

Seniors Equity Loan

Unlock the value of your home and
enjoy the lifestyle you want sooner.

Your home is a valuable asset.
With the Seniors Equity Loan, you
can free up some of that value and
use it to achieve some of the things
you want today, such as a new car,
holiday, or supplementing your
regular income to help you live more
comfortably – all while you remain
in the comfort of your own home.

Are you eligible?

To be eligible for the Seniors Equity Loan you will need to:

- Be at least 60 years of age
- Own or nearly own your home in South Australia*
- Owner occupy the property

If you still have some existing debt on your home loan,
you can use the Seniors Equity Loan to pay it off.

How does it work?

The Seniors Equity Loan is a reverse mortgage that allows you to borrow money using the equity in your home as security. As with a personal loan or a credit card, you can get access to funds as you need them or as a single lump sum. Interest is charged like any other loan, except you don't have to make repayments while you live in your home – the interest compounds over time and is added to your loan balance.

Loan features

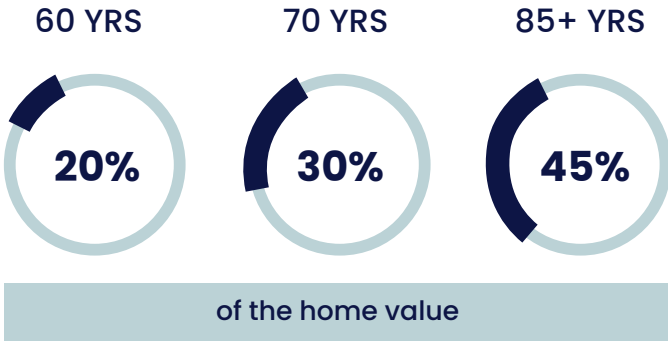
- Available to borrowers 60 years and over
- Low start-up costs
- No scheduled repayments or annual fees
- Never owe more than home value

Interest rate

Loan interest will be charged at HomeStart's Seniors Equity variable rate. Fixed and split interest rates are not available on this loan.

How much can I borrow?

How much you can borrow depends on the value of your home and your age – the older you are, the more you can borrow.



No scheduled repayments

There are no monthly repayments to your Seniors Equity Loan. You can choose to make voluntary repayments at any time (minimum of \$100 per month) or defer repaying the loan until the house is sold or the last co-borrower moves out or passes away.

No negative equity guarantee

This means you'll never owe more than the adjusted market value of your home (provided you have not at any time engaged in fraud or made a misrepresentation relating to the loan).

No tenancy protection provision

The Seniors Equity Loan contract does not contain a 'tenancy protection provision'. This means that a person who is not party to the loan will not be able to remain in the property when the property ceases to be occupied by the borrower/s.

Insurance, fees and charges

You are required to maintain an insurance policy covering the value of the building on your property. If you choose to redraw funds instead of receiving a lump sum, you may be charged redraw fees. For more information, visit homestart.com.au.

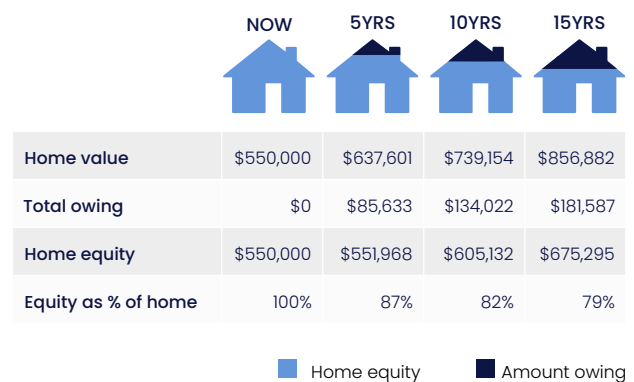
Is it the right choice?

To make sure the Seniors Equity Loan is a good choice for you, we suggest you discuss your options with your family and seek independent financial and/or legal advice about your situation. If you receive benefits from Centrelink, contact them to discuss your options, as your pension may be affected by a reverse mortgage. Visit government website moneysmart.gov.au to learn more about reverse mortgages.

How it helped Beth and John

As an example, meet Beth and John. They are 70 and 72 years old and own their home worth \$550,000. They receive a combined pension of \$1,258 per fortnight. They use the Seniors Equity Loan to access \$10,000 to upgrade their old car, which is no longer reliable. A year later they draw \$15,000 for a hip replacement for Beth, 2 years later they draw \$45,000 for home improvements. Four years later they draw another \$15,000 and take their children and grandchildren on an overseas family holiday

How this looks for Beth and John overtime



Disclaimer: The example given above is for illustrative purposes only and assumes a property value increase of 3% p.a. and a fixed interest rate of 6.09% 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, please contact HomeStart Finance for current interest rates. No assurances can be given that the property values will increase, property values may also decline.

Contact us

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homestart.com.au

HomeStart

Government of South Australia