

ENJOY THE
RETIREMENT
YOU DESERVE

**REVERSE
MORTGAGE**

A photograph of an elderly couple standing in front of a house. The woman is on the left, wearing a pink jacket, and the man is on the right, wearing a blue shirt. They are both smiling. The man has his arm around the woman's shoulder. They are holding a large wooden sign that says "NOT FOR SALE" in green letters. The background shows a house with a white door and a green lawn with some plants.

**NOT FOR
SALE**

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 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 a 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 1800 781 551. We are here to help you.

We pride ourselves on being the Reverse Mortgage specialist that helps you live a better retirement.



How a Reverse Mortgage works

What is a 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 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 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.

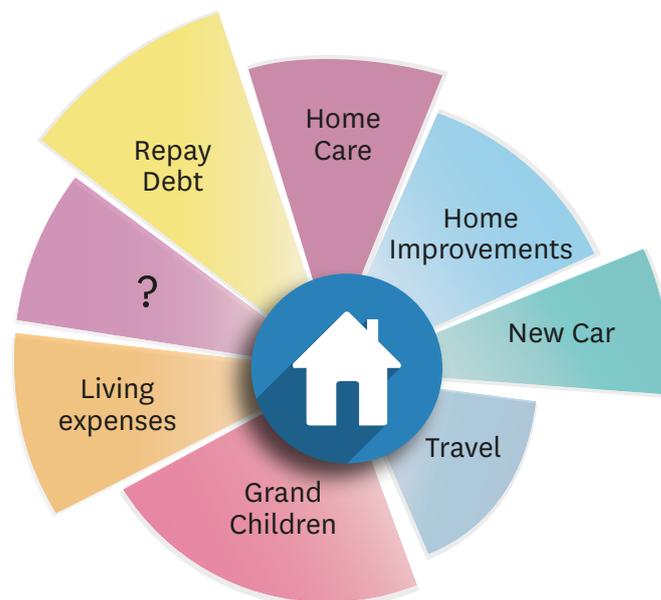
The amount you can borrow is typically based on your age, property location and the value of your home. A Reverse Mortgage is designed to help you manage your financial requirements by accessing only what you need, as and when you need it.

What can I do with the money?

A Reverse Mortgage is yours for you to do whatever you choose.

Many people use the loan to fund home repairs or improvements, repay debt, travel to visit family members, 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 Reverse Mortgage is designed to help you live a better retirement.

A 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 may have on your pension or other government entitlements.

Who can apply?

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

Secondary Properties

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

Aged Care Option

The 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 should not consider or select this option.

Releasing equity with your Reverse Mortgage

Loan Drawdown Options

Only you know how much money you may need at any given time.

We offer three options to access your loan with Heartland that 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 advance. 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

The property must be residential, of conventional construction and in good repair. 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 with your 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".*

How much can you borrow?

The following table above shows 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 the ages are shown below as 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 Reverse Mortgage

We are often asked how a 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.

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

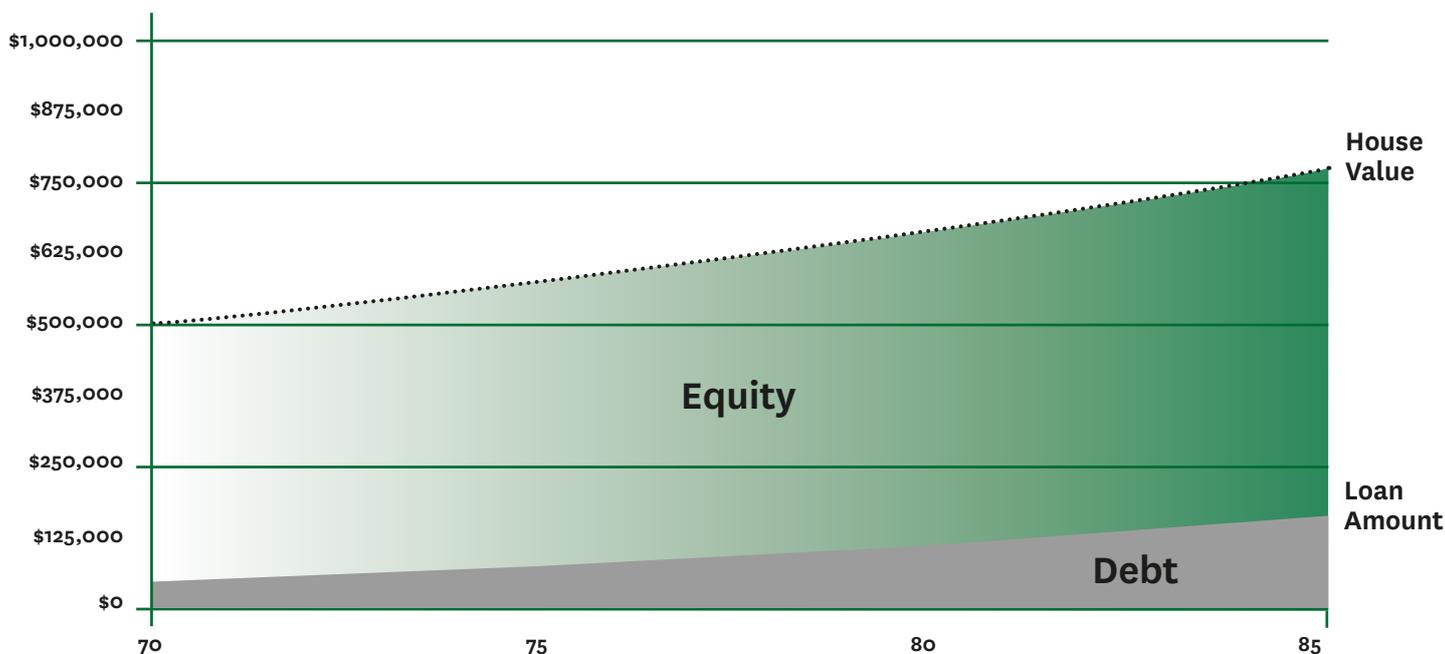
- Aged **70 (female) and 73 (male)**
- Own a home we value at **\$500,000**.
- Drawing a loan of \$50,000.
- The average interest rate during a 15 year loan period is assumed to be 7.5% per annum.
- The average property growth rate is assumed to be 3% per annum.

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 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 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 if required.



IMPORTANT: The example given is for illustrative purposes only and assumes a fixed interest rate of 7.5%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. 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.

The 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 an y capital growth.

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.

How and when is my loan repaid?

With a 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 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.

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.

Property ownership

Some customers (who we call Nominated Borrowers) may not be the sole owners of the home they live in. In these circumstances our provider 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 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 our provider's requirements.

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

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'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 1800 781 551

Email: info@starlighthomeloans.com.au

Website: www.starlighthomeloans.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