IT’S A SIGN OF THE TIMES

REVERSE MORTGAGE

HEARTLAND Seniors Finance

NOT FOR SALE
If you want the financial freedom 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 in some detail exactly what the Heartland Reverse Mortgage is, how it works and how it could help you. Home equity release is a new idea for some, so if you need more information, please remember we are only a phone call away to answer any of your questions – simply call us on 1300 889 338.

At Heartland Seniors Finance, we pride ourselves on being the reverse mortgage specialist that helps keep you living in your own home.
How the 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.

The Heartland Reverse Mortgage enables you to use some of the money tied up in your home without having to sell it. You do that by taking out a loan secured against your home. 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.

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 depends on a number of factors, such as your age and the value of your home. The 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 is yours for you to do whatever you choose.

Many people use the funds to fund home repairs or improvements, travel to visit family members, pay for medical procedures, upgrade to a more reliable car or a host of other uses to make life easier and more comfortable.

Who can apply?
Anyone aged 60 or over who owns their own home can apply for a Heartland Reverse Mortgage.

The Heartland Reverse Mortgage is designed primarily to release funds to improve your quality of life. 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 to invest may have on your pension or other government entitlements.
The Heartland Seniors Finance promises

At Heartland Seniors Finance, we recognise the trust that those taking out a 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**  
You can remain in your home 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 term of the loan.

*Provided you observe 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 stay in your home for as long as you choose.

“It is important that you are completely happy with all aspects of your Heartland Reverse Mortgage.

To ensure this, your legal work must be carried out by a solicitor of your choice, who will represent your interests and work with you to explain and discuss your loan.

If you have any questions about your specific situation, or would like further information, simply give us a call on 1300 889 338.”

Julie Campbell  
Chief Executive Officer
Releasing equity with your Heartland Reverse Mortgage

Only you know how much money you may need at any given time. At Heartland Seniors Finance, we want to make sure that you are comfortable with whatever arrangements you make. Importantly you do not have to take your whole loan entitlement immediately. Our Cash Reserve facility is designed to make it quick and easy to draw further funds on your loan, as and when required.

When you set up your Reverse Mortgage, simply tell us how much you would like to draw down initially, and then how much you may need to borrow in the future. We will then give you the funds you need now, and establish a Cash Reserve facility to manage your future requirements. You then have the freedom to apply for further funds at any time, however there is no obligation to do so.

There is no interest charged on any amount of your Cash Reserve facility that has not been drawn down. However a Cash Reserve Drawdown Fee will be deducted from any drawdown that you apply for under this facility.

How much can you borrow?

The following table above shows the maximum percentage of your home’s value (as assessed by Heartland) that you can borrow at various ages. The percentage is based on the age of the youngest nominated resident and the ages are shown below as examples.

<table>
<thead>
<tr>
<th>Age of youngest borrower</th>
<th>Maximum % of home’s value available</th>
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<tbody>
<tr>
<td>60</td>
<td>15%</td>
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<td>65</td>
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<td>70</td>
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<td>75</td>
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<td>80</td>
<td>35%</td>
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<td>85</td>
<td>40%</td>
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<tr>
<td>90</td>
<td>45%</td>
</tr>
</tbody>
</table>

You should contact Centrelink to discuss any impact taking a Reverse Mortgage may have on your pension or other Government entitlements.

Minimum loan amount

A minimum loan amount of $10,000 applies.

Other property criteria

Your home must be your principal residence, and built using conventional construction. It must also meet our minimum property valuation criteria.

The property should be mortgage free, or if there is a mortgage outstanding, it must be repaid when the Heartland Reverse Mortgage begins. This can be done by using part of your new loan.

As security for your loan, Heartland Seniors Finance’s credit provider (ASF Custodians Pty Ltd ACN 106822780 / ACL 386781 or Seniors Finance Custodians Pty Ltd ACN 603141706 / ACL 476140) must be the first and only mortgage registered on your property.

This means you will be unable to take out another mortgage from another lender using your home as security, unless you first repay your Heartland Reverse Mortgage.
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. We have therefore prepared the following example for a fictitious couple, for illustrative purposes only.

When applying for their Heartland Reverse Mortgage, let’s assume the couple are:

- Aged 70 (female) and 73 (male)
- Own a home we value at $500,000.
- Applying for a loan of $50,000.
- The average interest rate during a 15 year loan period is assumed to be 8.5% per annum.
- The average property growth rate is assumed to be 3% per annum.

After 15 years, the graph below shows how the value of the home has increased. The grey area shows how much of that value will be used to repay the Heartland Reverse Mortgage.

The graph shows that under a property growth rate of 3% per annum, the value of the property at the end of the loan period exceeds the loan amount by approximately $600,000. It is important to note that this example is a general illustration only and individual experience will be different.

Remember, 15 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 customer service team can prepare a tailored calculation for you if required.

Please now consider whether the Reverse Mortgage is appropriate for you prior to making an application.

IMPORTANT: The example given is for illustrative purposes only and assumes a fixed interest rate of 8.5%p.a. compounded monthly, with no fees or charges applying and no repayments being made. The interest rate used is an example for illustrative purposes only, and is not intended to be indicative of the interest rate offered by Heartland Seniors Finance. Different interest rates may apply. Please contact Heartland Seniors Finance for current interest rates that apply. Lending criteria, terms and conditions, fees and charges apply. Different loan amounts, interest rates, terms and conditions, and fees and charges, will result in different repayment amounts. No assurance can be given that property values will increase, and property values may also decline. A comparison rate schedule is available from Heartland Seniors Finance on request.
Heartland Seniors Finance

Safeguards

To ensure you have adequate safeguards, and provided you meet your obligations under the loan, we will provide you with the following three promises:

**Lifetime Occupancy**
You have the right to live in your property for as long as you choose to do so.

**No Negative Equity Guarantee**
The Heartland Reverse Mortgage No Negative Equity guarantee protects you or your estate should the loan amount ever exceed the value of your home. This means that you, or your estate, will never have to pay back more than the net sale proceeds of your property even if the loan plus accumulated interest and costs exceeds this amount.

**Loan Repayment**
The Loan Repayment promise means there is no requirement to make any loan repayments until the end of the term of the loan, as long as you meet your obligations under this loan.

The Heartland Reverse Mortgage also offers a number of other safeguards to ensure you, your family and estate are protected. An overview of these safeguards follows. However, should you require further details, we are only a phone call away.

**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 your home (up to 50%).

When your loan is repaid, you or your estate is guaranteed to receive your 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.

**Independent legal advice**
It is a requirement that you seek and receive independent legal advice from a solicitor of your choice.

**Independent financial advice and family involvement**
We strongly recommend that you first discuss with your financial adviser and your family when considering a Heartland Reverse Mortgage.
Fees and legal requirements

Establishment and other fees
There will be charges in order to set up your Reverse Mortgage. All our fees, except the valuation fee, will be deducted from your initial drawdown. The valuation fee is payable on application.

Other fees involved in setting up your Reverse Mortgage are Government charges and your own solicitor’s costs.

The establishment fee applicable to further top-up loans can be added to your loan amount at settlement.

Details of fees can be found on the Reverse Mortgage Fact Sheet or on our website www.seniorsfinance.com.au

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 will advise you of their fees for completing the necessary legal work. You will be responsible for your own solicitor’s fees.

Interest rates
Like any other loan, interest will be charged on your Heartland Reverse Mortgage. Interest will be charged at our applicable published variable market rate (approximately 1.5% to 2% over the standard variable mortgage rates published by the major banks) and will be added to the amount you have borrowed to form the overall loan balance which will change daily.

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

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.

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 Seniors Finance may be unable to honour its 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. You can stay in your home as long as you wish and continue to benefit from any capital growth.

Can I rent out my home?
Once you have a Heartland Reverse Mortgage you may be able to apply to Heartland to rent out your home with our prior approval. Terms, conditions and fees may apply.

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 your home. 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. You will need to pay for the cost of this valuation, which will depend on the location and value of your property. Contact us for further details of this valuation cost.

How and when is my loan repaid?
With a Heartland Reverse Mortgage you do not need to make regular repayments. The value of your Heartland Reverse Mortgage, plus interest, is only due to be repaid when you move permanently from your home - usually when the property is sold, the last nominated resident moves into long-term care or passes 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 Heartland Reverse Mortgage at any time without penalty, providing you with flexibility to manage your finances in the way that suits you best.

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. A Further Advance Fee will apply and a review of the value of your home may be required. This will be confirmed at the time of application.

Property ownership
Some customers (who we call Nominated Residents) 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.

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.

IMPORTANT NOTICE: This Information has been prepared without taking account of the objectives, financial situation or needs of any particular individual. For this reason, any individual should, before acting on this information, consider the appropriateness of the information having regard to their individual objectives, financial situation and needs and, if necessary, seek appropriate professional, financial and taxation advice.
What if I have a concern, complaint, or want to provide feedback?

Heartland Seniors Finance is proud to offer customers a high level of service, and your satisfaction is very important to us. If you wish to raise a concern or complaint about our service, or offer feedback, we encourage you to contact us.

- In the first instance, please get in touch with your usual point of contact
- Email us at feedback@seniorsfinance.com.au
- Call us on 1300 889 338 and ask to speak with a member of the Customer Service team.

Heartland Seniors Finance will ensure your complaint is investigated promptly.

If a solution can’t be found or you are dissatisfied with the outcome, you can contact our approved dispute resolution scheme, the Financial Ombudsman, an independent party who helps resolve complaints. This service is free of charge. You can contact the Financial Ombudsman at:

**Financial Ombudsman Service**  
GPO Box 3, MELBOURNE VIC 3001  
**Phone** 1300 780 808

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
Resources for more information on Equity Release/Reverse Mortgage Products:

ASIC – Australian Securities and Investments Commission  
Website: www.moneysmart.gov.au  
Phone: 1300 300 630

Centrelink  
Website: www.centrelink.gov.au  
Phone: 132 300