



For advisor use only

RRSP Loan Program Product Brochure



About B2B Trust

- A leading Canadian supplier of third-party investment and RRSP loans.
- Provides lending solutions to over 15,000 professionals across various channels within the financial services industry.
- A long-standing history of investment lending experience with a loan portfolio in the billions.

At B2B Trust, we're dedicated to advisors. We do not market our products directly to the public nor do we solicit your clients or provide investment advice. We are simply here to support you and your business.

Banking that works for advisors®

We're committed to helping you make RRSP lending a cornerstone of your growing business. As leaders in RRSP and investment lending, we offer you **competitive rates** on lending products to suit your clients' needs, **a full range of solutions** to help you find the right one for each client, and **a fast and easy process** to apply for and receive RRSP loan funding.

This brochure takes you through the key elements of our lending program, from outlining our program benefits to providing you an overview of our marketing materials.

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How we can help

We're here to help you deliver outstanding value to your RRSP clients. At B2B Trust, we believe that means highly-competitive rates, a broad range of options and a loan administration process that's simple and fast.

Key program benefits

Simplified pricing

Pricing is based on the term selected, not the loan amount.

Low loan amounts

A low minimum RRSP loan amount applies across all terms.

No penalties

All or part of a loan can be repaid at any time without penalty.

Choice of product

Clients can choose a variable or fixed rate.

Flexible terms

Choose a one- to two-year fixed rate loan or a variable rate loan with a term between one and ten years.

No maximum

There's no cap on RRSP loan amounts.

Deferral payment options

Clients can defer their first payment for up to 180 days.

Consolidate your clients' assets and loans

Use our program to pay out RRSP loans at other financial institutions and provide your client the simplicity of a single monthly payment.

Easy-to-use online tool

- Apply online with EASE, our Electronic Application Submission Entry (EASE) system, to receive an application status email within seconds. Then, track your application all the way to funding and generate several types of reports to help you manage your business.
- Use the History Report tool to assist you in identifying previous clients with RRSP loans for prospecting and to analyze historical trends.

Lending programs

You can access RRSP loans through our B2B Trust Standard Loan Program and our B2B Trust Distribution Alliance Program.

B2B Trust Standard Loan Program

There are two options for your clients' RRSP loan proceeds:

1. B2B Trust Self-Directed RRSP Account

Proceeds can be deposited into a B2B Trust Self-Directed RRSP Account where your clients can hold a wide variety of RRSP-eligible investments. This provides a great opportunity for you and your clients to build a diversified portfolio containing RRSP-eligible assets that meets your clients' retirement objectives.

2. Guaranteed Investment Certificates (GICs)

Your clients also have the option to invest in GICs issued by B2B Trust, Laurentian Trust, Laurentian Bank and LBC Trust.

B2B Trust Distribution Alliance Loan Program

RRSP loan proceeds are forwarded to the Distribution Alliance for deposit into the borrower's registered account.

Reminder

If your client does not already have an RRSP account with us, an account application must be submitted along with the loan application. Investment instructions must be indicated directly on the account application form.

For our current RRSP lending rates, visit the I Need section of b2btrust.com.

Qualifying criteria and application guidelines

B2B Trust follows industry-standard procedures to minimize the risk of loan default. We look at an applicant's income, debt payments, net worth and credit history to help evaluate their ability to repay a loan. Here are some of the key criteria we consider when assessing applicants.

Total debt service ratio (TDSR)

TDSR measures an applicant's capacity to repay debt. Regularly recurring monthly debt payments (including the new loan payment) should be less than 40% of gross monthly income.

$$\frac{\text{Monthly debt (including new loan payment)}}{\text{Gross monthly income}} = \text{TDSR}$$

Income consists of:

Salary
Commissions
Net self-employed earnings

Net worth

Net worth measures an applicant's overall financial resources. It's calculated by subtracting total outstanding liabilities (debt obligations) from total verifiable assets. To qualify, the applicant's net worth should be at least equal to the amount of the loan.

$$\text{Assets} - \text{Liabilities} = \text{Net Worth}$$

Examples of assets include:

A home
Registered plans
Non-registered investments
Stocks

Examples of liabilities include:

Mortgages, rent, leases
Personal loans
Credit card debt
Line of credit balances

Credit history

Credit history shows how an applicant has managed credit in the past. At B2B Trust, we require that all applicant's obligations are up-to-date and paid as agreed — no bankruptcies, collections or judgments. For a general understanding of the credit evaluation process, please download a copy of our *5 Cs of Credit* brochure at b2btrust.com.

Application guidelines

Here are the basic rules for a B2B Trust RRSP loan application:

- The applicant must be an individual; applications in company names are not permitted.
- The applicant must be at least 18 years of age.
- The applicant must be a Canadian resident and have a Canadian personal chequing account for pre-authorized monthly loan payments.
- The applicant must meet all loan credit criteria.

Pre-screening your clients

As an advisor, you play a major role in evaluating your clients' ability to repay a loan. This includes helping them accurately report their income, current debts and net worth. Here is some of the specific information you need to review with your clients as part of their credit application process.

Income

Typically defined as money earned through employment.

Examples of income include:

- Salary
- Commissions
- Net self-employed earnings

Debt

A sum of money that is owed or due to be paid because of an express agreement.

Examples of debt include:

- | | |
|--|--|
| Monthly mortgage or rental payments | Lines of credit — monthly payment based on outstanding balance |
| Monthly property taxes | Lease payments — fixed monthly payment |
| Outstanding loans — fixed monthly payment | Unpaid income taxes — CRA-approved monthly payment |
| Credit card payments — minimum monthly payment | Alimony/child support — fixed monthly payment |

Net worth

Calculated by subtracting total outstanding liabilities from total verifiable assets.

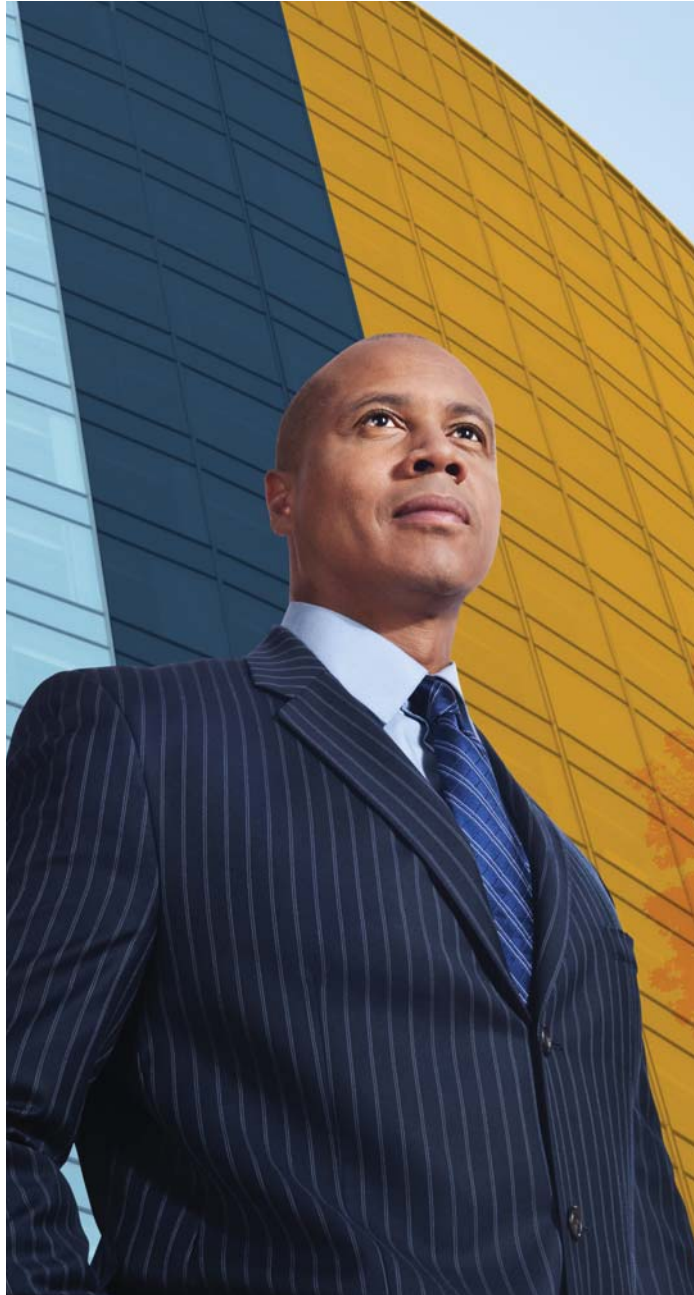
In addition to confirming your clients' income and net worth, the following three questions may help to determine if they are likely to qualify for an RRSP loan:

1. Have they been approved for a loan before — car, RRSP, line of credit, other?
2. Do they make monthly bill, loan and credit card payments on time?
3. Do they usually have money left over after meeting their monthly expenses and debt obligations?

If your clients answer **No** to one or more of these questions, it is important to properly manage their expectations, as they may not qualify for an RRSP loan.

To qualify for a B2B Trust RRSP loan, the applicant's net worth should be at least equal to the loan amount requested.

About loan payments



How much will the payments be?

To determine the RRSP loan payment calculation, simply multiply the loan amount by the appropriate interest rate factor.

Monthly Principal & Interest payment = loan amount x interest rate factor

Refer to the next page to view the interest rate factor table. You can also calculate your clients' monthly loan payments by using our RRSP loan calculator in the **I Need** section of b2btrust.com.

When are payments due?

Applicants may choose to have payments automatically withdrawn from their bank account on any date between the 1st and the 28th of the month. The first payment is due on the first payment date following the advance of the RRSP loan. If a deferral payment option is selected, the first payment is due on the first payment date after the expiration of the deferral period. For example, if the client chooses a payment date of the 15th and the RRSP loan is advanced on January 10th, the first payment will be due on February 15th. Or, if the client chooses a six-month deferred payment option, the first payment will be due on August 15th.

Interest rate factor table

AMORTIZATION PERIOD

RATE	1 Year	2 Years	3 Years	4 Years	5 years	6 Years	7 Years	8 Years	9 Years	10 Years
2.25%	0.08435	0.04265	0.02875	0.02180	0.01764	0.01486	0.01288	0.01139	0.01024	0.00931
2.50%	0.08447	0.04276	0.02886	0.02191	0.01775	0.01497	0.01299	0.01150	0.01035	0.00943
2.75%	0.08458	0.04287	0.02897	0.02202	0.01786	0.01508	0.01310	0.01162	0.01046	0.00954
3.00%	0.08469	0.04298	0.02908	0.02213	0.01797	0.01519	0.01321	0.01173	0.01058	0.00966
3.25%	0.08481	0.04309	0.02919	0.02224	0.01808	0.01531	0.01333	0.01184	0.01069	0.00977
3.50%	0.08492	0.04320	0.02930	0.02236	0.01819	0.01542	0.01344	0.01196	0.01081	0.00989
3.75%	0.08504	0.04331	0.02941	0.02247	0.01830	0.01553	0.01355	0.01207	0.01092	0.01001
4.00%	0.08515	0.04342	0.02952	0.02258	0.01842	0.01565	0.01367	0.01219	0.01104	0.01012
4.25%	0.08526	0.04354	0.02964	0.02269	0.01853	0.01576	0.01378	0.01231	0.01116	0.01024
4.50%	0.08538	0.04365	0.02975	0.02280	0.01864	0.01587	0.01390	0.01242	0.01128	0.01036
4.75%	0.08549	0.04376	0.02986	0.02292	0.01876	0.01599	0.01402	0.01254	0.01140	0.01048
5.00%	0.08561	0.04387	0.02997	0.02303	0.01887	0.01610	0.01413	0.01266	0.01152	0.01061
5.25%	0.08572	0.04398	0.03008	0.02314	0.01899	0.01622	0.01425	0.01278	0.01164	0.01073
5.50%	0.08584	0.04410	0.03020	0.02326	0.01910	0.01634	0.01437	0.01290	0.01176	0.01085
5.75%	0.08595	0.04421	0.03031	0.02337	0.01922	0.01646	0.01449	0.01302	0.01188	0.01098
6.00%	0.08607	0.04432	0.03042	0.02349	0.01933	0.01657	0.01461	0.01314	0.01201	0.01110
6.25%	0.08618	0.04443	0.03054	0.02360	0.01945	0.01669	0.01473	0.01326	0.01213	0.01123
6.50%	0.08630	0.04455	0.03065	0.02371	0.01957	0.01681	0.01485	0.01339	0.01225	0.01135
6.75%	0.08641	0.04466	0.03076	0.02383	0.01968	0.01693	0.01497	0.01351	0.01238	0.01148
7.00%	0.08653	0.04477	0.03088	0.02395	0.01980	0.01705	0.01509	0.01363	0.01251	0.01161
7.25%	0.08664	0.04489	0.03099	0.02406	0.01992	0.01717	0.01522	0.01376	0.01263	0.01174
7.50%	0.08676	0.04500	0.03111	0.02418	0.02004	0.01729	0.01534	0.01388	0.01276	0.01187
7.75%	0.08687	0.04511	0.03122	0.02430	0.02016	0.01741	0.01546	0.01401	0.01289	0.01200
8.00%	0.08699	0.04523	0.03134	0.02441	0.02028	0.01753	0.01559	0.01414	0.01302	0.01213

NOTE: For one to six months deferred interest rate factor tables, visit the **I Need** section of b2btrust.com.

Marketing and sales support

B2B Trust offers you full support before, during and after the sale.

**Build your business with our user-friendly marketing support materials.
Here's a snapshot of what you'll find in the I Need section of b2btrust.com:**

Sample Applications

See what a correctly-completed RRSP loan application looks like.

Frequently Asked Questions

Answers to the most common questions regarding RRSP lending.

Marketing Materials

Access information about our company, products and services.

Learn what we look for when assessing your clients' creditworthiness in our *5 Cs of Credit* brochure.

Find solutions to all of your RRSP needs in one central location, including rates, product information, underwriting requirements, forms and EASE training, by visiting our online RRSP Resource Centre at b2btrust.com/rrspcentre.com.



Business Development support

From coast-to-coast, B2B Trust Business Development representatives are ready and eager to assist you. For product training, sales presentations or to discuss business opportunities, please visit [b2btrust.com/contactus](https://www.b2btrust.com/contactus), where you will find an interactive map listing the B2B Trust representative in your area. You may also call us at 1.800.263.8349.

Client Service support

For general inquiries or service support (including EASE registrations), call one of B2B Trust's Client Service Representatives at 1.800.263.8349 from Monday to Friday, 8:00 a.m. to 8:00 p.m. (ET).

Other B2B Trust product solutions

Visit [b2btrust.com](https://www.b2btrust.com) to learn more about other B2B Trust products such as:

Investment loans

A wide range of lending products designed to meet a variety of needs.

Mortgages

Competitive rates on broker mortgages and lines of credit.

Banking services

A suite of financial products to meet everyday banking needs.

Deposits

GICs at rates among the most competitively priced in the industry.

Self-directed accounts

A variety of account options available for registered and non-registered plans, including a Tax-Free Savings Account (TFSA).

At B2B Trust, we're committed to working with you to make RRSP lending a cornerstone of your growing business and a key part of your clients' financial success.

B2B Trust is a wholly-owned subsidiary of Laurentian Bank of Canada. B2B Trust does not provide investment advice to individuals or advisors and does not endorse nor promote any investment products. The dealer and advisor, not B2B Trust, are responsible for determining the suitability of investments for their clients and for informing them of the risks associated with borrowing to invest. B2B Trust acts solely in the capacity of lender and loan account administrator. Any loan approval from B2B Trust should not be construed as an endorsement of any investment choice, program or strategy. All loans are subject to credit approval and borrowed monies are due and payable regardless of the performance of the investments purchased. B2B Trust reserves the right to request additional information or documentation at its sole discretion. The B2B Trust RRSP Loan Program is available exclusively through licensed financial advisors. This document is for advisor information only.

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