

This article also ran, in whole or in part, in the following:

London Free Press Online

http://lfpres.ca/newsstand/Business/Columnists/Harston_PJ/2007/09/04/4468256-sun.html

Reverse lets seniors go forward

London Free Press

4 Sep 2007

D10

P.J. Harston

Nick DiRenzo is bullish on the seniors' demographic.

The chief executive of Seniors Money Canada, part of New Zealand-based reverse-mortgage company Seniors Money International, says with seniors living longer, more active lives, they may need extra cash to get them through retirement.

"Our philosophy is all about understanding the long-term needs of seniors," he says.

DiRenzo's company, which began operations yesterday in Mississauga, is the second in Canada to offer reverse mortgages.

A reverse mortgage, he says, is a way to release some equity in your home without having to sell it and move.

The homeowner uses the equity in the home as collateral for a loan, but no loan payments are made until the home is sold. How much your loan can be depends on how old you are and how much your home is worth.

For example, if you're 60 you could qualify for a loan worth 15 per cent of your home's appraised value. If you're 90, you could qualify for one worth 45 per cent of the value.

Critics of reverse mortgages say they can be an expensive form of debt because you have to pay interest on the loan when the house is sold -- either by the owner or by the owner's estate.

However, DiRenzo points out you never have to pay more than the value of the house, and for some, such a loan allows them to "have a lifestyle and do what they want to do while they still can.

"We've found that the money isn't being wasted," he says. "In fact, 52 per cent of reverse-mortgage money goes to home improvements, we've found."

It also goes to pay off other debt, fund college education and toward downpayments for kids' and grandkids' homes, he adds.

"We work hard to help our clients understand the product and we encourage them to seek family, legal and other professional advice before they use our product."

Reverse mortgages aren't new, although they've only been in Canada for 20 years and were -- previous to Seniors Money Canada's entry into the market -- only available from the Canadian Home Income Plan, or CHIP, owned by Home Equity Income Trust.

CHIP has spent 20 years building its portfolio of \$655 million in loans to more than 6,500 clients with a combined property value of about \$1.8 billion, Canadian Press says.

However, reverse mortgages have been available in the U.K. for 40 years and are becoming more popular the world over, says DiRenzo.

He says with the growing demographic of elderly homeowners and a market potentially worth in excess of a \$1 billion, his company decided Canada was the right place in which to next set up shop.

For more information on CHIP go to www.chip.ca.

Tapping into home equity

Toronto Sun

4 Sep 2007

Page: 31

Reverse mortgages have critics, but a new company says education is key

Nick DiRenzo is bullish on the seniors' demographic.

The CEO of Seniors Money Canada, part of New Zealand-based reverse-mortgage company Seniors Money International, says that with seniors living more active and longer lives, they may need some extra cash to get them through the retirement years.

"Our philosophy is all about understanding the long-term needs of seniors," he says.

DiRenzo's company, which began operations yesterday in Mississauga, is just the second in Canada to offer reverse mortgages.

A reverse mortgage, he says, is a way to release some equity in your home without having to sell it and move.

The homeowner uses the equity in their home as collateral for a loan, but no loan payments are made until the home is sold. How much your loan can be depends on how old you are and how much your home is worth.

For example, if you're 60 you could qualify for a loan worth 15% of your home's appraised value. If you're 90, you could qualify for one worth 45% of the value.

Critics of reverse mortgages say they can be an expensive form of debt because you have to pay interest on the loan when the house is sold -- either by the owner or by the owner's estate.

However, DiRenzo points out that you never have to pay more than the value of the house, and for some, such a loan allows them to "have a lifestyle and do what they want to do while they still can."

"We've found that the money isn't being wasted," he says. "In fact, 52% of reverse-mortgage money goes to home improvements, we've found."

It also goes to pay off other debt, fund college educations and go toward downpayments for kids' and grandkids' homes, he adds.

"We work hard to help our clients understand the product and we encourage them to seek family, legal and other professional advice before they use our product."

Reverse mortgages aren't new, although they've only been in Canada for 20 years and were -- previous to Seniors Money Canada's entry into the market -- only available from the Canadian Home Income Plan, or CHIP, owned by Home Equity Income Trust.

CHIP has spent 20 years building up its portfolio of \$655 million in loans to more than 6,500 clients with a combined property value of about \$1.8 billion, according to the Canadian Press.

However, reverse mortgages have been available in the U.K. for 40 years and are becoming more popular the world over, says DiRenzo.

"In New Zealand there are eight reverse-mortgage companies," he says. "And in the U.S., the market is just starting to grow."

DiRenzo says that with the growing demographic of elderly homeowners and a market potentially worth in excess of a \$1 billion, his company decided Canada was the right place in which to next set up shop.

It also doesn't hurt that the current population of Canada's 4.3 million seniors, 93% of whom live in private homes, is expected to double over the next 25 years.

"Right now there's less than 1% market penetration," says DiRenzo. "We're very delighted to be part of a growing sector."

For more information on Seniors Money Canada, go to www.seniorsmoney.ca on the Internet. For more information on CHIP go to www.chip.ca.

Illustration:

- 1. file photo
- 2. graphic by Sun Media

Tapping into home equity; Reverse mortgages have critics, but a new company says education is key

Ottawa Sun
4 Sep 2007
Page: 23
P.J. Harston

Nick DiRenzo is bullish on the seniors' demographic.

The CEO of Seniors Money Canada, part of New Zealand-based reverse-mortgage company Seniors Money International, says that with seniors living more active and longer lives, they may need some extra cash to get them through the retirement years.

"Our philosophy is all about understanding the long-term needs of seniors," he says.

DiRenzo's company, which began operations yesterday in Mississauga, is just the second in Canada to offer reverse mortgages.

A reverse mortgage, he says, is a way to release some equity in your home without having to sell it and move.

The homeowner uses the equity in their home as collateral for a loan, but no loan payments are made until the home is sold. How much your loan can be depends on how old you are and how much your home is worth.

For example, if you're 60 you could qualify for a loan worth 15% of your home's appraised value. If you're 90, you could qualify for one worth 45% of the value.

Critics of reverse mortgages say they can be an expensive form of debt because you have to pay interest on the loan when the house is sold -- either by the owner or by the owner's estate.

However, DiRenzo points out that you never have to pay more than the value of the house, and for some, such a loan allows them to "have a lifestyle and do what they want to do while they still can."

"We've found that the money isn't being wasted," he says. "In fact, 52% of reverse-mortgage money goes to home improvements, we've found."

It also goes to pay off other debt, fund college educations and go toward downpayments for kids' and grandkids' homes, he adds.

"We work hard to help our clients understand the product and we encourage them to seek family, legal and other professional advice before they use our product."

Reverse mortgages aren't new, although they've only been in Canada for 20 years and were -- previous to Seniors Money Canada's entry into the market -- only available from the Canadian Home Income Plan, or CHIP, owned by Home Equity Income Trust.

CHIP has spent 20 years building up its portfolio of \$655 million in loans to more than 6,500 clients with a combined property value of about \$1.8 billion, according to the Canadian Press.

However, reverse mortgages have been available in the U.K. for 40 years and are becoming more popular the world over, says DiRenzo.

"In New Zealand there are eight reverse-mortgage companies," he says. "And in the U.S., the market is just starting to grow."

DiRenzo says that with the growing demographic of elderly homeowners and a market potentially worth in excess of a \$1 billion, his company decided Canada was the right place in which to next set up shop.

It also doesn't hurt that the current population of Canada's 4.3 million seniors, 93% of whom live in private homes, is expected to double over the next 25 years.

"Right now there's less than 1% market penetration," says DiRenzo. "We're very delighted to be part of a growing sector."

For more information on Seniors Money Canada, go to www.seniorsmoney.ca on the Internet. For more information on CHIP go to www.chip.ca.

Illustration:

- 1. file photo
- 2. graphic by Sun Media

Tapping into home equity; Reverse mortgages have critics, but a new company says education is key

Winnipeg Sun
4 Sep 2007
Page: 18
P.J. Harston

Nick DiRenzo is bullish on the seniors' demographic.

The CEO of Seniors Money Canada, part of New Zealand-based reverse-mortgage company Seniors Money International, says that with seniors living more active and longer lives, they may need some extra cash to get them through the retirement years.

"Our philosophy is all about understanding the long-term needs of seniors," he says.

DiRenzo's company, which began operations yesterday in Mississauga, is just the second in Canada to offer reverse mortgages.

A reverse mortgage, he says, is a way to release some equity in your home without having to sell it and move.

The homeowner uses the equity in their home as collateral for a loan, but no loan payments are made until the home is sold. How much your loan can be depends on how old you are and how much your home is worth.

For example, if you're 60 you could qualify for a loan worth 15% of your home's appraised value. If you're 90, you could qualify for one worth 45% of the value.

Critics of reverse mortgages say they can be an expensive form of debt because you have to pay interest on the loan when the house is sold -- either by the owner or by the owner's estate.

However, DiRenzo points out that you never have to pay more than the value of the house, and for some, such a loan allows them to "have a lifestyle and do what they want to do while they still can."

"We've found that the money isn't being wasted," he says. "In fact, 52% of reverse-mortgage money goes to home improvements, we've found."

It also goes to pay off other debt, fund college educations and go toward downpayments for kids' and grandkids' homes, he adds.

"We work hard to help our clients understand the product and we encourage them to seek family, legal and other professional advice before they use our product."

Reverse mortgages aren't new, although they've only been in Canada for 20 years and were -- previous to Seniors Money Canada's entry into the market -- only available from the Canadian Home Income Plan, or CHIP, owned by Home Equity Income Trust.

CHIP has spent 20 years building up its portfolio of \$655 million in loans to more than 6,500 clients with a combined property value of about \$1.8 billion, according to the Canadian Press.

However, reverse mortgages have been available in the U.K. for 40 years and are becoming more popular the world over, says DiRenzo.

"In New Zealand there are eight reverse-mortgage companies," he says. "And in the U.S., the market is just starting to grow."

DiRenzo says that with the growing demographic of elderly homeowners and a market potentially worth in excess of a \$1 billion, his company decided Canada was the right place in which to next set up shop.

It also doesn't hurt that the current population of Canada's 4.3 million seniors, 93% of whom live in private homes, is expected to double over the next 25 years.

"Right now there's less than 1% market penetration," says DiRenzo. "We're very delighted to be part of a growing sector."

For more information on Seniors Money Canada, go to www.seniorsmoney.ca on the Internet. For more information on CHIP go to www.chip.ca.

Illustration:

- 1. file photo
- 2. graphic by Sun Media

New player set to enter reverse mortgage fray vows savings, flexibility

Toronto Star

1 Sep 2007

B05

Canada's only national provider of reverse mortgages is about to feel the sting of competition in price and features.

Seniors Money International, a young New Zealand company already in five other countries, will start to advertise in the Greater Toronto Area on Monday, and aim to move nationally by next year.

"We think it is a great time to enter the marketplace," says Nicholas DiRenzo, president of the new subsidiary Seniors Money Canada. "There is only one national player, and it has achieved less than 1 per cent market penetration."

Twenty-year-old Canadian Home Income Plan Corp. or CHIP, owned by Home Equity Income Trust, had only 6,560 outstanding mortgages worth \$654.6 million at the end of June.

DiRenzo points out Canada has 2.3 million households headed by seniors 65 or older, an age cohort to double in size over the next quarter century.

Reverse mortgages do not require interest payments until the borrower leaves the home permanently, and are usually paid from the sale proceeds.

They are more costly than a typical mortgage, and total interest cost will exceed the initial size of loan sooner. At CHIP, the average loan was about 36 per cent of home values in June. Total charges will never be more than the value of the home.

Lenders require borrowers to consult a lawyer to ensure they understand what they (and their heirs) are getting into.

Home Equity boasts interest charges were an average of 3.56 percentage points higher than its own cost of borrowing in the first half of 2007.

From \$25 million of revenue it was able to cover its \$14.7 million of interest costs and \$6.1 million of operating costs while distributing \$7.5 million to its investors.

(Yes, payments were higher than revenues, which may not go on if the new competitor gets well established. Home Equity made no mention of its new rival in announcements this week.)

DiRenzo says a new advertising campaign will emphasize the most common uses of reverse mortgage in its other markets - home renovations and gifts to family members.

Owners of homes worth at least \$100,000 will be offered up to 15 per cent of home value at age 60, 16 per cent at 61 and so on up to 45 per cent at age 90, regardless of where the home is located. Loans may be taken in a lump sum, or in quarterly or annual installments, to minimize total interests costs.

DiRenzo, an accountant by training and the former head of life insurance sales for The Independent Order of Foresters, says his company will offer savings and flexibility compared to CHIP.

Seniors Money will hold down operating costs by using Mcap Financial Corp. to arrange appraisals and service mortgages, and First Canadian Title Insurance Co. Ltd., to insure title and register mortgages.

Borrowers will pay a lower interest rate: 7.5 per cent for a variable rate and no more than 2 percentage points more than bank prime lending rates. This compares with CHIP's 8.25 per cent rate as of last week, or 9.3 per cent for a five-year fixed rate.

Home appraisal costs will be included in the \$1,275 set-up fee. For an extra \$295, a loan can be guaranteed to never grow beyond half a person's home equity after real estate fees. There is no fee to repay a loan early.

Seniors Money also vows not to force payment if a customer fails to keep their home in good repair. Instead it will arrange for repairs and add the cost to the loan, said DiRenzo.

James Daw, CFL, appears Tuesday, Thursday and Saturday. He can be reached at Business, 1 Yonge St., Toronto M5E 1E6; at 416-945-8633; 416-865-3630 by fax; or at [jdaw @ thestar.ca](mailto:jdaw@thestar.ca) by email.