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Leveraging Equity in Residential Property to provide Retirement Income

Practice Notes

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Research conducted by:

University of Lethbridge

These Practice Notes include information that financial planners can apply to their own practices and their interactions with clients.

Having greater awareness of HERS products and better understanding about how clients perceive using their home equity as a retirement income-generating asset will help financial planners make holistic recommendations which are more likely to fit client needs. Ultimately, if a recommendation doesn't satisfy a client's priorities, it may lead to challenges in the implementation stage and the planner's advice may be abandoned.

In addition to identifying a knowledge gap between homeowners and financial planners, the research concludes that bias is at play for both planners and their clients. This is not surprising as bias affects everyone. That said, since financial planners are held to high standards of professional responsibility, it is important to be aware of the potential impacts of bias to help ensure that the advice and recommendations planners provide are the most appropriate for their clients.

It's important to understand that Canadians are generally willing to access home equity to fund their retirement income, especially for covering the costs for care, nursing, or support services.

If the will is present but actual usage of HERS indicates otherwise, where is the disconnect?

Canadians were asked to select which HERS they are familiar with. Almost three quarters of participants are familiar with reverse mortgages, 72% with HELOC, 29% with the sell and downsize option, 8% with sell and lease back, and 5% with taking out a mortgage (for retirement income). Based on the results, Canadians are least familiar with selling and leasing back from the buyer or using a mortgage as an option to provide income during retirement. Given that Canadians are very familiar with reverse mortgages and HELOC, it may be that these products are well-marketed by providers with the result that perceived knowledge about these products appears high. In addition, although not an equity release option of focus, renting a portion of their home for income is very familiar to Canadians surveyed.

Despite having familiarity, the research finds that the number one reason that homeowners do not consider home equity release products to fund retirement is a lack of knowledge.

Recall that, of the survey responses from Canadians, almost half reported they currently have a financial planner. The researchers tested the financial literacy of financial planners with respect to HERS and found that, generally, planners are knowledgeable about how these strategies work and the technical rules that apply.

For example, the research reports:

- over 80% of financial planners surveyed are familiar with the HERS options presented, except for sell and rent where just 68% of financial planners reported being familiar with this option. The option they are most familiar with is HELOC (98%), followed by sell and downsize (94%), followed by refinancing the existing home (92%).
- although not in the top three for familiarity, the large majority of financial planners surveyed were able to select the correct answer for eight of nine financial literacy questions dealing with reverse mortgages.
- the same high level of technical knowledge applies for both “sell and rent” and “sell and downsize” strategies, both of which appear in the top three ranking of familiarity.
- HELOC and second-mortgage[1] strategies are slight outliers in that the literacy score was notably lower than the percentage of financial planners who self-reported a “high” or “extremely high” level of knowledge on these strategies despite both options ranking high for familiarity.

If half of Canadians surveyed are working with a financial planner and the literacy level of those financial planners is moderate to high, other factors must be impacting the fact that homeowners report lacking knowledge in these strategies.

To uncover these other factors, the researchers also examine how financial planners perceive the value of HERS, including the degree of risk involved relative to other approaches, and how the complexity of the product might affect their likelihood to recommend an equity release strategy.

Reverse Mortgage – 30% of financial planners “strongly disagree” to “somewhat disagree” that a reverse mortgage is a positive tool to improve retirement income compared to 42% of those who “strongly agree” to “somewhat agree” (28% were neutral). Just over half of the planners surveyed (52%) believe that the reverse mortgage option is not complicated to explain to the client. Only approximately 20% “strongly agree” to “somewhat agree” that the option is complicated to explain. This finding is not consistent with the result from the homeowner survey in which half of Canadians surveyed view a reverse mortgage as a complex product. In addition to complexity, financial planners cited a perceived riskiness of reverse mortgage as influencing whether they might recommend a reverse mortgage to their clients.

HELOC – most financial planners view this option as a positive tool to improve their client's retirement security and income. Only approximately one-third of the financial planners view HELOC as harmful, risky, too complicated to explain, or too costly, with the result that they are less likely to recommend this as an option to fund retirement income. However, of the majority group who feel the option is a positive tool, only approximately one-third of them believe that their clients want to use this option. This is inconsistent with results from homeowners which show Canadians are very familiar with HELOCs, and it is the second choice of likely options used to fund retirement income.

Second Mortgage or Refinancing – most of the planners agree that this option is a positive tool to improve retirement income. In terms of whether a traditional mortgage strategy is harmful, the results are not clear. Of planners surveyed, 40% "agree" or "strongly agree" that it is harmful but 31% "somewhat" or "strongly disagree." Similar findings are observed for cost and risk where approximately one-third of planners feel these factors are not obstacles to using the strategy whereas another one-third do (with the remainder being neutral). The majority of planners agree that this option is not too complicated to explain to clients. However, many planners believe that their clients do not want to use a traditional mortgage to produce retirement income.

Sell and Downsize – financial planners seem to agree that sell and downsize is a positive tool to improve retirement security and income. Planners also agree that costs, potential harm, and riskiness as well as product complexity are not major impediments when utilizing the sell-and-downsize option to fund retirement income. Over 75% of planners agree that the option is not too risky for clients to use and even more (84%) agree that the option is not too complicated to explain to clients. Both these results are consistent with findings in the homeowner's portion of the survey.

Sell and Rent or Lease Back – most financial planners agree that the sell and rent option is a positive tool to improve clients' retirement security and income (with about one-third being neutral). Almost half of planners agree the option is not harmful to Canadians with one-third again being neutral. It is less clear if there is agreement that costs and complexity make the option difficult to explain to clients or to recommend, but a majority "agree" or "strongly agree" that clients are unwilling to use this option to fund retirement, and this is consistent with the consumer survey results.

In summary, financial planners appear to be very familiar with the various options available to leverage home equity to fund retirement income. Most of the sampled planners (69% rated 7–10) appear to be very comfortable in providing advice on utilizing home equity to fund retirement income.

Sell and downsize and HELOC are the most popular options to leverage home equity selected by both financial planners and Canadian homeowners. Consistent with the theoretical and empirical literature (including outside of Canada), factors such as risk and emotional attachment to the home emerged as important factors when selecting home equity release options. Surprisingly, bequest motives and costs are ranked at the bottom of the scale in terms of importance.

It stands to reason that financial planners have the knowledge and resources to provide Canadians with the knowledge about HERS that they report they are lacking, and which is reducing the utilization of these options. However, planners are reluctant to discuss certain options based on their complexity, risk or potential for harm, or costs associated with implementing the strategy. But the research also shows that planners may be avoiding discussing HERS due to the perception that their client will not be receptive. This is an important distinction.

Are Canadians that work with a financial planner more or less likely to use HERS?

Not surprisingly, the report confirms that Canadians working with a financial planner are better prepared for retirement as fewer are likely to exhaust all savings during retirement. The researchers find that 48% of Canadians working with a financial planner would consider using a home equity release product compared to 42% of consumers without a financial planner. Overall, 63% of Canadians agree or somewhat agree that home equity release products would be more appealing if they are recommended by a financial planner. The results are aligned with participants' perception that financial planner's knowledge of these products is very high.

However, looking a little deeper, the report finds that retired individuals are less likely to discuss home equity products with their financial advisor (43%) compared to individuals who have not yet retired. Only 28% of retired individuals have had discussions with their financial planner regarding using home equity to fund retirement.

The researchers then tested how financial planners rank various options to meet a need for extra income during retirement, including options other than home equity release options. Financial planners selected "sell investments" (53%) as the number one option to provide extra income during retirement. This is followed by "sell home and move into a smaller home" (downsizing) (20%), HELOC (13%), and other options (5%). Surprisingly, a reverse mortgage strategy is ranked sixth out of eight choices.

It is important to note that selling investments often has greater tax implications (capital gains) compared to a reverse mortgage strategy. However, a reverse mortgage does have various costs such as interest costs, home appraisal fees, legal fees, and potential prepayment penalties compared to selling investments. Similarly, options like a HELOC, selling and renting, selling, and downsizing, and traditional mortgages all have several costs and potential risks relative to selling investments. The costs of the various options versus the benefits can potentially explain why selling investments is ranked highly by financial planners.

As a result of perceptions held by financial planners, including believing that their clients will not be receptive to such strategies, emotionally charged homeowners—coupled with the complexity and costs associated with equity release schemes—avoid tapping into home equity to fund retirement. Canadians are most likely to utilize their savings, sell and downsize, and sell investments to generate retirement income. Recommendations made by financial planners are closely aligned with their client's perceived solutions. For example, most financial planners recommend selling financial investments to fund planned or unplanned expenses. The clients also prefer tapping into financial investment accounts for these funding needs.

Human Behaviour and Bias

Another key focus of the research is how human behaviour and biases may be impacting the use of HERS from both the homeowner's and financial planner's perspectives.

Homeowners

Emotional Attachment

Overall, participants tend to view their home as providing a sense of belonging, safety, and comfort. Intuitively, residing in a house for a long period is likely to result in strong emotional attachment to that home. However, the majority of homeowners reported that they had lived in their home for 15 years or less. This implies some degree of emotional attachment will exist, but perhaps not as strong as might be generally perceived.

Another indicator of emotional attachment might be how likely a client is to want to stay in their home during retirement. The survey reveals that fewer than half of homeowners report they are likely to stay in the home where they are currently living.

Passing the family home to children or heirs is an alternative indication of strong attachment to one's home. The results on this point are consistent, with a relatively even split between those who would like to pass on their property to their children and those who are not likely to do so.

Overall, it appears that only approximately 35%–40% of homeowners have a strong emotional attachment to their home. A similar number of survey participants appear not to be strongly emotionally attached to their home and these individuals are likely to utilize equity in their home to fund retirement income if the need arises.

Mental Accounting

Mental accounting is a well-known behavioral bias where there is a tendency to mentally categorize financial assets into separate "accounts," and then assign the various accounts to specific purposes. The research survey asks homeowners to indicate their agreement with the statement, "I view my house as a separate asset from my retirement assets." Approximately 66% of participants displayed mental accounting behavioral bias—that is, accounting for the residential property as a separate asset from their retirement portfolio. For homeowners that work with a financial planner, an even higher percentage (76%) displayed this bias.

Recency Bias

Recency bias causes too much emphasis to be placed on the importance of recent experiences or newly learned information when trying to estimate future events. It is also called availability bias and can cause decision-making to be emotionally weighted on recent events rather than rational outcomes. The survey asks participants to indicate their agreement that house prices will continue to increase regardless of underlying economic conditions. Approximately 67% of participants displayed recency bias and agreed. In addition, 79% of participants working with a financial planner displayed recency bias.

Overall, it appears that working with a financial planner might increase behavioral bias among Canadians.

Financial Planners

Everyone has unconscious biases and uses heuristics to make decisions. Financial planners are not an exception. It is important however, that planners maintain vigilance to understand which biases might arise in their work and how those biases might impact their decisions.

The researchers were able to uncover a number of key biases affecting financial planners broadly.

Mental Accounting

Financial planners with mental accounting bias will use arbitrary classifications to put different assets into distinct buckets, possibly leading to sub-optimal asset allocations. Financial planners susceptible to mental accounting bias might put their clients' residential property into a "safe" bucket and consequently might advise against using the home for funding retirement. Approximately 62% of financial planners displayed this bias.

Hindsight and Recency Bias

Similarly, a financial planner who displays hindsight bias perceives past events as somewhat foreseeable and inevitable. The reconstructive nature of human memory frequently contributes to this viewpoint. People do not have flawless memories when they reflect on the past; instead, they often "fill in the gaps" with things they want to believe. Financial planners with hindsight bias might fail to learn from the past, which can again lead to suboptimal advice when it comes to using home equity for retirement. This bias may work mutually with recency (availability) bias to either discount the past in favour of the most recent events or memories, or to support the biased view of the past.

Overconfidence Bias

A financial planner with overconfidence bias might tend to imagine their knowledge, insight, or other abilities to be greater than they are. The researchers tested the extent to which financial planners display overconfidence bias using several survey questions. Although male financial planners were noticeably more likely to display this bias, overall, the incidence of overconfidence bias appears to be relatively low.

Loss Aversion Bias and Disposition Effect

Loss aversion bias was assessed and found to be present in approximately one-third of financial planners. This bias overweighs the significance of a loss of something as compared to a gain of the same object. In a financial context, it can cause planners (and investors) to hold onto losing investments too long, hoping they will come back or break-even. Of note is that urban-based financial planners were more likely to display this bias then rural-based planners. This bias might cause planners to avoid considering home equity release strategies in a timely manner that prevents retirement assets from reaching a critically low level.

Approximately one-third of financial planners also displayed the closely related behavioural bias known as the disposition effect. Investors displaying this bias tend to sell investments prematurely to lock in gains and hold on to losing investments too long in hopes of breaking even.

Other Biases

Two other biases were tested for and found to be negligible in impact. Gambler's fallacy, when an individual erroneously believes that a certain random event is less likely or more likely to happen based on the outcome of a previous event or series of events, was found to be present in approximately 11% of financial planners. Herding bias, the tendency to follow what others are doing, was present in only 7% of financial planners, although once again, male planners are more likely than female planners to display this bias.

What Can Planners Do?

To apply the findings of this research, financial planners can act in three ways:

1. Upgrade technical knowledge on home equity release products to ensure full understanding of the quantitative factors that make each option unique in its application.
2. Maintain heightened awareness of behavioral biases that might be impacting the likelihood of considering home equity release strategies within a retirement planning context and might be causing planners to discount the utility and value of HERS.
3. Conduct a rigorous strategy analysis process when considering potential retirement income options, to ensure that all quantitative and qualitative factors have been considered for the client's unique situation. The process also counteracts any tendency to short-cut a potential recommendation due to an unconscious behavioral bias.

The FP Canada Institute™ produces a guidance document for use in its Professional Education Program and Continuous Professional Development courses entitled, "Quantitative and Qualitative Consideration for Evaluating Financial Planning Strategies." The guidance provides the process by which a thorough strategy evaluation can be conducted for a single financial planning strategy on its own, or for comparing one strategy to another.

PDF

Download the PDF: Quantitative and Qualitative Consideration for Evaluating Financial Planning Strategies
For an illustration of this approach to strategy evaluation applied to the HERS studied in the research, see the Appendix to this report.

Conclusion

This report investigates the obstacles faced by cash-poor, asset-rich homeowners in accessing the equity built up in their homes.

A primary residence is an asset that typically represents the largest component of household wealth for those entering retirement and, despite growing demand on retirement assets to provide income for longer retirement periods, this asset is often underutilized as the use of home equity release strategies remains low.

Canadians are generally willing to access the equity in their homes when faced with financial hardships in retirement such as paying for care, nursing, or support services.

The perception of complexity associated with these products, a lack of knowledge on the options themselves and behavioral biases impacting both the client and financial planners are playing vital roles in lower adoption of HERS.

Having these strategies or products recommended by financial planners makes them more attractive to homeowners but, despite planners reporting a comfort with providing advice about HERS, their preferred recommendation to meet a client's need for additional income during retirement is to sell investments.

The results of this study suggest there may be a willingness to access home equity by future retirees and that there is less desire to bequeath assets to the next generation.

Financial planners should:

- improve their technical knowledge about home equity release products and strategies and then educate their clients about the options. As individual knowledge about the costs, benefits, and risks associated with home equity products increases, homeowners may be more comfortable utilizing these products to fund retirement income. Furthermore, education and knowledge would also correct and, in certain cases, adjust for the behavioral biases of both homeowners and financial planners.
- remain vigilant against bias impacting their willingness to consider HERS, and
- use a rigorous approach to strategy evaluation to not only help overcome biases but consider all quantitative and qualitative aspects of any release strategy being considered.

HERS are not suitable for every client, but for many they are a valid strategy. Financial planners who are closed-minded to HERS for their clients may be increasing risks to their client's financial security (by selling investments for example). Adapting the findings of this research into practice is valuable to both homeowners and planners because not doing so might lead to performing a suboptimal analysis of a client's holistic situation. Planners should by mindful not to leave this large asset untapped for lack of consideration and look for ways to ensure the client's complete financial asset picture is incorporated into their retirement income plan.

Appendix

Home Equity Release Strategies	**Eligibility for the strategy** The eligibility of the client to engage in the strategy.	**Impact on cash flow** The potential change to the client's overall discretionary spending level.	**Impact on taxation** Does the strategy increase or decrease overall tax levels currently and/or in the future.	**Cost of implementation** The costs to implement the strategy and if these costs are reasonable with respect to the client's goals.	**Risk exposure** The potential of the strategy to expose the client to risk in any area of their financial lives.	**Impact on achievement of other goals** The impact of the strategy on the client's ability to satisfy their goals holistically.
Sell and downsize	Must have clear title to current home and sufficient equity to purchase replacement home.	Must have clear title to current home and sufficient equity to purchase replacement home.	If principal residence, no income tax implications. Property tax may increase or decrease.	High-cost strategy with many fees, taxes and costs associated with selling, purchasing, and moving.	Low-risk strategy as equity remains with client in the new home.	Little or no impact since client controls where they live and net worth remains unchanged minus costs.
Sell and move to a rental dwelling	Must have clear title to current home and able to contract to rent.	Must have clear title to current home and able to contract to rent.	If principal residence, no income tax implications. Rent may be subject to sales tax.	Moderate-cost strategy with fees, taxes and costs associated with selling and moving. No purchase costs.	Risk of rent increases. Potential of rental agreement not being renewed. Investment risk on home proceeds. Building may not be maintained satisfactorily.	May impact estate goals due to reduced net worth over time. May impact financial goals if rent increases encroach on discretionary spending.
Sell and rent the home back (sale-and lease-back)	Must have clear title to current home and able to contract to lease.	Must have clear title to current home and able to contract to lease.	If principal residence, no income tax implications. Rent may be subject to sales tax.	Moderate-cost strategy with fees, taxes and costs associated with selling and moving. No purchase costs.	Risk of rent increases. Potential of lease not being renewed. Investment risk on home proceeds. Home may not be maintained satisfactorily.	May impact estate goals due to reduced net worth over time. May impact financial goals if rent increases encroach on discretionary spending.
Reverse mortgage	Must have or provide clear title. Must be client's principal residence and is not security on another loan. All owners must be 55 years of age or older.	Must have or provide clear title. Must be client's principal residence and is not security on another loan. All owners must be 55 years of age or older.	No tax implications. Cash inflows are not taxable and do not impact OAS or GIS. Continue to pay property tax.	Moderate-cost strategy. Home appraisal required. Legal advice fees, setup fees. Higher interest rates than other types of mortgages. Fees for prepayment.	Interest rate risk. Longevity risk if client reaches maximum loan ceiling. Client may be more likely to reduce home maintenance and upkeep. Client retains ownership.	May impact estate goals due to less capital in estate. Estate may not be settled when strategy must be wound up. Estate bequests can be moved up by receiving lump sum at inception.

Appendix *(Continued)*

Home Equity Release Strategies	**Eligibility for the strategy** The eligibility of the client to engage in the strategy.	**Impact on cash flow** The potential change to the client's overall discretionary spending level.	**Impact on taxation** Does the strategy increase or decrease overall tax levels currently and/or in the future.	**Cost of implementation** The costs to implement the strategy and if these costs are reasonable with respect to the client's goals.	**Risk exposure** The potential of the strategy to expose the client to risk in any area of their financial lives.	**Impact on achievement of other goals** The impact of the strategy on the client's ability to satisfy their goals holistically.
Home equity line of credit (HELOC)	Must have a minimum of 20% equity in home if combining with a mortgage product. Not available on all properties.	Must have a minimum of 20% equity in home if combining with a mortgage product. Not available on all properties.	No tax implications. Cash inflows are not taxable and do not impact OAS or GIS. Continue to pay property tax.	Moderate-cost strategy. Home appraisal required. Legal advice and setup fees. Lower interest rates than other mortgage strategies. Rates are usually variable. No prepayment penalty.	Interest rate risk. Discipline risk as capital repayment is not required (interest-only). Easy access may create over-spending. Client retains ownership. Is a demand loan – lender can demand full repayment anytime. Lender can seize home if payments are missed.	May impact estate goals due to less capital in estate. Possible to lose asset if seized to repay loan. Can impact other lending requirements if credit capacity limit is reached.
Second Mortgage (Non-HELOC)	No age restrictions but subject to income and credit history checks. If client is retired, may have difficulty meeting income requirements.	No age restrictions but subject to income and credit history checks. If client is retired, may have difficulty meeting income requirements.	No tax implications. Mortgage payments are not tax deductible. Client continues to pay property tax.	Moderate-cost strategy. Home appraisal and title search fees apply. Interest rates typically higher than HELOC but lower than unsecured debt. Prepayment penalties apply.	Interest rate risk. Prepayment penalty risk. The mortgage is a demand loan and lender can call for full payment. Payment is typically received as a lump sum which may result in investment risks if being used as a source of income.	May impact estate goals due to less capital in estate. Possible to lose asset if seized to repay loan. Can impact other lending requirements

Qualitative Factors

Home Equity Release Strategies	**Priorities** Does the strategy align with the client's goals?	**Values, attitudes, and preferences** Does the strategy fit the values and attitudes of the client? Does it align to their preferences?	**Financial knowledge and experience** Does the client possess financial knowledge and experience to feel comfortable implementing the strategy? To what degree is the involvement of others necessary?	**Motivation to change / acceptance level** Assess the strategy to determine the extent of change to the client's lifestyle and fit with their desires and concerns. Determine if there are key aspects of the strategy that may impact its acceptance to the client(s).
Sell and downsize	Best for clients who wish to change where they live and need less space to live in.	The strategy aligns best with clients who value home ownership without ongoing rent, lease, or loan payments. Fits clients who want to change their lifestyle.	Easy to understand and implement. Depends on third-party professionals to implement most of the strategy.	The strategy creates a large change in lifestyle which can be a deterrent to many. High emotional strain to downsizing which often involves leaving a familiar neighborhood where family or friends are located. Acceptance level high if home value forms part of estate plan.
Sell and move to a rental dwelling	Best for clients who wish to change where they live and need less space to live in. Works best with clients for whom home ownership is not a priority.	Suits clients who wish to do less maintenance and have fewer property-related tasks. Clients who value having as much time for themselves without concerns about taking care of a house. Client is not concerned about being subject to a landlord's authority.	Easy to understand and implement. Most of the implementation will involve third-party professionals.	This strategy involves a large shift in lifestyle and emotions around leaving a familiar home, neighbourhood, and friends. May be appealing if new location offers amenities not available in current home. Potential erosion of estate assets may be a negative.
Sell and rent the home back (sale-and lease-back)	Best when client priority is to stay in the home that they are used to, but cash is needed.	Suits clients who wish to do less maintenance and have fewer property-related tasks. Client is not concerned about being subject to a landlord's authority.	More complicated to understand if the lease has conditions. Most of the implementation will depend on third-party professionals.	Easier to accept since staying in current home and neighbourhood. No large shift in lifestyle required. May feel strange to pay rent for the same home. Potential erosion of estate value may be a negative.
Reverse mortgage	Best used with older clients whose priority is to stay in the home that they are used to, but cash is needed. Good when priority is cash flow witho ut principal repayments (low income).	Aligns with clients who value flexibility to receive income over time and prefer not to manage a lump sum. Best aligns with clients who value home ownership without ongoing loan payment requirements.	Requires more financial knowledge to understand. Depends on third-party professionals to implement.	Low acceptance if client doesn't understand the strategy – fear of losing their home. Low acceptance due to longevity risk, especially with younger clients. Motivation may be low where the home is a key estate plan asset. Low acceptance due to high interest rates. High acceptance since no payments are required.

Qualitative Factors *(Continued)*

Home Equity Release Strategies	**Priorities** Does the strategy align with the client's goals?	**Values, attitudes, and preferences** Does the strategy fit the values and attitudes of the client? Does it align to their preferences?	**Financial knowledge and experience** Does the client possess financial knowledge and experience to feel comfortable implementing the strategy? To what degree is the involvement of others necessary?	**Motivation to change / acceptance level** Assess the strategy to determine the extent of change to the client's lifestyle and fit with their desires and concerns. Determine if there are key aspects of the strategy that may impact its acceptance to the client(s).
Home equity line of credit (HELOC)	Good strategy when client priority is to stay in the home that they are used to, but cash is needed, especially if need is short-term.	Aligns when clients require flexible cash flow for everyday spending or when the need is short-term. Good when clients value ability to pay off the loan without penalty. Good for clients who prefer to stay in their own home.	Requires a moderate level of financial knowledge and experience to understand the strategy and to manage the easy access to credit. Depends on third-party professionals to implement.	Acceptance may be low if the debt may be carried a long time / inability to pay back. Motivation may be low where the home is a key estate plan asset. Low acceptance of interest rate risks and potential loss of asset.
Home equity line of credit (HELOC)	Best when client priority is to stay in the home that they are used to, and they already have a mortgage or other loan secured by their home, but cash is needed.	Good strategy where clients prefer a lump sum for a short-term need and prefer a defined repayment schedule to repay the debt.	Relatively easy to understand. Most implementation is carried out by third-party professionals.	Acceptance may be higher as a strategy a client is already familiar with. No large shift in lifestyle required. Motivation may be low where the home is a key estate plan asset. Motivation may be low where consistent income over a longer time is desired.

Want more information?

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Executive Summary

Research Paper

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902-375 University Ave. Toronto, ON M5G 2J5 • 416-593-8587 • Toll Free: 1-800-305-9886

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