

Advantage

News from Heartland Seniors Finance – Helping Australians live a better retirement

What's inside?



Heartland Reverse Mortgage provides picture perfect retirement 02



Property boom remains strong 02



Power play: how to cut your electricity bill 03



Heartland commits to protecting customers 03



Pig out on these savoury biscuits this winter 04

Above and Beyond

There has been considerable coverage recently on the conduct of banks and financial services providers, or more accurately – their misconduct

Given the nature of our business, the team at Heartland places a huge emphasis on a duty of care for our customers. While reverse mortgages are arguably one of the most heavily regulated consumer finance products in Australia (which we support), our duty of care goes beyond our legal requirements and extends to things like doing everything we can to prevent and detect elder financial abuse. It is part of our culture – the way we do things.

This is one of the reasons why in 2017 we decided we would commit to The Banking and Finance Oath, one of just ten entities, to have all staff commit to the oath and be “100% committed”. The premise of the oath is that trust is the foundation of financial services and that ‘my word is my bond’ – something we wholeheartedly support. You can read more about this on our website.

We were extremely pleased and proud to see this customer focus come through in the results of the survey we included in our last newsletter. The responses were a great endorsement of what we do - read below.

To have a sustainable, long-term business it is critical to have a strong purpose as a foundation. Our purpose is to *help Australian's live a better retirement*, and this is something we focus on every day.

I hope you enjoy the articles in this edition of Advantage. If you have any questions or feedback please feel free to contact us on 1300 889 338.

Best regards,

Andrew Ford -
Chief Executive Officer



Heartland gets tick of approval

We are immensely proud of customer survey

In the last edition of *Advantage*, we included a customer feedback survey. The results show that customers overwhelmingly recommended Heartland, with 96% of respondents saying they would recommend its services to friends and family! Additionally, 94% said they would also recommend taking out a reverse mortgage.

Heartland's Marketing Manager Sharon Yardley said the results help to illustrate how reverse mortgages genuinely help Australian seniors in retirement.

“Our focus is to help retirees live a better and more comfortable life, with independence and dignity,” said Mrs Yardley. “Reverse mortgages give retirees the ability to remain living in their homes and release equity at the same time, rather than downsizing, which often forces a move away from friends and family.”

Home improvements was the most common

use (52%) of funds among those who took the survey. When we asked about the most important benefits of a reverse mortgage, peace of mind was the top response, followed by having no regular repayments and being able to continue living in the family home. Being near services (57%) and community (42%) were the most significant factors influencing people's decisions to remain in their homes.

Mrs Yardley added that it was a great pleasure to read the anecdotes shared by customers in the survey. These included:

“Once the loan was approved, I felt a great relief and felt I could breathe calmly again.”

“This loan has enabled us to remain in our home and continue to be useful members of our small community.”

“Heartland Reverse Mortgage provided us extra income to supplement our pension, allowing for a good lifestyle.”

IMPORTANT: Every effort has been made to ensure the accuracy of this newsletter. It is provided on the basis that the items are necessarily generalised and are not a substitute for commercial judgement or professional advice. Readers are urged: 1. to seek specific advice on any particular matter from a qualified professional person; and 2. not rely solely on this text.

HEARTLAND
— Seniors Finance —

Proud
supporter of



Walking in the footsteps of Greats

Our aim at Heartland Seniors Finance is to help Australian retirees live a more comfortable retirement, with independence and dignity. As such, we are privileged to regularly see first-hand what a difference we make to the lives of our customers

Down on the Mornington Peninsula, an hour south of Melbourne, Joyce* has lived in her family home of 40 years. She's watched her children grow, the community evolve and expand and wouldn't trade that home and the memories for anything.

But Joyce, like a growing number of senior Australians, entered retirement with a modest mortgage. Making the repayments with the Age Pension as her only source of income was becoming more and more challenging, especially alongside general increases in living costs, particularly utilities and council rates.

Joyce also had some unexpected medical expenses and required an operation to maintain her mobility. This also meant that she needed to do some alterations to her home to stay independent.

Joyce's bank gave her an ultimatum: sell her home to downsize and repay her mortgage debt, or find another way to repay the loan.

Joyce turned to the internet to find out what other options she had and discovered Heartland Seniors Finance. After consultation, we were able to consolidate her debt, providing funds for the alterations, and now she's planning her dream holiday.

Travelling to Europe has always been on her bucket list, but she didn't think she'd ever get there.

"I'm going to Amsterdam for the tulips at the end of April, then Paris, London, Rome and Florence," said Joyce. "I can't believe I will finally be able to see Monet's Garden, Michelangelo's David and the Sistine Chapel, and walk in the footsteps of Van Gogh, Rembrandt, Vermeer, Monet, Renoir and Cezanne."

In the space of a month, Joyce has gone from fearing she was going to lose her home to enjoying greater peace of mind and preparing for the trip of a lifetime.

**Real customer, but name changed for privacy.*

Property market moderates

Where prices have cooled, perspective is needed

The May CoreLogic home value index reported that national dwelling values have fallen 0.4% in the last year – the first annual decline since 2012¹.

It is important to note that there is not one property market in Australia, and even within cities there are numerous markets. At a high level, capital cities are down 1.1% in the last year, while regional locations have increased 2.2%. Sydney (-4.2%), Perth (-1.8%) and Darwin (-7.9%) are the only capitals with negative growth, while Hobart had the highest growth at 12.7%¹.

These numbers need to be taken in to perspective – for instance, while the Sydney market is down in the last year, it remains up 88.9% since the beginning of 2009².

The chart below shows that Australia's residential property portfolio was worth \$7.6 trillion in June, up from \$7 trillion at the same time last year. This is three times the value of all the money held in superannuation, and over four times the value of the share market³.

WEALTH DOESN'T EQUAL CASH

Despite superannuation being compulsory since 1992, around 80% of Australians entering retirement receive at least a part Age Pension. These statistics outline the growing number of senior Australians who are unable to fund what is considered a 'comfortable retirement'.

However, there are a number of ways in which people can release the equity held within their homes, such as downsizing, selling a portion of their property, or taking out a reverse mortgage.

Heartland is proud to have helped more than 15,000 Australian seniors enjoy a better retirement through our reverse mortgage.

Whether renovating, exploring the world, or just taking the stress out of everyday expenses, a Heartland reverse mortgage can help provide peace of mind in retirement.

HOME IS MORE THAN AN INVESTMENT

At Heartland, we are very aware that our customers' homes are more than investments, a home can be a place full of memories, providing a connection to family and community, giving security and independence. Whilst changes in property values are interesting, they are not particularly relevant in the short term compared to the importance of the family home.

Whether you are an existing customer and have questions about your loan, or are looking at reverse mortgages for the first time, please feel free to contact our friendly team on **1300 889 338** or **enquiries@seniorsfinance.com.au**. We are here to help you.

¹ CoreLogic Hedonic Home Value Index, May 2018 Results

² CoreLogic Leaders Forum Melbourne June 2018

³ CoreLogic Housing Market and Economic Update - June 2018

Residential Real Estate Underpins Australia's Wealth



Protection provides peace of mind

Not a lot of people are aware, but reverse mortgages are arguably one of the most heavily regulated consumer finance products in Australia

The treatment of senior Australians featured as one of the early discussion points of the 2018 Royal Commission into the Banking and Finance Sector. As Australia's leading reverse mortgage provider, Heartland is proud to go beyond regulatory compliance to ensure our customers make an informed decision and are well protected. Steps we take include:

1. Independent Legal Advice

Receiving independent legal advice is a mandatory part of the reverse mortgage application process. This ensures customers make an informed decision and acting of their own free will.

2. Family Involvement

Family discussion is a key part of the process in taking out a reverse mortgage. We actively encourage it and require customers to confirm this as part of the application process.

3. Loan Projection

To assist you in making an informed decision, the Australian Securities and Investments Commission (ASIC) have developed a calculator that illustrates the amount of equity that will remain after taking a reverse mortgage under different scenarios. Heartland provides a copy of this calculation to all customers, and you can also go to ASIC's Money Smart website, under Calculators & Resources, to complete one for yourself. If you get stuck, you can have one of our team can complete a tailored calculation for you.

4. Heartland's Promises

Our promises are designed to provide customers with peace of mind to live a more comfortable retirement with independence and dignity. Provided you meet your obligations under the loan, we make the following promises:

- **Lifetime occupancy** - your home will remain the place you live in for as long as you choose.
- **No negative equity guarantee** - the amount required to repay the loan will never exceed the net sale proceeds of the property.
- **Loan repayment** - there is no requirement to make any loan repayment until the end of the loan, however, you are free to make payments at any time.

5. Equity Protection

Heartland also offers customers the ability to protect a portion of their equity with our Equity Protection Option. This means that even if the amount owed is more than the net sale proceeds, you're guaranteed to receive that amount when the loan is repaid.

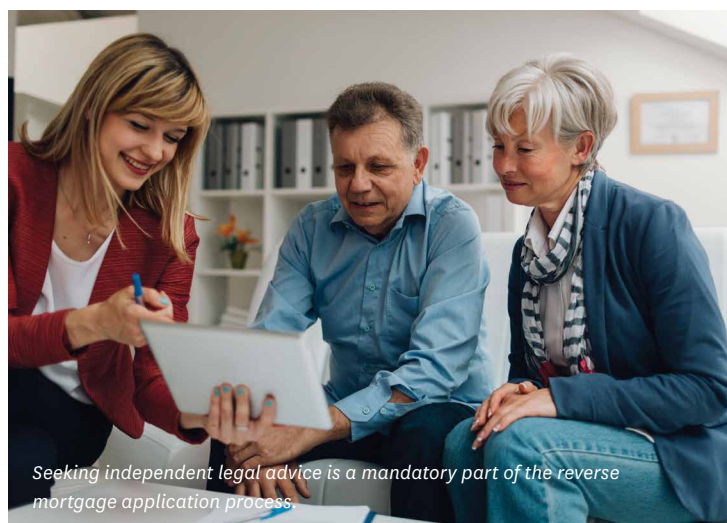
6. Independent Financial Advice

We recommend customers discuss their requirements and objectives with a financial adviser and, in some cases, make this mandatory. Customers are also encouraged to speak with Centrelink to ensure there is no impact on government entitlements.

7. Future Need Consideration

Another important aspect when deciding to take out a reverse mortgage is thinking about future needs. This includes ongoing living expenses, aged care costs, medical expenses and plans to leave funds to beneficiaries.

Finally, bringing all this together is the duty of care Heartland has for our customers. We take our obligations and the trust customers have placed in us seriously, and because of this Heartland is 100% committed to the Banking and Finance Oath - more details regarding this commitment can be found on our website.



Seeking independent legal advice is a mandatory part of the reverse mortgage application process.

Energy Efficiency Tips

With the cost of energy continuing to increase, it literally pays to be energy efficient

Here are some handy tips, some of which can also add value to your home:

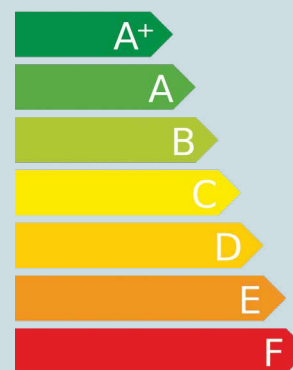
Utility Bills:

- Review your existing plan to ensure it is right for you.
- Negotiate with your existing provider (they want your business!).
- See if they can offer a prompt payment or direct debit discount.
- Many offer instalment plans, or bill smoothing, which are great options to avoid irregular, big bills.

- There are energy comparison sites that can help you get a better deal – www.energymadeeasy.gov.au is an independent government website that can help you get started.

Heartland's Reverse Mortgage also has a Regular Advance option, which could help supplement your income and assist with bills.

This is a monthly, quarterly or annual payment over five or ten years.





Hayden's Nan's Bacon, Cheese & Onion Biscuits

Ingredients

- 2 cups flour
- 1 tablespoon baking powder
- 1 teaspoon onion powder
- 1 teaspoon paprika
- 1 teaspoon salt
- 1 cup milk
- 1/2 cup butter, melted
- 8 pieces bacon, cooked until crispy, chopped
- 1 cup grated cheddar cheese
- 1 egg

Hayden from our Marketing team has shared one of his Nan's recipes - which make for a great savoury treat in the cold winter months. Stored in an airtight container, they should last for several days.

Makes: 24 cookies

Prep time: 20 mins

Cooking time: Approx 20 mins

Tip:

If you're not sure if they're done, insert a toothpick in the centre of a biscuit - if it comes out clean they're ready to eat. Careful, though, they'll be hot!

1. Preheat oven to 220°C.
2. In a large bowl, mix the flour, baking powder, salt, paprika, and onion powder.
3. Make a well in the centre of the mix and add the milk, butter, chopped bacon and cheese. Mix gently with a wooden spoon. Don't worry if the dough is wet and sticky - it's meant to be!
4. Using a 1/4 cup measure or ice cream scoop, portion the batter onto a non-stick baking sheet. Leave 2cm or so around each biscuit.
5. In a small bowl, beat the egg with a splash of water and then brush this mixture on the top of each biscuit.
6. Bake in the oven for around 20 minutes or until the biscuits are golden brown.

Refer a friend & you both win

We were so thrilled to hear that 96% of those who completed our latest survey would recommend Heartland to friends and family that we've decided to run a special promotion to reward you, our valuable customers!

For the rest of 2018, if you refer a friend to us and they apply for a reverse mortgage, you will both receive a \$50 Coles Myer Gift Voucher. For each prize we give away, we will also donate \$50 to Dementia Australia, a charity that Heartland Seniors Finance is proud to partner with.

Out of respect to you and your friend's privacy, we will ask them to

contact us. They should mention our referral campaign and provide their details, along with your name.

Once they have applied, you will be sent the voucher, but we will not disclose any details about who it relates to or their application. We simply consider this a token to thank you for helping us to assist more Australian seniors live a better retirement!

The winners of the Facebook competition featured in the last edition of Advantage were C Jones, M Croft, C Culpepper, C Welsh, R Howard, A & K Morden, A Darcy, M & M Ward, N Gillard, T & P Eastwood. Congratulations to you all!

Contact us

Office Level 9, 63 Exhibition Street, Melbourne, Vic, 3000

Phone 1300 889 338 Website www.seniorsfinance.com.au Email enquiries@seniorsfinance.com.au

HEARTLAND
— Seniors Finance —

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. Please note the information set out in this newsletter may change from time to time. Please retain for future reference.

Australian Credit Licence Numbers:

Australian Seniors Finance Pty Ltd - 386760 (ACN 108 875 636) / ASF Custodians Pty Ltd - 386781 (ACN 106 822 780)