

Reverse Mortgage Fact Sheet

HEARTLAND
BANK

Effective: 20 January 2026

Purpose of loan	A Heartland Reverse Mortgage is designed to help you live a more comfortable retirement. You can use it to complete home improvements, consolidate debt, upgrade your motor vehicle, fund travel, pay medical expenses or just to take the pressure out of everyday expenses.																		
Customer criteria	Borrower(s) aged over 60, with a maximum of two borrowers. One borrower aged between 55 and 59 may be permitted if another borrower is aged over 60.																		
Drawdown options	<p>We encourage customers to borrow only what they need as drawing all or most of the available funds at the start may reduce the equity in the property in the future. The following drawdown options are available:</p> <p>Lump sum An initial advance made on settlement. A minimum of \$10,000 must be drawn.</p> <p>Monthly advance Supplement your retirement income with a monthly advance for up to ten years. The minimum amount is \$300 per month.</p> <p>Cash reserve facility Set aside funds for future needs. You can apply to draw on the reserve at any time, however this is subject to approval. Interest is only charged on funds that are advanced.</p>																		
Maximum loan	<p>The maximum amount you could borrow is estimated by multiplying the value of your home by a percentage (calculated as the age of the youngest borrower on your loan minus 40).</p> <table border="1"> <thead> <tr> <th>Age of youngest borrower</th> <th>60</th> <th>65</th> <th>70</th> <th>75</th> <th>80</th> <th>85</th> <th>90+</th> </tr> </thead> <tbody> <tr> <td>Maximum % of home's value available</td> <td>20%</td> <td>25%</td> <td>30%</td> <td>35%</td> <td>40%</td> <td>45%</td> <td>50%</td> </tr> </tbody> </table>			Age of youngest borrower	60	65	70	75	80	85	90+	Maximum % of home's value available	20%	25%	30%	35%	40%	45%	50%
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Property criteria	<p>Your property must be a residential property of conventional construction, in good repair and be your primary place of residence (except for a Secondary Property Loan – refer below). The property must be mortgage free or be able to be repaid by your Reverse Mortgage. Minimum property value is \$250,000. Lending criteria, including location restrictions do apply.</p>																		
Interest rate	The current interest rate is 7.75% per annum. Interest is calculated on the balance outstanding and added to the loan monthly (compounded). The interest rate is variable which means it can change at any time, however you can repay the loan at any time with no penalty. You will be advised of any interest rate changes.																		
Repayments	<p>While there is no requirement to make regular repayments, repayments can be made at any time without penalty, subject to maintaining a minimum loan balance of \$5,000.</p> <p>The total loan amount, including accumulated interest, is repayable when you move permanently from your home – usually when you sell your property, move into long-term care or pass away. The loan can be repaid from the sale proceeds of your home, and the balance is then retained by you or your estate. Heartland allows you 12 months from when you move from your property to repay your loan.</p> <p>There are no early repayment charges, however a mortgage discharge fee will apply when you fully repay your loan.</p>																		
Fees	Valuation Fees	These fees can be deducted from your initial drawdown.																	
	Online Valuation (i-val)	All applications will initially be assessed using an i-val.	\$17.14																

Do you have questions? Contact the team on **0800 488 740** or reverseinfo@heartland.co.nz. We're here to help.

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Fees continued...	Full Market Valuation (FMV)	Each FMV will be priced on an individual basis and may vary depending on location or property type. In some cases we may need to seek quotes from local valuers. Additional mileage costs may apply for properties outside major towns but will be quoted and accepted prior to proceeding. If a FMV is required, we will charge you the Actual Cost and the i-val fee will not be charged. This fee will be deducted from your initial drawdown.	Indicative cost \$850 - \$1,500.00
	Arrangement Fee	Charged on the initial settlement date of your loan. This fee will be deducted from your initial drawdown.	\$920.00
	Equity Protection Fee	If you choose the Equity Protection Option, this will be charged on the initial settlement date of your loan. This fee will be deducted from your initial drawdown.	\$55.00
	Monthly Advance Establishment Fee	A one-time establishment fee which is charged at the time of initial drawdown if you request a Monthly Advance.	\$120.00
	Cash Reserve/ Redraw Fee	Charged on, and deducted from, each drawdown of your Cash Reserve or Redraw Facility.	\$70.00
	Mortgage Discharge Fee	Charged at the time your loan is fully repaid. This fee will be added to the loan balance of your loan and will form part of the repayment required.	\$270.00
	Administration Fee	Charged each time we pay rates or insurance costs on your behalf. This fee will be added to the loan balance of your loan.	\$23.00
	Agency Fee	We will charge you any costs charged by third parties relating to your loan or this Agreement (eg Agency/ legal costs (field agent visit, formal proceedings etc). If this fee is charged we will add that amount to the Loan Balance. We can provide copies of the invoices upon request	Actual cost
	Modifications		
Further Advance Fee	Charged on the settlement date of a further advance to your loan. This fee will be deducted from the initial drawdown of any further advance.	\$455.00	
Variation Fee	Charged if the terms of your loan are varied. This fee will be added to the loan balance of your loan.	\$375.00	
Secondary Property Loans	Heartland offers a Secondary Property Loan which allows you to take a reverse mortgage against a secondary property, such as an investment property or holiday home. Specific lending criteria applies for a Secondary Property Loan.		
Increasing your loan	If you require additional funds, you can apply for a further advance. At this time, we will consider this application against the lending criteria applicable at the time of your application, the outstanding balance of your loan, any changes to the value of your property and your age.		
Independent advice	It is important that you make sure the loan is right for you. You must obtain independent legal advice and we recommend you consider seeking independent financial advice. You may also want to discuss your options with family prior to applying.		
Equity protection option	Under the equity protection option, you may choose to protect a percentage of the eventual net sale proceeds of your home (up to 50%). When your loan is repaid, you or your estate are guaranteed to receive your chosen equity protection percentage.		
30 day cooling off period	If you change your mind within the first 30 days of taking out your loan, you can simply pay it off, including interest, and we will refund the arrangement fee in full.		

This Fact Sheet, and fees are only a guide and are subject to change. Heartland Bank Limited's responsible lending criteria, terms and conditions and fees may apply. Heartland Reverse Mortgages is a brand established and owned by Heartland Bank Limited.

*Fees include GST.

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