

# Living Inheritance

▶ Meet David  
(and his adult children)



## Client Profile

**Homeowner:**  
Male, Age 74 | Widow

**Location:**  
Richmond Hill, Ontario

**Home Value:**  
\$1,400,000

**Home Type:**  
Single, Detached

**Registered Investments:**  
\$700,000

**Down Payment Needed:**  
\$200,000

**Equalization Payment Needed:**  
\$200,000

**Eligible CHIP Reverse Mortgage Total:**  
\$528,500

## Situation

- ✔ David, a recent widow aged 74, is financially secure and is now considering ways to financially help his two adult children in their 40s by providing living inheritance benefits to them
- ✔ David's daughter has recently separated and is struggling financially as the sole provider to his grandchild. She identified a modest \$600,000 condominium to purchase but **needs help with the initial \$200,000 downpayment**
- ✔ A gift to David's daughter for a downpayment, for fairness, will require an **equalization payment** to his son, who equally shares in David's eventual estate
- ✔ For tax purposes, David is **hesitant to cash in investments** too early, which may, in turn, jeopardize his retirement lifestyle



Let's find  
a Solution!

## Recommended Approach for David

### Traditional Options Available to David



#### Option 1: Deplete Investments early

- ! Large tax hit
- ! Drains David's financial nest egg



#### Option 3: Seek conventional credit financing

- ! No guarantee on qualification
- ! Regular payments required



#### Option 2: Sell the existing home and downsize

- ! Emotionally and financially exhausting
- ! Market dependent

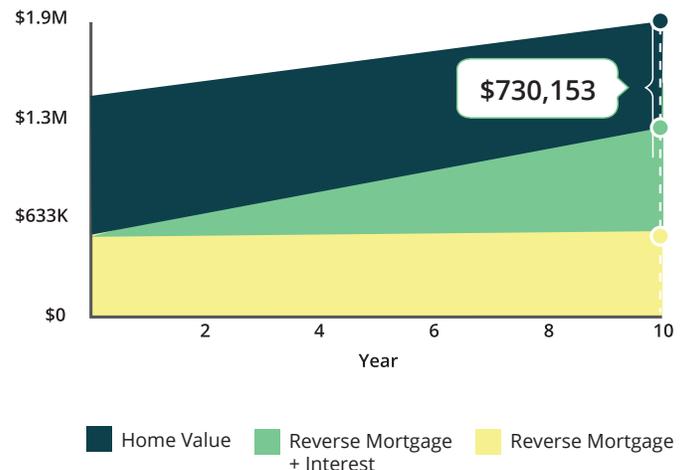


### Option 4: CHIP Reverse Mortgage



#### Up to \$528,500 with a CHIP Enabled plan

- ✓ No payments required
- ✓ Preservation of investment portfolio
- ✓ Tax-free cash
- ✓ \$730K+ of home equity remaining after 10 years



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