



HomEquity Bank Survey Reveals Majority of Canadians Intend to Stay in Their Home After Retirement

Toronto, ON – August 10, 2011 – HomEquity Bank, provider of CHIP Home Income Plan, Canada’s leading reverse mortgage solution, today announced the findings of a national Ipsos Reid survey regarding Canadian’s sentiments towards retirement and their financial stability. The survey, polling 1,054 Canadians aged 45 to 60, concluded that 61 per cent of retired Canadians intend to stay in their current home as long as possible after retirement. The figure was substantially higher (78%) for respondents that were already retired.

The survey also found that the average Canadian is eager to retire by the age of 61, but nearly half (48 per cent) do not feel as though they are financially prepared for a satisfactory retirement. Of the 61 per cent of overall respondents (retired and still working) who indicated they would like to keep their current homes throughout their retirement, 36 per cent indicated they would consider leveraging their home equity to make it possible.

Debt is a major factor affecting the financial stability and retirement plans of Canadians; 45 per cent of retired respondents carried debt into their retirement. Among this group, 28 per cent of respondents cited a mortgage as their primary source of debt, while 23 per cent had a line of credit and 16 per cent had high-interest credit cards as their main source of debt.

Similarly, roughly half (49 per cent) of respondents who have not yet retired expect to carry debt into their retirement, including a mortgage (19 per cent), line of credit (19 per cent) and credit card debt (24 per cent).

“There is an obvious disconnect between the ideal retirement goals of Canadian seniors and their current financial position,” said Greg Bandler, Senior Vice President, HomEquity Bank. “Debt may be a major factor affecting retirement plans, but responsibly leveraging home equity can allow Canadian seniors to improve cash flow and eliminate high-interest debt, while maintaining ownership of their family home. In this way, homeowners can turn their home into a liquid asset that contributes to their financial plan.”

Regionally speaking, of all respondents both currently retired and not yet retired, Atlantic Canadians (76 per cent) are the most likely to want to stay in their home during retirement, followed by those living in Saskatchewan and Manitoba (73 per cent), Ontario (62 per cent), Alberta (61 per cent), Quebec (56 per cent) and British Columbia (50 per cent).

In June, HomEquity Bank lowered the eligibility age of its flagship product, CHIP Home Income Plan, from 60 to 55. By lowering the eligibility age to 55, HomEquity Bank is positioned to help Canadian seniors better coordinate their retirement plans by making it possible to access equity in their homes to enjoy retirement on their terms.

Now in its 25th year of business operations, HomEquity Bank is the only national provider of reverse mortgages in Canada. Reverse mortgages are offered to Canadian homeowners under the CHIP Home Income Plan label and have no income, credit or health qualifications. Unlike traditional loans, borrowers don't have to service the interest or repay the principal for as long as they own their home and are living in it.

About HomEquity Bank

HomEquity Bank is a Schedule I Canadian Bank and a wholly-owned subsidiary of HOMEQ Corporation (HOMEQ). HOMEQ's shares trade on the Toronto Stock Exchange under the symbol HEQ.

HOMEQ's wholly owned subsidiary HomEquity Bank is the only national provider of reverse mortgages to homeowners aged 55 and over, Canada's fastest growing demographic segment. HomEquity Bank originates and administers Canada's largest portfolio of reverse mortgages under the CHIP Home Income Plan brand. As of June 30, 2011, the mortgage portfolio comprised approximately 8,500 reverse mortgages with an accrued value of \$1.1 billion, secured by residential properties across Canada worth approximately \$3.0 billion. HomEquity Bank has been the main underwriter of reverse mortgages in Canada since its predecessor, Canadian Home Income Plan, pioneered the concept in 1986.

For more information about HomEquity Bank, please visit www.homeequitybank.ca. Additional information on HOMEQ Corporation, including annual and quarterly reports can be viewed at www.homeq.ca.

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