








CHIP Reverse Mortgage vs HELOC vs Downsizing

Many solutions are available to help homeowners meet their retirement income needs by leveraging the equity they've built in their homes. However, finding the right solution is essential. Here, we explore three potential solutions – the **CHIP Reverse Mortgage** by HomeEquity Bank, a Home Equity Line of Credit (**HELOC**), and **downsizing** – each offering distinct advantages.

	 CHIPReverseMortgage™ 	 HELOC	 DOWNSIZING
Key Summary	Stay in the home, age in place and skip the need to make payments.	Stay in the home, access high borrowing power, competitive interest rates and complete flexibility to pay off HELOC at anytime.	Access the equity built in the current home, tax-free, to transition to the next place of residence, suited to the next stage of life.
Stay or Sell?	 Stay	 Stay	 Move to New Home
Borrowing Power	Up to 55% of equity in home	Up to 80% of equity in home	TBD - Difference between selling and buying
Income Requirements	No	Yes	TBD
Current Interest Rates	6.99%*	7.70%*	N/A
Ongoing obligations	<ul style="list-style-type: none"> • Maintain and upkeep the home • Property taxes, home insurance 	<ul style="list-style-type: none"> • Maintain and upkeep the home • Service ongoing debt payments (\$\$) 	<ul style="list-style-type: none"> • Dependent upon new residence (ex. pay rent, cover convo fees)
Often Overlooked Factors	<ul style="list-style-type: none"> • When the reverse mortgage is paid off, including interest owed, it is paid with pre-tax dollars • Continue to benefit from home appreciation 	<ul style="list-style-type: none"> • Continue to benefit from home appreciation 	<ul style="list-style-type: none"> • Costs expand beyond selling (ex. moving fees) • Emotional turmoil (ex. leaving neighbourhood) • Potential new challenges to navigate (ex. having a landlord)
Best for?	<ul style="list-style-type: none"> • Those that want to stay and age in place, but cashflow is an issue 	<ul style="list-style-type: none"> • Those that want to stay and age in place, but cashflow is not an issue 	<ul style="list-style-type: none"> • Those that are not concerned about aging in place, and are receptive to moving and changing situation

*Interest rates subject to change.

Whether choosing to age in place or sell and downsize, choosing the right solution to support retirement income needs is a significant decision that requires careful consideration.

Contact me anytime to discuss the options above and plan a path forward.