A YYZ MORTGAGE GUIDE · NO. 04

04

The Family Money Talk

For adult kids whose parents are thinking about tapping their home equity

YYZ MORTGAGE

yyz.mortgage · Checked & current as of August 2026

BEFORE YOU START

The short version

> *Who this is for: Your parents' house is worth a fortune, their pension isn't, and someone just mentioned a reverse mortgage.*

1. There are four doors: downsize, HELOC, refinance, reverse mortgage. Compare all four every time — plus unclaimed benefits first.
2. Reverse mortgage truths: 55+, no monthly payments, tax-free, doesn't touch OAS/GIS — but compounding interest eats equity.
3. Ontario long-term care basic rooms are capped near $2,130/month; private retirement homes run $3,000–$8,000. Price care before borrowing.
4. Two powers of attorney (property + personal care) beat every clever shortcut. Never add the kids to title to 'avoid probate.'
5. Protect them with process: FSRA licence checks, title insurance, and the 48-hour rule — most elder fraud starts close to home.

Read it cover to cover, or jump straight to the chapter that answers your question — every chapter stands on its own. The examples are labelled illustrations, the numbers were checked in August 2026, and nothing in here is a sales pitch. When you're ready for a human, we're on the last page.

What's inside

Hi there 4

1. Having the talk (without a fight) 4

2. What care costs in Ontario 5

3. The four doors 9

4. Reverse mortgages — the honest version 12

5. What happens at the end 16

6. Powers of attorney — the most important paperwork 17

7. Please don't put the kids on title 19

8. Probate, and what the estate owes 20

9. Protecting your parents 22

10. When the money flows the other way 24

11. The paperwork Saturday 26

12. The questions families ask us 27

Word list 30

Where these numbers come from 31

The fine print (the honest kind) 33

Hi there

Maybe it came up at Sunday dinner. Mom mentioned a reverse mortgage ad she saw on TV. Dad wondered out loud about a line of credit "just in case." Or you've noticed the house needs work they keep putting off. Now you're wondering how their money is really doing.

Your parents' house in the GTA might be worth a million dollars or more. Their pension cheques? Not so big. That mix, lots of house and less cash, is called being **house rich, cash poor**. It's very common here.

This book is for *you*, the adult kid. It explains the options your parents are hearing about, honestly. It tells you what care actually costs in Ontario, because that number drives everything. It shows you how to protect them from the wrong deal and the wrong people. And it covers the paperwork that saves families from chaos later.

It's a lot. But you'll be glad you know it.

CHAPTER 1

Having the talk (without a fight)

Money talks with parents go sideways when the kid suddenly acts like the parent. A few things that help:

- **Ask, don't tell.** "What's your plan if the roof goes?" beats "You need to do something about your finances."
- **Start early, go slow.** The worst time to make equity decisions is mid-crisis. The best conversations happen over months, not one heavy evening.

- **It's their money.** Your job is to make sure they know their options and feel no pressure. The decision is theirs. Truly believing this will make you ten times more helpful.
- **Watch your own bias.** Be honest with yourself: equity they spend is inheritance you don't get. Good families say it out loud once and set it aside. The house is theirs. Their comfort comes first.
- **Get everyone in the loop.** Siblings who find out later tend to assume the worst. Share early — even a simple group text after each talk helps.
- **Ask the ten-year question.** "Where do you want to be living in ten years?" More decisions get answered by that one question than by any spreadsheet.

If your parents want backup, suggest they talk to a licensed pro *with you in the room*. Any honest advisor will welcome that.

CHAPTER 2

What care costs in Ontario

Most families make equity decisions without knowing these numbers. That's backwards, because the numbers decide which door makes sense.

Long-term care homes (government-subsidized). These are the homes people mean when they say "nursing home." Ontario sets the maximum you can be charged, and it's far less than people expect. As of July 1, 2026:

ROOM TYPE	COST PER DAY	ROUGHLY PER MONTH
Basic (shared)	$70.00	About $2,130
Semi-private (newer bed)	$84.40	About $2,567
Private (newer bed)	$100.01	About $3,042

Two important things. First, **if your parent can't afford basic accommodation, Ontario has a Rate Reduction Program** — nobody is turned away from basic care for lack of money. Second, **you can't just buy your way in.** Long-term care requires an assessment through Ontario Health atHome, and there are waiting lists, sometimes long ones. You apply, you wait, you take the offer when it comes.

Retirement homes (private-pay). Completely different. These are private businesses, not government-funded, and they set their own prices. Rough GTA ranges:

- Independent living: about $3,000–$4,500 a month
- Assisted living: about $3,500–$6,500 a month
- Memory care: about $5,000–$8,000+ a month

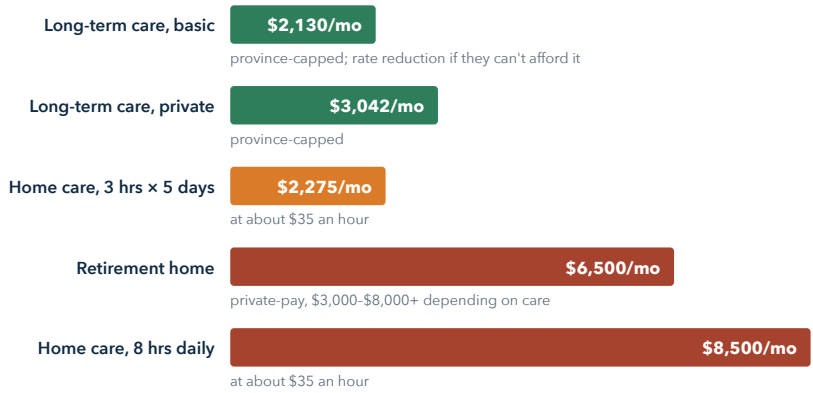
In Toronto, expect the higher end. Extra services (medication management, extra bathing help, wandering supervision) are usually priced à la carte on top.

Home care. Some is publicly funded through Ontario Health atHome, but it's limited in hours. Most families topping up privately pay by the hour for personal support work, and overnight or live-in care runs into thousands per month.

Why this chapter matters: a parent who wants to stay home with paid help may need a few thousand dollars a month, indefinitely. A parent likely heading to long-term care in a few years needs something

very different. **The care plan should decide the money plan, not the other way around.**

WHAT A MONTH OF CARE COSTS IN ONTARIO



Long-term care rates are set by the province (July 1, 2026). The rest are market ranges.

Price the care before borrowing against the house. The cheapest-feeling option often isn't.

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

The Chens assumed keeping Dad at home was the frugal choice and started looking at borrowing against the house to fund it. Then they actually priced it: the personal support hours he needed came to about $4,200 a month and rising. Long-term care basic accommodation would be roughly $2,130 — with 24-hour care included. They put his name on the waiting list, arranged part-time home care to bridge the gap, and borrowed far less than they'd been about to. Knowing the numbers changed the whole plan.

Price the options yourself (30 minutes, three phone calls)

You don't have to guess at any of this. Each option has real, findable numbers. Here's how to get yours.

Option 1 — paid help at home. The math is hours × rate × days.

- In the GTA, agencies bill roughly **$28 to $45 an hour** for a personal support worker (2026 rates). Most have a 3–4 hour minimum per visit, and evenings and weekends cost more.
- So: 3 hours a day, 5 days a week, at $35 an hour ≈ **$2,275 a month**. Daily 8-hour care ≈ **$8,500+ a month**. Overnight and live-in care are quoted differently — ask each agency.
- Call two or three agencies and ask for their rate sheet. They're used to it.
- Before paying for anything, ask for a free assessment from **Ontario Health atHome** — some care hours are publicly funded, and every publicly funded hour is money that stays in your parents' pocket. **ontariohealthathome.ca**

Option 2 — a retirement home (private-pay). The price has two layers: **base rent** (room, meals, housekeeping) plus **care packages** (medication management, bathing help, memory care) added on top. The base ranges above are just the start — care packages can add hundreds to thousands a month.

- Here's a right most families don't know they have: **licensed retirement homes must give you their full price list for accommodation and care services when you ask.** Ask every home for it, in writing, and compare the same care level across homes.
- Check any home's licence, inspection history, and location in the regulator's public database: **rhra.ca** (Retirement Homes Regulatory Authority).

Option 3 — long-term care (government-subsidized). Rates are set by the province, the same at every home. Get the current co-

payment sheet, the semi-private and private premiums, and the **Rate Reduction Program** details (for those who can't afford basic) straight from the source: **ontario.ca/page/paying-long-term-care**. Applications go through an Ontario Health atHome assessment — start early, because the waiting lists are real.

DO THE MATH

Put the three monthly numbers side by side — home care at the hours actually needed, a retirement home's base rent *plus* the care package quote, and the LTC co-payment. Then ask: which of these can the pension cover, for how many years, before touching the house? That one page of arithmetic is the foundation for every borrowing decision in this book.

CHAPTER 3

The four doors

When homeowners want money out of a paid-off (or nearly paid-off) home, there are four main doors. Every door has a price. Anyone who says one option is right for everybody is selling something.

Door 1: Downsize. Sell the big house, buy something smaller and easier, keep the difference. The most money out, the least debt taken on. The cost isn't financial. It's leaving the garden, the neighbours, the memories. Also real: commission, moving, and land transfer tax on the next place.

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

After Frank's knee surgery, the stairs won. He and Alma sold the Scarborough house where they'd raised three kids, for $1,150,000, and bought a $700,000 condo near their daughter in Markham. Selling costs, moving, and land transfer tax on the condo ate roughly $80,000. They still walked away with about $370,000 in cash, zero debt, and an elevator. Alma missed her garden for exactly one winter. Now the grandkids' school is a ten-minute walk, and "what if the furnace dies" is the condo board's problem.

Door 2: A HELOC. A line of credit secured by the home. Flexible, low cost to set up, interest only on what's used. The catch for retirees: **you must qualify with income**, and monthly interest payments are required. A pension that easily covers groceries may not qualify for a big line. Also, a lender can freeze or reduce a line later — a real problem for someone on a fixed income. Best for parents with decent retirement income who want flexibility or a safety net. (Our companion book, "Your House, Your Backup Plan," covers HELOCs in depth.)

Door 3: Refinance to a regular mortgage. A lump sum at mortgage rates, with regular payments. Same qualifying problem as the HELOC, plus a fixed monthly payment that eats into retirement cash flow. Sometimes right when there's one big need and solid pension income.

Door 4: A reverse mortgage. Money out with **no required monthly payments**, for homeowners 55+. Because there are no payments, qualifying doesn't lean on income the way the other doors do. That's why it's heavily advertised to seniors, and why it needs the honest treatment in the next two chapters.

A fifth door people forget: government benefits. Before borrowing anything, check whether your parents are getting everything

they're owed. The list is longer than most families realize: the Guaranteed Income Supplement, the Ontario Guaranteed Annual Income System, drug benefit programs, and the federal disability tax credit if health has declined. Some cities also offer property tax deferrals or rebates for seniors. Families have borrowed tens of thousands of dollars while leaving benefits unclaimed. It costs one afternoon to check.

FOUR DOORS, AND THE FIFTH ONE PEOPLE FORGET

DOWNSIZE	HELOC	REFINANCE	REVERSE MORTGAGE
Most cash out No debt	Flexible Cheap to set up	One lump sum Fixed schedule	No monthly payment 55+
Leaving the home	Must qualify on income; can be frozen	Must qualify; payment every month	Interest compounds into the equity

Before any of them: check for unclaimed benefits. It costs one afternoon.

Compare all four every time. Anyone who says one fits everybody is selling something.

Every door has a price. The right one depends on their age, their income, and how long they plan to stay.

CHECK IT YOURSELF

The federal Benefits Finder asks a few anonymous questions and lists every federal and provincial program your parent may qualify for: **canada.ca/en/services/benefits/finder**. For OAS and GIS amounts, use the official tables at **canada.ca — Old Age Security payment amounts**.

CHAPTER 4

Reverse mortgages — the honest version

How it works. Homeowners **55 or older** (every owner on title must be 55+) can borrow against the home they live in. The money can come as a lump sum, in chunks, or monthly. No monthly payments are required. Instead, interest is added to the balance. The loan gets repaid when the home is sold or the owners move out, or by the estate, after the last owner passes away.

How much? Up to about **55% of the home's value** is the ceiling, but the real number depends heavily on **age**. Rough guide: around 15% of value in your mid-50s, climbing to roughly 35–40% in your 70s, approaching the maximum in your mid-80s. Younger borrowers get less because the lender expects the loan to run for a long time. Any online estimate is just that — an estimate, not an offer.

What it costs to set up. Expect roughly $1,500 to $3,500 all in:

- Lender setup/administration fee, commonly $1,000 to $1,800
- Appraisal, $300 to $600
- **Independent legal advice**, $500 to $1,000+ — mandatory, and paid by your parents

The honest pros:

- Your parents stay in their home. For many, that's the whole point.
- No monthly payment means no strain on a small pension.
- The money is a **loan, not income**, so it's tax-free, and it does **not** affect income-tested benefits like OAS or GIS. (One caveat: if they then *invest* the money and it earns interest or dividends, that earned income is taxable and does count.) This matters more than

people realize. Cashing in an RRSP instead could push income past the OAS clawback threshold (around $93,500 of net income) and cost them 15 cents of OAS on every dollar above it. Reverse mortgage proceeds don't do that.

- Reputable Canadian reverse mortgages come with a **no-negative-equity promise**. If the property taxes and insurance stay paid and the home is kept up, the final amount owed won't be more than what the home sells for.
- They keep title. The bank does not own the house: the loan is registered as a charge, the same way a mortgage is.

The honest cons:

- **Rates are higher** than regular mortgages or HELOCs, typically by one to two percentage points.
- **The interest compounds, and nothing is being paid.** This is the single most important thing to understand. Interest is added to the balance, then next period's interest is calculated on the bigger balance. Over a long stretch, a balance can double and double again. Every dollar of growth is equity leaving the estate.
- **Setup costs are real**, as listed above.
- **The obligations stay.** Property taxes, home insurance, and basic upkeep remain your parents' job, and that's also the condition behind the no-negative-equity promise.
- **Moving triggers repayment.** If health forces a move, the loan comes due, exactly when the full value of the house is needed most.
- **The estate has a deadline.** See the next chapter.

Do this before signing anything: ask the lender for a written projection table. Every reverse mortgage lender can produce one showing the estimated balance year by year (at 5, 10, 15, and 20 years)

against a range of home value assumptions. It's the single most useful piece of paper in this whole decision, and it's free. If a salesperson won't produce one, that tells you what you need to know.

WHAT COMPOUNDING DOES TO A REVERSE MORTGAGE



Shape only – deliberately unnumbered. Ask the lender for their written year-by-year projection table.

Nothing is being repaid, so interest is charged on interest. Every dollar of growth is equity leaving the estate.

CHECK IT YOURSELF

The federal consumer agency (FCAC) has a plain-language reverse mortgage explainer with its own list of questions to ask any lender: **canada.ca — reverse mortgages**. Both major lenders also have public calculators — run your parents' numbers on more than one, and treat every result as an estimate, not an offer.

Built-in protection: independent legal advice. In Ontario, reverse mortgage borrowers must get **independent legal advice** — their own lawyer, paid by them, with no connection to the lender. This is a feature, not a hoop. It's a private chance to have everything explained by someone with no stake in the sale. Encourage your parents to actually use the meeting: bring the projection table, bring questions, take notes.

Two families, same product, opposite answers:

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

Rose is 79, widowed, and wants to stay in her North York bungalow "until they carry me out" — her words, said cheerfully at Sunday dinner. Her pension covers the bills but not the roof, and not much joy. Her family weighed all four doors together. She took a reverse mortgage: the roof got fixed, and $900 a month now tops up her pension. Her kids sat in on every meeting and read the projection table, so they know roughly what the balance will look like in fifteen years. Her own lawyer explained the deal at the required legal-advice session. Everyone understands the house will repay the loan someday, and everyone is at peace with the trade.

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

Victor and Mei, both 63, liked the no-payments pitch they saw on TV. But when their son asked the ten-year question, the truth came out: they hoped to move closer to him within five years. That changed everything. Setup costs plus compounding interest make a reverse mortgage an expensive way to borrow for a *short* stay, and moving would trigger repayment anyway. At 63 they'd also qualify for one of the smallest percentages. A modest HELOC covered their real need, a bathroom reno, for far less. The product wasn't bad. It was the wrong door for them.

When it tends to fit: parents in their 70s or beyond, set on staying in the home for the long haul, with real income needs, and a family that understands the equity trade-off.

When it tends not to fit: parents who may move within a few years. Parents who mainly want a small safety cushion: a HELOC may be kinder. Parents whose plan depends on leaving the full house value behind. Parents being pushed toward it by someone who benefits.

A reverse mortgage is not right for everyone. A good advisor will walk through downsizing, a HELOC, and refinancing first, and put the comparison in writing.

CHAPTER 5

What happens at the end

This is the chapter families skip, and then panic about later. Read it now instead.

When the last borrower passes away. The loan becomes due. The lender doesn't seize the home. Typically the estate must:

- **Notify the lender promptly** — within about 30 days is the practical standard
- **Settle the balance within about 180 days**, usually by selling the home

If the family wants to keep the house, they must pay the balance another way — refinancing it into a new mortgage in an heir's name, or using other estate funds. That takes qualifying and time, so it's worth thinking about *before* it's needed.

Lenders are often flexible when an estate communicates. They're much less flexible when nobody calls.

If a parent moves to long-term care or a retirement home. The loan generally comes due, though lenders commonly allow up to about a year to sell and repay in that situation. Some also reduce or waive prepayment charges for a care-related move. **If there's a co-borrower still living in the home — usually a spouse — one person's move typically does not trigger repayment.** Confirm

the exact wording in the actual contract, because terms differ between lenders.

What heirs actually receive. Whatever is left after the loan is repaid. Lenders report most borrowers still have meaningful equity left at settlement, but "most" isn't "all," and the longer the loan runs, the smaller that share gets. The no-negative-equity promise means heirs will never owe *more* than the home is worth — it doesn't promise there'll be much left over.

The kindest thing you can do: make sure your parents' executor knows the reverse mortgage exists, knows which lender holds it, and knows to call within 30 days. Write it on the same page as the will's location. Grief plus a surprise 180-day deadline is a terrible combination.

CHAPTER 6

Powers of attorney — the most important paperwork

A power of attorney (POA) lets someone make decisions for your parent. In Ontario there are **two separate documents** under the Substitute Decisions Act, and they can't be combined:

Continuing Power of Attorney for Property. Covers money, bills, banking, investments, and the house. It can be written to start immediately, or only when your parent becomes mentally incapable.

Power of Attorney for Personal Care. Covers health care, housing, food, and safety. It only takes effect once your parent can't make that particular decision themselves.

Why this is urgent. A will does nothing while someone is alive. If a parent loses capacity (a stroke, advancing dementia) and there's no POA, the family can be locked out of the very accounts needed to pay for care. The fix is applying to court for guardianship, which is slow, expensive, and public. Meanwhile the bills keep coming.

GET THE FORMS

Ontario's official power of attorney kit, both documents with instructions, is free from the Ministry of the Attorney General: **ontario.ca/page/make-power-attorney**, or call 1-800-518-7901 for a printed copy. The forms are legal without a lawyer, but for anything beyond a simple situation (blended families, business assets, early dementia), one lawyer visit is money well spent.

Can a parent with early dementia still sign one? Often yes. The legal test is about understanding, not diagnosis. For property, they need to understand roughly what they own and that the person they're naming could misuse the role. The standard for personal care is lower. A lawyer assesses capacity at signing. **The lesson: if capacity is starting to slip, this is urgent, not impossible, but urgent.**

Please don't just add yourself to their bank account instead. It's the common shortcut and it causes real harm. A joint account exposes your parent's money to *your* creditors, *your* lawsuits, and *your* divorce. And after death, siblings often fight over it. Was the balance a gift to you, or did it belong to the estate? A POA for Property does the bill-paying job without any of that.

Guardrails worth building in:

- Consider naming **two attorneys who must act together** for property. It's slightly less convenient and dramatically safer.

- Make sure the whole family knows who holds it and where the document is.
- The attorney should keep records — what came in, what went out, why. Good records protect an honest attorney as much as they catch a dishonest one.

If you suspect a sibling is misusing a POA: there's no regulator monitoring attorneys day to day. Your options are to contact the Office of the Public Guardian and Trustee (**1-800-891-0504**), notify the financial institutions, call police if you suspect theft, and speak to a lawyer about a court application. Courts can order repayment with interest and costs.

CHAPTER 7

Please don't put the kids on title

This one deserves its own chapter because so many well-meaning families do it, and it's usually a mistake.

The pitch sounds sensible: "Add my daughter to the title so the house passes to her without probate." Here is what actually happens.

1. It can trigger a tax bill immediately. Transferring part of the home is treated as a partial sale at fair market value. If the child doesn't live there, that share isn't their principal residence, so future growth on it is taxable, and there can be tax right away.

2. It can damage the parents' own tax exemption on the share they gave away.

3. It exposes the house to the child's life. Your child's creditors, a lawsuit, a business failure, or a divorce can now reach a piece of the

family home. This happens.

4. It can disqualify the child from first-time buyer programs. Owning part of a home may cost them the FHSA, the land transfer tax rebate, and other benefits worth many thousands.

5. Land transfer tax may apply to the transfer itself.

6. It can create a family war after death. Was the child holding it in trust for everyone, or did they get the house? Courts hear this argument constantly.

The better tools are usually a properly drafted will, a POA for property, and, if probate cost is the actual concern, a conversation with an estate lawyer about legitimate planning options. Ontario's probate tax is real but modest (next chapter). It is almost never worth the risks above.

If your parents are considering this, the sentence to say is: *"Let's ask an estate lawyer first."* One meeting. It's the cheapest insurance in this book.

CHAPTER 8

Probate, and what the estate owes

Ontario's Estate Administration Tax (what people call probate) is simpler than most families fear:

- **First $50,000 of the estate: no tax at all**
- **Above $50,000: $15 per $1,000** — that's 1.5%

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

A $500,000 estate pays ($500,000 – $50,000) × 1.5% = **$6,750**.

Worth knowing, worth planning around a little, but not worth the title-sharing disasters of Chapter 7.

LOOK IT UP

The official rate and rules (including what counts in the estate value): **ontario.ca/page/estate-administration-tax**.

What else the estate settles. Debts get paid before beneficiaries receive anything. That includes any mortgage, HELOC, or reverse mortgage on the home. There's also a final tax return. And depending on the assets, there can be tax on RRSPs and RRIFs. Those are generally treated as fully cashed out at death, unless they roll over to a spouse.

A common and painful surprise: the family assumes they'll inherit the house, then learns there's a $300,000 reverse mortgage against it and a 180-day clock. Nobody hid anything. Nobody asked.

One line to add to every family's plan: a single page listing what's owned, what's owed, which institutions hold what, and where the will and POAs are. Not the account numbers — just the map. Give it to the executor. Update it once a year.

CHAPTER 9

Protecting your parents

The uncomfortable pattern: study after study finds that a large share of elder financial abuse comes from inside the circle of trust (family members, trustees, and people holding power of attorney) rather than from strangers. The most-cited North American research puts roughly **one case in four** in that category, and estimates that somewhere between 4% and 10% of seniors experience some form of financial abuse. Canadian data on this is patchier than it should be, and much of the survey work is American, so treat the exact percentages as indicative rather than precise. The direction is not in dispute among people who work in the field. So protection starts with good process inside the family, not just suspicion of outsiders.

Red flags — from the outside:

- Pressure and deadlines. "This rate is only good this week" is a sales tactic, not a fact of life.
- Anyone who reaches out to a senior *first* — cold calls, door knockers, "free equity reviews," seminars with a free lunch.
- Advice to borrow against the home *to invest* the money, especially in anything promising high or "guaranteed" returns. This pitch has wrecked retirements.
- Contractors who find urgent problems and offer financing on the spot.
- Anyone who tells your parents not to talk to family or their own lawyer.

Red flags — from inside the family (hard, but real):

- One relative suddenly handling everything, with new secrecy around money.
- A parent's new "helper" or partner becoming a gatekeeper.
- Papers signed that no one else has seen. A parent who can't quite explain what they signed.
- Sudden changes to a will, or a new name appearing on title or as attorney.
- Unexplained withdrawals, or bills going unpaid while money moves.

Title fraud: the boring fix that works. Criminals impersonate homeowners to sell or mortgage a house out from under them, using stolen ID. Paid-off homes owned by older people are the favourite target, because there's no lender watching the file. Victims sometimes learn about it only when a foreclosure notice arrives.

The fix is **title insurance**. An existing-owner policy costs a few hundred dollars, one time, and covers title fraud along with other title problems. If your parents own their home free and clear and don't have it, this is the single easiest to-do in this book. Do it this month.

Verify anyone in the mortgage business. In Ontario, anyone arranging mortgages must be licensed by FSRA, and the registry is public and free. Two minutes. Honest agents expect it.

The 48-hour rule. A family agreement: nothing about the house gets signed without a two-day wait and a heads-up to one other family member. Honest deals survive a 48-hour wait. Dishonest ones hate it.

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

A man knocked on Ines's door about her "dangerously worn" roof. He could offer financing, but only if she signed today, because his crew was "in the area Monday." Ines is 81, and she has the family rule taped inside a kitchen cupboard: *nothing gets signed for 48 hours, and I call my son first*. She told the man exactly that. He pushed. She smiled and closed the door. A real roofer checked the next week: the roof had ten years left in it. The rule costs nothing, and it only had to work once to pay for itself forever.

If you suspect abuse right now: contact the Office of the Public Guardian and Trustee at **1-800-891-0504** if your parent may be incapable and at risk. Tell their bank. Call police if you suspect a crime. Talk to a lawyer. Acting early is uncomfortable; acting late is worse.

CHAPTER 10

When the money flows the other way

Sometimes the family question isn't parents needing money. It's parents wanting to *give* it — usually to help a child buy a home.

- **Gift letters.** Lenders will ask for a signed letter saying the money is a true gift from close family, with nothing owed back. Expect the funds to need 15 to 30 days in the child's account before closing (about 90 if coming from outside Canada). That letter is a real, binding statement. Don't call a loan a gift to satisfy a lender. That's mortgage fraud, and it puts everyone at risk.
- **There's no gift tax in Canada.** The transfer itself costs nothing in tax, either way. But watch the *source*. If a parent cashes out an RRSP or RRIF to fund the gift, that withdrawal is taxable income to

them. A big one can even push them into OAS clawback territory. Selling investments can trigger capital gains too. The gift is free; the funding might not be.

- **Gift or loan — decide honestly.** Both are fine. A genuine family loan can be documented by a lawyer and even secured against the child's home. There's also a formal version — a loan at the Canada Revenue Agency's **prescribed rate**, which is reset quarterly — used for income splitting. It only works if it's properly papered and the interest is genuinely paid each year, so get advice before trying it.
- **Don't let generosity hollow out their safety.** A gift from savings is one thing. Parents *borrowing against their own home* to fund a child's down payment, reverse mortgage included, shifts real risk onto their retirement. It's done, sometimes wisely. But it deserves the full four-doors review from Chapter 3, plus the care-cost numbers from Chapter 2, plus real professional advice. A warm heart alone is not a plan.
- **Fairness among siblings.** Unequal help causes more family rifts than unequal wills. Some families track gifts and square things up in the estate. Whatever the approach, write it down while everyone's on good terms.

ILLUSTRATIVE EXAMPLE – NOT AN ACTUAL CLIENT

The Oseis helped their daughter with $60,000 toward her first condo: a true gift, letter signed for the lender. Two years later their son needed help too, but money was tighter, so his $40,000 came as a real loan: written up by a lawyer, registered against his townhouse, small monthly payments. Both kids know about both deals, and the parents' will notes the difference so the estate squares it up fairly. Nobody's guessing. So nobody's resenting. That's the entire trick, and it fits on one page.

- **Going on title or co-signing?** Co-signing a loan, or joining someone else's title, can create tax and legal wrinkles — see Chapter 7 for why this cuts both directions. Book one meeting with an accountant. Before, not after.

CHAPTER 11

The paperwork Saturday

A one-day project that pays off for decades. Make sure these exist, are up to date, and can be found:

- [ ] Wills for both parents, reviewed in the last five years
- [ ] Continuing Power of Attorney for Property
- [ ] Power of Attorney for Personal Care
- [ ] A one-page map: accounts, insurance policies, mortgage or HELOC or reverse mortgage (with lender names), pensions, and key contacts — lawyer, accountant, advisor
- [ ] Title insurance policy, or a note to go get one
- [ ] Property deed details
- [ ] A list of usernames for essential accounts, stored safely
- [ ] Funeral or burial wishes, written down
- [ ] **What they actually want** — stay as long as possible? Move at some point? Under what circumstances would they accept help at home?

That last one isn't paperwork, and it's the most valuable item on the list. Every other decision gets easier once it's said out loud.

And one lasting truth: **a mortgage, HELOC, or reverse mortgage doesn't disappear when someone dies.** The estate repays it, usually from the home's sale, before anything passes to heirs. Families

who know this ahead of time grieve without money panic. That's the real gift of planning.

CHAPTER 12

The questions families ask us

Can the bank take my parents' house with a reverse mortgage?

Not while they live there and keep taxes, insurance, and upkeep current. They keep title; the lender registers a charge, like a mortgage. The loan comes due when the last owner sells, moves out, or passes away.

Will a reverse mortgage affect their OAS or GIS?

No. It's loan proceeds, not income, so it's tax-free and doesn't count toward income-tested benefits. This is one of its genuine advantages over cashing out an RRSP.

Can they owe more than the house is worth?

Reputable Canadian reverse mortgages include a no-negative-equity guarantee, conditional on taxes, insurance, and upkeep being kept current. A HELOC has no such protection.

How fast does a reverse mortgage balance grow?

Faster than people expect, because nothing is being paid and interest compounds on interest. Don't estimate — ask the lender for a written year-by-year projection before signing.

Can they pay some of it back early?

Usually yes, often with limits and possible charges. Many lenders allow an annual prepayment and reduce or waive charges if the move is care-related. Ask exactly what's allowed and get it in writing.

What if only one parent is 55?

Every owner on title must meet the minimum age. If one is younger, they generally can't proceed until that person qualifies, or they'd have to change title, which brings its own serious problems.

Is a HELOC better than a reverse mortgage for seniors?

Cheaper, yes. Better, only if they can qualify on income and comfortably make the interest payments, and if they can live with the risk that a lender might freeze it later. For a fixed-income parent who can't service a payment, the reverse mortgage exists for a reason.

My parent has dementia. Can they still sign a POA or a mortgage?

POA, sometimes — capacity is judged at the moment of signing and the test is specific. A mortgage or reverse mortgage is a much higher bar, and a lender or lawyer who suspects incapacity should stop. If capacity is already gone, an existing POA is the only clean path; without one, it's a court application.

Can I sign for my parent using my POA to get them a reverse mortgage?

Lenders scrutinize POA-based applications closely, and rightly so. This is exactly where elder abuse happens. Expect a full investigation, mandatory independent legal advice, and contact with the lawyer who drafted the POA. If doubt remains, the deal shouldn't proceed.

Should we sell the house now while prices are decent?

Only if it fits their life, not just the market. Moving is hard on older people, and a good sale price doesn't help if the move damages their health or happiness. Run the care numbers in Chapter 2 first.

How much does long-term care actually cost in Ontario?

Basic accommodation is capped at $70.00 a day as of July 1, 2026 (about $2,130 a month), with a rate reduction available for those who can't afford it. Private rooms run about $3,042. Retirement homes are private-pay and much more.

How long is the wait for long-term care?

It varies enormously by home and region, from months to years. You must be assessed through Ontario Health atHome. Get on lists early — you can decline and stay on a list, but you can't skip the queue.

What is probate going to cost us?

In Ontario, nothing on the first $50,000, then 1.5% of the rest. A $500,000 estate pays about $6,750.

Should my name go on the house to avoid probate?

Almost always no. See Chapter 7. Talk to an estate lawyer before anyone does this.

My sibling has the POA and won't tell us anything. What now?

An attorney for property must keep records and act in your parent's best interest. Ask, in writing. If you get stonewalled and you're worried, contact the Office of the Public Guardian and Trustee at 1-800-891-0504 and talk to a lawyer.

What's the one thing we should do this month?

If they don't have powers of attorney, do that. If they do, buy title insurance. If they have both, sit down and ask the ten-year question.

Word list

Attorney (for property or personal care) — the person named in a POA. Not a lawyer. **Capacity** — the mental ability to understand a decision and its consequences. **Estate Administration Tax** — Ontario's probate tax: nothing on the first $50,000, then 1.5%. **Executor (estate trustee)** — the person who settles the estate after death. **GIS** — Guaranteed Income Supplement, an income-tested top-up to OAS. **Independent legal advice (ILA)** — advice from a lawyer with no connection to the lender. Required for reverse mortgages. **No-negative-equity guarantee** — the promise that the reverse mortgage balance won't exceed the home's value at settlement, if taxes, insurance, and upkeep are current. **OAS clawback** — the recovery tax that reduces Old Age Security once net income passes the annual threshold. **Power of attorney (POA)** — a document letting someone act for another person. **Principal residence exemption** — the rule that usually makes a home's growth tax-free. **Reverse mortgage** — a loan for homeowners 55+ with no required monthly payments. **Title** — legal ownership of a property.

You're a good kid for reading this far. Now go call your mother.

Where these numbers come from

Every load-bearing number in this book, and where to check it yourself. Sources were checked in August 2026; rates and thresholds change, so the links below always beat the printed page.

Long-term care co-payments ($70.00/day basic, semi-private and private premiums) and the Rate Reduction Program — Ontario Ministry of Long-Term Care, rates effective July 1, 2026. **ontario.ca/page/paying-long-term-care**

Retirement home costs ($3,000–$8,000+/month) and home-care rates ($28–$45/hour, GTA) — industry surveys of 2026 private-pay rates; these are market ranges, not regulated prices. Verify any specific home against its mandatory price list, and its licence at **rhra.ca**.

Reverse mortgage rules (55+, up to ~55% of value, repayment triggers) — Financial Consumer Agency of Canada. **canada.ca — reverse mortgages**. Estate timelines (~30 days to notify, ~180 days to settle, ~1 year on a care move) are lender policies — confirm in the specific lender's contract.

HELOC limits (65% / 80% of home value) — federal banking regulator (OSFI) guideline B-20; plain-language version at FCAC. **canada.ca — home equity lines of credit**

OAS, GIS, and the OAS recovery tax (clawback) threshold (~$93,500) — Government of Canada / CRA, indexed yearly. **canada.ca — OAS payment amounts**

Probate (Estate Administration Tax: $0 on the first $50,000, then 1.5%) — Ontario Ministry of Finance. **ontario.ca/page/estate-administration-tax**

Powers of attorney (two documents, Substitute Decisions Act, 1992) — Ontario Ministry of the Attorney General. Free kit: **ontario.ca/page/make-power-attorney**

Elder financial abuse (roughly 1 in 4 cases involves family, trustees, or POA holders; est. 4–10% of seniors affected) — figures come from North American research, much of it American (the North American Securities Administrators Association), so they indicate scale rather than measure Ontario precisely. Ontario context, prevention resources, and referrals: Elder Abuse

Prevention Ontario, **eapon.ca**. To report concerns: Office of the Public Guardian and Trustee, 1-800-891-0504.

Gifts, family loans, and the CRA prescribed rate — Canada Revenue Agency, rate set quarterly. **canada.ca — prescribed interest rates**

Principal residence and capital gains rules — Canada Revenue Agency. **canada.ca — principal residence**

Mortgage licensing (check any agent or broker) — Financial Services Regulatory Authority of Ontario public registry. **fsrao.ca**

The fine print (the honest kind)

This guide is for learning. It is not financial, legal, or tax advice, and it is not an offer of credit or a commitment to lend. Any borrowing amounts mentioned are estimates only — actual amounts depend on the lender's assessment, ages, property type, location, and appraisal. A reverse mortgage is not right for everyone; alternatives such as downsizing, a HELOC, or refinancing should always be considered. All the people and numbers in the examples are illustrative examples — not actual clients. Care costs, tax rates, benefit thresholds, and lender terms were checked in August 2026 and change regularly — confirm current details, and confirm any lender's specific contract terms, before acting. Sources for every number are listed in “Where these numbers come from.”

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Questions? **hello@yyz.mortgage** · 905-597-5463 ext. 200 · **yyz.mortgage**

WHEN YOU'RE READY

What now?

Books are great. Answers about *your* situation are better — and the first conversation is free, friendly, and pressure-free. Three ways in:

Email us	**hello@yyz.mortgage** Tell us what you're working on. We reply like humans.
Call us	**905-597-5463 ext. 200** Old-fashioned, still works.
Start online	**yyz.mortgage** Calculators, guides, and a 60-second estimate.

The free guide library

01 **Keys, Please!**
Buying your first home in the GTA, step by step.
yyz.mortgage/guides/first-home

02 **The Big Switch**
Selling and buying at once – penalties, porting, bridges, renewals.
yyz.mortgage/guides/moving-up

03 **Your House, Your Backup Plan**
The honest HELOC handbook: the tool, the trap, the payback plans.
yyz.mortgage/guides/heloc

05 **Money Smarts, Toronto Edition**
The everyday money habits that work in Canada's priciest city.
yyz.mortgage/guides/money