

# From Dreaming to Doorstep – Buying a U.S. Home with RBC Bank



**RBC Bank Mortgage<sup>1</sup> Solutions**



# Presenters



**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.



**AARON SEYMOUR**  
*Senior Cross-Border Mortgage Advisor*

Aaron has been working in banking and financial services for 19 years in various roles. The past 3 years he has 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 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

- 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.



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

REASONS TO BUY

# Affordability, Rental Income, and Lifestyle

# Earn Rental Income on U.S. Property

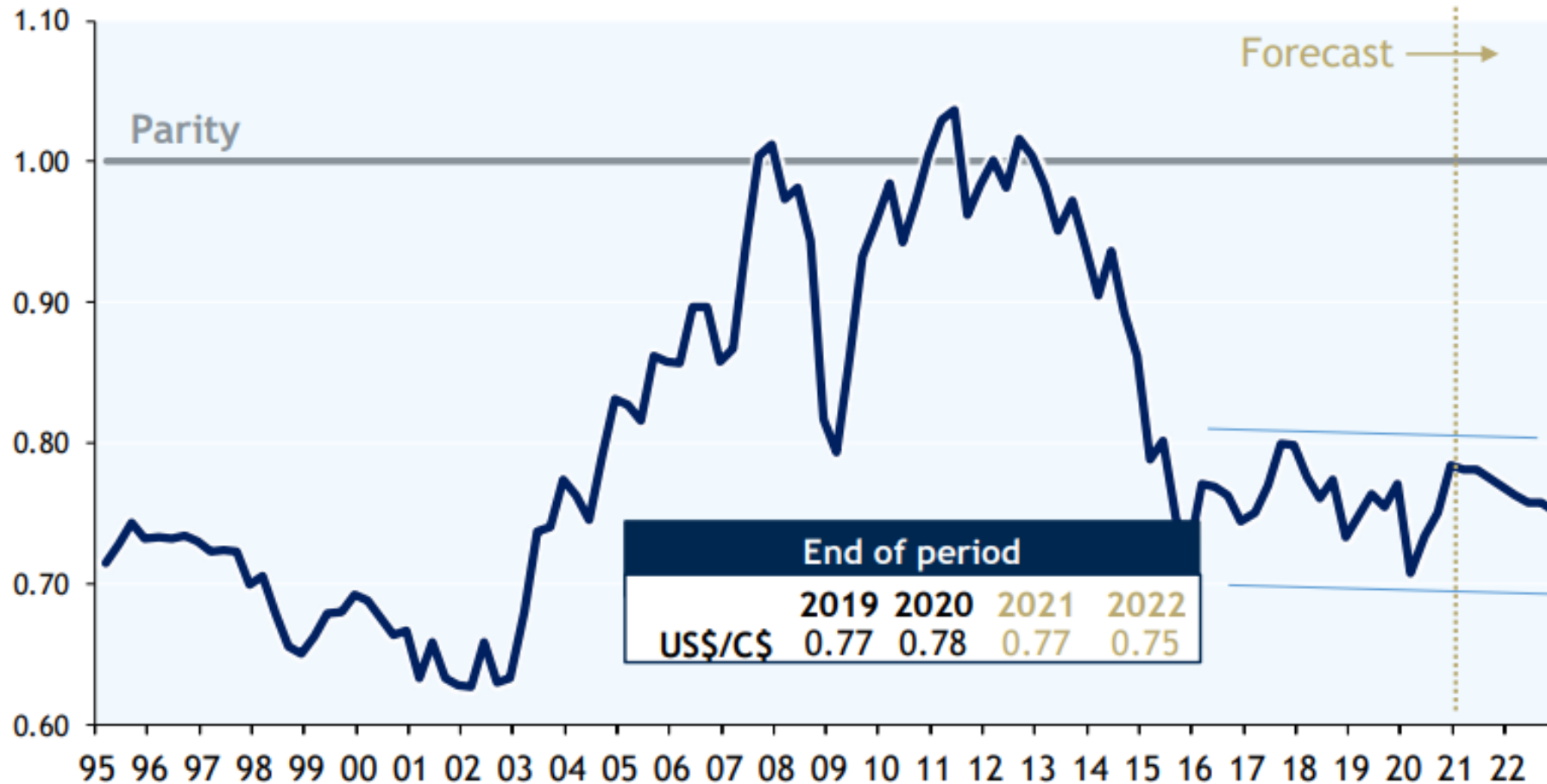


- Paid in U.S. dollars
- No need to exchange funds
- Income can cover mortgage payments, taxes, insurance and fees

REASONS TO BUY

# Financing Reduces FX Impact

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



Source: Bank of Canada, RBC 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

<b>CASH VS. FINANCING FOR A \$500,000* U.S. HOME</b> (Example Savings‡)	
<b>Cash</b>	<b>Financing</b>
<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 ( <i>\$160,000 CAD to USD</i> )	<b>\$148,500</b> CAD ( <i>\$36,000 CAD to USD</i> )
<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



# Full-Service Home Buying Support Exclusively for Canadians

- Dedicated team of cross-border mortgage advisors
- Canadian-certified real estate agents in the U.S.<sup>3</sup>
- Real time property listings
- Ability to earn cash rewards with a U.S. home purchase<sup>†</sup>
- U.S. perks for homeowners<sup>3</sup>
- Cross-border legal and tax experts<sup>3</sup>
- Homeowners and Flood Insurance through an insurance marketplace<sup>3</sup>



# HomePlus Rewards<sup>†</sup>



- Connects Canadians with U.S. real estate agents who are Canadian-certified
- Provides real-time property listings
- Ability to earn a cash reward of up to \$6,500 for Rewards program participants

# Cross-Border Legal and Tax Experts<sup>3</sup>

Common Cross-border Tax and Legal questions:

- How long can a Canadian stay in the U.S. each year?
- How can Canadians handle rental income on a U.S. property?
- What's the best tax structure for buying a U.S. home for personal use?
- What's the best tax structure for buying U.S. rental properties?
- Will cross-border assets be protected by a Canadian estate plan?
- Do Canadians need an ITIN?
- Should children be included on the title?
- Do Canadians have to pay Canadian taxes on U.S. income?
- What taxes have to be paid Canadian sells their U.S. home?

These firms have helped thousands of Canadians create sound strategies when buying, refinancing or selling their U.S. homes.



Firms provide clients a [one-hour free consultation](#)

# Homeowners and Flood Insurance Marketplace<sup>3</sup>



- Provides a comprehensive digital process from application through to purchase and delivery of insurance documents
- Has a network of 40+ trusted providers
- Ability to provide 3 competitive quotes in all 50 states
- Clients are assigned a licensed agent providing personalized service aligning well with our client experience expectations
- Offers homeowners and flood (when applicable) insurance

**No U.S. SSN Required  
Licensed in all 50 states**



**Guided Online  
Application**



**1 business day: 3 quotes**



**Email follow-up with  
licensed agent**



**Insurance paperwork  
completed online**



**Payment options  
include escrow, ACH  
and credit card  
payments**

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

# 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% – 40%
Property Types	Single family, condo, townhome	Single family, condo, townhome
Loan Terms	3, 5, 7, 10-year mortgage term <sup>2</sup>	3, 5, 7, 10-year mortgage term <sup>2</sup>
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 amortization	Based on a 30-year amortization
Refinance	Yes	Yes
Foreign National Premium	No	No



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 June 30, 2021 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>

**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](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)**



# DISCLOSURES



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

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. 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. 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 June 30, 2021. 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, purchase of 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 up to \$924 USD (or over \$1,200 CAD). May not be combined with any other special offers.

