

Exclusively for Primerica
Let's Talk RSP Webinar Series

Hosted by Richard Dubuc
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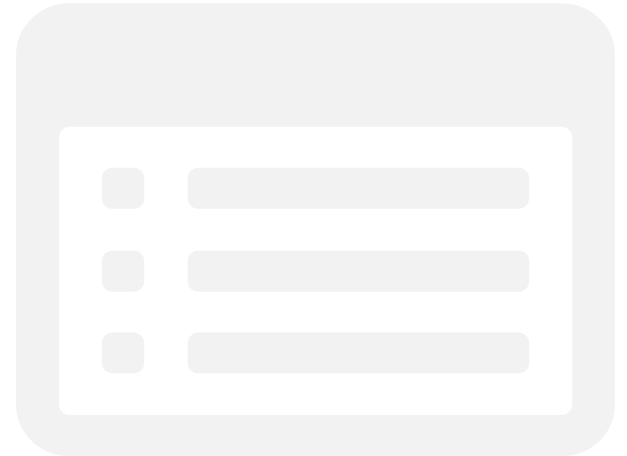
About me: Richard Dubuc

- Senior account manager supporting the relationship with Primerica
- Helping to ensure business relationship needs are met and optimized for the future
- Worked in the financial services industry for over 40 years
- Expert knowledge of B2B Bank product suite and related processes



Agenda

- Why RSP Loans?
- Pre-screening your clients
- 4Cs of credit
- EASE
- Information & resources
- Questions and answers



Why RSP Loans?¹

1

Help achieve retirement goals faster

With an RSP loan, clients can invest a greater amount up front so investments will have more opportunity to benefit from compound returns.¹

2

Clients can maximize their unused RRSP contribution room

Clients can catch up on unused RRSP contribution room to help ensure sufficient savings at retirement.

3

Larger tax-deductible contributions

An RSP loan can help your clients make a larger contribution to their RRSP without using their existing savings.²

4

Take advantage of available child education savings grants

RSP Loans can fund towards RESPs, benefiting from Child Education Savings Grants from the Canadian government.³

Leveraging involves greater risk than purchasing investments. Table 111-0040 - Registered Retirement Savings Plan (RRSP) room - 2013. 2. RRSP contributions cannot be deducted from income in all circumstances. Potential tax refunds are dependent on a number of factors, and making an RRSP contribution will not yield a tax refund in all circumstances. Consult a qualified tax professional for more information. 3. The Canadian government will match 20% of RESP contributions annually, up to \$500 per child per year – a lifetime limit of \$7,200 per child.



Pre-screening your clients

Know your client

MONEY

Who has unused RRSP contribution room?
What are their long-term goals?
How much will they need in their retirement?
Which clients have not started or maximized RESPs?

RATE OF RETURN (ROR)

What is their risk tolerance?
What types of investments are suitable for them?

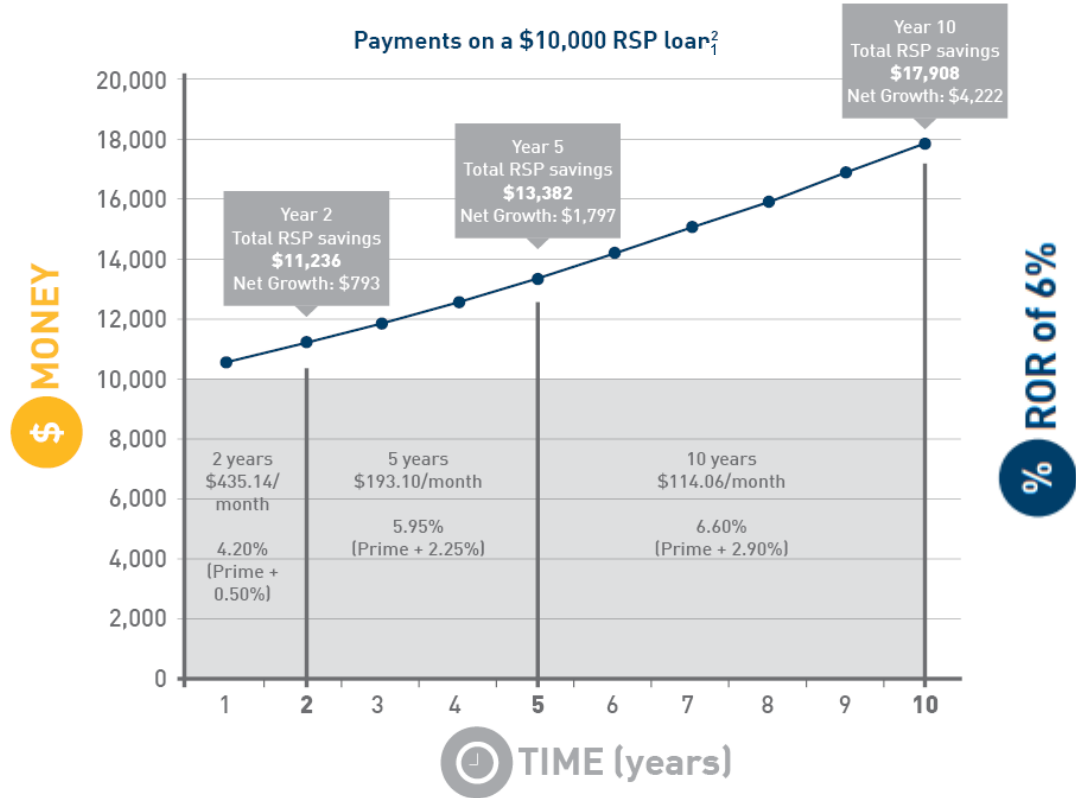
TIME

When do they plan to retire (e.g. age 65)?
How much time is left for them to contribute (i.e. 71 minus their age)?
When will the children potentially attend post-secondary education?



Know your product

- Determine what type of RSP loan could work for your clients
- While some clients like to pay off their RSP loan quickly, a longer-term loan may be more affordable each month if monthly cash flow is a concern



For illustrative purposes only. The Prime Rate used is 3.70%, which was the rate as at July 12, 2018. Actual rates and amounts may differ. The illustration is a hypothetical example and is not intended to project or predict actual results. Net Growth is the net amount after the loan principal and interest are paid.



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4Cs of RSP Loans



CAPACITY

Ability to carry debt



CAPITAL

Ability to repay debt



CREDIT HISTORY

Ability to manage debt



CHARACTER

Good financial habits



Program overview

- Simplified pricing
- Flexible terms (1- to 10-years)
- Deferral payment options (up to 180 days)¹
- Multiple funding options (eligible RRSP, RESP, mutual or segregated funds)
- Low minimum amount (\$1,000)
- No maximum amount



The easiest way to submit your clients' loan applications is online through EASE at b2bbank.com/ease.

Clients can defer their first payment for up to 180 days on all B2B Bank RSP Loans. If a deferral payment option is selected, the first payment is due on the first payment date after the expiration of the deferral period. The interest accrues from the date of funding and extends the term of the loan by the length of deferral.

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Information

- **Business Development team**
 - Ready to assist you with:
 - Product information
 - Sales presentations
 - Business opportunities
 - Support materials
- Resources available on the Primerica Resource Centre at **b2bbank.com/primerica**



Resources

- Resources available on the **Primerica Resource Centre**
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Information Sheet
RSP Borrowing

Three factors to consider

Is an RSP loan right for you? While it's an easy way to build your retirement savings, it's important to consider before you begin.

- 1. Understand your current situation and future goals**
Your advisor or representative can help you bring your long-term financial plan to life and understand your current situation and how realistic your future goals may be. Ask your advisor or representative:

- MONEY** Do you have unused RRSP contribution room? If so, how much?
What is your long-term goal? How much do you need to retire comfortably?
- RATE OF RETURN** What's your investment risk tolerance? (low, medium or high)
- TIME** At what age do you plan to retire?
How much time do you have left to contribute (i.e. 71 minus your age)?

3. Consider the 4Cs of an RSP loan

It's one thing to want a loan. It's another getting approved for a loan. Here are some of the criteria to review with your advisor or representative before applying.

Criteria	Description	Example	Answer here*
Capacity	Can you repay the debt? Monthly loan payments / Gross monthly income = Total Debt Service Ratio (TDSR)	TDSR should be less than or equal to 40%	TDSR = _____ %
Capital	What is your net worth? Assets - Liabilities = Net worth	Net worth should be higher than the requested loan amount	
Credit history	How has your client used credit in the past? Credit bureau scores use past borrowing to predict repayment behaviour	Determine: • Acceptable Beacon • Length of credit history • Depth of credit information • Delinquency history	
Character	What characteristics influence a decision? Factors include: stability of your client's career and residence, and willingness to provide complete and accurate information	Look at: • Occupation type • Length of employment • Length at residence	

2. Find the right RSP loan for the right need

Sometimes it helps to see the numbers. You may want to pay off your RSP loan quickly, but if you're borrowing a larger amount, monthly cash flow may be a concern and therefore a longer-term loan will be more affordable each month.

Payments on a \$10,000 RSP loan*

Term	Monthly Payment	Prime Rate
2 years	\$420.70/month	8.50%
5 years	\$188.48/month	Prime + 2.25%
10 years	\$109.02/month	Prime + 2.95%

Year 2: Total RSP savings \$11,224, Net Growth \$699
Year 5: Total RSP savings \$11,362, Net Growth \$2,072
Year 10: Total RSP savings \$15,808, Net Growth \$4,810

ROR of 6%

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Download handouts



EASE

Benefits of EASE

EASE is the easiest and fastest way to submit your clients' loan applications.

At your fingertips, you can:

- Reduce paperwork and avoid delays
- Receive status emails within seconds
- Track multiple applications through to funding
- Generate reports to keep track of your business



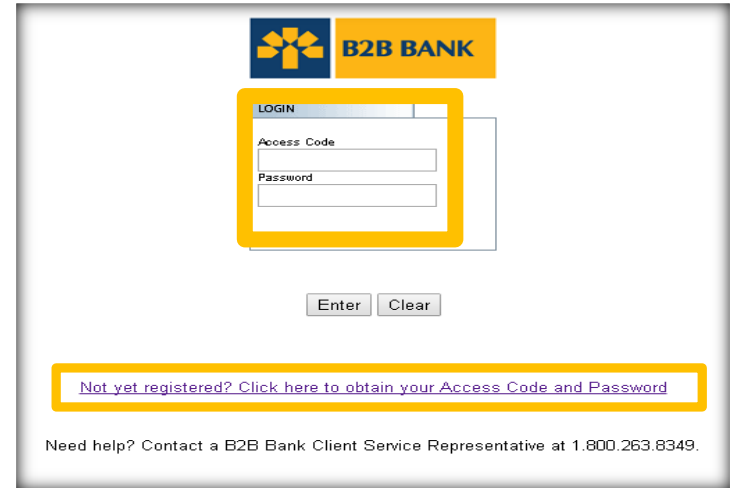
Registering for EASE

There are two ways of registering for EASE:

1. Register online

- You will receive an email confirmation with your:
 - Access code
 - Password
- Remember these for future use

2. Contact us at 1.800.263.8349



B2B BANK

LOGIN

Access Code

Password


Enter Clear

[Not yet registered? Click here to obtain your Access Code and Password](#)

Need help? Contact a B2B Bank Client Service Representative at 1.800.263.8349.



Starting a NEW application

NEW LOAN | PASSWORD MODIFICATION | HELP | FRANÇAIS | QUIT 

[Advisor]

Last Login : Month Day, Year TIME

Welcome

IMPORTANT INFORMATION WILL BE DISPLAYED HERE.

Welcome to the B2B Bank Electronic Application Submission Entry (EASE) system. This online tool allows you to securely apply for a loan and receive an application status within seconds.

On EASE you can:

- Complete, print and submit loan applications online for RSP and investment loans through the following programs:
 - o B2B Bank Standard Loan Program
 - o B2B Bank Select Loan Program (for mutual fund investment loans only)
 - o B2B Bank Distribution Alliance Loan Program
- Receive an email confirmation of the application status
- Monitor the status of your client's loan application
- Use the Advanced Search facility to find an existing application
- Generate several types of reports



Funding options: Distribution Alliance loans

Proceeds

Loan funding is forwarded to the fund manufacturer for deposit to:

- RRSP
- RESP¹
- **Combination of RRSP and RESP**

Eligible investments

Investments must come from the same family of eligible funds offered by one Distribution Alliance program participant

Approved fund companies², such as:

- PFSL Fund Management Ltd – Concert Allocation Series of Funds
- Primerica Life Insurance Company of Canada (PLICC) – Common Sense Funds

Contact your dealer/agency to determine whether this funding option is available to you. 2. A borrower cannot use the loan proceeds from the same loan to purchase both Concert and Common Sense funds. They need to apply for two separate B2B Bank RSP Loan applications.



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Loan application status

The loan status will be updated and communicated to you via fax and/or email.

Status	Details
Under credit review	<ul style="list-style-type: none">Under credit review.
Credit approved	<ul style="list-style-type: none">The application met B2B Bank credit risk standards.Funding will begin once all required documents have been received and validated.
Credit declined	<ul style="list-style-type: none">The application as submitted did not meet B2B Bank credit risk standards.If a loan has been declined, B2B Bank will call and/or fax you to notify the reason for the declined decision.
Pending	<ul style="list-style-type: none">Additional information may be required.You may receive a call or fax notification highlighting the outstanding documentation required to complete adjudication.
Funded	<ul style="list-style-type: none">Funded.



Supporting documentation

Supporting documents

- Include the **EASE transaction number** on all documentation to be sent to B2B Bank (where applicable)
- All pages of the loan application must be sent, including the **Terms and Conditions** section
- Ensure you use **all pages from the same application** (avoid using photocopies from a previous application as each application is linked to one unique EASE number)



Supporting documents

Supporting document

Details

Void cheque

- Must be from a personal chequing account (not a business/company)
- Must be imprinted with the client's name
- Cheques from a line of credit, a credit card account or from a business account are NOT accepted

Pre-Authorized Debit Agreement (PAD)

- The form must include the bank branch stamp or an authorizing signature from the client's bank branch

Letter of Direction

- If paying out an existing RSP Loan held at another financial institution



Supporting documents

Supporting document

Details

Proof of Income (POI)

- Required for registered savings plan loan amounts greater than the maximum RRSP deduction limit for the current year; or
- Loans with a term longer than two years

Proof of Assets

- Required only upon request
 - Bank statements – within last 30 days
 - Investment statements – within last 6 months
 - Real Tax Assessment (RTA) – within last year

Advisor Notification form

- A fax notice to the representative itemizing specifically what is Not In Good Order (NIGO)



RSP Loan application tips and considerations

Proof documentation **MUST** match the information on the loan application

Proof of Income (POI) documentation requirements:

- Self employed/commission
- Rental income
- Salary



RSP Loan application tips and considerations

Proof documentation MUST match the information on the loan application

Proof of Assets documentation requirements:

- Business-related assets are NOT part of the adjudication
- Full statement details are required
- Jointly held real estate calculation
- Property value vs. market value
- Ineligible assets



RSP Loan application tips and considerations

- Income taxes must be up-to-date
- Provide additional information in the initial application
- Client name should match the void cheque, credit bureau and ID
- Include expiry dates for ID
- Phone numbers for work and home are required
- Net worth/loan amount correlation



Resources

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- RATE OF RETURN** What is your investment risk tolerance? (low, medium or high)
- TIME** At what age do you plan to retire? How long do you plan to live in retirement?

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Capital	What is your net worth? Assets - Liabilities = Net worth	Net worth should be higher than the requested loan amount	Net worth = \$ _____ Loan amount = \$ _____
Credit history	How has your client used credit in the past? Credit bureau scores use past borrowing to predict repayment behaviour	Determine: • Acceptable Beacon score • Length of credit history • Depth of credit information • Delinquency history	Credit score: _____ Credit history (years): _____ Delinquencies: _____
		Occupation: _____ Employment type: _____ Length of employment: _____ Length of residence: _____	

Payments on a \$10,000 RSP loan*

Term	Total RSP savings	Net growth	Net amount
2 years	\$4,817.90	\$1,258.77	\$3,559.13
5 years	\$10,400.00	\$2,358.00	\$8,042.00
10 years	\$19,000.00	\$4,398.00	\$14,602.00

ROR of 6%

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Questions and answers



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B2B Bank reserves the right to request additional information or documentation at its sole discretion. The B2B Bank RSP Loan Program is available exclusively through licensed financial advisors. The calculations shown are for illustration purposes only. Actual rates and amounts may differ. B2B Bank cannot be held responsible for the accuracy of the calculation performed or the amounts indicated. Clients can defer their first payment for up to 180 days on all RSP loans. If a deferral payment option is selected, the first payment is due on the first payment date after the expiration of the deferral period. The interest accrues from the date of funding and extends the term of the loan by the length of deferral. “Prime Rate” means the annual interest rate announced by B2B Bank from time to time as being its reference prime rate then in effect. as of October 1, 2018. All rates are subject to change without notice. Individuals should consult qualified tax specialists. RRSP contributions cannot be deducted from income in all circumstances. Potential tax refunds are dependent on a number of factors, and making an RRSP contribution will not yield a tax refund in all circumstances. Consult a qualified tax professional for more information. ® B2B BANK is a registered trademark of B2B Bank.

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