Independent Legal Advice (ILA) Explained

An EQ Bank Reverse Mortgage is offered to Canadians 55 years of age and older and is of particular interest to home owners who want to access a portion of their home equity to fund their retirement years. EQ Bank is committed to supporting seniors with their financial needs and helping mitigate any financial mistreatment by ensuring that prospective borrowers understand our product and are able to make an informed decision before proceeding with the transaction. EQ Bank requires its Reverse Mortgage borrowers to obtain ILA.

What is Independent Legal Advice ("ILA")?

ILA is advice provided by an independent lawyer to ensure that the person signing the agreement fully understands its contents including all possible consequences, as well as ensuring they are aware of any legal or financial responsibilities they are committing to. As part of this advice, the independent lawyer will also confirm the person signing the agreement has the requisite capacity to do so, as well as ensure they are not being pressured or coerced into signing. You are responsible for paying ILA fees.

The lawyer providing you with ILA will not represent the Bank or any other interested party. ILA is provided for your benefit to ensure you understand the legal aspects of the reverse mortgage, without any bias or prejudice.

Why is ILA required to obtain a reverse mortgage?

ILA must be obtained by the legal titleholder of the property and, if applicable, any non-title holding spouse. ILA is provided for your benefit to ensure you understand the terms and conditions of the reverse mortgage, are of sound mind and judgement, and that you are not being pressured to sign the mortgage documents.

ILA for non-title holding spouses

If applicable, your spouse is also required to obtain ILA if they do not hold legal title to your matrimonial home, because the mortgage becomes due and payable in the event the titleholder passes. A reverse mortgage could have an impact on the equity a spouse expects to receive upon the sale of their matrimonial home. ILA will ensure that a non-title holding spouse fully understands the potential outcomes of the reverse mortgage.

What happens in an ILA meeting – what do I get?

The reverse mortgage documents will be delivered to the lawyer that is providing you with ILA and the lawyer will then meet you with no other person present to explain the documents before providing you with an **ILA Certificate**. An ILA Certificate evidences that you met with a lawyer to obtain ILA, and that the lawyer has explained to you the reverse mortgage terms and conditions and your rights and obligations.

Why can't I use my closing lawyer for ILA?

Your closing lawyer will represent you, as well as the Bank. To ensure that you receive truly impartial advice, a lawyer with no conflicting interest in your transaction is required to provide the ILA.

What if I don't have or know a lawyer?

Your designated mortgage agent/broker will be happy to direct you to a lawyer who can provide you with ILA. If you do not have a mortgage agent/broker, please contact your client engagement specialist who can provide you with a list of lawyers in your area.

EQ Bank is a trade name of Equitable Bank.