



Important update about your CIBC Home Power Plan® Personal Line of Credit

Beginning September 23, 2023, we are introducing a new rebalancing percentage for the CIBC Home Power Plan (HPP) with both a Personal Line of Credit (PLC) and mortgage component. This change addresses regulator expectations applicable to all Canadian federally regulated financial institutions.

The rebalancing percentage indicates what percentage of each regular mortgage principal payment will be rebalanced (or moved) to the credit limit on the Line of Credit.

The questions and examples below will help you to understand how the rebalancing process for your CIBC Home Power Plan will work.

Will this change reduce the amount CIBC will lend to me?

No. The maximum credit limit on your Line of Credit is not changing.

With the new rebalancing percentage, the increase up to this maximum will now be more gradual than before the change.

Here are some examples.

Example 1:

- Your rebalancing percentage is 80%.
- When you make a regular mortgage payment, it is applied to both your interest payment and paying down your mortgage principal.
- For each payment, your credit limit will increase by 80% of the amount that pays down the mortgage principal.

Payment	Amount of your payment that pays down the mortgage principal	Amount the credit limit increases (80% of the mortgage principal payment)
1	• \$800	• \$640
2	• \$795	• \$636
3	• \$790	• \$632

Example 2:

- Your rebalancing percentage is 60%.
- Your mortgage principal balance is \$300,000, and the credit limit on your Line of Credit is \$20,000.
- When you make a regular mortgage payment, it is applied to both your interest payment and paying down your mortgage principal.
- You make a regular monthly mortgage payment where \$800 pays down the mortgage principal.

Mortgage principal balance	Line of Credit limit
\$300,000	\$20,000
Minus: \$800 payment to mortgage principal	Add: 60% rebalancing of \$800 = \$480
= \$299,200 (new mortgage principal balance)	= \$20,480 (new Line of Credit limit)

Where can I find the maximum credit limit on my Line of Credit?

In your HPP Agreement, this is called the maximum PLC rebalancing limit.

Will my rebalancing percentage change?

There are a few situations that could result in a change to your rebalancing percentage:

1. An updated rebalancing percentage will appear on your first CIBC Personal Line of Credit (PLC) statement after the effective date in the letter you received that begins with, **Important update about your CIBC Home Power Plan Personal Line of Credit account**, if your rebalancing percentage has been adjusted based on any recent mortgage principal payments made before the effective date.
2. If you make a lump sum prepayment to the principal amount of your mortgage loan, the updated rebalancing percentage will appear on your next CIBC Personal Line of Credit (PLC) statement after the lump sum prepayment is processed.
3. If you submit a new application to make changes to your HPP, the rebalancing percentage will be determined based on the application details.

What has changed in my Home Power Plan Agreement?

The amendments to your CIBC Home Power Plan Agreement are included in the letter, these include:

Section 1: your rebalancing percentage

Section 2: details on how the rebalancing percentage works:

- For each regular mortgage payment, the Line of Credit limit will increase by the amount that pays down the mortgage principal, multiplied by the rebalancing percentage (see examples above)
- If you make a lump sum prepayment, this will rebalance at 100%. This means that the Line of Credit limit will increase by the full amount of the lump sum prepayment, up to your maximum credit limit
- Your rebalancing percentage may change if you make a lump sum prepayment

Section 3: rebalancing percentage definition

If you have more questions, please don't hesitate to reach out to your CIBC Financial Advisor or contact us toll free at 1 888 264-6843. You can also make an appointment to speak with a CIBC representative at one of our banking centres. We are happy to help.