



## FACT SHEET – Homesafe Wealth Release

**Homesafe Wealth Release**® enables older Australians to access the equity built up in their home – debt free. Homeowners receive a lump sum cash amount up front in exchange for selling an agreed share of the future sale proceeds of their home to Homesafe. **Homesafe Wealth Release**® is available to older Homeowners who live in Sydney and Melbourne, subject to the following criteria:

Eligibility Criteria		Other Information
<b>Age of Homeowner(s)</b>	At least 60 years of age in Victoria, or at least 55 years of age in New South Wales (where at least one Homeowner in NSW is at least 60 years of age), at the date of Contract with Homesafe	The cash amount available and the calculated Sale Interest are dependent on the age and gender of the Homeowners
<b>Eligible Postcodes</b>	Homes within eligible postcode areas	Homesafe is currently available in approximately 90% of metropolitan Melbourne and Sydney postcodes
<b>Eligible Property Type</b>	Homes which are principally free-standing, or if a Unit or Strata property, where there are no more than 4 dwellings on the Title Plan	Semi-detached homes are reviewed on a case by case basis. Apartments are currently ineligible.
<b>Principal Place of Residence</b>	The home is the principal place of residence for at least one Homeowner at the time of transaction	Investment properties are ineligible
<b>Ownership on Title</b>	Where all permanent residents in the home are shown as property owners (or have an interest) on the Certificate of Title	Persons residing can be added to Title at time of transaction
<b>Land Value Component</b>	The land value of the property is 60% or greater of the total market value of the home	As determined by an Independent Homesafe Panel Valuer
<b>Clear Title</b>	Homeowners with no debt on their Title or where all existing mortgages can be discharged before, or at the time Homesafe contracts with Homeowners.	Second registered mortgages not permitted.

How does Homesafe Wealth Release work?	
<b>Why is Homesafe not a loan?</b>	Homesafe Wealth Release is <b>debt-free</b> as it is a <i>part-sale of the future sale price of a home</i> . There is no capitalising interest as there is no interest rate applicable, and the transaction occurs using a Contract of Sale.
<b>Does a Homeowner sell a share of their home to Homesafe?</b>	<b>No.</b> Homesafe does <b>not</b> <i>buy a part of the home</i> . Homesafe is offering to pay the Homeowner a cash sum today so that it may be entitled to receive a share of the <i>future sale proceeds of the home</i> when it eventually sells.
<b>If a Homeowner receives 40% of the value of their home today, does that mean they are selling Homesafe 40% of the future value of their home?</b>	<b>No,</b> as Homesafe is buying a share of the sale proceeds when the home is eventually sold and Homesafe does not know today when the sale will occur or for what price, Homesafe makes certain assumptions about when a sale may take place and protects the Homeowners entitlements until then. The "Sale Interest" is not the same as the percentage of their home value today which is paid in cash.
<b>When a Homeowner sells their home, is that when Homesafe receives the share they have purchased?</b>	<b>Not necessarily,</b> as that depends on <u>when</u> the home is sold and <u>for what price</u> . Under the Homesafe Contract the Homeowner may be entitled to an Early Sale Rebate which will reduce the share of the sale price to be received by Homesafe, if the home is sold earlier than when Homesafe initially assumed.
<b>When a home is sold, can Homesafe receive more than the share of the future sale proceeds sold?</b>	<b>No.</b> Homesafe is not entitled to any more of the sale proceeds than what the Homeowner has sold. The share not sold to Homesafe is always protected.
What is involved with a Homesafe transaction?	
<b>How much can a Homeowner access in cash from Homesafe Wealth Release?</b>	That depends on the age and gender of the Homeowners. Currently, as a guide, a single Homeowner can access the following: Age 60 = 24%+ of value of home today Age 70 = 31%+ of value of home today Age 80 = 40%+ of value of home today Age 90 = 47%+ of value of home today  <i>NB In the above examples, the Homeowner has sold 65% of the future sale price, therefore they still own a minimum of 35% of the sale proceeds of their home.</i>
<b>What is the minimum and maximum cash a Homeowner can receive from Homesafe?</b>	This will depend on their age, gender and the confirmed value of their home. The minimum amount they can receive from Homesafe is \$25,000. The maximum amount available is \$1,000,000 however this must not equate to selling more than 65% of the future sale proceeds of their home.
<b>Do Homeowners need to obtain legal advice?</b>	It is a requirement for all Homesafe Customers to engage an independent legal representative to assist with the Homesafe Contract and they will liaise with our Solicitors when it comes time to transact.

<b>Do Homeowners need to obtain financial advice?</b>	It is not a requirement for a Homeowner to seek financial advice before transacting with Homesafe, however we encourage customers to speak with an advisor if they have questions about the impacts and benefits regarding the amount of cash received from Homesafe.
<b>What fees and charges apply and are there ongoing fees?</b>	The initial transaction will incur a once off fee of \$1,790 (which may be more depending on the value of the home). There are no ongoing fees or charges with a Homesafe Contract.
<b>What is the Early Sale Rebate &amp; the Excess Proceeds Rebate?</b>	The Early Sale Rebate may be available under the Homesafe Contract when a home is sold earlier than anticipated. As Homesafe has assumed a long-term transaction with the customer, and has calculated its Sale Interest accordingly, if this does not eventuate, the Homesafe share of sale proceeds may be reduced given the early sale. The Excess Proceeds Rebate may be available if the home is sold for a sale price which is significantly higher than market rates or expectations.
<b>What happens after transacting with Homesafe?</b>	
<b>Does the Homeowner remain the legal owner of their home?</b>	<b>Yes</b> , - the customer remains the legal owner of their home and their ownership rights do not change. Homesafe will register a Mortgage on the Title so when they sell their home, Homesafe is guaranteed to receive its share of the sale proceeds at that time.
<b>Is the Homeowner required to undertake property maintenance to their home once they have transacted with Homesafe?</b>	<b>No</b> - there is no requirement for a Homeowner to undertake regular maintenance to their home.
<b>Why will the home be valued?</b>	In order to progress an enquiry and in order for Homesafe to calculate a share of the future value of the home, a Valuation is required to confirm the value today. No other Valuations are required to be undertaken while the Homesafe Contract is in place, until the end when a Homeowner decides to sell.
<b>How many times can a Homeowner transact with Homesafe?</b>	A customer can release wealth from their home as many times as they like so long as the total share of the future sale proceeds sold to Homesafe does not exceed 65% and each subsequent transaction is for an amount no less than \$10,000.
<b>What happens if their spouse or the Customer passes away?</b>	This will not affect the Homesafe transaction if both of parties were listed on the Contract.
<b>Can a Homeowner buy-back the share of the future sale proceeds sold to Homesafe?</b>	<b>Yes</b> – a Homeowner can elect to terminate the Homesafe Contract at any time. By doing so they are no longer providing Homesafe with an entitlement to the sale proceeds of their home, so a different discharge calculation may apply.
<b>What happens when a Homeowner is ready to sell their home?</b>	When a Homeowner decides to sell their home, they would contact Homesafe who can assist with the process to bring the Homesafe Contract to an end.

## HOMESAFE WEALTH RELEASE – TRANSACTION PROCESS

### INITIAL ELIGIBILITY CHECK

Visit our website [www.homesafe.com.au](http://www.homesafe.com.au) or contact our Customer Contact Centre who can assist with any initial questions and will ask for additional information to confirm if a Homeowner is initially eligible for Homesafe Wealth Release.

### OBLIGATION-FREE MEETING WITH A HOMESAFE CONSULTANT

Our Customer Contact Centre will organise an appointment for the Homeowner with a Homesafe Consultant to meet at a convenient time at the home. The Homesafe Consultant can answer further questions and provide the Homeowner with some initial figures to assist their understanding as to how Homesafe Wealth Release can assist them.

### VALUATION

When ready to proceed, the Homesafe Consultant will provide the Homeowner with the necessary documents to get the enquiry underway. A Valuation will be organised with a Homesafe Panel Valuer who will provide an indicative market value of the home today. This figure is for the purposes of determining the future Sale Interest and the homeowner will receive a copy of the Valuation Report.

### FORMAL OFFER

Once a Valuation is completed, Homesafe can then undertake a more detailed review and provide the homeowner with a Formal Offer in relation to their enquiry. The Formal Offer will reflect the amount of cash they are looking to receive and the equivalent share of the future sale proceeds Homesafe will purchase in exchange.

### ACCEPTANCE AND LEGAL PROCESS

Once the homeowner has accepted the Formal Offer, they will then engage their Solicitor to assist. Homesafe will forward their Solicitor the information they need to get started and our Solicitors will provide more documentation for review. Our Solicitors will liaise to ensure all the documents are completed including arranging for any existing mortgages to be discharged if necessary.

### TRANSACTION COMPLETES (EXCHANGE OF CONTRACTS)

Once all the required documents are signed, we arrange for an 'Exchange Date' where a copy of the Contract is provided to the homeowner's Solicitor and one to our Solicitor, and their Solicitor provides the Certificate of Title for their home, in exchange for receiving a Bank Cheque from Homesafe for the agreed cash amount.