FAQ

A reverse mortgage from Bank is a smart way for Canadians 55+ to access the equity they've accumulated in their home as tax-free cash. Despite the fact that reverse mortgages have been in Canada since 1986, there is still a lot of misunderstanding.

1 Will the homeowner owe more than the house is worth?

The homeowner keeps all the equity remaining in the home. In our many years of experience, over 99% of homeowners have money left over when their loan is repaid.

The equity remaining depends on the amount borrowed, the value of the home, and the amount of time that's passed since the reverse mortgage was taken out.

2 Will the bank own the home?

No. The homeowner retains title and maintains ownership of the home. It's required for the homeowner to live in the home, pay taxes on time, have home insurance, and maintain the property in good condition.

3 What if the homeowner has an existing mortgage?

For clients that have an existing mortgage, the first step we will take is to pay off your conventional mortgage along with any other secured debt.

4 Should reverse mortgages only be considered as a loan of last resort?

No. Many financial professionals recommend a reverse mortgage to supplement monthly income instead of selling and downsizing, or taking out a conventional mortgage or a line of credit.

5 What fees are associated with a reverse mortgage?

There are one time fees to arrange a reverse mortgage such as an appraisal fee, fee for independent legal advice as well as our fee for administration, title insurance, and registration. With the exception of the appraisal fee, these fees are paid for with the funding dollars.

6 What if the homeowner can't afford payments?

There are no monthly payments required as long as the homeowner is living in the home.

Some restrictions apply.