



Investment Lending Services  
**Loan Application  
Document  
Reference Guide**



(inside front cover - blank)

# Loan Application Reference Guide

TD Investment Lending Services has been working with financial advisors across Canada since 1998. We provide you the support needed to increase your clients' non-registered investment portfolio. As one of the industry's most experienced teams of lending professionals, you can take comfort in knowing that we will work with you in building your clients' portfolios and your business. This guide is meant to help familiarize you and your teams with our processes and paperwork.

If you have any questions or concerns, please give us a call at 1.800.450.3935 and one of our representatives will be happy to assist you. You can also fax us at 1.866.294.7662 or send an email to [TDinvtn@td.com](mailto:TDinvtn@td.com)

Sincerely,  
TD Investment Lending Services

## Table of Contents

Loan Application .....	3
Loan and Security Agreement.....	9
Disclosure Statement.....	15
Pledge Letter .....	17
Designation of Irrevocable Beneficiary .....	19
Transfer Kit.....	21



(blank)

# Loan Application

## Quick Tip

Ensure the Loan Application is printed on legal size (8½"x14") paper otherwise the font size will not be compliant

## Loan Application for all TD Investment Loan Programs

*The Loan Application and the Loan & Security Agreement must be printed on legal size paper (8 ½" x 14")*

### For all Loans:

- > Distributions, if requested, can go to client bank account. (Please provide separate "void" cheque.)
- > SWP's are not allowed.
- > All funds must be in Canadian dollars.

### LOAN FEATURES

#### NO MARGIN CALL DEMAND LOANS

##### 1-For-1 No Margin Call Demand Loans:

- > For every dollar the client pledges, the Bank may lend up to an equal amount for further investment in eligible funds to be used as Collateral.
- > Maximum loan is \$250,000.

##### 3-For-1 No Margin Call Demand Loans:

- > For every dollar the client pledges, the Bank may lend up to 3 times that amount for further investment in eligible funds to be used as Collateral.
- > Maximum loan is \$300,000.

##### 100% No Margin Call Demand Loans:

- > 100% financing of the client's investment
- > Loans from \$50,000 (minimum) to \$250,000 (maximum)
- > Minimum Income \$60K (single) or \$75K (joint) for residents of BC and ON, and \$50K (single) or \$65K (joint) for all other provinces/territories
- > Payments of Blended Principal and Interest on a 30 year amortization, or Interest Only
- > If the loan to value ratio exceeds 120%, add 0.5% to the variance
- > Interest Only payments may be changed to Blended Principal and Interest on a 20 year amortization if the loan to value ratio exceeds 135%

##### 90% Cash Surrender Value of Whole Life Policies:

- > We may lend up to 90% of the cash surrender value of a whole life insurance policy.
- > Client gets a cheque for loan proceeds.
- > Maximum loan \$450,000. (90% of \$500,000)

#### MARGINED DEMAND LOANS

##### 2-for-1 Loans:

- > For every dollar the client pledges, the Bank may lend up to 2 times that amount for further investment in eligible funds to be used as Collateral.
- > Investments must be in one or more Canadian dollar funds. The Bank has the right to refuse any fund at its sole discretion.
- > A margin call is triggered when the loan-to-collateral ratio exceeds 85%.
- > Maximum loan is \$500,000.

#### LOAN PROCESSING CHECKLIST

- |  |   |
|--|---|
| <input type="checkbox"/> The Loan Application completed and signed.                      | <input type="checkbox"/> Sample "void" cheque.                                  |
| <input type="checkbox"/> The Loan and Security Agreement completed and signed.           | <input type="checkbox"/> Disclosure Statement.                                  |
| <input type="checkbox"/> Cheque payable to TD Canada Trust (where required).             | <input type="checkbox"/> Purchase Instructions (Investment App or Trade Sheet). |
| <input type="checkbox"/> Photocopy (or details) of original identification document(s).  | <input type="checkbox"/> Pledge Letter (for 3rd Party Loans only, if required). |
| <input type="checkbox"/> Designation of Beneficiary (Quebec segregated fund loans only). | <input type="checkbox"/> Income verification for 100% loans                     |

**Please note:** Loan applications exceeding the quoted maximums may be considered, but will require additional documentation, including but not limited to, verification of liquid assets, and verification of income.

#### Income verification: (When required)

For employees, salaried or hourly: a pay stub no more than 60 days old.  
For commissioned sales: the last 2 years Notice of Assessment from CRA.  
For self-employed: the last 2 years Notice of Assessment from CRA.

Send all originals to your compliance department/MGA (if required), or if your corporate policy allows, send all originals directly to:

TD Investment Lending Services  
55 King St. W., 28th Floor, TD Tower  
Toronto, ON M5K 1A2

#### For information on our loans

See our website at: [www.tdcanadatrust.com/investmentlending](http://www.tdcanadatrust.com/investmentlending)  
Contact your local Regional Sales Manager  
Or call us at 1-800-450-3935



## Quick Tip

Refer to the checklist to ensure all forms and additional documentation are included



# Loan Application (cont'd)

**Don't Forget** →

To choose the loan program

**Don't Forget** →

To choose the type of loan security

**Quick Tip**

When increasing the amount or adding/removing borrowers from an existing loan, include a Letter of Direction

**Don't Forget** →

To have the client(s) initial this page (bottom right corner)



**Loan Application for all TD Investment Loan Programs**  
(Loan & Security Agreement must be signed and attached)

This application is for:

<input type="checkbox"/> 1-for-1 No Margin Call Demand Loan	<input checked="" type="checkbox"/> 100% No Margin Call Demand Loan
<input type="checkbox"/> 2-for-1 Demand Loan (margin'd daily)	<input type="checkbox"/> 90% CSV Loan on a Whole Life Policy
<input type="checkbox"/> 3-for-1 No Margin Call Demand Loan	

---

The Loan is to be secured by: (choose one only)

The assignment of a policy (or policies) with \_\_\_\_\_ (the "Insurance Company").

Various eligible mutual funds held in TD Bank's nominee name (eg. Mackenzie, Fidelity, Clarington funds etc.) for 3rd party mutual fund loans.

The assignment of a client held mutual fund account with Stand Alone Mutual Fund Provider Name.

**Please note:** If funds are being pledged, the pledged funds must be the same type of funds as those purchased from loan proceeds. For example, you cannot pledge segregated funds to buy mutual funds. Please contact your Regional Sales Manager for further information.

---

In this Application, the words "you" and "your" mean the Applicant(s), who have signed this Application. The words the "Bank" means The Toronto-Dominion Bank, which is part of the TD Bank Financial Group ("TDBFG"). TDBFG means The Toronto-Dominion Bank and its affiliates, which provide deposit, investment, loan, securities, trust, insurance and other products or services. The word "Information" means personal, financial and other details about you that you provide to the Bank and the Bank obtains from others outside the Bank's organization, including through the products and services you use.

You acknowledge, authorize and agree as follows:

**Collecting and Using Your Information:** At the time you begin a relationship with the Bank and during the course of our relationship, the Bank may collect Information including: details about you and your background, including your name, address, date of birth, occupation and other identification, all of which are required under law; records that reflect your business dealings with and through the Bank; your financial preferences, and activities. This Information may be collected from you and from sources outside the Bank's organization, including from government agencies and registries; law enforcement authorities and public records; credit reporting agencies; other financial institutions; other service providers, agents and other organizations with whom you make arrangements; references you have provided; the Dealer and the Advisor (as defined in the Loan Application); persons authorized to act on your behalf under a power of attorney or other legal authority. You authorize those sources to give the Bank the Information.

The Bank will limit the collection and use of Information to what the Bank requires in order to serve you as the Bank's customer and to administer the Bank's business, including to: verify your identity; evaluate and process your application, accounts, transactions and reports; provide you with ongoing service; analyze your financial needs and activities to help the Bank serve you better; help protect you and the Bank against fraud and error; help manage and assess the Bank's risks, operations and relationship with you; comply with applicable laws and requirements of regulators, including self-regulatory organizations.

**Disclosing Your Information:** The Bank may disclose Information, including as follows; with your consent; in response to a court order, search warrant or other demand or request, which the Bank believes to be valid; to meet requests for information from regulators, including self-regulatory organizations of which the Bank is a member or participant; to satisfy legal and regulatory requirements applicable to the Bank; to suppliers, agents and other organizations that perform services for you or for the Bank or on the Bank's behalf; to the Dealer and the Advisor (as defined in the Loan Application); when the Bank buys or sells all or part of the Bank's businesses or when considering such transactions; to help the Bank collect a debt or enforce an obligation owed to the Bank by you; where permitted by law.

**Sharing Information Within TDBFG:** Within TDBFG the Bank may share Information, other than health-related Information, for the following purposes: to manage your total relationship within TDBFG, including servicing your account, as well as the Bank's business risks and operations; to comply with legal or regulatory requirements.

**Additional Collections, Uses and Disclosures**

**Social Insurance Number (SIN):** If requesting products, accounts or services that may generate interest or other investment income, the Bank will ask for your SIN for revenue reporting purposes. This is required by the Income Tax Act (Canada). If the Bank asks for your SIN for other products or services, your choice to provide it is optional. When you provide the Bank with your SIN, the Bank may also use it as an aid to identify you and to keep your information separate from that of other customers with a similar name, including through the credit granting process. You may choose not to have the Bank use your SIN as an aid to identify you with credit reporting agencies.

**Credit Consent:** For a loan, the Bank will obtain information and reports about you from credit reporting agencies and other lenders at the time of and during the application process, and on an ongoing basis to review and verify your creditworthiness and/or establish credit and hold limits. You may choose not to have the Bank conduct a credit check in order to assess an application for credit. Once you have such a facility or product with the Bank, the Bank may from time to time disclose your information to other lenders and credit reporting agencies seeking such information, which helps establish your credit history and supports the credit granting and processing functions in general. If you have a credit product with the Bank, you may not withdraw your credit consent.

**Telephone discussions:** When speaking with one of the Bank's telephone service representatives, the Bank may monitor and/or record your telephone discussions for the Bank's mutual protection, to enhance customer service and to confirm the Bank's discussions with you. Please read the Bank's Privacy Code - "Protecting Your Privacy" for further details and our privacy policies. Visit [www.td.com/privacy](http://www.td.com/privacy) or contact the Bank for a copy.

You acknowledge that the Bank may amend the provisions of this Application on notice to you, as it relates to the collection and use of your Information, to reflect changes in legislation or other issues that may arise. You acknowledge, authorize and agree to be bound by such amendments.

If you have any questions or concerns relating to the collection and use of your Information, you may contact the Bank at 1-800-450-3935.

2 of 5

Initials

52980 (0411)



# Loan Application (cont'd)

**Don't Forget** →

The advisor's signature is required in the Advisor's Acknowledgment section

**Don't Forget** →

For self-employed or commissioned borrowers, the last 2 years' Notices of Assessment are required for all 100% loans and loans exceeding the quoted maximums

**Quick Tip**  
Ensure the Balance Sheet is completed in full

**Don't Forget** →

The Witness' signature must be different from the Applicant's signature

<b>Advisor and Dealer Information:</b>		Dealer Code	1	2	3	4	Advisor Code	1	2	3	4	5	6										
Company Name		ABC FINANCIAL LTD. (the "Dealer")																					
Advisor Name		JOE ADVISOR (such person and any person who replaces this person is the "Advisor")																					
Fax No.		416.123.4567					Telephone No.						416.234.5678										
<p><b>Advisor's Acknowledgement.</b> By signing below the Advisor acknowledges that the Advisor has acted as agent for the Bank for the purpose of ascertaining identity, and hereby certifies that the Applicant(s) were physically present before the Advisor and produced an original version (not a copy) of valid (i.e., not expired) Identification. "Identification" in this Application refers to an original Canadian driver's license, Canadian passport, credit card or government issued social insurance number. The Advisor acknowledges that the Advisor is required to obtain at least one piece of Identification, documenting below the type, place of issuance, number and expiry date of the Identification. The Advisor agrees that he/she will, on the request of the Bank, send a copy of the Identification obtained to the Bank. The Advisor shall ensure that the Application accurately sets out the full legal name, date of birth, address, occupation, employer name and employer address of each Applicant. The Advisor shall: (i) forward the Application and Agreement to the Bank by courier or by any other method agreed to by the Bank from time to time; and (ii) provide the Applicant(s) with a copy of this Application and the Agreement</p> <p><b>Signature of Advisor:</b> _____</p>																							
<b>Particulars of Identification:</b>																							
<b>Applicant:</b>	Type of Identification	Driver's License					Number	S123.456.7890															
	Place of issue	Toronto, ON					Expiry	Dec 2015															
<b>Applicant:</b>	Type of Identification	Driver's License					Number	S456.789.0123															
	Place of issue	Toronto, ON					Expiry	Dec 2015															
<b>Applicant Information:</b>																							
Name: (Mr/Mrs/Miss/Ms)		Joe Smith					Name: (Mr/Mrs/Miss/Ms)		Jane Smith					Spouse? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N									
Address:		123 Main St.					Address:		123 Main St.					Since 01 mo 1995 yr									
City:		Toronto					City:		Toronto					Prov: ON									
Postal Code:		A1B 2C3 (Own <input checked="" type="checkbox"/> Rent <input type="checkbox"/> Other <input 2"="" type="checkbox/&gt;)&lt;/td&gt; &lt;td colspan="/> Postal Code:					A1B 2C3 (Own <input checked="" type="checkbox"/> Rent <input type="checkbox"/> Other <input 2"="" type="checkbox/&gt;)&lt;/td&gt; &lt;td colspan="/>																
Telephone: H:		(416 ) 123.4567					Telephone: H:		(416 ) 123.4567					B: (416 ) 333.4444									
S.I.N.:		123.456.789 (Optional)					S.I.N.:		234.567.890 (Optional)														
Date of Birth: Month		01		Day		01		Year		1960		Date of Birth: Month		02		Day		02		Year		1961	
Employer:		ZZZ Industrial Equip.					Employer:		XYZ Financial Services					Since 01 mo 1996 yr		Since 02 mo 1997 yr							
Empl. Address:		333 Main St., Toronto, ON					Empl. Address:		555 Main St., Toronto, ON														
Postal Code:		A2B 3C4					Postal Code:		A3B 4C5					Position: Manager		Position: Sales							
Marital Status:		Married					Marital Status:		Married					Annual Income: \$100,000		Annual Income: \$100,000							
<b>Assets:</b>														<b>Liabilities:</b>									
														Monthly									
Primary Residence		\$ 500,000					Mortgage/Rent		Bal. \$ 250,000		P.I.T. \$ 850 /mo												
Motor Vehicles Year 08 Make VW		\$ 25,000					Loans		Bal. \$ 100,000		Pymt \$ 350 /mo												
Investments - Registered		\$ 250,000					Credit Cards		Bal. \$ 20,000		Pymt \$ 350 /mo												
- Non Registered		\$ 100,000					Line of Credit		Bal. \$		Pymt \$ /mo												
Other Assets: Cottage		\$ 250,000					Other Loans/Leases		\$ 10,000		Pymt \$ 75 /mo												
		\$					Condo Fees				Pymt \$ /mo												
Total Assets		\$ 1,125,000					Total Liabilities \$		380,000		Total \$		1,625										
Total Net Worth														\$ 745,000									
Each Applicant represents and certifies that all of the information provided herein to the Bank is true, correct, and fully discloses the Applicant's financial assets and liabilities																							
Witness X				Applicant X				Date															
Witness X				Applicant X				Date															
3 of 5 Copy 1 to TD Canada Trust Copy 2 to Applicant Copy 3 to Applicant																							



# Loan Application (cont'd)

### Authorization Re: Pre-Authorized Debit

You (which in this section only of this Application also includes any person who has signed below as holder of a PAD Account (defined below)) authorize us to debit your account indicated below or such other replacement account as indicated on a new void specimen cheque provided by you (each, a "PAD Account"), with the amount of each regular installment payment of principal and interest on the due date thereof, and any other amounts that you may owe to us from time to time under the attached Agreement. The amount and timing of these regular payments are as set out in the section of the Agreement titled Payment Information. In each case, if the date that such debit is to be made is not a business day, then the debit will be made on the next business day.

Name and Address of Processing Institution: TD Canada Trust, 1020 Bay St., Toronto, ON M5K 1A2

<b>Processing Institution Number:</b>	<b>Transit Number:</b>	<b>Account Number:</b>
<u>004</u>	<u>12345</u>	<u>123.4567890</u>

**THE FOREGOING PAYMENT AMOUNTS AND THE DUE DATES THEREOF MAY CHANGE, BUT BY SIGNING THIS PAD AUTHORIZATION YOU WAIVE ANY REQUIREMENT THAT WE PROVIDE YOU WITH PRIOR NOTICE OF ANY SUCH CHANGE(S).** You also authorize us from time to time to debit the PAD Account for prepayments and other amounts, which authorization will require a password, secret code or other equivalent of your signature which will constitute valid authorization for the Processing Institution to debit the PAD Account for such amounts. You acknowledge that this Authorization is for the purposes of personal pre-authorized debits.

You acknowledge that this Authorization is being provided for our benefit and the benefit of the Processing Institution, and is being provided in consideration of such Processing Institution agreeing to process pre-authorized debit requests (each, a "PAD") against the PAD Account in accordance with the rules of the Canadian Payments Association.

You may cancel this Authorization at any time by giving 30 days prior notice to the TD Canada Trust Branch indicated above. Such notice may be in writing or may be given orally (if we are able to verify your identity). If you cancel this Authorization and do not provide us with alternative pre-authorized debit instructions acceptable to us at least two weeks before the next date that a debit is to be made, you must still arrange for payments to be made in accordance with the terms of the Loan Agreement between you and us dated the same date as this Application (the "Loan Agreement"). This Authorization only applies to the method of payment under the Loan Agreement and neither this Authorization nor cancellation thereof affects your obligations under the Loan Agreement. To obtain a sample cancellation form, or for more information on your right to cancel a PAD agreement, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

You acknowledge: (i) that this authorization to us also constitutes delivery thereof by you to the Processing Institution, and (ii) that the Processing Institution is not required to verify that each PAD submitted by us has been issued in accordance with this Authorization (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring a PAD.

You may dispute a PAD if: (i) it was not drawn in accordance with this Authorization or (ii) you have cancelled this Authorization. In order to be reimbursed for a disputed PAD, you must provide a written declaration that either (i) or (ii) above took place, and deliver it to the Processing Institution within 90 days after the date that the disputed PAD was posted to the PAD Account, and if you do not, the disputed PAD must be resolved between yourself and us. You have certain recourse rights if any debit does not comply with this Authorization. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Authorization. To obtain more information on your recourse rights, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

You warrant to us on a continuing basis that all persons whose signatures are required to deal with the PAD Account have signed this Authorization or have provided a separate authorization, and you agree to provide us with updated information in writing concerning any change to the PAD Account.

You may contact us by mail at TD Investment Lending Services, 55 King St. W., 28th Floor, TD Tower, Toronto ON M5K 1A2, by fax at 1-866-294-7662, by telephone at 1-800-450-3935, or by email at [tdinvltn@td.com](mailto:tdinvltn@td.com).

Date:

Signature of PAD Account Holder

Signature of PAD Joint Account Holder

**Attach void cheque here**

4 of 5



To include a pre-printed void cheque



# Loan Application (cont'd)

## Quick Tip

For loans with principal and interest periodic payments, use this schedule to calculate the periodic payment

**Loan Amortization Payment Schedule**  
Monthly Payment Factors per \$1,000 of Principal Loan Amount

Amortization =>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>	<u>20 Years</u>	<u>30 Years</u>
<b>Rates:</b> 2.25%	17.6373	9.3137	6.5508	5.1781	3.8225
2.50%	17.7474	9.4270	6.6679	5.2990	3.9512
2.75%	17.8578	9.5411	6.7862	5.4217	4.0824
3.00%	17.9687	9.6561	6.9058	5.5460	4.2160
3.25%	18.0800	9.7719	7.0267	5.6720	4.3521
3.50%	18.1919	9.8888	7.1490	5.7998	4.4907
3.75%	18.3039	10.0006	7.2722	5.9289	4.6312
4.00%	18.4165	10.1245	7.3969	6.0598	4.7742
<b>4.25%</b>	<b>18.5296</b>	<b>10.2438</b>	<b>7.5228</b>	<b>6.1923</b>	<b>4.9194</b>
4.50%	18.6430	10.3638	7.6499	6.3265	5.0669
4.75%	18.7570	10.4848	7.7783	6.4622	5.2165
5.00%	18.8712	10.6066	7.9079	6.5996	5.3682
5.25%	18.9860	10.7291	8.0388	6.7384	5.5220
5.50%	19.1012	10.8526	8.1708	6.8789	5.6779
5.75%	19.2168	10.9769	8.3041	7.0208	5.8357
6.00%	19.3328	11.1021	8.4386	7.1643	5.9955
6.25%	19.4492	11.2280	8.5742	7.3093	6.1572
6.50%	19.5661	11.3548	8.7111	7.4557	6.3207
6.75%	19.6835	11.4824	8.8491	7.6036	6.4860
7.00%	19.8012	11.6108	8.9883	7.7530	6.6530
7.25%	19.9194	11.7401	9.1286	7.9038	6.8218
7.50%	20.0379	11.8702	9.2701	8.0559	6.9921
7.75%	20.1570	12.0011	9.4128	8.2095	7.1641
8.00%	20.2764	12.1328	9.5565	8.3644	7.3376
8.25%	20.3963	12.2653	9.7014	8.5207	7.5127
8.50%	20.5163	12.3984	9.8472	8.6780	7.6891
8.75%	20.6372	12.5327	9.9945	8.8371	7.8670
9.00%	20.7584	12.6676	10.1427	8.9973	8.0462
9.25%	20.8799	12.8033	10.2919	9.1587	8.2268
9.50%	21.0019	12.9398	10.4422	9.3213	8.4085
9.75%	21.1242	13.0770	10.5936	9.4852	8.5915
10.00%	21.2470	13.2151	10.7461	9.6502	8.7757

For example, you may wish to calculate the payment on a \$100,000 loan at a time when the prime rate is 2.50%, and the desired amortization is 30 years. The initial rate on this loan is  $P + 1.25\% = 3.75\%$ . The initial payments will be  $100 \times 4.6312 = \$463.12$  per month.

5 of 5



(blank)

# Loan and Security Agreement

## Quick Tip

Ensure the Loan and Security Agreement are printed on legal size (8½" x 14") paper



## Loan and Security Agreement for Investment Loans Provided By TD Investment Lending Services

*(Loan Application For All TD Investment Loan Programs must be signed and attached)*

### Acknowledgement

In consideration of the Loan as defined in the Loan and Security Agreement, being the "Agreement" you (as defined in the Agreement) acknowledge and agree that:

- (i) The Toronto-Dominion Bank (the "Bank") is exclusively a lender, and is not your financial advisor;
- (ii) you have not requested, and the Bank has not given or made, or authorized any other person or entity to do so:
  - a. any advice, recommendation, or other information or any representation, warranty, guarantee, endorsement, or other assurance whatsoever with respect to the Collateral (as defined in the Agreement);
  - b. the suitability or advisability of the investment by you in the Collateral;
  - c. the income you may derive from or any tax consequences which may result from the Collateral;
- (iii) the Bank has not in any way endorsed or promoted the Collateral. The Bank's evaluation of your credit application is not an assessment or representation by the Bank as to the merits of the investment in the Collateral or the advisability of the investment for you and is not considered that way by you;
- (iv) you have made that decision of how to use the proceeds of the Loan independently of the Bank. You have made your decision without influence or reliance on or need for advice or information from the Bank and without placing any trust or confidence in the Bank as to the use of the Loan proceeds or the wisdom or merits of any transaction or investment, including the investment in the Collateral;
- (v) you have voluntarily assumed all risks in respect of the use of the proceeds of the Loan and the investment in the Collateral;
- (vi) the Bank will not be liable for any damage or loss that you may suffer or incur as a result of you acquiring any of the Collateral or incurring the Loan to acquire any of the Collateral;
- (vii) you shall be responsible for the Obligations even if:
  - a. the Advisor (as set out in the Loan Application) or Dealer (as set out in the Loan Application) shall make any misrepresentations relating to the Collateral;
  - b. the Advisor or Dealer shall violate any law in connection with the sale of the Collateral;
  - c. the value of the Collateral declines; or
  - d. there is any dispute between you and the Advisor or Dealer relating to the Collateral;
- (viii) the Advisor and the Dealer are not a partner, joint venturer or agent of the Bank;
- (ix) the Advisor and the Dealer are not authorized and have no ability to make any representations on behalf of the Bank or to bind or create any liability for the Bank, and you have not relied on any such representations, if made;
- (x) the Bank is not the agent of the Advisor or the Dealer;
- (xi) the Bank assumes no responsibility for the validity, accuracy or completeness of any representations which you may have received from the Advisor and the Dealer or for any of the acts and omissions of the Advisor and Dealer;
- (xii) all of the terms and conditions of the Loan have been arranged directly between the Bank and you;
- (xiii) there is no understanding or collateral agreement relating to the Loan;
- (xiv) your Obligations (as defined in the Agreement) with respect to the Loan are your personal responsibility, are independent of any agreements that you have or may enter into with the Dealer or Advisor in connection with the Collateral, and will be free of any claim, set off, right or compensation or defence that you may have against the Dealer or Advisor;
- (xv) you are responsible for providing all of the information required by the Insurance Company (as set out in the Agreement) in a timely manner;
- (xvi) the Bank shall not be responsible for any loss incurred by you as a result of the Insurance Company's delay or refusal to accept the policy application and/or to issue the Policy (as defined in the Agreement);
- (xvii) the Bank may deliver a copy of the Agreement to the Insurance Company or mutual fund issuer, as applicable.

**Financial Consumer Agency of Canada (FCAC)** - If you have a complaint regarding a potential violation of a consumer protection law, a public commitment, or an industry code of conduct, you can contact the FCAC in writing at: 6th Floor, Enterprise Building, 427 Laurier Ave. West, Ottawa, Ontario K1R 1B9. The FCAC can also be contacted by telephone at 1-866-461-3222 (en français 1-866-461-2232) or through its website at [www.fcac-afc.gc.ca](http://www.fcac-afc.gc.ca). Please note the FCAC does not become involved in matters of redress or compensation - all such requests must follow the process set out above.

**English Language (for Customers in Quebec)** The parties confirm that it is their express wish that this Agreement and all amendments and other documents related thereto be drawn up in English. Les parties confirment leur volonté que la présente convention ainsi que toute modification y afférente et tout autre document s'y rattachant soient rédigés en langue anglaise.

Don't Forget

To have the client(s) initial this page (bottom right corner)

Initials

Page 1 of 6

529916 (0411)



# Loan and Security Agreement (cont'd)

## Quick Tip

When choosing principal and interest periodic payments, complete Section "A" and "C" in full. If choosing interest only periodic payments, complete Section "B" and "C" (on next page)

## Quick Tip

To calculate the periodic payment amount, use the Amortization Payment Schedule on page 5 of the Loan Application

## Don't Forget

To have the client(s) initial this page (bottom right corner)



**Applicant Information:**

Name Joe Smith Name Jane Smith  
 Address 123 Main St. Address 123 Main St.  
 City: Toronto Prov: ON P Code: A1B 2C3 City: Toronto Prov: ON P Code: A1B 2C3

**Date of Agreement:** \_\_\_\_\_

**Sections A and C are applicable to Blended Payment Loan Agreement.  
 Sections B and C are applicable to Interest-Only Payment Loan Agreement.**

**A. BLENDED PAYMENTS**

**INFORMATION BOX:** This is a summary only. Full details are set out below this box.

<b>Principal Amount</b>	\$ <u>100,000.00</u>
<b>Annual Interest Rate</b>	<u>4.25</u> % as of today Variable rate per year. Interest is charged and calculated on a daily basis and payable on each Payment Due Date.
<b>Determination of Interest</b>	Your interest rate is expressed as today's TD Prime Rate* plus a rate variance.  Your interest rate is the <b>TD Prime Rate</b> + <u>1.25</u> %  As of (date), <u>Sept. 1, 2011</u> , the <b>TD Prime Rate</b> is <u>3.00</u> %  Your interest rate will vary automatically if and when the TD Prime Rate varies.  *TD Prime Rate means the floating annual interest rate announced from time to time by The Toronto-Dominion Bank as its reference rate of interest for the determination of interest rates that it will charge to customers of varying degrees of creditworthiness for Canadian dollar loans made by it in Toronto, Ontario and that we publish from time to time as a point of reference.
<b>Annual Percentage Rate</b>	<u>4.25</u> % The interest rate for a whole year (annualized) and assuming the interest rate does not change.
<b>Term</b>	<u>360</u> months The term of the loan is open which means you can pay down all or a portion of your Principal Amount at any time without paying compensation.
<b>Date of Advance</b>	It is assumed, subject to the Bank's approval of the Loan, that the Principal Amount will be advanced on the <b>fourth (4th) business day from the Date of this Agreement.</b>  Interest will be calculated and charged from this date on. The Bank will confirm in writing the Date of Advance after the Loan has been funded.
<b>Payments</b>	\$ <u>619.23</u> on the <u>15</u> of every month and the same day after that. Your payment includes payment toward both principal and interest.
<b>Amortization Period</b>	<u>360</u> months. Based on the current terms and conditions, your Loan will take this amount of time to pay in full.
<b>Prepayment Privilege</b>	You may prepay all or any part of your Principal Amount without paying compensation.
<b>Prepayment Charges</b>	<b>Not applicable.</b>
<b>Default Insurance</b>	<b>Not applicable</b>
<b>Other fees</b>	Returned or Refused Payment due to insufficient funds: <b>\$42.00</b>

Initials

# Loan and Security Agreement (cont'd)

The following information respecting your TD Investment Lending loan (the "Loan") must be read together with the Terms and Conditions which follow, and together they form the agreement applicable to your Loan (this agreement as it may be amended in writing from time to time is referred to herein as the "Agreement").

**Principal and Term**

Principal Amount of the Loan (the "Principal Amount"): \$ 100,000.00.  
 The Principal Amount will be advanced on: Fourth (4th) business day from the Date of Agreement (the "Date of Advance")  
 Term of Loan: 360 months  
 Amortization Period of Loan\*: 360 months

\*Subject to rounding up to the next month.

**Interest Rate:**

Interest on the Principal Amount is calculated at:  
 Variable Annual Interest Rate: TD Prime Rate 3.00 % per annum (TD Prime Rate today)  
 + 1.25 % per annum (the "Spread" today)  
 = 4.25 % per annum (Variable Annual Interest Rate today).

Your cost of borrowing, being the total amount of interest payable over the Term of the Loan will be \$ 122,922.80, which, if expressed as an annual percentage rate, is 4.25 %. This amount assumes that you make no prepayments, and that TD Prime Rate does not change from the rate in effect at the Date of Agreement.

**Payment Information**

(a) Periodic Payment Date\*: 15  
 (b) First Payment Due Date: Sept. 15, 2011  
 (c) Last Payment Due Date: Aug. 15, 2041  
 (d) Periodic Payment Amount: \$619.23  
 (e) Total Number of Periodic Payments: 360  
 (f) Total Amount of all payments (d) x (e)\*\*: \$ 222,922.80

\*\*Based on the assumed Date of Advance.

\*\*This amount, which is subject to rounding, may change if TD Prime Rate changes from the rate in effect today.

**B. INTEREST ONLY PAYMENTS**

The following information respecting your TD Investment Lending loan (the "Loan") must be read together with the Terms and Conditions which follow, and together they form the agreement applicable to your Loan (this agreement as it may be amended from time to time is referred to herein as the "Agreement").

**Principal:**

Principal Amount of the Loan (the "Principal Amount"): \$ 100,000.00.  
 The Principal Amount will be advanced on: Fourth (4th) business day from the Date of Agreement (the "Date of Advance")

**Interest Rate:**

Interest on the Principal Amount is calculated at:  
 Variable Annual Interest Rate: TD Prime Rate 3.00 % per annum (TD Prime Rate today)  
 + 1.25 % per annum (the "Spread" today)  
 = 4.25 % per annum (Variable Annual Interest Rate today).

**Payment:**

You agree to pay the Loan as follows:

(a) Periodic Payment Date: the 21st of each month  
 (b) First Payment Due Date: Sept. 21, 2011  
 (c) Periodic Payment Amount: the accrued interest on the Principal Amount

If you have a 100% No Margin Call Demand Loan and the Obligations are greater than 120% of the Net Asset Value, then the Bank may add 0.50% to your annual rate of interest

If you have a 3-for-1 No Margin Call Demand Loan or a 100% No Margin Call Demand Loan, and the Obligations are greater than 135% of the Net Asset Value, then the Bank may require that you repay the Loan in blended principal and interest payments based on a 20 year term and amortization, with interest charged at the then current variable annual interest rate for blended payment loans.

**C. ADDITIONAL TERMS**

The Bank may demand repayment of the Loan at any time.

**Default Charges**

If you fail to pay a Periodic Payment Amount on a Payment Due Date, you must:

- reimburse us for the full amount of all legal costs (on a solicitor and own client basis) and other expenses which we incur to collect the amount that you owe to us
- pay us \$42.00 (or such other amount as we notify you from time to time) with respect to each cheque or other payment instrument that you have used to make a payment but that was dishonoured (the above are collectively referred to herein as "Default Charges").

**Security Interest/Pledge**

You acknowledge and agree that you are granting to us a Security Interest and, when Quebec law applies, a pledge, to secure the Obligations, in all Collateral included in the account(s) described as:

(a) Account # \_\_\_\_\_ held by \_\_\_\_\_ (the "Collateral Account"), OR

(b) Policy # \_\_\_\_\_ (the "Policy") held by \_\_\_\_\_ (the "Insurance Company").

You waive any right you may have to receive a copy of any financing statement, verification statement or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

Page 3 of 6

Copy 1 to TD Canada Trust

Copy 2 to Applicant

Copy 3 to Applicant

Initials



Interest only periodic payments are always on the 21st of each month



To have the client(s) initial this page (bottom right corner)



# Loan and Security Agreement (cont'd)



To check the applicable box for the 3rd Party Statement and ensure the client(s) and witness signatures are included for both "Yes" and "No" responses

**Direction to Pay Funds**  
By signing below, you direct us to disburse the Principal Amount to purchase the Collateral, and to pay any fees or commissions incurred in connection with the acquisition of the Collateral. The Collateral, unless it is a Policy, will be recorded in the Collateral Account.

**Signatures**  
If more than one person signs this Agreement as an Applicant, each is liable both individually and collectively as a group for payment of the Obligations.

Your signature below means that:

- the information that you provided in this Agreement is complete and correct.
- you understand and accept this Agreement.
- you agree to the Acknowledgement set out on page 1, which Acknowledgement shall form part of this Agreement.
- you have received a completed copy of this Agreement.

Witness X _____	Applicant X _____	Date _____
Witness X _____	Applicant X _____	Date _____
The Toronto-Dominion Bank _____		Date _____

**Third Party Statement** *(Must be signed for both "Yes" and "No" response.)*  
Will this Loan (as defined below) be used for or on the behalf of a Third Party\* (person or business)?  
(check applicable box)  Yes  No  
If "YES", please provide the following details about the Third Party: (i) Name, (ii) Address, (iii) Occupation, and (iv) Relationship to you, (v) Date of Birth.  
\*A "Third Party" is anyone other than you, the Bank or its affiliates, who would exert control over or receive financial benefits from the Loan

Witness X _____	Applicant X _____	Date _____
Witness X _____	Applicant X _____	Date _____

**Terms and Conditions**

**Definitions**  
In this Agreement,  
**"Amortization Period"** means the number of months specified beside "Amortization Period of Loan" under the heading "Principal and Term".  
**"Business Day"** means any day other than Saturday, Sunday or any day on which The Toronto-Dominion Bank is not open for business in Ontario.  
**"Collateral"** means (i) the property in the Collateral Account or the Policy, including the surrender and redemption rights under life insurance policies, (ii) Proceeds, including without limitation, negotiable instruments, bills, commercial paper, securities, or monies given or paid following a sale, repurchase, conversion, cancellation, distribution or any other dealing with any of the above property, (iii) all replacements, renewals and substitutions of any of the above property, and (iv) all fruits and revenues (including dividends and interest) arising from the above property.  
**"Collateral Accounts"** means the accounts described under the heading "Security Interest/Pledge".  
**"Current Rate"** means the Variable Annual Interest Rate that is in effect today and specified under the heading "Interest".  
**"Net Asset Value"** means the amount that the Collateral would realize if redeemed or sold at such time, less the amount equal to the commission and other costs, if any, that would be incurred on a redemption or sale  
**"Obligations"** means all your present and future indebtedness and liability to us, whether direct or indirect, absolute or contingent, whenever incurred, including, without limitation, your obligations under this Agreement, existing indebtedness, future advances, costs and expenses and the performance of all your other obligations towards us.  
**"Payment Due Date"** means each Periodic Payment Date during the Payment Period.  
**"Payment Period"** means the period of time that begins on the First Payment Due Date set out under the heading "Payment Information" and, if applicable, ends on the later of the Last Payment Due Date set out under the heading "Payment Information".  
**"Periodic Payment Amount"** means the amount of each periodic payment specified as such under the heading "Payment Information".  
**"Periodic Payment Date"** means the day specified as such under the heading "Payment Information".  
**"Principal Amount"** means the amount specified as such under the heading "Principal and Term" or "Principal", as applicable.

**"Proceeds"** means all property in any form derived directly or indirectly from any use or dealing with Collateral or that indemnifies or compensates the Collateral destroyed or damaged.  
**"Securities"** means all securities, instruments, commercial paper and mutual fund units held in the Collateral Account, and all replacements and substitutions thereof.  
**"Security Interest"** means both a security interest as defined under applicable personal property security legislation and, in the case of any insurance, an assignment thereof.  
**"TD Prime Rate"** means the floating annual interest rate announced from time to time by The Toronto-Dominion Bank as its reference rate of interest for the determination of interest rates that will charge to customers of varying degrees of creditworthiness for Canadian dollar loans made by it in Toronto, Ontario.  
**"Term"** means, if applicable, the number of months specified beside "Term of Loan" under the heading "Principal and Term".  
**"Variable Annual Interest Rate"** means the aggregate interest rate specified beside such term under the heading "Interest", as adjusted for any change in TD Prime Rate. **"We"**, **"our"**, **"us"** and **"Bank"** refers to The Toronto-Dominion Bank.  
**"You"** and **"your"** refers to the Applicant(s) named above.

**1. Promise to Pay**  
You will repay to us the Principal Amount and interest thereon in accordance with this Agreement.

**2. Periodic Payment**  
You will pay us the Periodic Payment Amount on each Payment Due Date (including the Last Payment Due Date if the Term is the same as the Amortization Period), subject to the following provisions:  
 • If applicable, if the Variable Annual Interest Rate increases above the Current Rate, we may increase the Periodic Payment Amount without prior notice to you, but we will give you notice of any increase afterwards. If we do not increase the Periodic Payment Amount, you will be required to continue to pay the current Periodic Payment Amount on each Periodic Payment Date until the Principal Amount and accrued interest thereon have been paid in full. This could result in the Principal Amount not being repaid in full by the Last Payment Due Date, but if that were to happen, you will then immediately and without demand pay us such unpaid Principal Amount.

Page 4 of 6



# Loan and Security Agreement (cont'd)

- If applicable, if the Variable Annual Interest Rate decreases below the Current Rate, the same Periodic Payment Amount will continue to be payable unless you request in writing that we decrease the Periodic Payment Amount to reflect such lower Variable Annual Interest Rate.

### 3. How We Apply Your Payments

We will apply each of your payments first to accrued interest, then to the outstanding Principal Amount and then to any Default Charges not yet billed to you. If Quebec law applies, such payments may be applied without having to comply with the provisions of the Civil Code of Quebec pertaining to imputation of payment.

### 4. Payments on Your Loan

If you have not authorized us to debit an account with the amounts that you owe to us under this Agreement, you may make payments to us by cash, cheque or any other method that is acceptable to us. Payments are to be made at The Toronto-Dominion Bank at 55 King Street West, 28th floor, Toronto, Ontario, M5K 1A2. If there are insufficient funds in the account you have designated for payments or if any other payment that you make to us is not sufficient to pay the amount that you owe to us at such time and you do not make alternative payment arrangements with us, we may charge any amount that you owe to us or apply the balance, if any, of any accounts that you have with us. TD Mortgage Corporation, TD Pacific Mortgage Corporation or The Canada Trust Company, to satisfy any of your Obligations under this Agreement.

### 5. Interest

Interest is charged and calculated on a daily basis on the unpaid Principal Amount commencing on the Date of Advance at the Variable Annual Interest Rate that is in effect on each day, until the Principal Amount has been paid in full, and is payable on each Payment Due Date. We calculate interest daily on the basis of a year of 365 days including February 29 in a leap year, with the result that the annual interest rate that we charge during a yearly period that includes February 29 will be equal to the Variable Annual Interest Rate in effect on each day in that yearly period multiplied by 366 and divided by 365.

This results in slightly more interest being charged in such period, but when converted to an annual rate that is rounded to the nearest 1/8th of 1 percent, the effective annual interest rate for such yearly period will be the same as the rate that we have disclosed to you. Interest will continue to be payable by you at the applicable interest rate after:

- if applicable, the Last Payment Due Date if you have not paid the unpaid balance of the Principal Amount and accrued interest on that date
- we demand payment of the Loan
- we obtain a judgment against you

If your Periodic Payment Date falls on a day in any month that is not a Business Day, any payment transaction will be completed on the next Business Day. This will result in additional interest being charged.

### 6. Prepaying Your Loan

You may prepay all or any part of the unpaid balance of the Principal Amount without any charge or penalty. If you prepay part of the Principal Amount, you must continue to pay the Periodic Payment Amounts on the Payment Due Dates until you have repaid the balance of the Principal Amount in full.

### 7. Payment Upon Demand

You agree that we have the right to demand immediate repayment at any time of the unpaid balance of the Principal Amount and all unpaid interest, costs and fees and you agree that we shall then have the right at any time to enforce all security that you have granted to us under, or as contemplated in, this Agreement to secure your Obligations, by any method permitted by applicable law, including, without limitation:

- (i) the seizure and possession of the Collateral (it being understood, if already in our possession, that you will be deemed to have surrendered it);
- (ii) the sale or other disposition of the Collateral;
- (iii) the acquisition, directly or indirectly, of the Collateral;
- (iv) in the case of any Policy, the exercise of any rights available to you thereunder, including, without limitation, the surrender of such Policy;
- (v) the appointment of any person, including any one of our employees, as a receiver or agent on your behalf to realize upon any or all of the Collateral; and
- (vi) taking any other action deemed necessary to carry into effect the provisions of this Agreement, including the exercise of any other legal right or remedy available.

We shall be at liberty to invest any monies or instruments received or held by us in pursuance of this Agreement or deposit them in a non-interest bearing account without having to comply with any limitations or restrictions prescribed by law concerning the

Page 5 of 6

investment of property of others. We shall not in any way be responsible for any misconduct or negligence on our part or on the part of any receiver or agent appointed pursuant to section 7(v) above, except for gross negligence.

## 8. Security

### (i) Pledge of Securities:

You assign and pledge (or, if you reside in Quebec, grant a moveable hypothec with delivery) and grant a Security Interest in the Collateral to and in favour of the Bank including in:

- a. all the Securities which are now and may be hereafter recorded in the Collateral Account,
- b. all Proceeds,
- c. all securities or other property into which any of the Securities or Proceeds may be converted, changed, reclassified, subdivided or consolidated,
- d. all dividends, income or other distributions, whether paid or distributed in cash, securities or other property, in respect of the Securities and Proceeds,
- e. all other property, including choses in action, now or hereafter relating in any way to any of the Securities and Proceeds.

### (ii) Assignment of Policy:

You hereby assign and pledge to and grant a Security Interest in (or, if you reside in Quebec, grant a moveable hypothec with delivery on) the Collateral, specifically the Policy, to and in favour of the Bank, including:

- a. all the right, title, and interest in and to the Policy, all benefits and advantages in connection with the Policy, all money which is now or shall hereafter become due or payable under the Policy, any prepaid premiums on the Policy and interest thereon, the benefit of prepaid premiums and the right to receive any such monies not used or applied in payment of premiums,
- b. all securities or other property in any form derived directly or indirectly from any use or dealing with the Policy,
- c. all income or other distributions, whether paid or distributed in cash, securities or other property, in respect of the Policy,
- d. all other property, including choses in action, now or hereafter relating in any way to the Policy, and
- e. all proceeds of the property described in this subsection 8(ii), all to be held by the Bank as collateral security for the Obligations.

### (iii) General:

The attachment of the Security Interest has not been postponed and the Security Interest shall attach to any particular Collateral as soon as you have rights in such Collateral. The Security Interest secures payment, performance and satisfaction of the Obligations. The Bank may, at its discretion, place the Collateral in the custody of a third party designated by the Bank, and you consent and authorize the Bank to register the Collateral or the Collateral Account in the name of the Bank or one of its nominees until the Obligations are paid in full.

### (iv) Notice of Assignment:

By delivery of a copy of this Agreement to the issuer of the Collateral ("Issuer"), the Bank and you hereby advise the Issuer that you have obtained a Loan from the Bank, which Loan and related Obligations are secured by an assignment of the Collateral. The Issuer will not be responsible for the adequacy or legal effect of the assignment. The Issuer is hereby directed to record and recognize the Bank's interest in the Collateral in its books and records and, except in the case of assignment of cash surrender value of a Policy, to provide the Bank with a daily statement of the current value of the Collateral including without limitation the value of all investments and cash held within the Collateral. The Issuer is also hereby directed:

- (i) to honour and act only upon any redemption, surrender or liquidation instructions received from the Bank (and not from you) from time to time with respect to the Collateral or its underlying investments without inquiring whether the Bank has a right to issue such instructions, and
- (ii) that upon your death, that any benefit payable under a Policy shall first be paid to the Bank, in an amount sufficient to satisfy the amount due to the Bank hereunder. The directions contained herein may only be waived or altered with the written consent of both you and the Bank.

### (v) Costs and Expenses:

You agree to pay the costs and expenses we incur to enforce this Agreement, and to repossess, maintain, preserve, sell or otherwise realize upon the Collateral, including, without limitation, all fees and expenses of any receiver or agent that is appointed. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses) incurred by us to do any of the above or to

Initials

Don't Forget

To have the client(s) initial this page (bottom right corner)

# Loan and Security Agreement (cont'd)

defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of or our right to enforce this Agreement. You will pay legal fees on a solicitor and own client basis.

**(vi) Free and Clear:**

You represent and warrant to us that you are the owner of, and agree that you will keep, the Collateral free from any mortgage, lien, charge, Security Interest, prior claims, taxes, assessments or encumbrance of any kind, unless we agree otherwise in writing. You will not sell, give away, part with possession of (except for the pledge, if any, granted in our favour) or otherwise dispose of any part of the Collateral, without our prior written consent.

**(vii) Power of Attorney:**

You irrevocably appoint us as your attorney or our nominee with full power of substitution and appointment, to fill in any blanks on this Agreement, including without limitation, the Insurance Company policy number for the Policy, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement, and to exercise all of your rights with respect to the Collateral with the right to sue in your name and to take proceedings in your name. You declare that this Power of Attorney is given for value and that it may be exercised during any subsequent legal incapacity on my part. You agree to pay us any costs we incur in exercising these rights.

**(viii) Dealing with the Collateral:**

We may take and give up any security or modify or abstain from perfecting or taking advantage of any of the security granted in our favour and otherwise deal with any of the Collateral as we shall see fit (to the extent permitted by applicable law), without prejudice to your liability or to our rights under this Agreement or at law.

**(ix) Non-Substitution:**

The pledge and the Security Interest contemplated or granted herein are in addition to and not in substitution for any other security now or hereafter held by us.

**(x) Acknowledgment and Waiver:**

Even if we fail to properly perfect the Security Interest, or the pledge when Quebec law applies, you will continue to be liable to pay us the Periodic Payment Amount and any other Obligations that you owe to us under this Agreement.

**(xi) Valuation of Collateral:**

We may, at any time and without giving you notice, change the value of any of the Collateral for purposes of valuing them as security for your Loan.

**(xii) Margin Rates:**

If you have a 2-for-1 Demand Loan as set out in the Loan Application, you are required to maintain sufficient Collateral in the Collateral Account on a mark-to-market basis, from time to time, in an amount such that the outstanding Principal Amount and accrued interest do not exceed the market value of the Collateral calculated using the margin rate(s) we have determined. We may change any margin rate at any time without notice to you.

**(xiii) 100% No Margin Call loans**

If you have a 100% No Margin Call Demand Loan as set out in the Loan Application, you understand and agree that:

- (a) the Bank will review the ratio of the Obligations to the Net Asset Value (the "LTVR") on a regular basis;
- (b) if, at any time, the LTVR exceeds 120%, the Bank may immediately increase your Variable Annual Interest Rate by 0.50% per annum;
- (c) if, at any time, the LTVR exceeds 135%, the Bank may change your Periodic Payment Amount to the Blended Principal and Interest payment amount based on a 20 year amortization at the then Variable Annual Interest Rate, effective on the date set out in the notice sent to you.
- (d) After a change contemplated under (b) or (c) above, the Bank will continue to review the LTVR on a regular basis and if the LTVR returns to below 120%, the Bank will:
  - (i) immediately reduce your Variable Annual Interest Rate by 0.50% per annum; and
  - (ii) if applicable, change the Periodic Payment Amount to the Interest Only payment amount effective on your next regular Periodic Payment Date.

**(xiv) Voting Rights and other rights attached to Securities:**

We may, if we deem it useful to protect our rights in and to the Securities forming part of the Collateral, register ourselves as a nominee on our behalf in the issuer's appropriate registers as the holder of such Securities, in which case:

- (a) all voting rights and any other right attached to such Securities shall be exercised by us or on our behalf; and
- (b) we may collect revenues, dividends and capital distributions and, at our option, shall either hold them as Collateral or apply them in reduction of the Obligations.

Page 6 of 6

**(xv) Continuing Security:**

The pledge and the Security Interest contemplated or granted herein shall be a continuing security which shall remain in full force and effect despite the repayment from time to time or the whole or of any part of the Obligations; it shall remain in full force until the execution of a final release by us.

**9. Providing Information**

You agree to provide us with additional personal financial information as we may request from time to time.

**10. Changing this Agreement and Non-Waiver**

We have the right to change the Spread or to increase your Periodic Payment Amount in certain circumstances. Otherwise, this Agreement will only be amended by terms set out in writing to which we and you both agree. A change in the TD Prime Rate, which affects the Variable Annual Interest Rate, is not an amendment to the terms of this Agreement that requires your consent. Any breach by you of this Agreement may only be waived by us in writing. Such waiver by us does not mean that any subsequent breach is also waived.

**11. Communication**

It is your responsibility to provide us with your current address and to notify us when it changes. We will notify you about cost of borrowing disclosure matters in the manner as you may direct from time to time. We will notify each of you about all other matters by communication with any one of you. Communication with any one of you will serve as notice to all. We will send communications, including notices, by ordinary, uninsured mail to the last address you provided. We may use other means, including hand delivery, to communicate with you if necessary. If mailed, information is deemed to be received by you five (5) days after mailing. If delivered, information is deemed to be received by you when delivered or left at the last address you provided.

**12. Continuing Effectiveness of this Agreement**

We may assign the Loan, with or without the benefit of this Agreement, to any other financial institution or other entity or person without your consent, but you may not assign this Agreement without our consent. This Agreement is also binding upon and benefits our successors and your permitted assigns, heirs and personal representatives.

**13. Governing Law**

This Agreement shall be governed by, and construed in accordance with, the laws of the province in which you reside as set out in the address above.

**14. Eligible Dealers/Advisors**

You acknowledge and agree that if you change your Dealer or Advisor to a dealer or advisor that is not acceptable to the Bank in its sole discretion, the Bank may demand immediate repayment of the unpaid balance of the Principal Amount and all unpaid interest, costs and fees as set out in section 7 of this Agreement.

Initials

Don't Forget

To have the client(s) initial this page (bottom right corner)



# Disclosure Statement



## Disclosure Statement

To: Joe Smith  
(Print Borrower name)

Jane Smith  
(Print Borrower name)

Re: Borrowing Money to Buy Mutual Funds and/or Segregated Funds (Leveraging)

Securities commissions require the delivery of a disclosure to investors who consider borrowing money to buy mutual funds to make investors aware of the risks involved in borrowing to invest. Due to the similarities between Segregated Funds and Mutual Funds we believe you should be aware of the following when borrowing to invest in either of them.

Mutual funds and/or Segregated Funds ("Investment Funds") may be purchased using available cash or a combination of cash and borrowed money. If cash is used to pay for the Investment Fund purchase in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the fund units. The purchase of Investment Funds using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. For example, if \$75,000 of fund units are purchased and paid for with \$25,000 from available cash and \$50,000 from borrowings, and the value of the fund units declines by 10% to \$67,500, your equity interest (the difference between the value of the fund units and the amount borrowed) has declined by 30%, i.e. from \$25,000 to \$17,500.

It is apparent that leveraging magnifies gains or losses. It is important that an investor proposing a leveraged purchase of Investment Funds be aware that a leveraged purchase involves greater risk than a purchase using cash resources only.

To what extent a leveraged purchase involves undue risk is a determination to be made on an individual case basis by each purchaser, and will vary depending on the circumstances of the purchaser and the Investment Funds purchased.

It is also important that the investor be aware of the terms of a loan secured by Investment Fund units. The lender may require that the ratio of the loan to the market value of the units not exceed an agreed percentage. Should this occur, the borrower must pay down the loan, invest additional cash into the Investment Funds or sell the units so as to return the loan to the agreed percentage relationship. In our example above, the lender may require that the loan not exceed 85% of the market value of the units. On a decline of the market value of the Investment Funds to \$58,800, the borrower must reduce the loan to \$39,160 (66.6% of \$58,800) or add an additional \$16,200 to the Investment Funds to bring the market value of the Investment Funds back to the original \$75,000. If the borrower does not have the additional cash available, he must sell units at a loss to provide money to reduce the loan.

Money is, of course, also required to pay interest on the loan as the investor must pay the loan interest to the lender as agreed to in the loan agreement. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available both to pay interest, and also to reduce the loan if the borrowing arrangements require such payment.

I understand that this Disclosure Statement is provided to inform and protect me.

Date: \_\_\_\_\_

Borrower signature: \_\_\_\_\_

Borrower signature: \_\_\_\_\_

Advisor Signature: \_\_\_\_\_

511560(0204)

**Don't Forget**

To have the client(s) and advisor's signature

DISCLOSURE STATEMENT



(blank)

# Pledge Letter

**Don't Forget** →

Complete one Pledge Letter per Fund Family

**Quick Tip**  
 If pledging Mutual Funds with existing distribution instructions "in cash" and the clients wish to have them continue, include a Letter of Direction along with a pre-printed void cheque for the account where the distributions are to be deposited.

**Don't Forget** →

To complete the form in full and have it stamped with the appropriate Signature Guarantee Stamp



**Pledge Letter**  
*(One form per fund family)*

ISM # \_\_\_\_\_  
(Bank use only)

To: Approved Mutual Fund Company Name  
(Fund Company)      Date: Sept. 1, 2011

From: Joe Smith      Jane Smith  
(Print client name)      (Joint name if applicable)

Dear Sir,

Re: The following funds:

<u>Fund Account #</u> <small>(e.g. 1234567)</small>	<u>Fund Code</u> <small>ABC123</small>	<u>Fund Name</u> <small>ABC Equity Fund</small>	<u>Amount (units/\$)</u> <small>(ex: 592.315 units)</small>
<u>1234567</u>	<u>ABC123</u>	<u>ABC Equity Fund</u>	<input type="checkbox"/> All or <u>1,200.123</u>
<u>456789</u>	<u>ABC234</u>	<u>ABC Balanced Fund</u>	<input checked="" type="checkbox"/> All or _____
_____	_____	_____	<input type="checkbox"/> All or _____
_____	_____	_____	<input type="checkbox"/> All or _____

I have made arrangements with The Toronto-Dominion Bank (the "Bank") for a loan, and I have granted a security interest to the Bank in the mutual funds described above and in additional funds acquired through the investment of dividends and distributions, and renewals, substitutions, and any proceeds of any of the foregoing, ("Collateral Security") as security for my loan.

You are hereby irrevocably directed to:

- i) Re-register these holding into the Bank's nominee name of "TORBAY COMPANY"
- ii) Accept instructions only from the Bank with respect to any transaction involving Collateral Security including, but not limited to, the purchase, sale, transfer, substitution, redemption, or the disposition of or transaction with the Collateral Security;
- iii) Upon receipt of redemption or other transaction instructions from the Bank, to act upon such instructions and to hold the proceeds of any redemption of or other transaction with Collateral Security in trust for the Bank, and to pay the proceeds to the Bank as it may direct;
- iv) Provide the Bank upon the Bank's request, any information concerning the Collateral Security that the Bank may require.

Yours truly,

\_\_\_\_\_  
(Client Signature)

\_\_\_\_\_  
(Client Signature)

\_\_\_\_\_  
(Signature Guaranteed -with stamp)

\_\_\_\_\_  
(Signature Guaranteed -with stamp)

PLEDGE LETTER



(blank)

# Designation of Irrevocable Beneficiary

## Quick Tip

This form is only for Quebec applicants and their segregated Fund loan programs



## Designation of Irrevocable Beneficiary (for Quebec Only)

To: Stand Alone Segregated Fund Provider Name  
(Name of Insurance Company)

Dear Sirs / Madam;

Re: Policy No. Segregated Fund Provider Policy Number (the "Policy")

I hereby revoke all prior designations of beneficiary with respect to the Policy.

I hereby designate:

- i) The Toronto-Dominion Bank as the Policy's irrevocable beneficiary of all amounts due under the policy equal to the total amount of the Obligations (as 'Obligations' are defined in the TD Bank Segregated Fund Loan Program Agreement) and,
- ii) For any benefits which may be payable in excess of the Obligations,

I hereby designate:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

as  revocable  irrevocable\* beneficiary(s) after full, final and irrevocable payment of the Obligations.

Borrower/Owner(s)	_____	Date	_____
Consent of irrevocable beneficiary	_____	Date	_____
Witness	_____	Date	_____

\*In Quebec, a spouse is an irrevocable beneficiary unless otherwise specified.

Original to TD Canada Trust, Investment Lending Services Copy to Client

511546 (0411)

DESIGNATION OF  
IRREVOCABLE BENEFICIARY



(blank)

# Transfer Kit

## Quick Tip

Refer to the checklist to ensure all forms and additional documentation are included



55 King St. W., 28<sup>th</sup> Floor, TD Tower  
Toronto, Ontario M5K 1A2  
Telephone: 1.800.450.3935  
Facsimile: 1.866.294.7662

### Transfer Kit

STEP 1: Print out a list of collateral held under the loan. If possible, include account or policy numbers, number of units and values.

STEP 2: Complete all forms as indicated in the checklist below.

#### Checklist:

\_\_\_ Letter of Authorization & Direction

\_\_\_ Letter of Direction to TD Bank

\_\_\_ Loan Application & Loan Security Agreement **(both must be on 8 1/2 x 14, legal size paper)**

\_\_\_ Void Cheque (with clients' name preprinted on cheque)

\_\_\_ Pledge Letters for 3<sup>rd</sup> party Mutual Fund loans only

\_\_\_ Disclosure Statement

\_\_\_ All documentation has been signed and initialed by the clients and witnessed

\_\_\_ Purchase instructions (if necessary)

Step 3: Please send the completed package to your head office, if required, or directly to:

TD Canada Trust  
Investment Lending Services  
55 King St. W., 28<sup>th</sup> Flr. TD Tower  
Toronto, ON M5K 1A2

Questions or concerns? Please call 1.800.450.3935 or 416.308.3334 or via email at [TDINVTLN@TD.COM](mailto:TDINVTLN@TD.COM)



# Transfer Kit (cont'd)



55 King St. W., 28<sup>th</sup> Floor, TD Tower  
Toronto, Ontario M5K 1A2  
Telephone: 1.800.450.3935  
Facsimile: 1.866.294.7662

## Letter of Authorization and Direction

To: ABC Bank  
(Institution currently holding the Loan)

Fax Number: 1.234.456.7890

From: Joe Smith & Jane Smith  
(Client(s))

Loan Account #: ABC-123456  
(Institution currently holding the Loan)

At this time I/we have decided to transfer my/our loan from your institution.

Please accept this letter as my/our written authorization to provide the following information regarding my investment loan, to a representative of the Investment Lending Services at TD Canada Trust.

Please provide the following:

- 1) Collateral values (Fund names and codes, account numbers, units, etc.)
- 2) Loan Pay-out information, including the per diem amount
- 3) Upon pay-out of the loan, please:
  - a) Discharge any PPSA registration or any assignment against the collateral
  - b) Forward any certificates to TD Canada Trust
  - c) Forward any re-registration documentation to:

TD Canada Trust  
Investment Lending Services  
55 King St. W., 28<sup>th</sup> Flr. TD Tower  
Toronto, ON M5K 1A2

Thank you for your cooperation in the above matter.

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
Date

### Don't Forget

To complete the form in full and have all client signatures witnessed



# Transfer Kit (cont'd)



55 King St. W., 28<sup>th</sup> Floor, TD Tower  
Toronto, Ontario M5K 1A2  
Telephone: 1.800.450.3935  
Facsimile: 1.866.294.7662

TD Canada Trust  
Investment Lending Services  
55 King Street W., 28<sup>th</sup> Flr. TD Tower  
Toronto, ON M5K 1A2

## Letter of Direction to The Toronto-Dominion Bank

Please accept this letter as my/our written authorization to use the proceeds from my/our loan with The Toronto-Dominion Bank to payout my/our existing loan with

ABC BANK  
(Financial Institution)

ABC-123456  
(Loan Account #)

Joe Smith  
(Client Name)

Jane Smith  
(Client Name)

Please transfer my/our loan and all collateral from the institution named above to TD Bank.

Thank you.

\_\_\_\_\_  
(Client Signature)

\_\_\_\_\_  
(Client Signature)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
Date



To complete the form in full and have all client signatures witnessed



(blank)

(inside back cover-blank or legal)

