartland Reverse Mortgage adds up over time, and how much equity will remain in the property when the loan is due to be repaid. This depends on a number of factors including interest rate, house price growth and term of loan. We have therefore prepared the following example for a fictitious couple, for illustrative purposes only.

Let's use the example of Steve and Jenny.

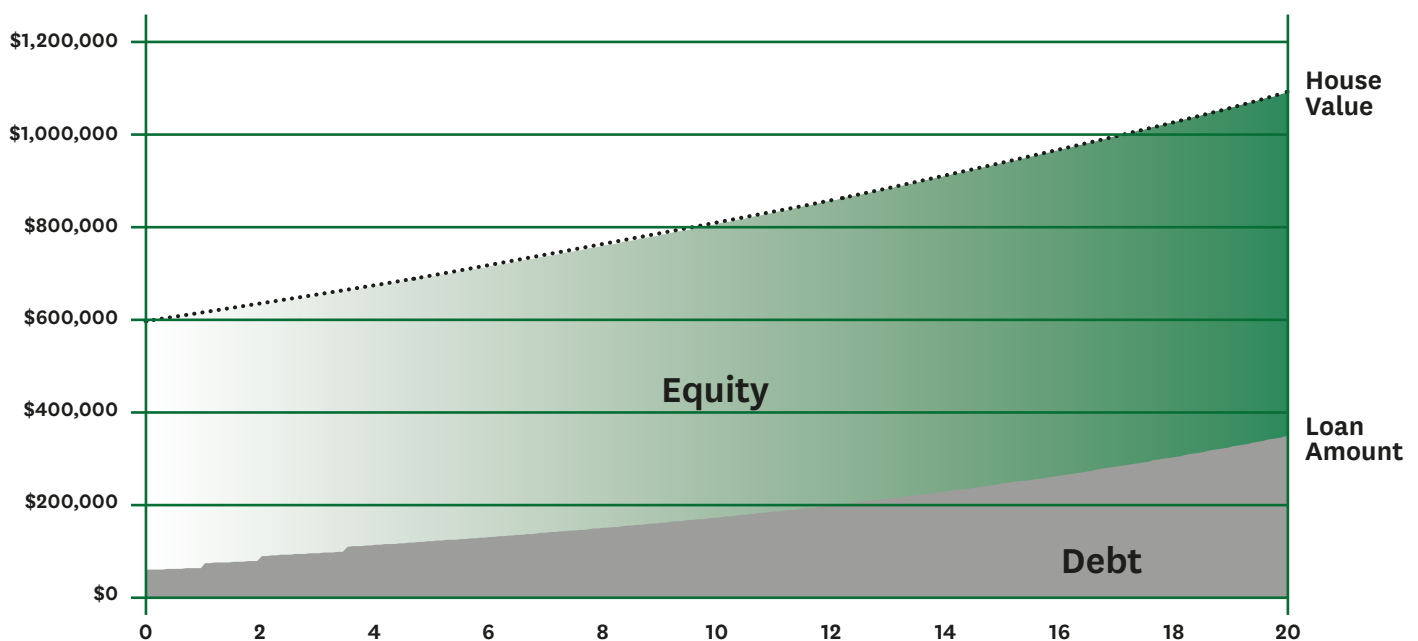
- Both are 70 years old
- Own a home we value at \$600,000
- Borrow \$60,000 as a lump sum to fund home improvements.
- A year later, they decide to draw \$10,000 more to upgrade their old car.
- Two years later, they choose to draw another \$10,000 for a family holiday with the grandkids
- In year 4, they choose to draw a further \$10,000 for Steve's hip operation.

The graph below shows what happens to Steve and Jenny's equity over time. As you can see, while the loan debt increases, so too does the value of their property, and the amount of equity increases as a result. In addition, they have had the benefit of the funds being released via a reverse mortgage to live a more comfortable retirement.

In dollar terms, Steve and Jenny will have more 'net equity' after 10 years than what they did before the loan – about 78% of the home value, and after 20 years, when they are both 90 years old, there would still be 68% remaining.

Remember, 20 years is simply an example. The Heartland Reverse Mortgage is designed to last as long as required, or until you move permanently from your home.

A member of our sales and service team can prepare a tailored calculation for you.



IMPORTANT: The example given is for illustrative purposes only and assumes a 7% interest rate and 3% property growth for the term of the loan, with no voluntary repayments made or additional fees charged. Interest rates are variable and may change from time to time. Current interest rates and fees can be found in Heartland's Fee Schedule. There is no assurance that property values will increase over time, and property values may also decline.

Heartland Seniors Finance Safeguards

As well as our three promises, there are a range of other features and protections we have put in place to help ensure you are comfortable with your decision to take out a Heartland Reverse Mortgage.

Heartland understands that each and every customer places their trust in us when we provide them with finance, and we take this duty of care seriously. During our application process, Heartland asks customers to consider their future needs, requirements and objectives. We also ensure that customers are making informed decisions, are encouraged to speak to family and advisers about finances. This is one of the reasons why independent legal advice is required.

Ownership of your home

You retain ownership of your home at all times, and continue to benefit from any increase in property value.

Equity Protection Option

Under the Equity Protection Option you may choose to protect a percentage of the eventual net sale proceeds of the property (10%, 20% or 50%).

When your loan is repaid, you or your estate are guaranteed to receive any chosen Equity Protection percentage.

For example: You choose to protect 20% of your home and the net sale proceeds when you sell are \$500,000. As long as you meet your obligations under the loan, the maximum that you or your estate would be required to pay us would be \$400,000, even if the loan balance on your loan was higher than this amount.

Loan approval, terms and conditions, fees and charges apply. Please be aware that by choosing the Equity Protection Option this will reduce the loan amount available by the percentage selected.

Independent legal advice

It is a requirement that you seek and receive independent legal advice on the loan agreement issued by Heartland from a solicitor of your choice.

Independent financial advice and family involvement

We strongly recommend that you first discuss with your financial adviser and family when considering a Heartland Reverse Mortgage.

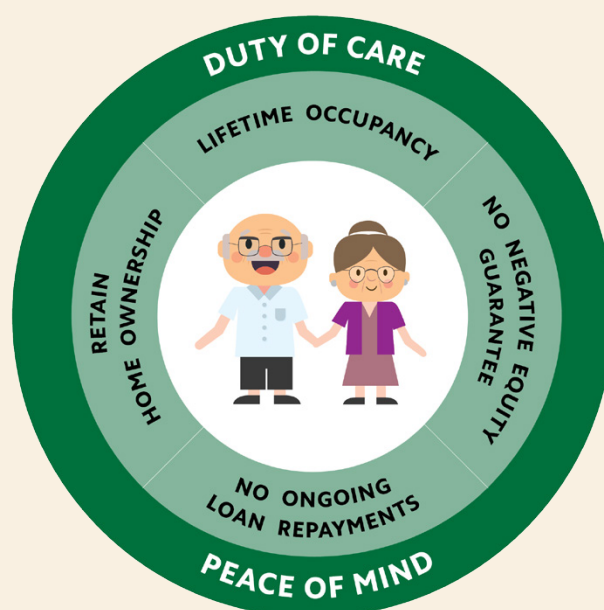
Other Occupiers

If you have a spouse or partner, they need to be party to the loan. This ensures they benefit from the promises and protections our loan offers.

Additional occupiers in your property, such as children or a carers, are permitted. However, they will be required to sign an acknowledgement confirming that they understand the Lifetime Occupancy Promise will not apply to them.

PROTECTION

provides peace of mind



Fees and legal requirements

Settlement and other fees

There will be fees applicable in setting up your Heartland Reverse Mortgage. Details of these can be found on our Fee Schedule and website www.seniorsfinance.com.au.

Other costs involved include Government charges and your own solicitor's legal work.

Legal work

Heartland Seniors Finance retains its own legal advisers, and you are not required to pay additional fees to cover Heartland Seniors Finance legal work.

To protect your interests, your own legal adviser should act for you. Your solicitor should advise you of their fees for completing the necessary legal work. You will be responsible for your own solicitor's fees, including the required independent legal advice.

Keeping track

To help you monitor your loan, we will send you a statement every six months detailing the transactions on your loan over the previous period, including interest and any applicable fees and charges.

Interest rates

Like any other loan, interest will be charged on your Heartland Reverse Mortgage. Interest will be charged at our applicable published variable interest rate and will be added to the amount you have borrowed to form the overall loan balance.

Interest is calculated on the daily balance, compounded and debited monthly to your loan account and repaid, together with the principal, at the end of the term of the loan. Being a variable interest rate, it is subject to change. Should the interest rate change, we will write to you, publish these changes on our website and also detail the new interest rate on your next statement.

Your obligations under the Loan

In order for us to keep our promises, you will have a number of legal obligations to us. These include continuing to live in and look after your home, making necessary repairs as required and protecting it from damage. You will also need to continue to pay your rates and adequately insure your property. If you do not meet your obligations under the loan, Heartland may be unable to honour our promises to you.



The Heartland Reverse Mortgage - Commonly asked questions

Will I still own my home?

Yes, you will always own your home and continue to live in it as you do now. Only when you move permanently from your home (or in the case of joint applicants, when both of you have moved permanently from your home) will the loan be repayable.

Heartland understands that some customers (who we call Nominated Borrowers) may not be the sole owners of the home they live in. In these circumstances Heartland Seniors Finance will need to be contacted to ensure the application can proceed.

How and when is my loan repaid?

With a Heartland Reverse Mortgage you do not need to make regular repayments. The total loan amount, including accumulated interest, is usually repayable when you move permanently from your home; this could occur when you sell your property, move into long-term care or pass away. The loan is usually repaid from the sale proceeds of your home, and the balance is then retained by you or your estate.

Although the Heartland Reverse Mortgage is designed to last for as long as you wish to keep your home, you may repay all or part of your loan at any time without penalty, providing you with flexibility.

Do I need to consider my future needs?

Yes. At Heartland we want you to make an informed decision, taking into consideration your future needs and objectives, as taking out a reverse mortgage may affect equity available later down the track. This includes considering aged care costs, and how you intend to pay for this, along with your desire to leave an inheritance.

You should also consider any other options which may be available, such as downsizing, to ensure a reverse mortgage is right for you.

Heartland assists you to do this as part of our thorough application process.

How do you value my home?

To allow us to establish the value of your home, and therefore calculate how much you could be eligible to borrow, we will need to assess the value and condition of the property. We will arrange for a registered valuer to visit your home to assess its value. A copy of this assessment will be provided to you.

Can I increase my loan amount?

When your Cash Reserve facility (if any) is fully drawn you can apply to increase your total loan amount. Increases are based on the age of the youngest person, the current property value and the total loan balance, at the time of application. Fees will apply and a new valuation of your home may be required. This will be confirmed at the time of application.

What if I move house?

If you move into another house, you can apply to transfer your Heartland Reverse Mortgage to your new home. If we agree to this loan transfer, fees will apply and will be added to your loan balance.

Can I rent out the security?

If the loan is initially taken out over your investment property you are able to rent out your home subject to the lease meeting Heartland's requirements.

If you wish to lease out your owner occupied home, please contact Heartland to discuss your situation. This is not always possible and is based on your specific circumstances and loan conditions.

IMPORTANT NOTICE: Every situation is different - this information has been prepared without taking into account your needs, objectives, or financial situation. If you are considering a reverse mortgage, we encourage you to understand how it may affect your personal circumstances - talk to friends and family, speak to professionals, and use the resources and tools Heartland has available. Loans are subject to loan approval criteria. Terms, conditions, fees and charges apply.

What's the next step?

If you'd like to know more, please call us any time. We will be able to answer any additional questions you may have.

Call us on 1300 889 338

Email: enquiries@seniorsfinance.com.au

Website: www.seniorsfinance.com.au

"I am very grateful you took on our loan issue. I would have been totally lost without you. No one was getting back to me at all, regardless of any paperwork sent in, except you.

*I can't express how amazing you have been.
You made a difference."*

October, 2017

Additional Information

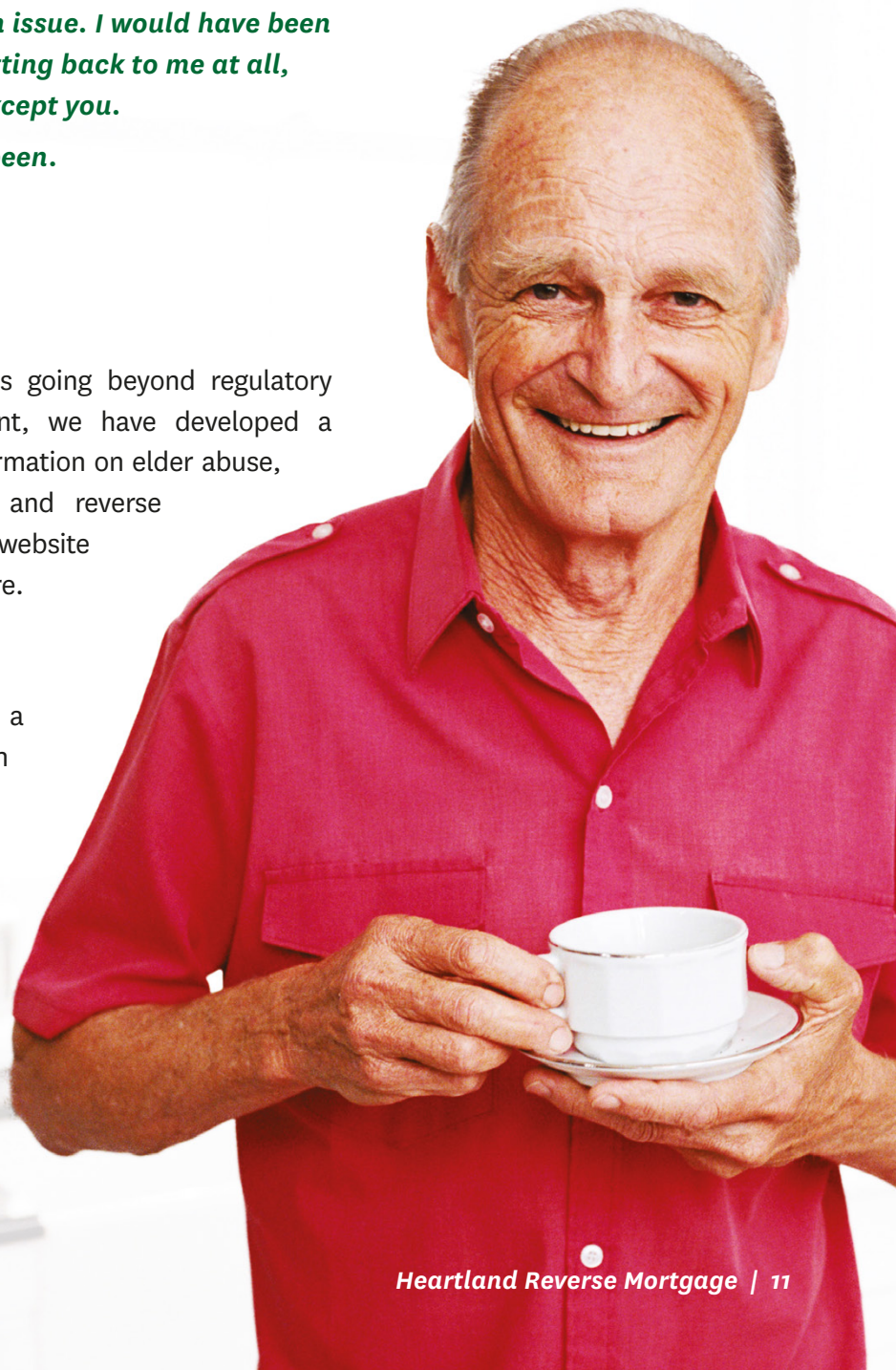
At Heartland we see our duty of care as going beyond regulatory compliance. As part of this commitment, we have developed a number of helpful resources including information on elder abuse, financial tools, future planning, gifting and reverse mortgage protections. Please go to our website www.seniorsfinance.com.au to find out more.

Compliments & Complaints

Heartland is proud to offer customers a high level of service, and your satisfaction is very important to us. If you wish to provide feedback, we encourage you to contact us.

In the first instance please get in touch with your usual point of contact. You can also contact our friendly team on 1300 889 338 or feedback@seniorsfinance.com.au.

We are here to help you.



HEARTLAND

— Seniors Finance —

Resources for more information
on reverse mortgage products:

**Australian Securities and
Investments Commission (ASIC)**

www.moneysmart.gov.au

Phone: 1300 300 630

Centrelink

www.humanservices.gov.au

Phone: 132 300

Aged Care

www.myagedcare.gov.au

Phone: 1800 200 422

Heartland Seniors Finance

www.seniorsfinance.com.au

Phone: 1300 889 338

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