



## Living Inheritance: Meet David (And His Adult Children)



### Client Profile

<b>Homeowner:</b>	Male Age 74   Widow
<b>Location:</b>	Richmond Hill, Ontario
<b>Home Value:</b>	\$1,400,000
<b>Home Type:</b>	Single, Detached
<b>Registered Investments:</b>	\$700,000
<b>Down Payment Needed:</b>	\$200,000
<b>Equalization Payment Needed:</b>	\$200,000
<b>Qualifying CHIP Reverse Mortgage Amount:</b>	\$528,500



### Situation

- David, a recent widow aged 74, is financially secure and is now considering ways to financially help his two adult children in their 40s by providing living inheritance benefits to them
- David's daughter has recently separated and is struggling financially as the sole provider to his grandchild. She identified a modest \$600,000 condominium to purchase but needs help with the initial \$200,000 downpayment
- A gift to David's daughter for a downpayment, for fairness, will require an equalization payment to his son, who equally shares in David's eventual estate
- For tax purposes, David is hesitant to cash in investments too early, which may, in turn, jeopardize his retirement lifestyle





## Traditional Options Available to David



### Option 1:

Deplete investments early.

- ⚠️ Large tax hit
- ⚠️ Drains David's financial nest egg



### Option 2:

Sell the existing home and downsize.

- ⚠️ Emotionally and financially exhausting
- ⚠️ Market dependent



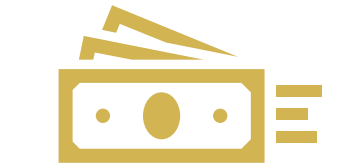
### Option 3:

Seek conventional credit financing.

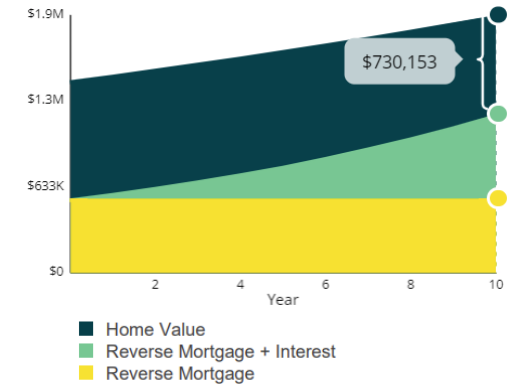
- ⚠️ No guarantee on qualification
- ⚠️ Regular payments required

## CHIP-Enabled Plan

### Option 4: CHIP Reverse Mortgage



CHIP Reverse Mortgage  
by HomeEquity Bank



Up to **\$528,500** with a CHIP Reverse Mortgage plan.

- ✓ No payments required
- ✓ Preservation of investment portfolio
- ✓ Tax-free cash
- ✓ \$730K+ of home equity remaining after 10 years