

# SBS UNWIND.



Reverse  
Equity  
Mortgage.



**Unwind your mortgage  
and free up CASH  
for your retirement.**



**We created the SBS Unwind Reverse Equity Mortgage (REM) to help people stay in their home and use their equity to keep living the life they love.**

If you are retired (or soon to be), you may be concerned about having enough money. If you have significant wealth tied up in the value of your home, a REM can allow you to unlock that equity, without having to sell your biggest asset.

# What is a REM?

**A REM is a loan that allows people aged 60 and above to draw down the equity in their home into cash.**

Unlike a standard home loan, you are not required to make regular repayments (although you are able to do so at any time). The loan balance will grow over time due to the interest compounding.

You can have up to two Nominated Residents to live at the property and the loan is only required to be repaid when you sell the property, or when the last Nominated Resident moves out, or passes away\*.

\*Terms and conditions apply.

To be eligible for a REM, you need to own your home outright, or have a standard home loan small enough to be paid off by drawing down the REM.

The amount of money you can access with a REM is determined by your age and the value of your home.



**Crack into  
your nest egg  
and make it  
work harder  
for you.**

## How much can you borrow?

**Age:** The youngest  
Nominated  
Resident age.

**Max:** Maximum  
lending as a %  
of property value\*.

60	>>	10%
65	>>	15%
70	>>	20%
75	>>	25%
80	>>	30%
85	>>	35%
90	>>	40%
95	>>	45%

\*Maximum percentage of the value of the house (determined by an independent valuer).

# A REM can be used for all kinds of things.

## How are SBS members using REM?

- 50%** Home improvements.
- 41%** Additional money for day-to-day expenses.
- 29%** Travel and holidays.
- 23%** A new car or appliances.
- 20%** Repay other debts.
- 15%** Healthcare.
- 13%** Helping family.

Based on an independent REM survey September 2019.  
Please note some people use the loan for multiple purposes.

# Why choose a REM?

- You can use your money however you like, and draw it down whenever you like.
- You or your Nominated Residents can stay in your home over the life of your loan.
- You don't need to make ongoing payments and you don't need to repay your loan until you sell your home or the last Nominated Resident moves from your home permanently, or passes away\*.
- You can repay all or part of the loan at any time.

\*Terms and Conditions, including fees, may apply.



The REM Loan has a flexible drawdown arrangement with a floating interest rate. Unlike a standard home loan, the loan balance increases over time due to the compounding interest effect on the loan when payments are not made. When you or your family come to sell the house, SBS Bank will be repaid the amount owed on the loan including the drawdowns and the interest accumulated over the term of the loan. If the proceeds of the house sale are more than the loan amount, you or your estate get to keep the net proceeds.



## **Equity Protection.**

The Equity Protection option ensures you protect part of the value of your home so no matter what you have to repay at the end of the loan, you will have money that can go to things like healthcare, inheritance or funeral costs\*.

## **Maximum loan ratio.**

To protect you and your family there's a maximum percentage of the value of the house you can borrow, from 10% at age 60 to 45% for age 95-plus. So there should be some equity behind you in those later years, and something to hand down.

\*Terms and Conditions apply.

## Involving your family.

Taking out a REM loan against your home is a big decision. If you're seriously considering a REM, we recommend you talk it through with your family members and consider other possible options that might be available to you.



**A chat with  
your family  
could help you  
make sense  
of your options.**

# **SBS Unwind features.**

## **Nominated Residents.**

Nominated Residents are the persons you nominate who live in the property. Nominated Residents must include the owners but may also include their spouse or partner. When the property is held under trust, the Nominated Residents must be beneficiaries or life tenants.

## **Loan Repayment Guarantee.**

The Loan Repayment Guarantee applies to all SBS REM Loans and means that if the sale of your home is not enough to repay the loan, SBS will not require you, or your estate to repay the shortfall, provided loan conditions are met\*.

\*Terms and Conditions apply.

## **Lifetime occupancy guarantee.**

As a Nominated Resident, you can continue to stay in your home for the rest of your life until the last Nominated Resident moves out of your home, they pass away, or the home is sold, at which point your loan will be required to be repaid. Any leftover proceeds from the sale of your home is paid to you or your estate.

**Just give us a bell  
and chat to our team  
to see if these features  
work for you.**



## Independent advice.

When taking out a REM loan independent legal advice is mandatory and independent financial advice is recommended. Your adviser will want to make sure you fully understand the commitment before signing up for anything.

### Eligibility, Terms and Fees

There will be Lending Eligibility & Criteria you will need to meet for SBS Unwind loans. Our Lending Standard Contract Terms for SBS Unwind Reverse Equity Mortgages and Reverse Equity Mortgage Fees and Charges also apply. You can find these in Branch, at [sbsbank.co.nz](https://sbsbank.co.nz) or give us a call on 0800 727 2265 and we can send them to you.

It might be worth having a chat with us to help you understand these and know what you need to do to get an SBS Unwind loan with SBS Bank.



Contact us now for a chat to see if you qualify, as everyone's situation is different. You must be 60 or over, own your home outright or only have a small home loan.

**0800 727 2265 [sbsbank.co.nz](https://www.sbsbank.co.nz)**

