

Advantage

January 2022

News from Heartland Finance—Helping Australians live a more comfortable retirement

HAPPY NEW YEAR FROM HEARTLAND



SHARON YARDLEY
Head of Operations

It has been another year of uncertainty and change, so we hope you are doing well and staying safe.

From all the team at Heartland, we wish you a merry Christmas and a happy New Year. We hope you were able to spend some time with your loved ones, whether that was virtually or in person.

Heartland understands that life can take unexpected turns and financial difficulty can happen to anyone. We care about your individual circumstances, so if you or a family member have experienced an unforeseen event, a Heartland Reverse Mortgage may be able to help.

A reverse mortgage allows people over 60 to access some of the equity in their home, helping them fund a more comfortable retirement. With a reverse mortgage you can continue to own and live in your own home for as long as you choose.

Repayments are not mandatory until the end of your loan (when you move permanently from your home, or pass away), and if you are an existing customer, you may be able to apply for your cash reserve facility, redraw (any amount available will display on your loan statement), or for a further advance.

During 2021, we maintained and improved our market-leading product, which was recognised with two Excellence Awards at the Australian Mortgage Awards. You can read more about these awards below.

In addition to this, we recently made further product enhancements, increasing our maximum loan-to-value ratio (LVR) for our Heartland Reverse Mortgage product. Read more about this on page 2. We also discuss our 2021 customer survey results, how to keep yourself safe online with the increase in cyber-attacks, and our credit assessor Natalie shares her home-made sausage roll recipe—an office hit!

We hope you have a fantastic 2022, feel free to reach out if you require any assistance or would like to chat to the team.

HEARTLAND RECEIVES TWO EXCELLENCE AWARDS

Heartland Reverse Mortgages was awarded two excellence awards—Non-Bank of the Year and Most Effective Digital Strategy—Lender

The Australian Mortgage Awards is the leading independent awards event for the Australian mortgage industry, highlighting achievements and recognising excellence across the sector.

Excellence Awardees are a shortlist of the individuals and companies who receive recognition for being one of the best in each category. From the list of Excellence Awardees, an overall category winner is selected on the awards night.

As a specialist non-bank lender, Heartland understands the needs of senior Australians.



We offer an award-winning and market leading product. As well as offering our product direct to customers, our loans are also a unique funding solution for brokers to offer their clients, to diversify their business.

Receiving these Excellence Awards is an independent confirmation of our ongoing commitment to seniors and joins the other two awards Heartland has received in the past twelve months, a 5 Star Lender Award from Your Mortgage, and InfoChoice's Best Reverse Mortgage.

Heartland is very proud of these awards, and we look forward to helping even more Australian seniors live a more comfortable retirement.

WHAT'S INSIDE?



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HEARTLAND REVERSE MORTGAGES

Proud supporter of



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IMPORTANT NOTICE: Every situation is different—this information has been prepared without taking into account your needs, objectives, or financial situation. If you are considering a reverse mortgage, we encourage you to understand how it may affect your personal circumstances—talk to friends and family, speak to professionals, and use the resources and tools Heartland has available. Loans are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by ASF Custodians Pty Ltd. Please note the information set out in this newsletter may change from time to time.

Australian Credit Licence Numbers:

Australian Seniors Finance Pty Ltd
386760 (ACN 108 875 636)
ASF Custodians Pty Ltd
386781 (ACN 106 822 780)



NEW LVR INCREASE

More Australians now able to live a more comfortable retirement

Heartland has increased the maximum loan-to-value ratio (LVR) for our Heartland Reverse Mortgage product, by 5% across each age category. This is the biggest change to our reverse mortgage criteria in over 15 years and comes at a time where more and more retirees are struggling to make ends meet.

LVR limits are used to determine the maximum amount a customer can borrow, based on the youngest borrowers age and the value of their property. Heartland encourages customers to only borrow what they need and has a number of controls in place to ensure this. However, having a higher LVR available can have a transformational impact of the quality of the retirement, for those who need it.

With an ageing population, and many being impacted with an increased cost of living and indebtedness in retirement, more and more retirees are struggling to make ends meet. Around a quarter of Heartland's loans have mortgages that are refinanced with their Heartland loan at settlement.

Though initial LVR is usually low, we have seen an increase in the amount kept in reserve facilities for our customers, which shows there is interest in having more funds aside for future needs or unexpected emergencies.

New loan-to-value limits

The maximum LVR is increasing by 5% across each age category, so for example, the new maximum LVR for a 60-year-old is 20% (previously 15%), and a 70-year-old will now be 30% (previously 25%). The maximum loan is rarely taken upfront, with it typically drawn down progressively via regular advances for up to 10 years, and/or with some held in a cash reserve facility (like a 'line of credit') for future needs or unexpected expenditure.

If you are an existing customer and require more funds, you may be able to apply for a further advance due to this change. Please get in touch to discuss your eligibility.

Please note that Heartland encourages our customers only to borrow what they need, and applications are not guaranteed — they are subject to credit criteria, a suitability assessment and acceptable valuation. Independent legal advice will be required. You can also repay your loan, in part or in full, at any time.

COMING SOON – HEARTLAND FINANCE ONLINE!

We are proud to announce that we will be launching a new online portal that allows you to view your account balances in 2022! Email us at news@heartlandfinance.com.au if you would like to be contacted to get access as soon as we launch.



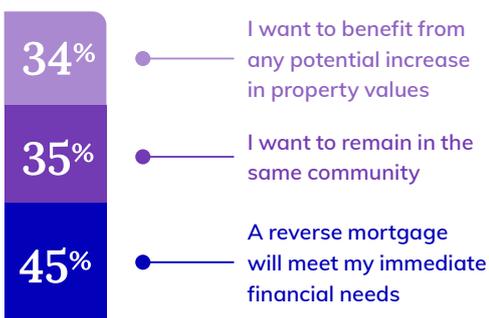
REVERSE MORTGAGES ARE CHANGING LIVES

Thank you to everyone who provided feedback for our 2021 customer survey

As part of our dedication to helping seniors, we are proud to release the results of our 18 month customer survey! Check out the results below.

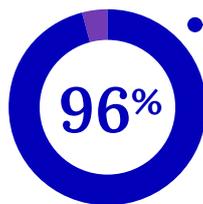
"The reverse mortgage has really helped us a lot and reduced financial stress. We continue to own and live in our own home, and we don't have to worry about moving out."

WHY TAKE OUT A REVERSE MORTGAGE INSTEAD OF DOWNSIZING?



What is most important to you in retirement?

Respondents were asked what is most important to them in retirement, along with the most important benefit of a reverse mortgage. The top two responses for both questions were 'continuing to own and live in my own home' and 'peace of mind from financial stress'. This shows how a Heartland Reverse Mortgage could help with the specific needs of people in retirement.



96% agreed that their Heartland Reverse Mortgage has made their retirement more comfortable.

95% said they would recommend taking out a reverse mortgage to friends or family.

96% would recommend Heartland as a company.

TOP LOAN PURPOSES





KEEPING YOURSELF SAFE ONLINE

Your security is important to Heartland, and we work hard to make sure your details are kept as safe and secure as possible.

There has been an increase of cyber security threats and scams surrounding the COVID-19 pandemic. Making sure you know how to identify these scams is an important part of keeping you and your loved ones safe online.

What to look out for

Scammers will often pretend to be from a government department such as the Australian Tax Office or a large organisation such as a bank.

If you were not expecting to be contacted by someone (or an organisation), or you have any cause to suspect its authenticity, then do not respond. Never give out personal information and if you have received a call from someone, offer to call the organisation back using their publicly available contact details.

With COVID-19, there have been several scams circulating around Australia — including vaccination scams, government impersonation, and superannuation scams. These and many other types of cybercrime are often sent through a text message or email.

If you receive a text message or email that you think looks suspicious, be cautious before responding. Look out for spelling and grammar mistakes, branding inconsistencies, or a design that doesn't quite look right, including in the email address it came from. Never click on or open any links or attachments, as this could be malicious software (malware).



How do I keep my family and I safe?

Make sure to keep your computer security up to date with anti-virus and anti-spyware software, an up-to-date firewall, and only buy computer and anti-virus software from a reputable source. Use this software to run a virus check if you think your computer's security has been compromised. If you still have doubts, contact your anti-virus software provider or a computer specialist.

Keep your office networks, home computers, and mobile devices secure. Update your security software, change passwords and back up your data regularly. Store your backups offsite and offline.

To find out more about scams including the latest scams, check out scamwatch.gov.au and Cyber.gov.au.



PROPERTY MARKET UPDATE

Australian housing values have continued to increase despite the disruption from lockdowns. The November CoreLogic home value index reported that national dwelling values in Australia are 21.6% higher over the past 12 months, which is the highest annual appreciation since June 1989.

Capital cities are up 20.8% the last year, while regional locations have increased 24.3%. Hobart has seen the highest amount of growth among the capital cities at 28.1%, closely followed by Canberra (25.5%), and Sydney (25.2%).

Australia's residential property portfolio was worth \$9.6 trillion in October. This is almost three times the value of all the money held in superannuation, and over three times the value of the share market.

Has your property value increased?

If you have seen an increase in your property value you may be eligible to apply for a further advance to increase your reverse mortgage. If approved, these funds could be accessed via an initial advance, ongoing regular advances or set aside in a cash reserve for future needs.

If you would like to apply for a further advance, discuss your eligibility, or have any questions, please get in touch.

Please note that Heartland encourages our customers only to borrow what they need, and applications are not guaranteed — they are subject to credit criteria, a suitability assessment and acceptable valuation. Independent legal advice will be required. You can also repay your loan, in part or in full, at any time.

Residential Real Estate Underpins Australia's Wealth



Residential Real Estate
\$9.3 Trillion



Australian Superannuation
\$3.3 Trillion



Australian Listed Stocks
\$2.8 Trillion



Commercial Real Estate
\$1.0 Trillion

Number of dwellings | 10.7 Million

Outstanding mortgage debt | \$2.0 Trillion

Household wealth held in housing | 55.4%

Total sales p.a. | 614,241

Gross value of sales p.a. | \$448.7 Billion

Source: CoreLogic Monthly Chart Pack November 2021

NATALIE'S HOME-MADE SAUSAGE ROLLS



Impress your friends and family this summer with Natalie's home-made sausage rolls!

Natalie is one of our credit assessors, and her home-made sausage rolls are a huge hit at the Heartland office. Perfect for any occasion this summer holiday — they are sure to be a crowd pleaser. Flaky on the outside, juicy and full of flavour on the inside, we challenge you not to finish the entire plate before your next family barbecue!

INGREDIENTS:

- 10 sheets of puff pastry — thawed and cold
- 250g sausage mince
- 250g beef mince
- 250g pork or chicken mince
- 2 tbsp tomato sauce
- 2 tbsp barbeque sauce
- 1 tbsp mustard (Natalie uses Dijon)
- 3 eggs
- 1 cup breadcrumbs
- Any herbs or spices that you like — Natalie uses:
 - 1 tsp dried dill
 - 1 tsp fresh parsley
 - 1 tbsp chicken stock powder
 - 1 tsp peri peri seasoning
 - 1 tbsp smoked paprika
 - ½ tsp mustard powder
 - 1 tsp salt
 - White pepper — a few shakes
- Seeds to sprinkle before baking (Natalie likes sesame, but you could also use poppy, flax, or a mixture!)

Tip: Make these ahead of time and freeze for later!
When ready to eat, ensure they are defrosted and reheat in the oven at 160°C for 10 – 20 minutes.



Makes 24 mini rolls



Oven



30–40 min

METHOD:

1. Preheat oven to 200°C
2. Mix dry ingredients together in a small bowl (breadcrumbs, herbs, spices, and seasonings)
3. Mix wet ingredients together in a large bowl (minced meats, sauces, and mustard)
4. Add dry mixture to the meat mixture and mix thoroughly
5. Add 2 eggs (lightly beaten first) and mix thoroughly
6. Take a pastry sheet, and:
 - With wet hands take one tenth of mixture and place it in the middle at the top of the pastry sheet
 - Spread it out in a roll shape to the edges of the pastry sheet
 - Fold the top of the pastry sheet over the meat mixture into a roll
 - Roll the pastry into one long sausage roll
 - Cut to the lengths you want
 - Place onto the baking tray
 - Repeat this process until you have used up all the sausage mixture and pastry
 - Then, beat remaining egg, brush all rolls with the egg wash and sprinkle generously with your chosen seeds
 - Place on baking paper lined trays ready to cook
7. Turn oven down to 180°C and place rolls in immediately
Bake for 30 – 40 minutes
8. Place on a cooling rack once out of oven
9. Serve with dipping sauce of choice such as tomato, barbeque, sweet chilli, or a mayonnaise and sauce mix
10. Delicious hot or cold!

Tip: Use baking paper not foil to cook — they will stick to foil!