



**Rob Segal, Mortgage Advisor**  
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You need dental treatment but can't afford it 'right now'? By unlocking the equity in your current home, you can access funds to be used for: Dental Treatments, Renovations, Investment purposes, Debt Consolidation, Children's education, Investment property.

**Cost effective:** Using the equity in your home can give you a low 'secured' interest rate. **Convenient:** Apply once only and re-use your equity when it's fully paid up again.



### **View some examples of calculations:**

#### **Case 1 - Patient needs \$40,000 for dental**

##### **Option 1:**

Credit card - since most charge same interest rate (19.99%) and a minimum principal repayment, typical payment would range from approximately.

\$950/mo. to \$1,200/mo. and of that \$666.33 is interest!

##### **Option 2:**

Bank Loan. The rate will be determined by the Bank and can vary between app. 5% to 17% depending on how the Bank views your credit worthiness. Plus, because it is a loan with a term, you have to repay the entire amount over the term. If you have a 5 year term, and you have perfect credit,

Typical payment will then be app \$753.91/mo.

If your credit is slightly less than perfect you might pay app. \$845.90/mo. It does not get better from there.

##### **Option 3:**

Unsecured Line of Credit.

These are not so easy to get and rate will again be determined by your Banking institution.



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On a typical credit line, your payment will range from \$800- \$1,200/mo. principal and interest. However the rate should be less than a typical bank loan, usually 6.0%-9.9%.

If you own your own home, there are better options for you:

#### **Option 4:**

A secured credit line on your home offers the flexibility of a low interest only payment, the only requirement is more than 20% equity in your home.

Payment would range from \$116.67/mo. to \$133.33/mo. Plus, you can use this like any other revolving line of credit.

#### **Option 5:**

Refinancing your home will allow you to get an even lower rate with a payment of principal and interest. Your main requirement is that you own app. 10% or more of your home.

The payment could be as low as \$137.47/mo. for the 40K borrowed for dental work.

#### **Case 2 - Patient needs \$15,000 for dental**

Owens home valued at \$300,000 and has a mortgage balance of \$211,436.69 at a rate of 4.85%.

The mortgage payment is \$1,260.81.

Patient also has \$12,522 in credit card debt that is costing \$375.66/mo.

That is \$1,636.47/mo. payment before dental work.

Because she has equity in her home, she can refinance and reduce this payment to as low as \$769.72/mo. Already, her cash flow is improved by \$866.75/mo. The interest savings are astounding, app. \$632.67/mo. saved in interest alone.

The additional \$15,000 unified into the home financing will only cost an additional \$51.55/mo. or, \$1.72/day.

