Buying a Home in the U.S. the Canadian Way with RBC

RBC Bank Mortgage[1] Solutions

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According to the **National Association of Realtors International Study** from July 2020 Canadians

- Were the second largest group of foreign buyers in the U.S. last year
- Invested $9.5B* between April 2019 and March 2020, including $4.75B in Florida
- Represent 18,300 residential purchase transactions for an average price of $517K

* All monetary amounts listed are calculated in USD currency.

According to the **National Association of Realtors International Study** from July 2020 Canadians

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- Canadians own over $60B* in real estate assets just in Florida
- 84% of all Canadian transactions made in Florida (50%), California (19%), Arizona (14%)

RBC Bank is dedicated to helping Canadians access U.S. financing for south of the border real estate purchases and investments.

REASONS TO BUY

Affordability, Rental Income, and Lifestyle

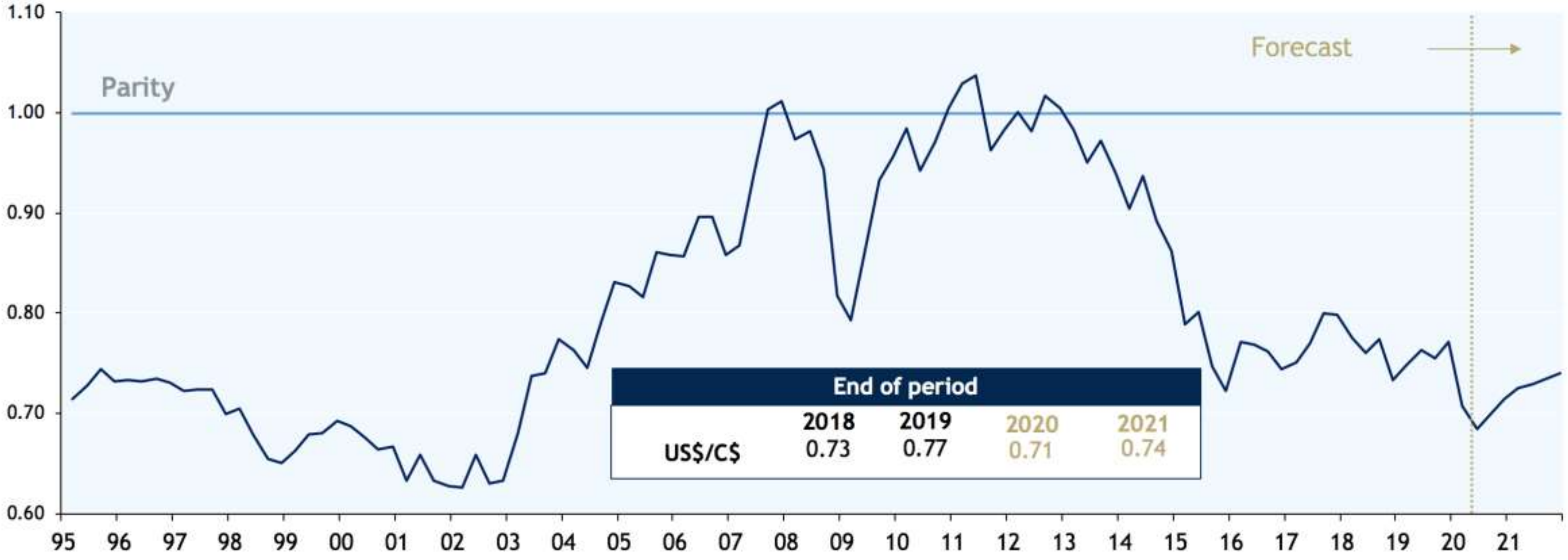
Earn Rental Income on U.S. Property

- Paid in U.S. dollars
- No need to exchange funds
- Income can cover mortgage payments, taxes, insurance and fees

REASONS TO BUY

Financing Reduces FX Impact

Canadian Dollar Forecast (U.S. $ / CAN $)



Source: RBC Economic and Financial Outlook – *www.rbc.com/economics*

Why **Canadians Should Finance** Their U.S. Dream Home

- By financing your U.S. home with RBC Bank, you can reduce your upfront cost of currency exchange.
- If the Canadian dollar improves, you can pay off the mortgage with no penalty.
- Here is an example of the differences in the one-time, upfront costs of paying cash versus financing a typical U.S. home.

Why **Canadians Should Finance** Their U.S. Dream Home

CASH	FINANCING
$400,000 USD (All Cash Purchase Price)	**$90,000** USD (20% Down Payment + Closing Costs**)
Cash Needed at Closing ***x 37%*** *CAD to USD Foreign Exchange Rate*	
$548,000 CAD ($148,000 CAD to USD)	**$123,000** CAD ($33,000 CAD to USD)
$115,000 CAD (One-time, Upfront Difference in Exchange Costs)	

* All monetary amounts listed are calculated in USD currency.
‡ Illustrative example for information purposes only, assuming US$1/C$ .73. Foreign exchange rates are subject to change at a moment's notice.
** 20% down payment of $80,000 + approximately $10,000 in closing costs.

REASONS TO BUY

RBC U.S. HomePlus^{TM} Advantage

Full-Service **Home Buying Support**

- Advice
- Tools
- Perks
- Access to experts
  - Cross-border tax and legal experts
  - Canadian-certified real estate professionals
  - Cross-border mortgage advisors
- RBC U.S. HomePlus^{TM} Rewards†
  - Earn up to $6500 cash back

Benefits of an RBC Bank Mortgage[1]

- We use your Canadian credit history
- We provide financing in all 50 states
- We staff a dedicated team of mortgage professionals who only work with Canadians
- We never charge a foreign national premium

Benefits of an RBC Bank Mortgage[1]

- We never charge a prepayment penalty
- We'll help you close your mortgage in the U.S. or Canada
- We have a network of trusted real estate related service partners

Mortgages[2] from RBC Bank

Key Characteristics	Primary or Secondary Home	Investment Property
Pre-approval	Yes	Yes
Down Payment Required	20%	25%
Property Types	Single family, condo, townhome	Single family, condo, townhome
Loan Terms	3, 5, 7, 10-year mortgage term[2]	3, 5, 7, 10-year mortgage term[2]
Renewals	Lock in for 3, 5, 7 or 10 years – at no cost	Lock in for 3, 5, 7 or 10 years – at no cost
Monthly Payment	Based on a 30-year term	Based on a 30-year term
Refinance	Yes	Yes
Foreign National Premium	No	No

REASONS TO BUY

Affordability – Mortgage Sale[3]

RBC Bank **Mortgage**[1] **Sale**

- It's the **right time to buy** with **great rates** and now for a limited time a **$0 underwriting fee**[3].
- **Submit your application** by **September 30, 2020** and **save**!

Make Your **U.S. Home Equity** Work for You

- Take advantage of your appreciation and the strong U.S. dollar
- Use the money earned from the currency exchange for virtually anything
- Improve your U.S. cash flow

No-Fee/Low-Fee **HELOC**[4]

- **Special offer** through **September 30, 2020**
- RBC Bank will **cover the closing costs**
- **Borrow up to 80%** of your home’s value

WHAT TO EXPECT

Mortgage Process and Timeline

Finance Your U.S. Property in **3 Easy Steps with RBC Bank**

Step 1: Mortgage Application	Step 2: Conditional Approval	Step 3: Closing
▪ Get started with your online mortgage application ▪ Your Cross-Border Mortgage Advisor will help you lock your rate for 60 days ▪ You'll begin gathering and providing documentation	▪ Your application is submitted for review ▪ You'll receive a conditional approval letter – valid for 60 to 120 days	▪ Finalize documentation ▪ Your closing may take place in the U.S. or Canada depending on the location of your U.S. home ▪ May be able to send a Power of Attorney

Mortgage loan processing in the U.S. – from applying through closing – typically takes 30-45 days

LET’S GET STARTED!

Invest in U.S. Real Estate

Additional Resources and **Getting Pre-Approved**!

- Takes only a few minutes to fill out the online application at **rbcbank.com/preapproval**
- We'll let you know how much you qualify for – usually within a business day
- Call **1-866-283-5928** if you want to speak with a dedicated cross-border mortgage specialist
- Visit **rbcbank.com/ushomes**
    - E-Guide at **rbcbank.com/homebuying**

Please submit questions using the Chat feature

DISCLOSURES

EQUAL HOUSING
LENDER

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† RBC U.S. HomePlus™ Rewards is offered by RBC Bank with HomeStory Real Estate Services (HRES), a licensed real estate broker. HRES is not affiliated with RBC Bank and RBC Bank is not responsible for the program provided by HRES. To qualify for the RBC U.S. HomePlus™ Rewards, you must enroll in the program and use the assigned network real estate agent to complete the buy transaction. Your enrollment and reward eligibility is good for 18 months. If you do not purchase a home during that time, you must re-enroll to become eligible for the cash reward. For full details, please review the program terms and conditions at https://rbc.homestory.co/programoverview.

1. Mortgages are subject to approval, including verification of acceptable income, credit worthiness and property valuations. Minimum and maximum property values and maximum loan-to-value ratios apply. Homeowner's insurance is required for all loans and lines of credit, and flood insurance is required if the property is located in a Special Flood Hazard area. Escrows may be required on mortgages. There are closing costs associated with these products.

2. 3, 5, 7, or 10-year term refers to the period of time the interest rate is set at the beginning of the loan period which is 30 years (360 months); after the initial fixed rate term, the interest rate will adjust annually. Example: 3-Year Adjustable Rate Mortgage (ARM) calculation assumes a $250,000 loan amount, 4.000% interest rate, 4.764% APR, with 20% down payment, amortized over 360 months = $1,193.54 monthly payment. Example: 5-Year ARM calculation assumes a $250,000 loan amount, 4.125% interest rate, 4.679% APR, with 20% down payment, amortized over 360 months = $1,211.62 monthly payment. Example: 7-Year ARM calculation assumes a $250,000 loan amount, 4.375% interest rate, 4.699% APR, with 20% down payment, amortized over 360 months = $1,248.21 monthly payment. Example: 10-Year ARM calculation assumes a $250,000 loan amount, 4.500% interest rate, 4.455% APR, with 20% down payment, amortized over 360 months = $1,266.71 monthly payment. Rates and payments are subject to increase after initial fixed period of loan. If the down payment is less than 20%, mortgage insurance may be needed on the loan. This could increase the monthly payment and the interest rate. Rates subject to increase after consummation.

3. To qualify for the $0 underwriting fee, a full and complete mortgage application must be submitted by September 30, 2020. Mortgages must fund within 120 days of the application date. Offer may be withdrawn or changed at any time without notice. Offer is only available to the following clients; new RBC Bank mortgage/Home Equity Line of Credit (1st or 2nd homes), Investment Properties, and Refinance on a property that is owned free and clear. Additional bank fees and third-party fees apply and are paid separately. Mortgage and HELOC offer may be combined: if a client closes on an eligible mortgage and also opens a second lien HELOC with RBC Bank, both products will have a $0 underwriting fee. That's a savings of $924 USD (or over $1,200 CAD). May not be combined with any other special offers.

4. Offer period is 01/20/20 through 09/30/20 and may be withdrawn or changed at any time without notice. To qualify, a full and complete RBC Bank Home Equity Line of Credit application must be submitted by September 30, 2020 and fund within 120 days of the application date. Eligibility is subject to RBC Bank Lending Guidelines and additional terms and conditions apply. An RBC Bank Premium Checking account is required. Offer is available for loan amounts between $25,000 and $750,000. The actual amount you can borrow may vary based on factors such as credit history, property type, occupancy, lien position and loan to value amount. RBC Bank agrees to pay certain usual and customary closing costs and fees associated with issuing a Home Equity Line of Credit ("HELOC"). These costs typically include: origination fee, appraisal fee, credit report fee, title search and title insurance costs, flood determination costs, and filing fees. Escrow or prepaid requirements are not covered by RBC Bank, and include items such as Homeowner Association Dues, property taxes, property insurance, flood insurance and mortgage interest. Based on your loan scenario, certain taxes (such as transfer tax, doc stamps, intangible tax, recording tax, mortgage tax or other taxes) may apply and you will not be eligible for this offer. However, you may be eligible for one of our other HELOC programs. If you close your Home Equity Line of Credit within 24 months of opening the account, you will be required to pay all of the costs that were paid by RBC Bank in connection with the opening and issuance of the account. This is in addition to any outstanding balance that may exist on the loan. For eligible clients, RBC Bank will waive the annual fee for the Premium Checking account and HELOC as long as both remain open and in good standing. If you close your HELOC at any time, the annual Premium Checking account fee of $99.95 will begin to apply.

RBC®