



The Complete Communicator

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Reverse Mortgages in Canada- Good or Bad? You Might Be Surprised

Do you know there is only 1 reverse mortgage provider in all of Canada?

Do you know they became a schedule 1 bank in late 2009?

Do you know how much the program has evolved and improved?

With nearly 30% of the Canadian Population in retirement, and with over half of those retired still carrying debt, the Canadian Home Income Plan, provided by HomEquity Bank, is becoming a go-to solution for many senior homeowners. It is supported and encouraged by mortgage brokers, all major banks, many credit unions, numerous lawyers, financial planners, and more.

Why are there more people using and referring a reverse mortgage in Canada today than ever before in 29 years of business?

- Many senior homeowners have equity in their home, but have limited monthly income
- Traditional lending guidelines are strict, and many don't have the income or credit to qualify
- The funds are completely tax free, helping to maximize tax efficiency and government supplements
- CHIP is simply a mortgage for homeowners age 55+ where making payments is optional and approval is easy
- Clients can access up to 50% of the value of their home in tax free cash, depending on their age and property type/location
- The money doesn't have to be taken all at once. Simply advance funds as needed, and never worry about making a mortgage payment
- HomEquity Bank is paid back the principal and unpaid interest when the last applicant has left the home or they have sold
- Set up fees consist of only an appraisal and legal fees. There are no hidden or annual/renewal costs that keep adding to the balance
- Most current rates are between 3.95% and 5.49% depending on the term chosen



**THIS NEWSLETTER
COMPLIMENTS OF
TERRY MOORE**

Verico Complete Mortgage Services

Phone: 250 215-2862
Email: mortgages@terrymoore.ca
Web: <http://terrymoore.ca/>



It is the highest form of a compliment to be recommended. My mortgage business comes from many sources. But referrals from you rank at the top of my list.

Please remember to pass my name along to anyone that may benefit from my knowledge and expertise.

- Clients are guaranteed never to owe more than the fair market value of the home at the time it is sold
- Over time, the housing market tends to appreciate, and in most cases it has gone up in value as much or more than the CHIP balance has climbed, leaving lots of equity.

If you or maybe your parents are age 55+ and have equity in a house, townhouse, or condo, but are just finding things a little tight, or need access to a lump sum of money, CHIP might be the right solution.

Uses for CHIP:

Pay off your mortgage and get rid of the payment* *Debt Consolidation* *Access funds to renovate or travel* *Access monthly cash flow to help cover expenses* *Help Children* *Estate Planning* *Investment* *Unexpected Life Events* *Pay for in-home care costs

Or just to live a better retirement

To learn more, please give me a call or email.

(Source: C Hoepfner, HomEquity Bank)

Banks cut prime lending rates after Bank of Canada slashes benchmark rate to 0.5%

Canada's big banks have all cut their prime lending rates following the announcement that the central bank had lowered its benchmark interest rate to 0.5 per cent.

It was the second time this year the Bank of Canada had dropped the rate to stimulate the economy, after holding the rate steady for about four years.

The central bank's rate influences the rates that commercial banks offer because it affects their cost of borrowing. Although they're not obligated to, banks tend to pass on the savings or the costs.

TD Bank announced within minutes of the Bank of Canada's decision that it will cut its prime lending rate to 2.75 per cent, starting Thursday.

But TD's cut was initially only 10 basis points lower than it had been, not a 25-point cut that the central bank announced. TD had pocketed a similar amount when the central bank cut its rate by 25 points in January, passing on only 15 basis points to its customers.

Later in the day, however, Royal Bank, the Bank of Montreal, CIBC and Scotiabank all announced they were decreasing their prime lending rates by 15 basis points to 2.7 per cent from 2.85 per cent, effective July 16.



If you would like to travel but wanting to save money, "Homestay" and "Homeswap" programs are good alternatives to consider as it will help reduce cost when travelling.

TD eventually followed suit, matching the other banks at 2.7 per cent.

Economist Todd Hirsch with ATB Financial says the rate cut will be of limited help in Alberta.

The Canadian dollar fell more than a cent to in reaction to the news, reaching the lowest level seen since 2009, when Canada was in a recession. The loonie closed at 77.40 cents to the U.S. dollar. All things being equal, rate cuts normally drive currencies lower because they make the country's economy less attractive to foreign investors.

"The bank's estimate of growth in Canada in 2015 has been marked down considerably from its April projection," the bank said in a statement announcing the news Wednesday.

"Real GDP is now projected to have contracted modestly in the first half of the year," the bank said, which is its way of saying it expects the Canadian economy to have shrunk in the first half of 2015 — the technical definition of a recession.

'Optimists have been quite simply wrong this year.' - Doug Porter, BMO economist

The bank is now forecasting a rebound later in the year, but a small one: 1.1 per cent growth in GDP for all of 2015. As recently as April, the bank was expecting 1.9 per cent growth this year.

BMO economist Doug Porter said the central bank's policy statement Wednesday is a much bleaker view on the economy than other recent ones.

"We believe they are too downbeat on second-half prospects, but admittedly optimists have been quite simply wrong this year," Porter said.

ANALYSIS: Should Stephen Poloz be more worried about the economy?

The bank's new rate — also known as the "target for the overnight rate" — is a 25 basis-point reduction from its previous 0.75 per cent level.

Before the Bank of Canada cut the rate to 0.75 in January, it had been at one percent since late 2010.

(Source: <http://www.cbc.ca/news/business/banks-cut-prime-lending-rates-after-bank-of-canada-slashes-benchmark-rate-to-0-5-1.3152673>)

KEY OVERNIGHT INTEREST RATE

A look at the Bank of Canada's trend-setting overnight rate:



Five Tips for Smart Back to School Shopping

Start your back-to-school shopping with a game plan. Even if your child's teacher hasn't provided a list of school supplies, you can't go wrong by sticking with the basics and taking advantage of back-to-school sales. Here's how:

Make a list and get your child involved.

Use the recommended or required supplies from your child's school or teacher as a starting point. If you don't have a list yet, check with parents at your school who have older kids. They might have good advice about what is required in your child's grade. Sit down with your child and go over your list together. You'll be teaching your child how to get organized, a skill that applies to more than shopping.

Separate wants from needs.

Most school supplies don't go out of style, and your child will happily use the unsharpened pencils his older sister didn't use. But as any parent with last year's superhero notebook knows, beware the power of trends. Rather than getting into an argument with your older child about whether a backpack with headphones is essential because "everybody is getting one," try setting a budget for supplies. It will help your child set priorities, learn how to manage money, and start saving his allowance for the items your budget won't allow.

Take inventory.

Sort through last year's supplies to see what is left over or can be reused. (Having trouble finding last year's stuff? Resolve to set up a place to keep your school supplies together this year.)

Start early and look for bargains throughout the summer.

The best bargains are often available at back-to-school sales. Keeping your supply list in your car or purse or on your PDA will help you shop for supplies as you do your other errands.

Buy basics in bulk.

You know you'll need paper, pencils, glue stick and notebooks. Dollar stores, warehouse stores and even eBay sources for buying these and other basics in bulk. You and a group of other parents might be able to negotiate a group discount from an office supply store.

Then set up a supply shelf or storage container in your home that you can use all year long. You'll be able to avoid late-night shopping trips to buy notebook paper when you run out. And you'll know where to find unused notebooks and pencils when it comes time to shop for back-to-school supplies next year.

(Source: GreatSchools Staff / www.greatschools.net)



Watch for promotions. Hang on to flyers and ads that advertise supplies at a particular price. If the store where you're shopping charges more, ask the sales clerks to match its competitor. Some stores that don't offer price matching will still do it.

*The best strategy for
back-to-school
shopping? Get
organize, stock up on
the basics, and look
for sales and
promotions.*
