For broker information only

EQ Bank FHSA Savings Account

The EQ Bank FHSA is a tax-free registered plan designed for first-time homebuyers to save toward a down payment—faster.

FHSA benefits

- **Contributions are tax-deductible (like an RRSP)**
- **Interest earned is tax-free (like a TFSA)**
- **Qualifying withdrawals[1] are tax-free (like a TFSA)**

FHSA in numbers

$8,000/year & $40,000/lifetime

Contributions can be up to $8,000 a year (unused portions can carry over) with a lifetime contribution limit of $40,000.

15-year lifespan

Funds must be used within 15 years of account opening (or by the end of the year you turn 71). After that, funds must be transferred to an RRSP or RRIF.

Who's eligible?

- Canadian residents aged 18-71
- First-time homebuyers

Why choose the EQ Bank FHSA Savings Account?

Industry-leading rates

Earn tax-free interest* on down payment savings.

GICs**

Purchase FHSA GICs with some of the best rates in the market and a wide range of term options.

No fees

Zero monthly fees or account fees, and no account minimums.

Fully digital sign-up

No appointments, phone calls, or branch visits needed—sign up online in minutes!

Why promote the FHSA?

As a mortgage expert, you're in a prime position to educate first-time homebuyers on how to enter today's daunting market and how the FHSA can help them reach homeownership faster—keeping you top of mind when they're ready to purchase.

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Common FHSA questions answered

Can a client open multiple FHSAs?

Multiple FHSAs can be opened across different financial institutions, but the total contribution amount to all FHSAs can't exceed the annual and lifetime contribution limits.

Can funds be transferred between an RRSP and an FHSA? What about between FHSAs?

Funds can be transferred in either direction between an RRSP and an FHSA without tax consequences, as long as they're transferred directly between the financial institutions of the plans involved, and as long as the funds added to the FHSA don't exceed the unused contribution room. Withdrawals from an RRSP are subject to taxes.

Funds may also be transferred between FHSAs without tax consequences, but it also must be a direct transfer.

How does the FHSA differ from the Home Buyers' Plan (HBP)?

The HBP allows Canadians to borrow up to $35,000 from an RRSP tax-free (subject to eligibility and conditions), but it must be paid back within 15 years. With an FHSA, they can contribute a lifetime maximum of $40,000 and qualifying withdrawals are also tax-free—however, withdrawals don't need to be repaid.

Contributions can be made to both an HBP and FHSA.

What if FHSA funds end up not being used to buy a home?

If funds aren't used within 15 years of opening the account (or by the end of the year the account owner turns 71), they can be transferred—tax-free—to an RRSP or RRIF. Funds can also be withdrawn, but the amount withdrawn will be taxed.

What are the spousal contribution rules?

Spouses can each open their own FHSA. As long as they're both first-time homebuyers, they can both use their accounts to buy the same home. The annual combined contribution room would be $16,000 ($8,000 x 2), with a lifetime maximum of $80,000 ($40,000 x 2). Spouses cannot contribute to each other's FHSAs.

Learn more about the EQ Bank FHSA Savings Account

Designed specifically for brokers, find free FHSA resources at equitablebank.ca/resources/broker-resources/fhsa-resources

If your clients would like more info or are ready to sign up, please direct them to eqbank.ca/personal-banking/investments/fhsa

The EQ Bank FHSA Savings Account and FHSA GICs are not currently available in Quebec.

[1] To make a "qualifying withdrawal", you must be a first-time homebuyer who is a resident of Canada, have a written agreement to buy or build a qualifying home in Canada before October 1 of the year following the year of withdrawal, and intend to occupy the qualifying home as your principal place of residence within one year of buying or building it. You must not have acquired the qualifying home more than 30 days before making the withdrawal.

You will be considered to be a "first-time home buyer" for the purposes of a qualifying withdrawal if, at any time in the calendar year before the withdrawal (except the 30 days immediately before the withdrawal) or at any time in the preceding four calendar years, you did not live in a qualifying home (or what would be a qualifying home if located in Canada) as your principal place of residence that you owned or jointly owned.

A "qualifying home" is defined as a housing unit located in Canada. This includes existing homes and those being constructed, such as single-family homes, semi-detached homes, townhouses, mobile homes, condominium units, and apartments in duplexes, triplexes, fourplexes, or apartment buildings, but does not include a share that only provides you with a right to tenancy in the housing unit.

[2] You will be considered to be a first-time home buyer for the purposes of opening an FHSA if, at any time in the calendar year before the account is opened or at any time in the preceding four calendar years, you did not live in a qualifying home (or what would be a qualifying home if located in Canada) as your principal place of residence that either (i) you owned or jointly owned; or (ii) your spouse or common-law partner (at the time the account is opened) owned or jointly owned.

*Interest is calculated daily on the total closing balance and paid monthly. Rates are per annum and subject to change without notice.

**EQ Bank GICs are non-redeemable. For FHSA GICs with a term of less than one year, simple interest is calculated on a per diem basis and paid at maturity. For FHSA GIC terms equal to one year, simple interest is calculated on a per annum basis and paid at maturity. For FHSA GIC terms of over one year, interest is calculated on a per annum basis, compounded annually, and paid at maturity. In all cases, interest is accrued for the entire GIC term. Rates per annum and are subject to change at any time.