

# Cross-Border Lifestyles – Everything You Need to Know from Banking with Perks to Buying U.S. Property



**Alain Forget, Jason Christiansen, Aaron Seymour & Marlene Atzori**

October 25, 2022



# Today's Facilitator



## **ALAIN FORGET**

### *Head of Business Development*

Alain has been working for RBC for over 40 years, holding various business and sales leadership roles in Canada, the Caribbean and the U.S. He is passionate about helping Canadians purchase U.S. homes and works closely with consumers, real estate professionals and other strategic partners to provide education and opportunity to Canadian buyers in the U.S. Alain acts as spokesperson for the media and at real estate conferences as a subject matter expert. He is also a licensed real estate agent in Florida and holds a degree in Finance & Management.

# Questions



- Please use the CHAT bar to submit your questions in writing during the live presentation.
- To register a question over the phone following the formal portion of our presentation:
  - Enter 1 followed by 4 on your phone.
  - If your question has already been asked, you can unregister your question by dialing 1 followed by 3.

*Note, this webinar is being recorded, and the presentation will be made available on our virtual advice event landing page.*

# We're Here for You



We've donated \$150,000 USD to the American Red Cross to provide for the immediate basic needs of people displaced and impacted by the hurricane.

We've also launched a financial relief program to assist RBC Bank cross-border clients who were affected and need support. For more information, visit [rbcbank.com](https://www.rbcbank.com) or call 1-800-ROYAL-53

## Today's Presenter



### **JASON CHRISTIANSEN**

*Co-Founder, Young Alfred*

Jason co-founded Young Alfred 6 years ago with David Stasie. Prior to Young Alfred, he has worked in high-frequency trading. Young Alfred is a marketplace to compare and buy personal lines insurance, specializing in home insurance, and auto, flood umbrella, and more. Young Alfred works with 40+ insurance carriers in all 50 states including D.C., and offers a completely digital shopping experience.

STRICTLY PRIVATE & CONFIDENTIAL

# Buying Home Insurance in the U.S.

[rbc.youngalfred.com](https://rbc.youngalfred.com)

credible



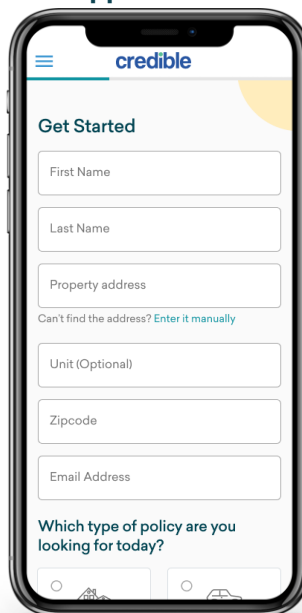
# Speaker Bio



**Jason Christiansen**  
GM Home Insurance Operations



## Simple Application



credibile

### Get Started

First Name

Last Name

Property address



Can't find the address? Enter it manually

Unit (Optional)

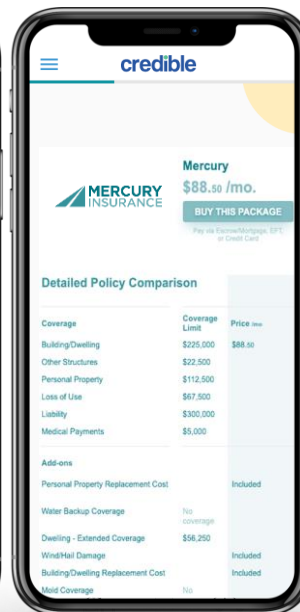
Zipcode

Email Address

Which type of policy are you looking for today?

☐  ☐ 

## Accurate Quotes



credibile

**Mercury**  
\$88.50 /mo.  
BUY THIS PACKAGE  
Pay via Debit/Mortgage, 10% off Credit Card

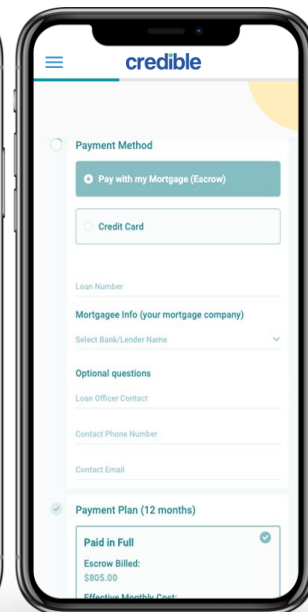
### Detailed Policy Comparison

Coverage	Coverage Limit	Price
Building/Dwelling	\$255,000	\$88.50
Other Structures	\$22,500	
Personal Property	\$112,500	
Loss of Use	\$67,500	
Liability	\$300,000	
Medical Payments	\$5,000	

### Add-ons

Personal Property Replacement Cost	
Water Backup Coverage	No coverage
Dwelling - Extended Coverage	\$58.250
Wind/Hail Damage	Included
Building/Dwelling Replacement Cost	Included
Med Coverage	No

## Online Checkout



credibile

☐ Payment Method

☒ Pay with my Mortgage (Escrow)

☐ Credit Card

Loan Number

Mortgage Info (your mortgage company)

Select Bank/Lender Name

Optional questions

Loan Officer Contact

Contact Phone Number

Contact Email

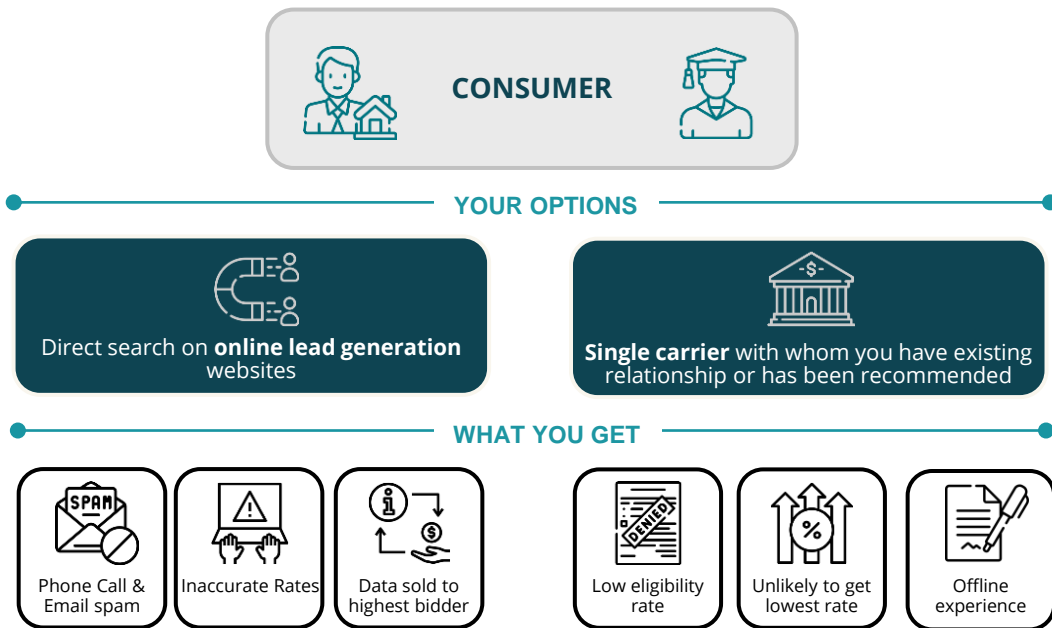
☒ Payment Plan (12 months)

**Paid in Full**

Escrow Billed: \$805.00

Effective Monthly Cost

# Buying Home Insurance is a Pain in the U.S.



✗  
**No digital**  
shopping options

✗  
**No confidence**  
in the rate offered



# Challenges for Canadians

## No U.S. Credit History

Most insurance carriers use credit as a primary rating factor

Carriers will return a “no hit” and assign a default score

Each carrier is different, and likely will require a phone call to underwriting to review your applications



## No U.S. Address

Young Alfred by Credible's online application accepts non-U.S. primary addresses

Most online forms will not allow you to input non-U.S. addresses for the primary address

TIP: put in the address of the property you are looking for insurance on, and then give the carrier a call

**Credible Insurance Makes it Easy for Canadians to Shop, Compare and Buy Home Insurance**

# Insurance is Not One Size Fits All

## 9 major factors that determine the cost of home insurance

- ✓ Roof shape and recent roof updates
- ✓ The home's age
- ✓ Your location
- ✓ The construction material
- ✓ Your credit score
- ✓ Frequency of claims
- ✓ The deductible
- ✓ Home security system
- ✓ Preventive maintenance



# How to Compare Home Insurance

Coverage Limits	<ul style="list-style-type: none"><li>• Make sure the limits are high enough to cover the rebuild cost of the property</li><li>• This can sometimes differ significantly from the market value of the property</li></ul>
Special Deductibles	<ul style="list-style-type: none"><li>• Double check the wind/hail and hurricane deductibles</li><li>• In coastal states, these often default to 2% of Coverage A</li><li>• Can be a significant price driver</li></ul>
Roof Replacement	<ul style="list-style-type: none"><li>• Older roofs are often covered at “Actual Cash Value” rather than “Replacement Cost”</li><li>• If your roof gets damaged and you need a full replacement, the carrier may only cover pennies on the dollar</li></ul>
Flood Insurance (earthquake)	<ul style="list-style-type: none"><li>• Flood is <b>NOT</b> covered in home insurance policies</li><li>• You will need to buy a separate flood policy if you want the coverage</li><li>• Earthquake coverage is also generally excluded</li></ul>

# Florida & Hurricane Ian

**Current estimates for Hurricane Ian damages are at \$53B to \$74B**

## Florida Insurance Market – Special Coverages

- Water Damage Coverage (Excluded, Limited)
- Screened Enclosures for Pool (Excluded by Default)
- Boat Docks – Coverage B
- Ordinance or Law
- Sinkholes
- Loss Assessment (Condos)
- Hurricane deductibles often 2% of Coverage A (rebuild value)

# The Easiest Way to Buy Insurance in the U.S

## Simple Application

The 'Get Started' form includes input fields for First Name, Last Name, Property address, Unit (Optional), Zipcode, and Email Address. A link 'Can't find the address? Enter it manually' is provided. At the bottom, a question asks 'Which type of policy are you looking for today?' with radio button options for 'Home' and 'Auto'.

## Accurate Quotes

The screen displays a 'Detailed Policy Comparison' for Mercury Insurance. The quote is \$88.50 /mo. and includes a 'BUY THIS PACKAGE' button. Below is a table comparing various coverages.

Coverage	Coverage Limit	Price /mo.
Building/Dwelling	\$225,000	\$88.50
Other Structures	\$22,500	
Personal Property	\$112,500	
Loss of Use	\$67,500	
Liability	\$300,000	
Medical Payments	\$5,000	

Add-ons	
Personal Property Replacement Cost	Included
Water Backup Coverage	No coverage
Dwelling - Extended Coverage	\$56,250
Wind/Hail Damage	Included
Building/Dwelling Replacement Cost	Included
Mold Coverage	No

## Online Checkout

The checkout screen includes sections for 'Payment Method' (with options for 'Pay with my Mortgage (Escrow)' and 'Credit Card'), 'Loan Number', 'Mortgage info (your mortgage company)', 'Optional questions', and 'Payment Plan (12 months)'. The 'Paid in Full' option is selected, showing an 'Escrow Billed: \$805.00' and an 'Effective Monthly Cost'.



## Save Time & Money

Compare homeowners' insurance from 40+ carriers. Save up to \$1,000 per year



## Close on Time

Send your homeowners insurance policy directly to your mortgagee



## Streamlined Process

No phone call needed – check-out directly online with your credit card or mortgagee clause



## Personal Service

White glove service through licensed agents are available seven days a week



## Customized Options

Tailored homeowners' insurance quotes to meet needs and budget



Questions

credible

## Your Presenter



### **AARON SEYMOUR**

*Senior Cross-Border Mortgage Advisor*

Aaron has been working in banking and financial services for 20 years in various roles. The past 4 years he's served as a Senior Cross-Border Mortgage Advisor assisting Canadian borrowers in realizing their dreams of owning real estate in the U.S. Aaron is passionate about assisting his clients and ensuring each transaction runs as smoothly as possible. Aaron earned a bachelor's degree in international business from the University of Tennessee and has had an opportunity to live in the U.S., Canada, France and Zimbabwe.

# According to the **National Association of Realtors International Study** from July 2022 Canadians



- Pre-pandemic: 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

From April 1<sup>st</sup> 2021 to March 31<sup>st</sup> 2022, we saw \$5.5B spent in 11,300 purchase transactions in the U.S. as # 1 International Buyers with an average price of \$485K.

Top states: Florida (45%), Arizona (23%), California (12%)

— NAR International Study, July 2022

\* All monetary amounts listed are calculated in USD currency.



# According to the **National Association of Realtors International Study** from July 2022 Canadians

- Canadians own over \$65B\* in real estate assets just in Florida
- 80% of all Canadian transactions made in Florida (45%), Arizona (23%) and CA (12%)

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



\* All monetary amounts listed are calculated in USD currency.

REASONS TO BUY

**Affordability, Rental Income, and Lifestyle**

# Earn Rental Income on U.S. Property

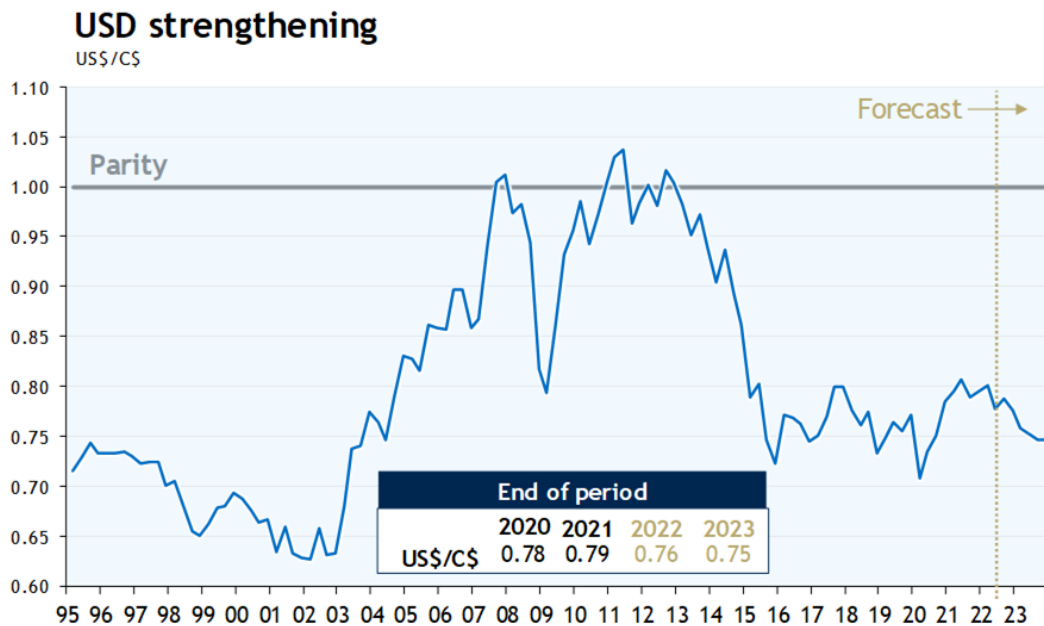


- Paid in U.S. dollars
- No need to exchange funds
- Income can cover mortgage payments, taxes, insurance and fees

REASONS TO BUY

## **Financing Reduces FX Impact**

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



Source: Bank of Canada, RBC Economics

Source: Bank of Canada, RBC Economic Research  
For more Economic & Financial insights and outlooks please visit: [rbc.com/economics](https://www.rbc.com/economics)

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

CASH VS. FINANCING FOR A \$500,000* U.S. HOME (Example Savings‡)	
Cash	Financing
<b>\$500,000</b> USD (Costs Using 2.5% on \$500k)	<b>\$112,500</b> USD (20% Down Payment + Closing Costs**)
<b>Cash Needed at Closing</b> <i>x 32% CAD to USD Foreign Exchange Rate</i>	
<b>\$660,000</b> CAD (\$160,000 CAD to USD)	<b>\$148,500</b> CAD (\$36,000 CAD to USD)
<b>\$124,000</b> 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\$0.76. 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™ Advantage**

## RBC U.S. HomePlus™ Advantage Partners<sup>3</sup>

- HomePlus™ Rewards
- Cross-border legal and tax experts
- Homeowners and flood insurance through an insurance marketplace
- Dedicated team of mortgage professionals





# Benefits of an RBC Bank Mortgage<sup>1</sup>

- We use your Canadian credit history
- We provide financing in all 50 states
- We never charge a foreign national premium
- We never charge a prepayment penalty
- We'll help you close your mortgage in the U.S. or Canada



# Mortgages<sup>2</sup> from RBC Bank

Key Characteristics	Primary or Secondary Home	Investment Property
Pre-approval	Yes	Yes
Down Payment Required	20%	25% or 40%
Property Types	Single family, condo, townhome	Single family, condo, townhome
Loan Terms	3, 5, 7, 10-year mortgage term	3, 5, 7, 10-year mortgage term
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	None	None

REASONS TO BUY

## **Affordability – Mortgage Sale<sup>4</sup>**

# RBC Bank Mortgage<sup>1</sup> Sale



- It's the **right time to buy** with **great rates** and now for a limited time a **\$0 underwriting fee<sup>4</sup>**.
- **Submit your application** by **January 1st, 2023** and **save!**

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
<ul style="list-style-type: none"><li>▪ Get started with your online mortgage application</li><li>▪ Your Cross-Border Mortgage Advisor will help you lock your rate for 60 days</li><li>▪ You'll begin gathering and providing documentation</li></ul>	<ul style="list-style-type: none"><li>▪ Your application is submitted for review</li><li>▪ You'll receive a conditional approval letter – valid for 60 to 120 days</li></ul>	<ul style="list-style-type: none"><li>▪ Finalize documentation</li><li>▪ Your closing may take place in the U.S. or Canada depending on the location of your U.S. home</li><li>▪ May be able to send a Power of Attorney</li></ul>
<b>Mortgage loan processing in the U.S. – from applying through closing – typically takes <b>40-45 days</b></b>		

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](https://www.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 advisor
- Visit **[rbcbank.com/ushomes](https://www.rbcbank.com/ushomes)**
  - E-Guide at **[rbcbank.com/homebuying](https://www.rbcbank.com/homebuying)**





# Today's Presenter



## **MARLENE ATZORI**

### *RBC Regional Advisor*

Marlene has over 30 years' experience with RBC, working across various departments throughout the bank. As an accredited Financial Planner for the past 15 years, she's been a leader and mentor at RBC, ranking as a top performer in the Toronto West region. She holds a Bachelor of Arts degree and several designations from the Institute of Canadian Bankers, including her PFP. Marlene has been a core collaborator for RBC USA since its inception, networking with partners on both sides of the border.

# Getting Ready to Head South

## What we're hearing

- Tax & legal concerns<sup>5</sup>
- Health & wellness considerations
- Banking solutions
  - Checking
  - Credit cards<sup>6</sup>
- Preparing students for U.S. college
- Buying a home in the U.S. or using U.S. equity<sup>7</sup>
- Cross-border business banking



# U.S. Banking Benefits

- Free and instant cross-border transfers<sup>9</sup>
- Mobile deposits/Digital capabilities with digital wallet
- Peer to peer transfer - 3<sup>rd</sup> party apps
  - Venmo, Pay Pal, Apple Pay, Cash App, etc.<sup>3</sup>
- Over 50,000 no-fee ATMs<sup>8</sup> nationwide through Allpoint
  - CVS, Walgreens, Target
- RBC Rewards points redeemable for cash back<sup>10</sup>, gift cards, travel and more
- No foreign transaction fees<sup>9</sup> on U.S. purchases

Visit [rbcbank.com](https://www.rbcbank.com)



## Cross-Border Offers & Perks

- Reduced shipping cost with MyUS.com<sup>3</sup>
- Telehealth through Maple<sup>3</sup>
- Tax and legal advice<sup>5</sup>
- Electronics installation
- Junk removal
- HomePlus™ Advantage<sup>11</sup>
- Insurance marketplace

### Limited time perks:



\$60 off Walt Disney World<sup>‡</sup>  
Tickets<sup>12,13\*</sup>



Up to 35% off select Avis car rentals  
in Canada and the U.S.<sup>12,3</sup>

# Questions



- Please use the CHAT bar to submit your questions in writing during the live presentation.
- To register a question over the phone following the formal portion of our presentation:
  - Enter 1 followed by 4 on your phone.
  - If your question has already been asked, you can unregister your question by dialing 1 followed by 3.

*Note, this webinar is being recorded, and the presentation will be made available on our virtual advice event landing page.*

# Disclaimer

Equal Housing Lender. Member FDIC.

® / ™ Registered trademarks of Royal Bank of Canada. Used under license.

RBC Bank means RBC Bank (Georgia), N.A., a subsidiary of Royal Bank of Canada.

This presentation offers general information only and is not intended as legal, financial or other professional advice. A professional advisor should be consulted for your specific situation. While information presented is intended to be factual and current, its accuracy is not guaranteed and it should not be considered a complete analysis of the subjects discussed. All expressions of opinion reflect the judgement of the presenter(s) as of the date of publication and are subject to change. No endorsement of any third parties or their advice, opinions, information, products or services is expressly given or implied by Royal Bank of Canada or its affiliates.

# Disclaimers

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 mortgage 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 every six (6) months. 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. This company is not affiliated with RBC Bank and RBC Bank is not responsible for the offer provided by this company.
4. To qualify for the \$0 underwriting fee, a full and complete mortgage application must be submitted by January 1st, 2023. 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.
5. Consult your financial, tax, legal, and other professional advisors prior to applying for a U.S. mortgage.
6. All loans and lines of credit are subject to credit approval.
7. Mortgages and Home Equity Lines of Credit (HELOCs) 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; in addition, flood insurance is required if the property is located in a Special Flood Hazard area. Escrows may be required for insurance and property payments on mortgages and home equity lines. There are closing costs associated with mortgages and home equity lines. Home Equity Lines of Credit require payment of an Origination Fee equal to ½ percent of the line of credit amount (with a \$500 minimum and a \$2,000 maximum) and third party closing costs (ranging from \$900 to \$9,000) that are payable at origination. Home Equity lines also involve payment of a \$50 annual fee. Home Equity Lines of credit are not offered for properties in Texas. Home Equity Lines of Credit are not available for investment properties. An investment property is a property that is not occupied by the owner/borrower for at least two weeks per year. Standard account charges may apply. Maximum transaction limits may apply and are subject to change. Availability of the money will depend on the time when it is sent from Royal Bank of Canada or RBC Bank. Transaction may not appear on your RBC Bank account transaction history until the following day but will reflect the date of transfer.
8. There is no fee associated with accessing these ATMs but standard account charges and transaction limitations will apply. If you access ATMs other than those identified in our ATM locator ([www.rbcbank.com/atms](http://www.rbcbank.com/atms)) fees may apply. During the process, you will be notified of the fee and will be required to accept the fee if you desire to complete the transaction. For fee information, refer to the Personal Schedule of Fees for details.
9. While there are no foreign transaction fees for purchases in the U.S. or in USD, there are foreign transaction fees for purchases conducted in foreign currency. RBC Bank Foreign Transactions: RBC Bank Signature Black/Signature Black Plus credit cards: 1.5% of the U.S. dollar amount of the transaction if the transaction is conducted in a foreign currency. RBC Bank Platinum Rewards credit card: 3% of the U.S. dollar amount of the transaction if the transaction is conducted in a foreign currency.
10. 1.00% cash back from the RBC Bank Visa Signature Black/Visa Platinum Rewards credit cards and 1.25% cash back from the RBC Bank Visa Signature Black Plus credit card can only be redeemed with RBC Rewards Points.
11. 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](#).
12. 2 This company is not affiliated with RBC Bank and RBC Bank is not responsible for the offer provided by this company. These offers and discounts are available to RBC Bank clients. Separate enrollment may be required to take advantage of some offers. Eligibility requirements and offers are subject to change or can be withdrawn at any time.
13. 3 Delivery of tickets may take up to 24 hours. To redeem this discount offer you must place your order online by clicking the Online button provided on the Abenity offer page and immediately place your order online. Walt Disney World has created a special web page just for Abenity members where the discounts are already reflected in the displayed product prices. You will automatically receive the provided discounts when you make your online purchase on this special web page.

\* Offers are available to RBC Bank clients only through our cross-border offers and perks program. Membership with Abenity is required to redeem the Universal Studios Orlando and Marathon offers. There is no charge for an Abenity membership. Offer and/or coupon codes are provided through Abenity.