

Welcome to the Ameriprise Home Ownership Accelerator® course. The product, well-suited to our affluent client base, is changing the way Americans pay for their homes. Ameriprise Bank, working exclusively with CMG Financial Services, Inc., is currently the only firm in the marketplace to offer this innovative lending solution.

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To ensure that advisors present the Accelerator properly to clients, certification is required. To become certified, complete this course and the related assessment. After doing so, you will be able to:

- Explain the need for this lending solution.
- Explain how the Accelerator works.
- Explain the value proposition and how the product integrates with financial planning.
- Implement and offer the product in a compliant manner.

The ability to offer the Ameriprise Home Ownership Accelerator will set you apart in this industry.

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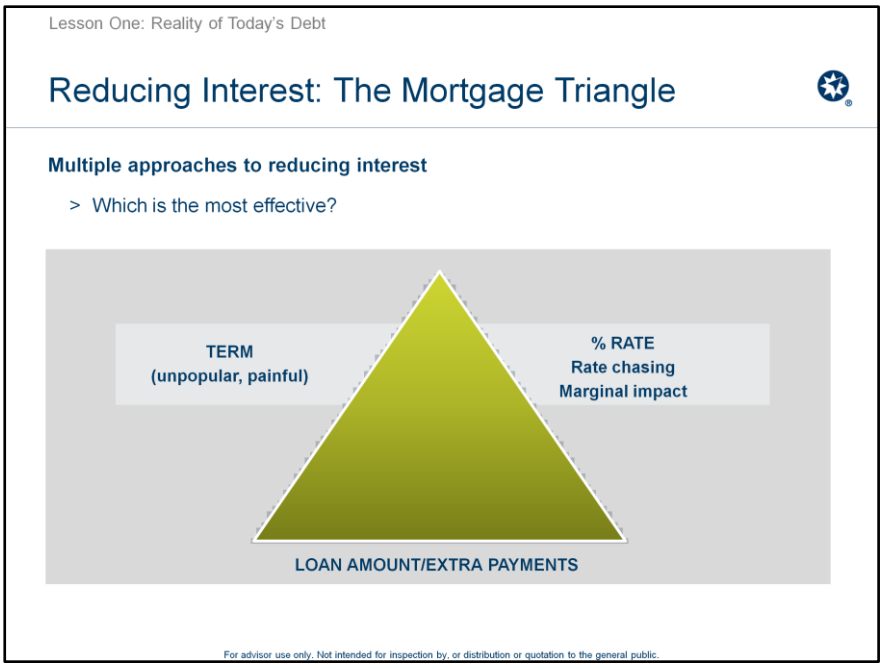


This course has seven lessons, listed here.



Let’s start with some background information on what the Ameriprise Home Ownership Accelerator is, who is behind it and why it was created.

The concept is surprisingly simple. The Accelerator combines all of a client’s checking, home loan and home equity line accounts into one master "loan sweep account" that automatically transfers all deposited cash against the loan balance each day in order to save mortgage interest. Ameriprise Financial is working in partnership with the loan’s creator, CMG Mortgage, to bring this innovative new lending solution to Ameriprise financial advisors and clients.



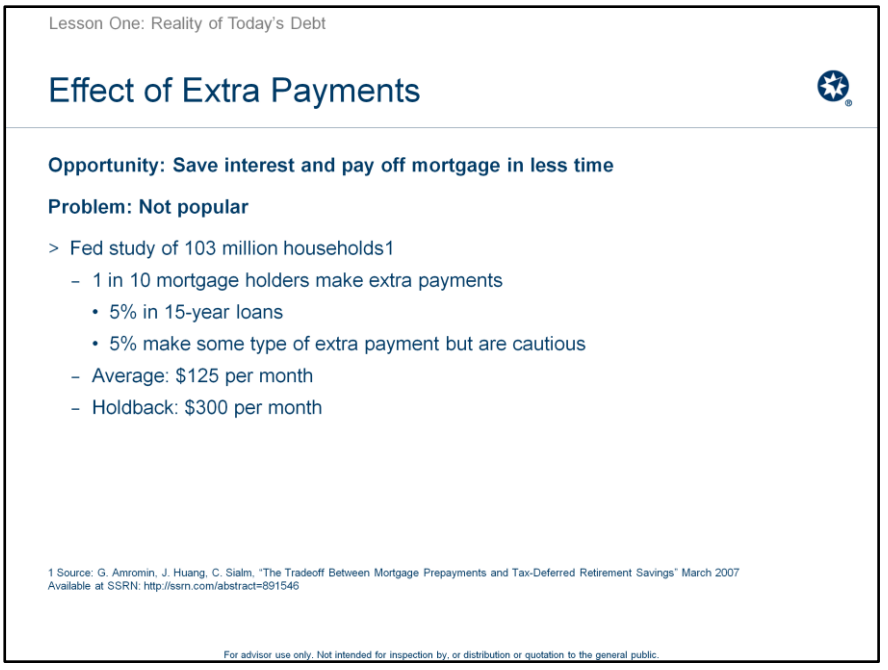
The Accelerator was created to give homeowners a better chance of owning their homes outright – earlier in their lives, saving them interest along the way.

Many clients may want to pay off their homes more quickly as one of their financial goals, but they aren't sure how to do it.

So if you want to help clients minimize the cost of their mortgage, what can you do?

Visualize the mortgage as a triangle. Three levers can possibly reduce the cost of the loan.

- The first is the term. Usually that's established up front, and shorter terms, while they can save interest, are unpopular because the payment on these loans is significantly larger and required every month.
- The next is rate. This is more familiar to those who like to refinance to chase rate. The problem is that it's largely ineffective. Refinancing comes with its own cost, and has only marginal impact on a client's lifetime interest costs. You don't hear many stories about people who have refinanced their way into freedom from debt – and millions who refinance frequently continue to have mortgages during retirement.
- The third lever is loan amount. While this amount is set up front, the loan amount can be manually reduced by making extra payments along the way.

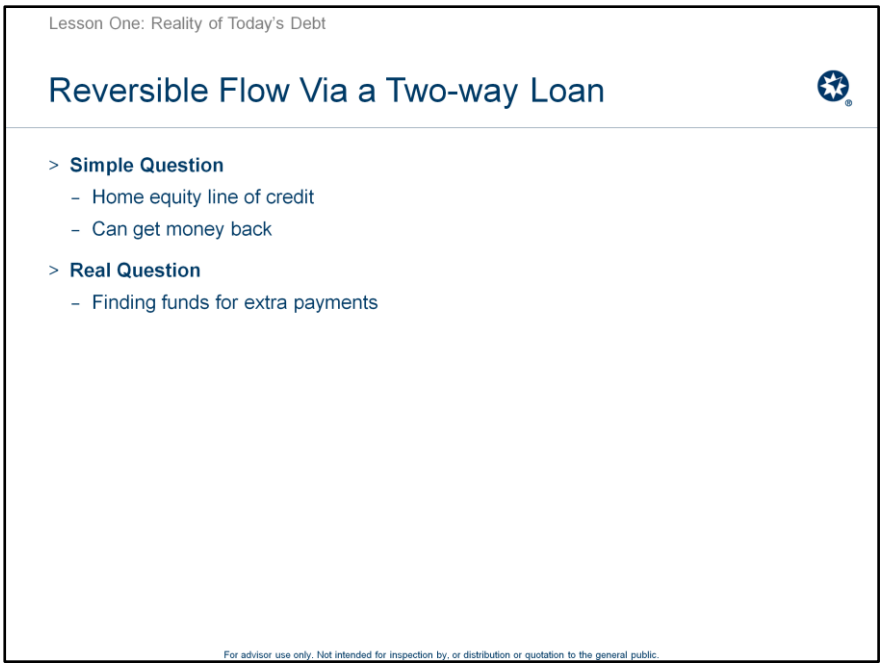


Let's look more closely at how extra payments can help clients save interest and pay off mortgages in less time.

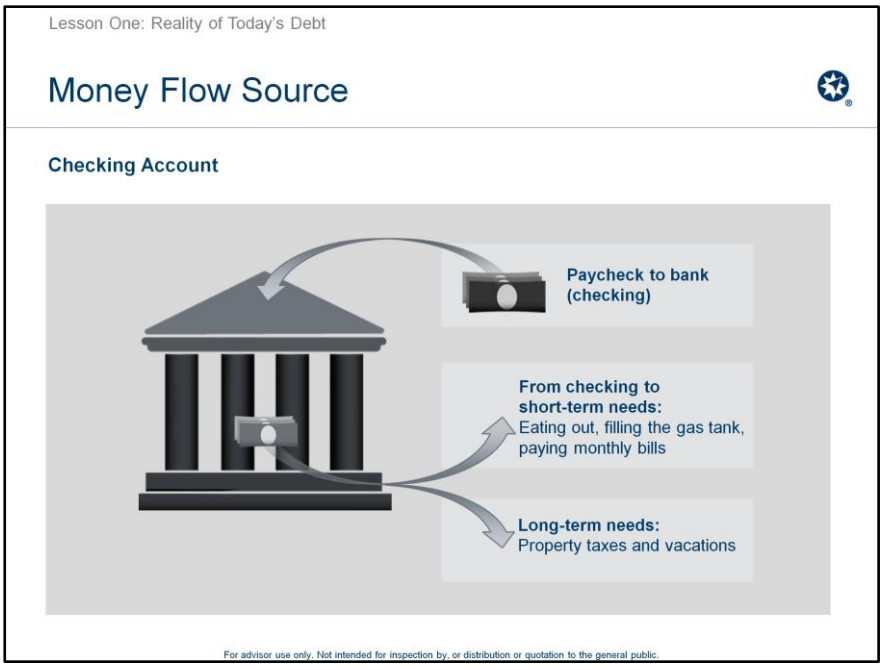
The problem is that this approach isn't popular. In a Federal Reserve study of over 100 million households, analysts found that only 1 in 10 mortgage holders make extra payments beyond the required standard term. Half of those, so 5%, have 15-year loans. The other half makes some type of extra payment – but with caution.

The average extra amount is only $125 per month.

Interestingly, these households hold back $300 per month in additional available cash flow. Why? They think the extra money might come in handy, and extra mortgage payments are one-way. That money becomes locked and it might be needed in an emergency.



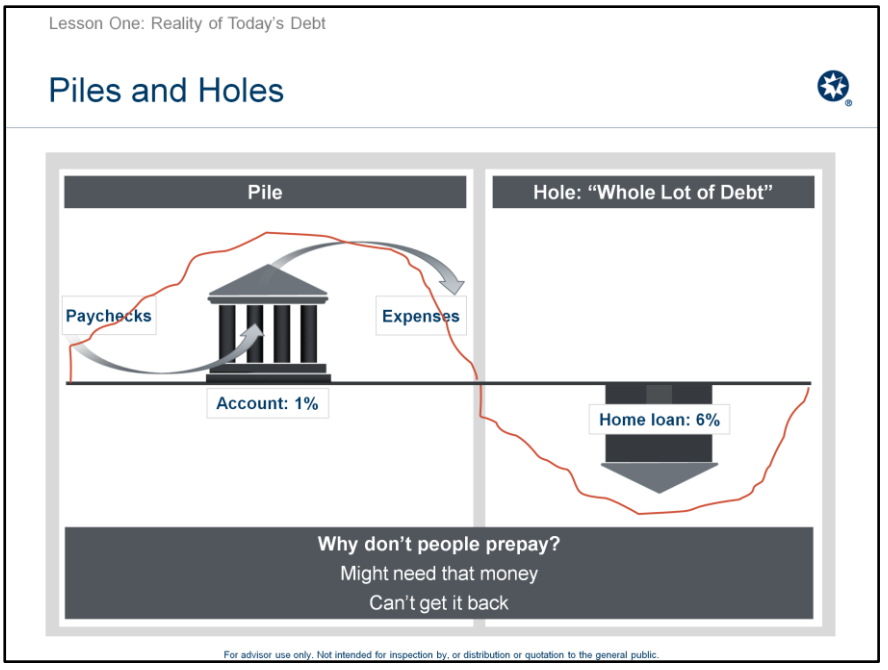
But what if a loan were available allowing clients to make extra payments, and if they needed the money back, they could get it? That loan exists. It's called a home equity line of credit. The real question is finding funds to make extra payments.



The solution starts with the money flow source, at the bank and generally with a checking account. Think about it. When people get paid, where do they tend to put their money? In a checking account.

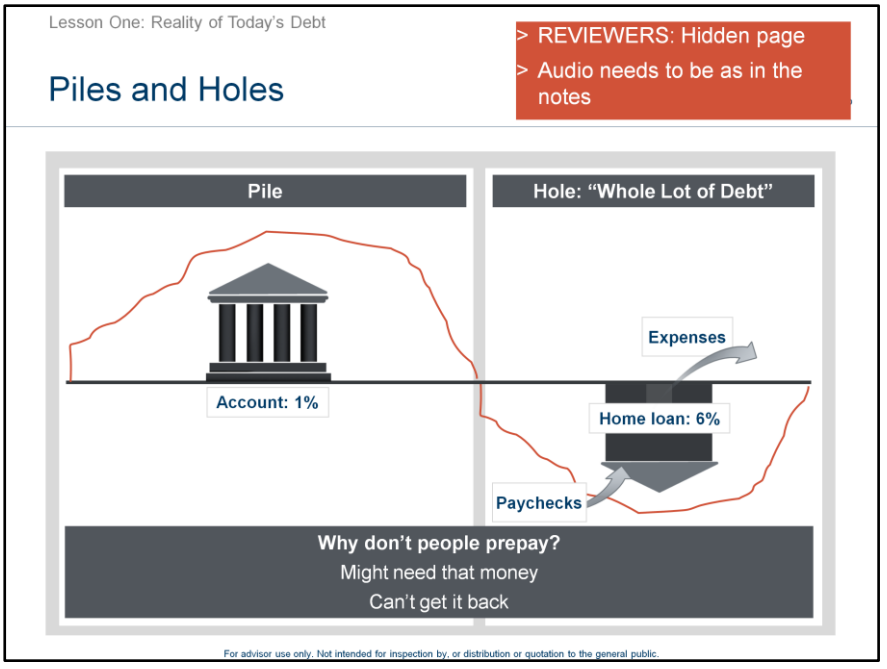
It's there for short-term needs such as eating out, filling the gas tank and paying monthly bills.

People often forget that they need to save for longer-term needs – such as property taxes and vacations. They don't invest in the stock market because the money might not be there when they need it. So they leave it in a low-interest account – for emergencies and to prevent overdrafts – waiting patiently to be spent and not earning much, if any, interest.



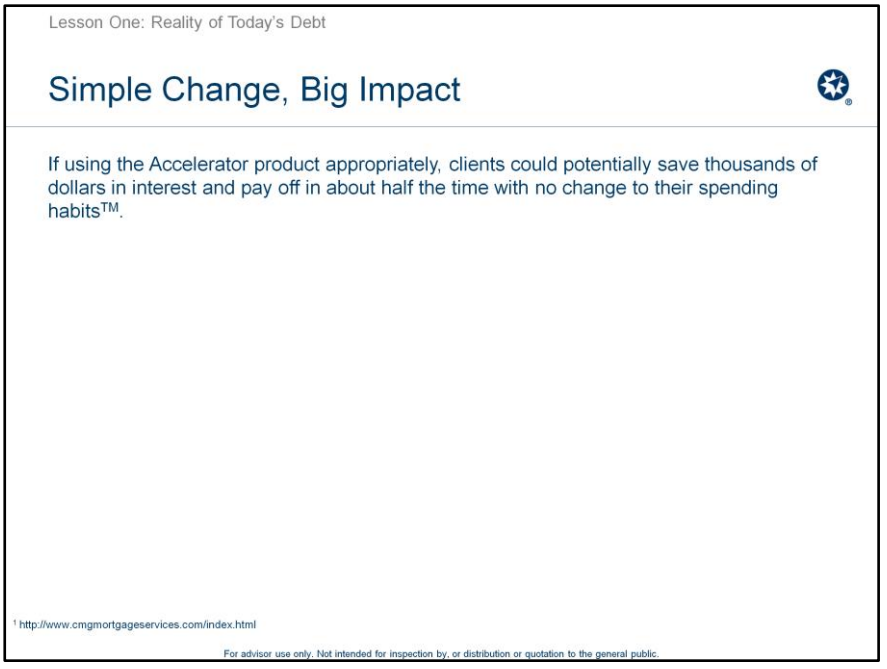
But what if we could change this? What if clients could fill up the hole of their home loan with any unused money they had, instead of leaving it in a pile, whether or not they were going to need it in the future? If they could do this, the hole would then get smaller, and cost less interest. And when they needed the money, they could simply reach into the hole and get some out.

With this new loan, the money moves from the pile to the hole. So all we're changing is where the paychecks go first and the source of money for expenses.



But what if we could change this? What if clients could fill up the hole of their home loan with any unused money they had, instead of leaving it in a pile, whether or not they were going to need it in the future? If they could do this, the hole would then get smaller, and cost less interest. And when they needed the money, they could simply reach into the hole and get some out.

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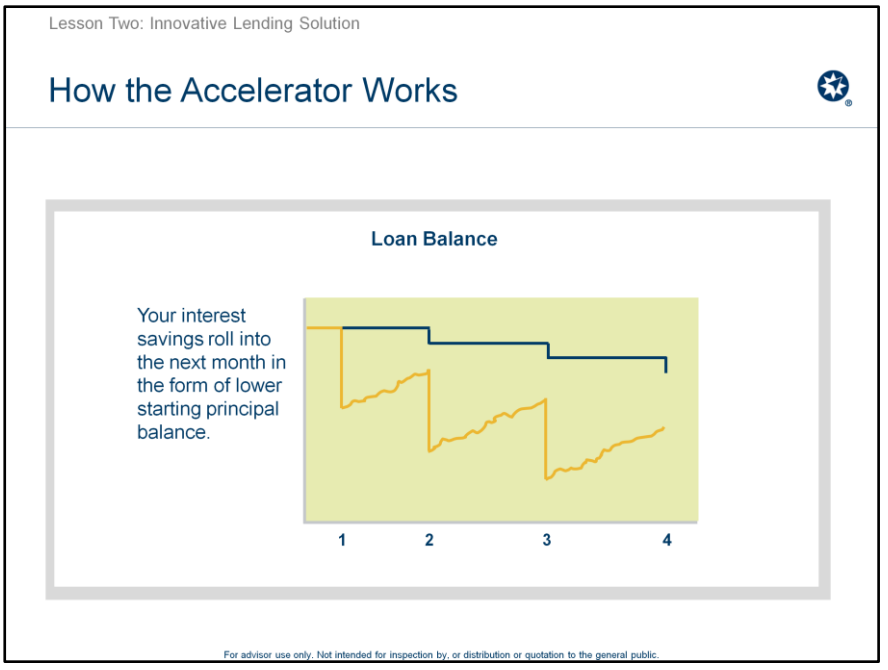


It's a simple change but with a big impact.

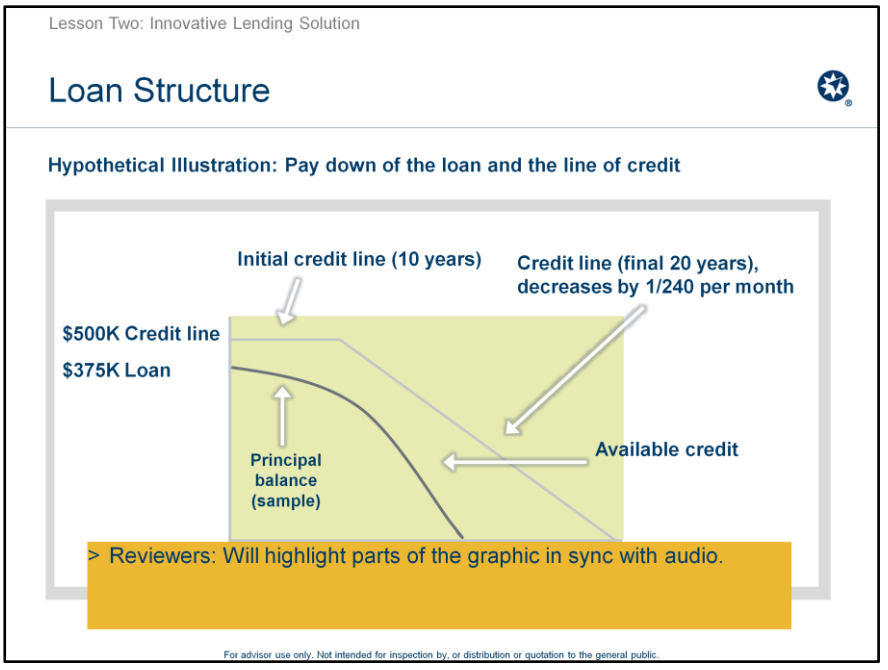
The Accelerator is the first home loan to combine a home equity line of credit with a checking account. When used effectively, the Accelerator can reduce interest costs and the time it takes clients to fully payoff their mortgage by using their idle cash more efficiently. And they have the flexibility to access the equity paid into your loan when needed without having to open up a separate home equity line or loan – all this with no change to their spending habits.



Let’s look at how the Accelerator works.



Let's talk about how the Accelerator loan works. Each time a paycheck is **deposited**, it immediately reduces the principal balance. Checks **written** increase the principal balance. Principal paydown is not irreversible as it is with a traditional mortgage. Clients can draw against the line, when needed, up to the current line amount. This saves the client between three and six percent in mortgage interest using funds that may have earned as little as zero to two percent in a regular bank account.

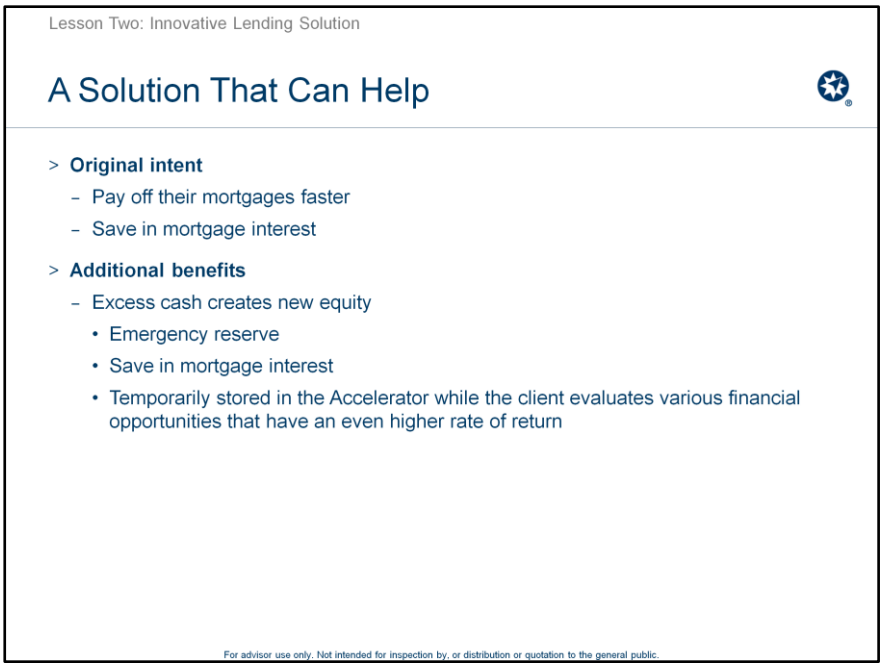


This is how the Accelerator loan is structured. This hypothetical illustration shows the difference between paydown of the Accelerator loan balance and the line reduction process in years 11 through 30.

Let's assume a client opens an Accelerator loan with a $500,000 line amount and a $375,000 initial advance.

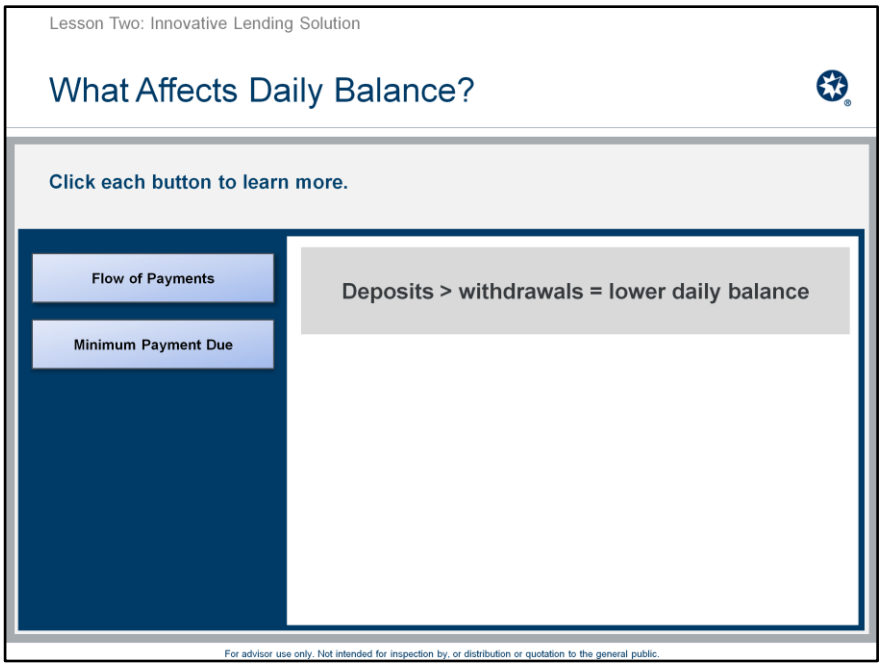
The line of credit would remain at $500,000 for 10 years and would then decrease by 1/240th per month for the remaining 240 months or 20 years. This represents the maximum amount the client can borrow.

The $375,000 loan balance being paid down is the dark grey line. As the client deposits funds into the loan you can see that the loan balance decreases and available credit increases. This is the difference between the line amount and the current principal balance. Unlike a normal home equity line of credit, which allows the client to draw for only 10 years and then repay the loan over a 15 to 20 year period, the Accelerator allows the client to draw on the line for a full 30 years.

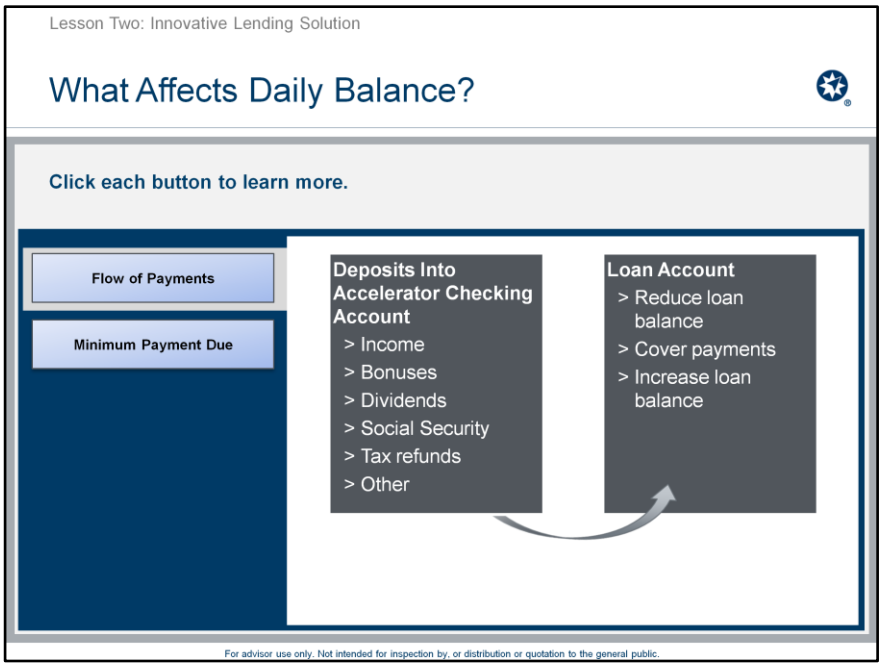


The Ameriprise Home Ownership Accelerator is a loan offered by Ameriprise Bank in partnership with CMG Financial Services, Inc. When CMG originally developed this loan, the intent was to help people pay off their mortgages faster and save interest along the way. They found that borrowers also liked the fact that the excess cash they route into the Accelerator creates new equity that can be used as an emergency reserve – one that saves more in mortgage interest than it would earn at a typical savings account rate. Excess cash can be temporarily stored in the Accelerator, filling the hole, while the client evaluates various financial opportunities that have an even higher rate of return.

All in all, the Accelerator is a versatile, flexible loan that clients can use in a number of financially astute ways.



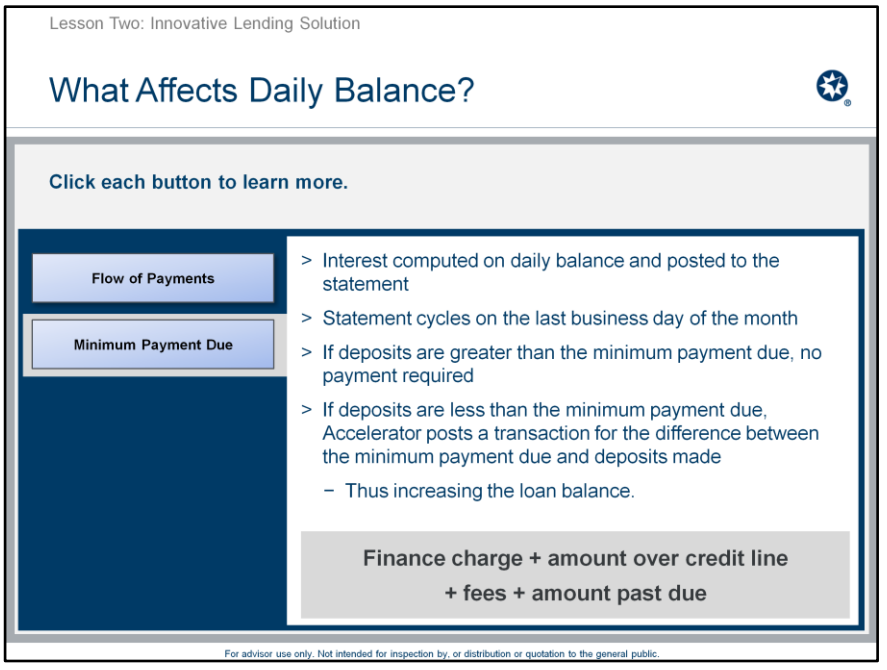
What affects the daily balance? Let’s take a look.



A borrower's Accelerator checking account is a zero-balance account.

On a daily basis, deposits into the checking account are transferred to the loan account and reduce the loan balance.

Also on a daily basis, funds are drawn from the loan account to cover any payments made. This increases the loan balance. The loan's average daily balance is lowered when deposits are greater than withdrawals, thus reducing the interest due each month and accelerating the paydown of your loan balance.



The minimum payment due is the total of the finance charge added to the account during the statement period, any amount over the client's credit line, any fees (such as annual fees), and any amount past due from previous statement periods. Interest is computed on the daily balance and posted to the statement, which cycles on the last business day of the month. If a borrower makes deposits greater than the minimum payment due, then no payment is required. Otherwise, if no or insufficient deposits are made before the payment due date, and if there is sufficient credit available in the line on that date, a payment will be made automatically by drawing the amount still due against the credit line on the payment due date. This will increase the outstanding principal balance by the amount drawn to satisfy the remaining payment amount due.

Lesson Two: Innovative Lending Solution

Full Access to Available Equity

- ATM/Debit card
  - Over 1 million ATMs worldwide
  - 6 surcharge-free transactions per month up to $1,000 per day
  - Can be used as a MasterCard® point-of-sale debit card anywhere MasterCard is accepted ($2,500 per day limit)
- Unlimited check writing, up to credit limit
- Free online bill-pay



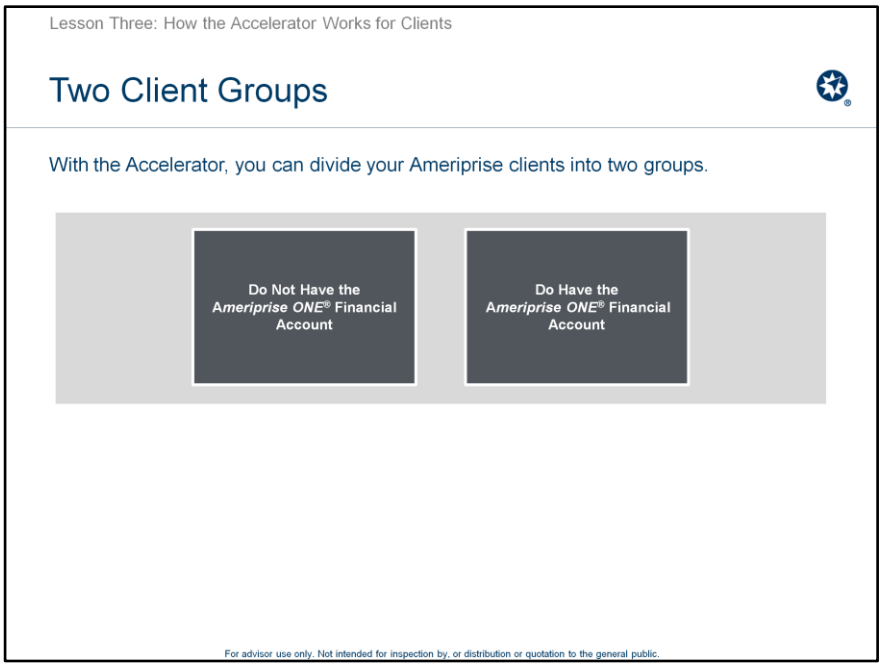
*See your CPA and tax advisor.

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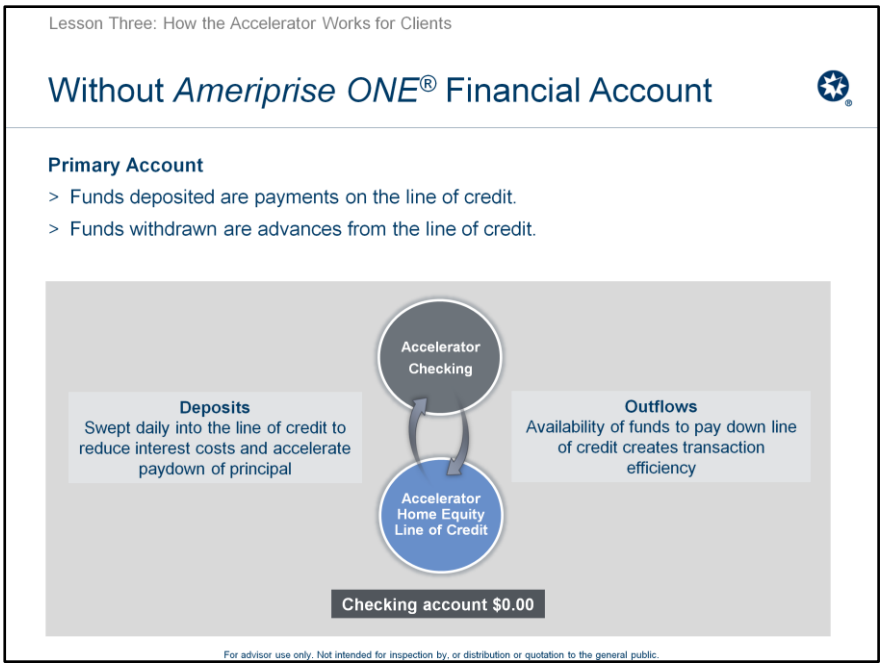
The client has full access to available equity. Along with the account comes an ATM/Debit card that's good at over a million ATM's worldwide where the MasterCard® and Cirrus logos are shown, and 6 surcharge-free transactions per month up to $1,000 per day. The ATM card can be used as a MasterCard point-of-sale debit card anywhere MasterCard is accepted; it has a $2,500 per day limit. The client can write as many checks as they'd like, up to their credit limit. Free online bill-pay is also available.



Let’s consider how the Accelerator works for clients.



With the Accelerator, you can divide your Ameriprise clients into two groups: those who do not have the Ameriprise ONE Financial Account and those who do.

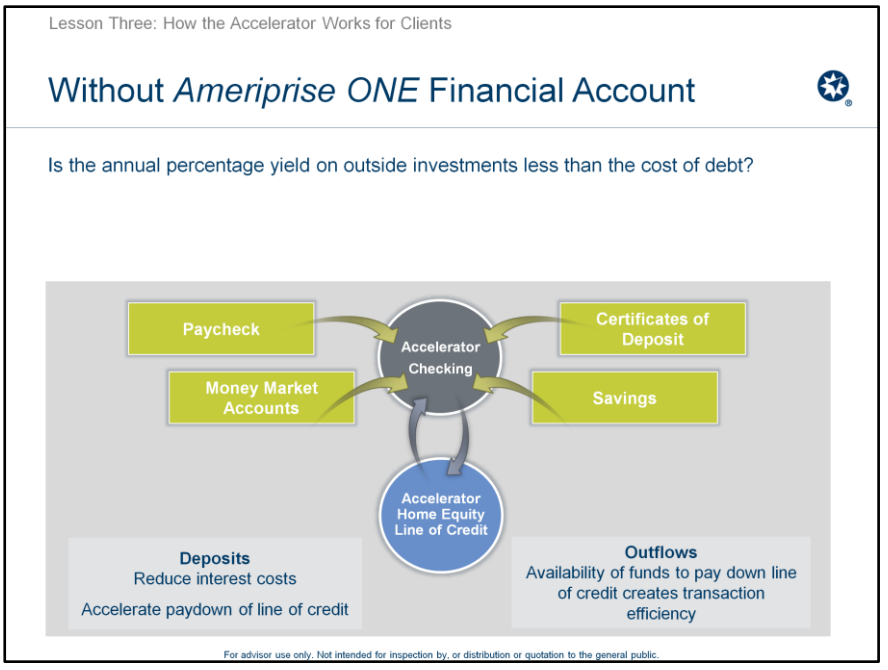


For a client without the *Ameriprise ONE*® Financial Account, the Accelerator becomes the primary account.

The two accounts, the Accelerator checking and home equity line of credit, are linked. Funds deposited into the Accelerator checking account are applied first to satisfy payments due on the line of credit and then to reduce the outstanding principal balance. Funds withdrawn are advances from the line of credit and increase the loan balance.

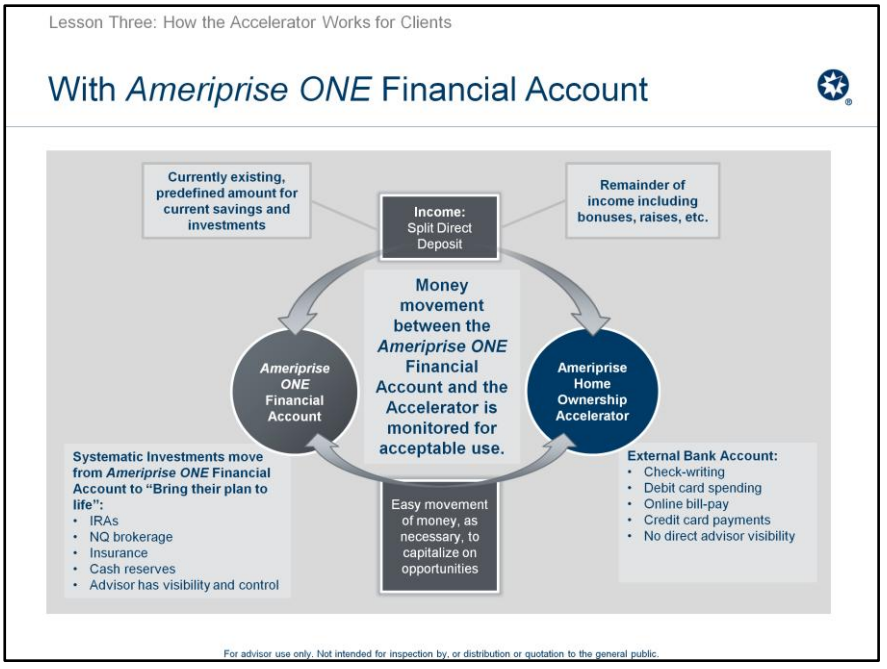
On a daily basis, funds are swept between the line of credit and the checking account to keep the checking account at a zero balance. So in a positive cash-flow situation, this helps reduce interest costs and accelerates the paydown of principal.

Because the borrower has access to the funds used to pay down the line of credit, the Accelerator has a transaction efficiency not found in traditional mortgage products.



The Accelerator is a vehicle in which a client without the ONE Account can deposit many types of funds.

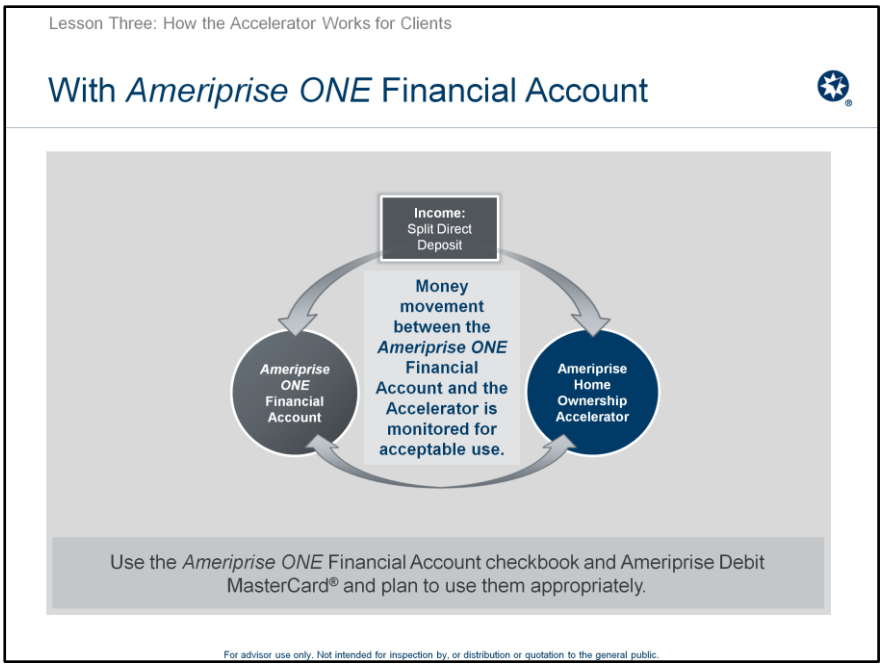
When not using money to pay expenses, the Accelerator can help clients minimize their loan balance by sweeping excess cash from the Accelerator checking account into the line of credit. The longer the average daily balance is lower, less interest is accrued and more of each payment goes toward paying down the principal loan balance. The interest saved may be greater than the return clients could earn on a typical bank deposit product (like a savings account) or on outside investments.



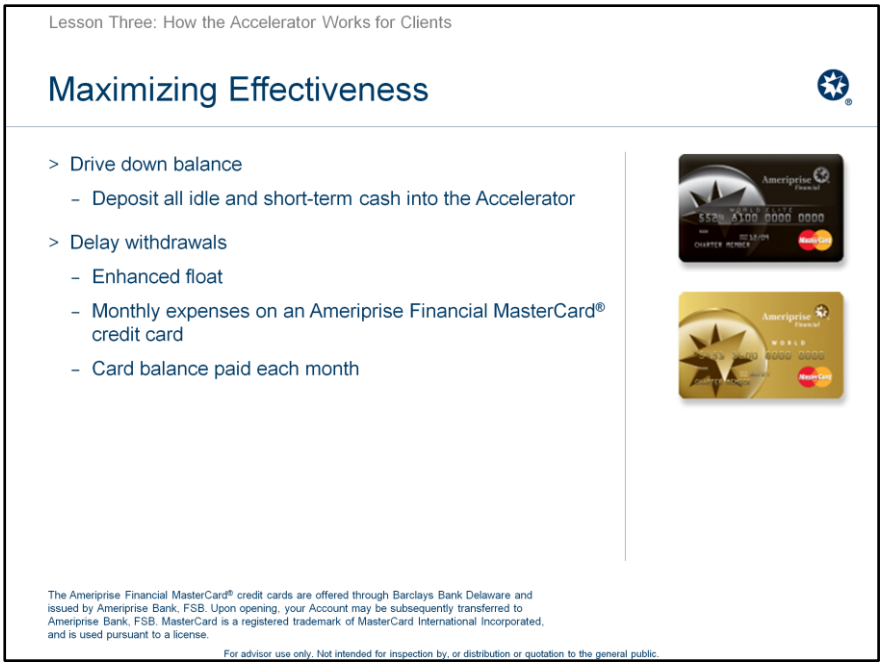
Now, group two. Clients who do have the ONE account. For this group, the Accelerator still works but with a few slight adjustments.

If clients have already committed a portion of each paycheck to funding their financial goals, keep those funds moving into the ONE account. What's not needed for investment purposes should be directed into the Accelerator account by taking advantage of a split direct deposit. Many employers allow several direct deposit destinations.

Next, authorize the Accelerator account as an external bank account. This allows for easy movement of money between the *Ameriprise ONE* Financial Account and the Accelerator account. It shows as an external bank account on Client Viewer. A client can also move money via My Financial Accounts if they need more cash in the Accelerator for spending, or more money in the ONE account for an investment opportunity.



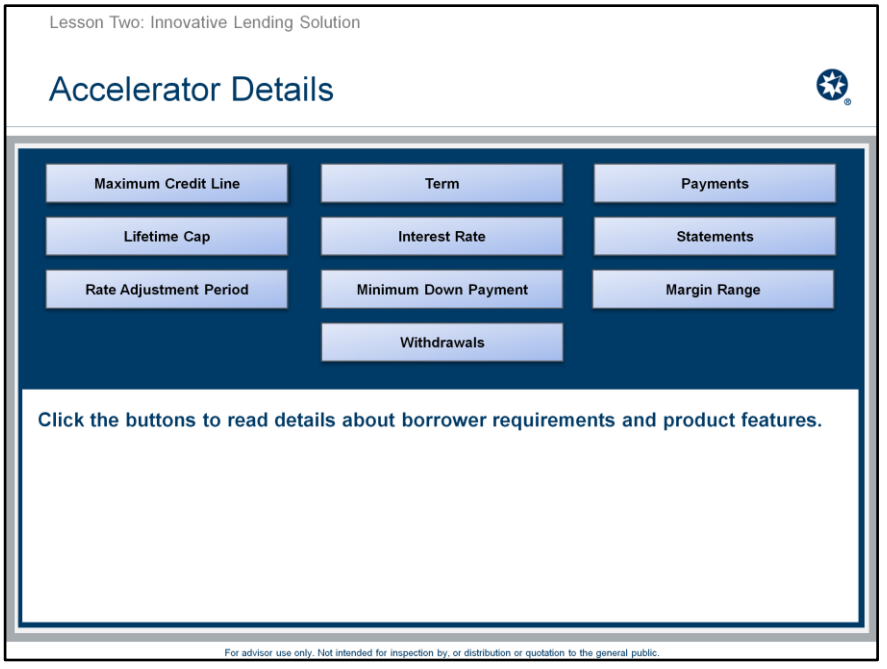
Keep the *Ameriprise ONE* Financial Account cash management features distinct from Accelerator materials. Because clients will likely be using their Accelerator account for everyday spending, encourage them to use the *Ameriprise ONE* Financial Account checkbook and Ameriprise Debit MasterCard appropriately.



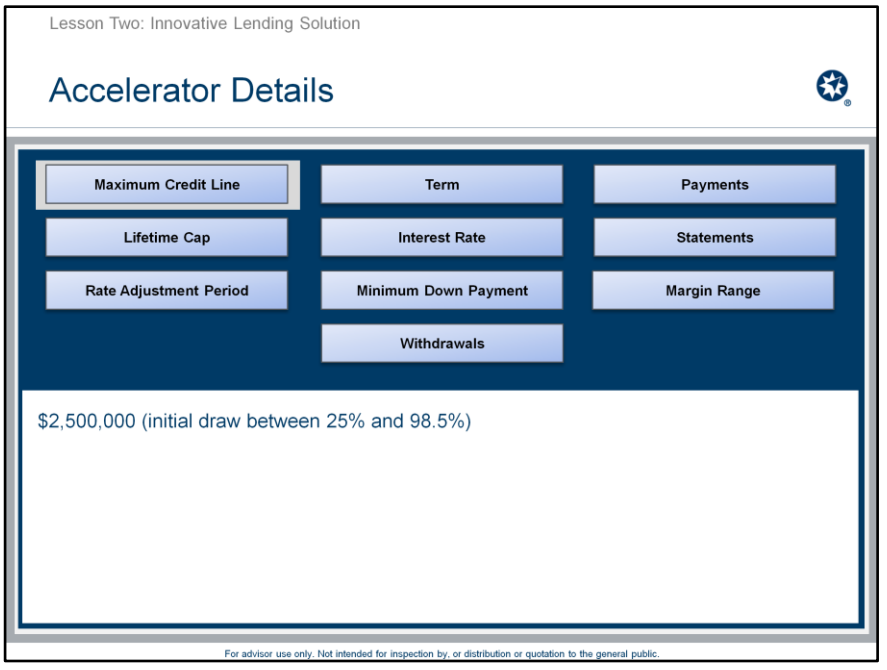
To maximize the effectiveness of the Accelerator, the borrower should employ strategies to accelerate deposits into the account and delay withdrawals.

To drive down the balance, the borrower should immediately deposit all idle and short-term cash into the Accelerator including setting up direct deposits of paychecks into the account.

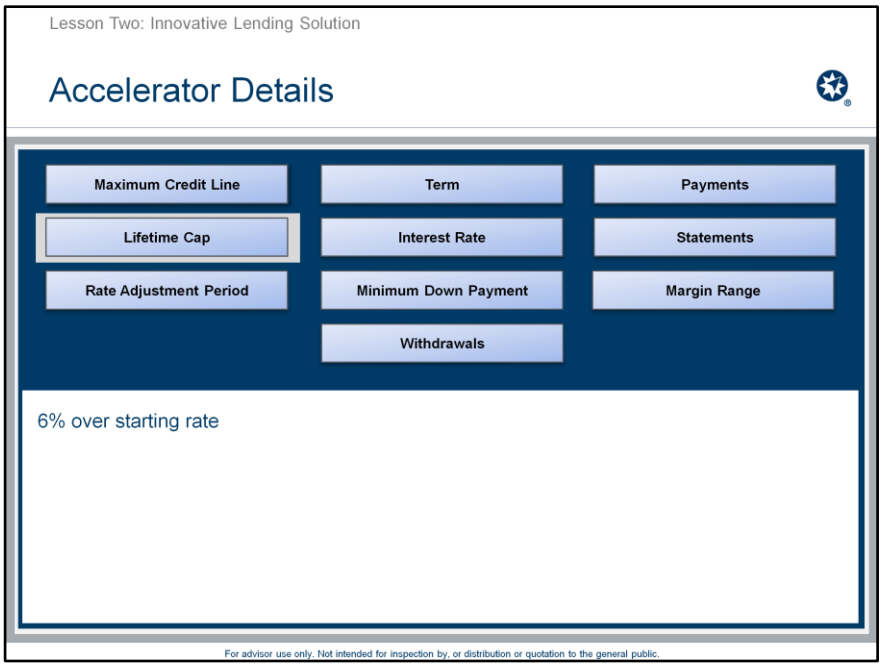
Borrowers can delay withdrawals from the Accelerator by using a reward point-producing credit card, such as an Ameriprise Financial MasterCard, to charge most daily expenses. They can then pay the credit card balance in full at month-end to avoid finance charges.



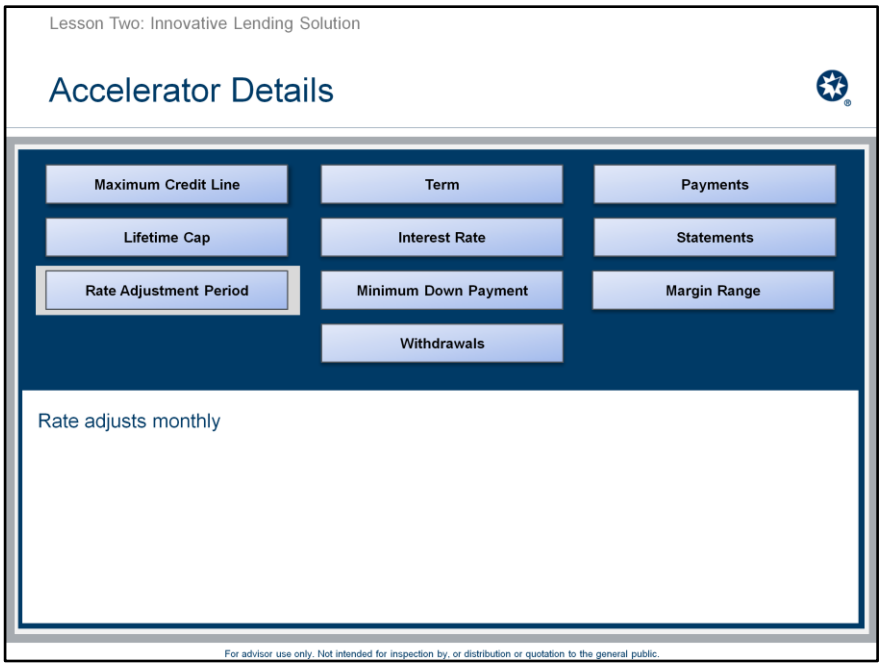
The Accelerator is a first-lien home equity line of credit attached to a checking account. Take a moment to read specific details about the loan, keeping in mind that these numbers are for illustrative purposes only and are subject to change.


Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
$2,500,000 (initial draw between 25% and 98.5%)
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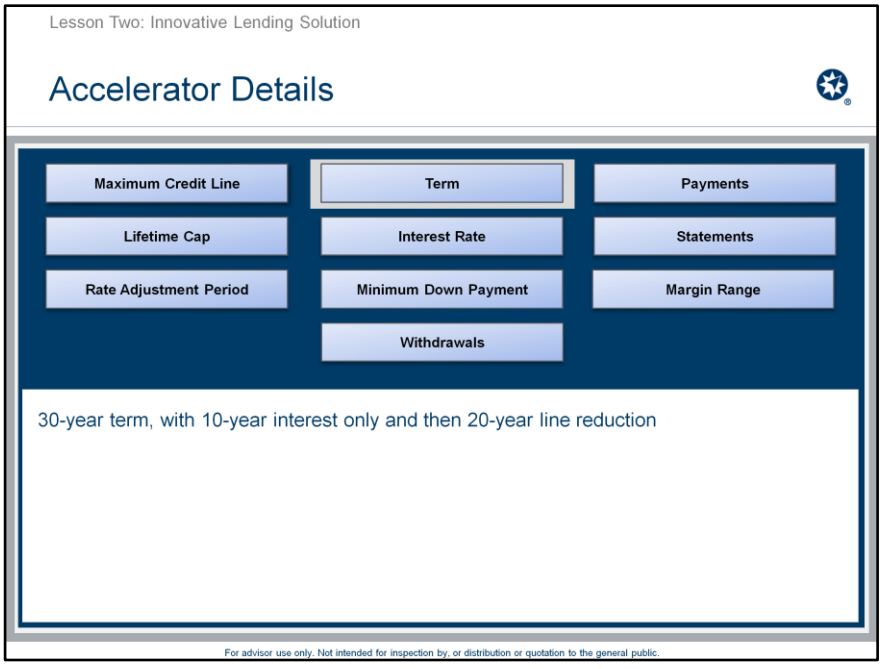
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
6% over starting rate
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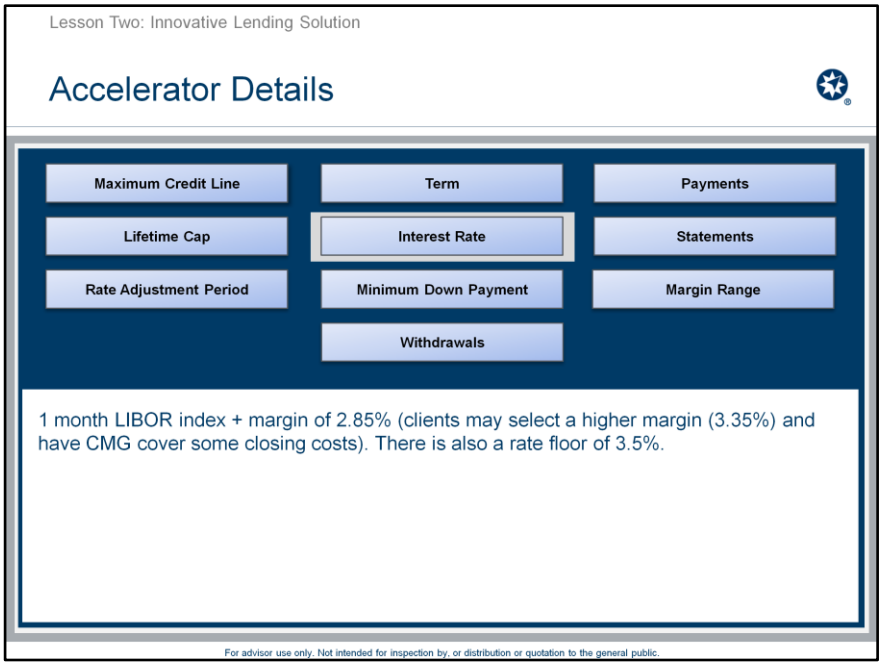
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
Rate adjusts monthly
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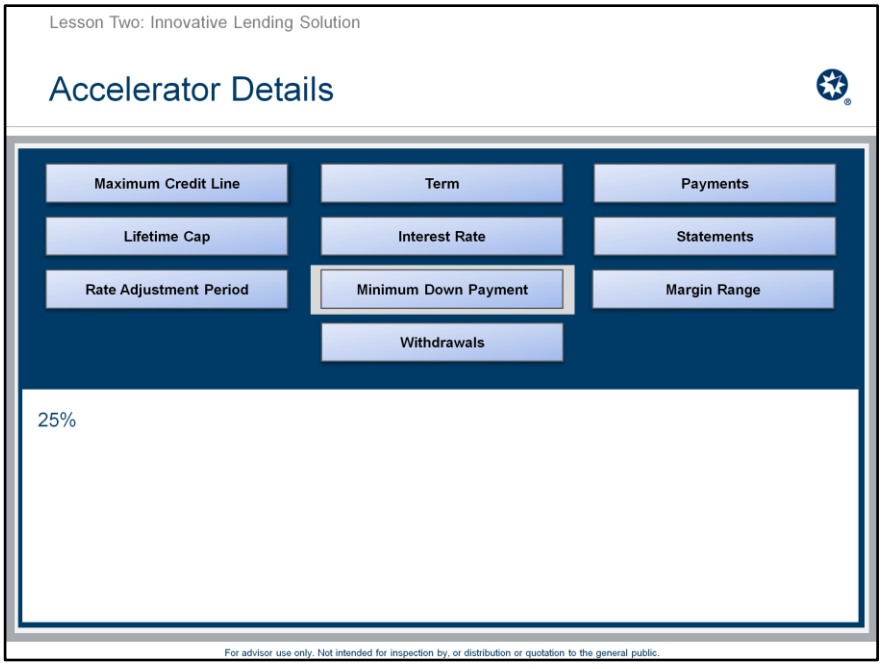
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
30-year term, with 10-year interest only and then 20-year line reduction
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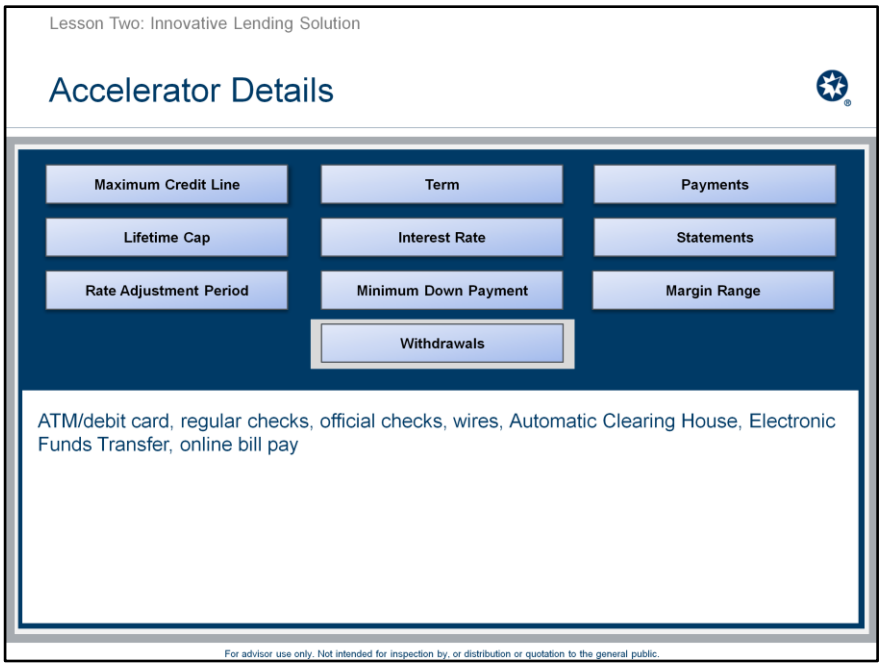
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
1 month LIBOR index + margin of 2.85% (clients may select a higher margin (3.35%) and have CMG cover some closing costs). There is also a rate floor of 3.5%.
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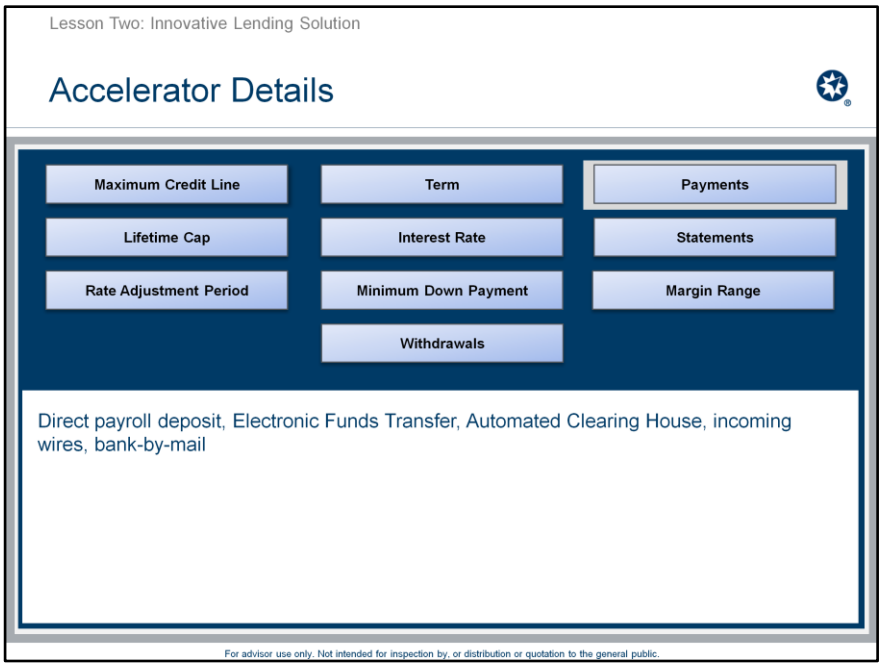
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
25%
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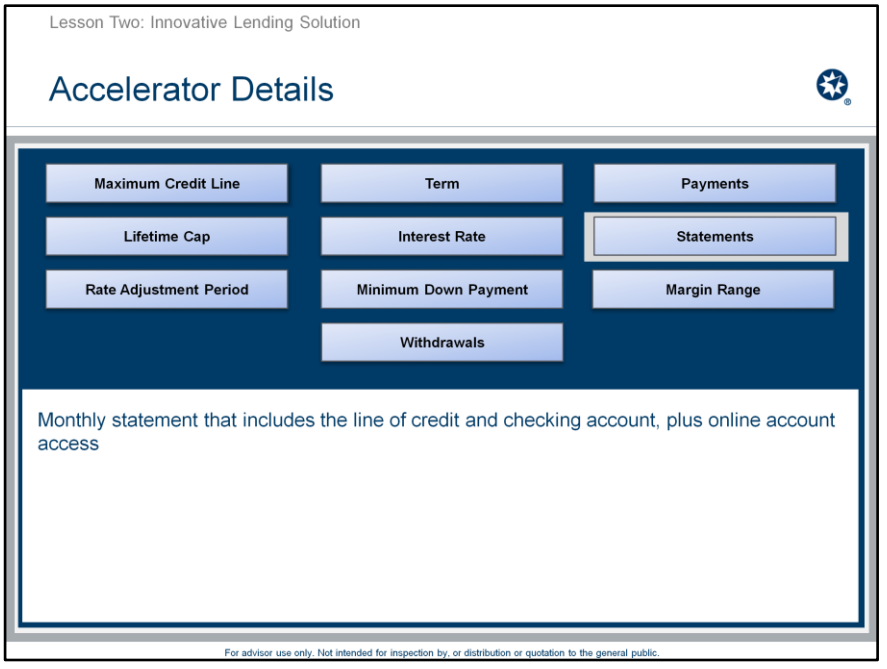
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
ATM/debit card, regular checks, official checks, wires, Automatic Clearing House, Electronic Funds Transfer, online bill pay
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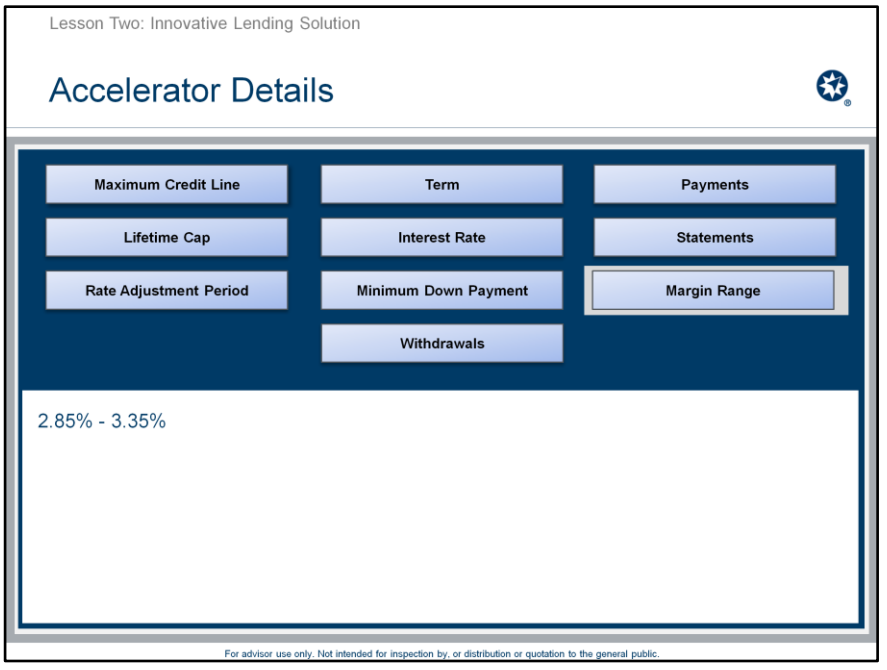
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
Direct payroll deposit, Electronic Funds Transfer, Automated Clearing House, incoming wires, bank-by-mail
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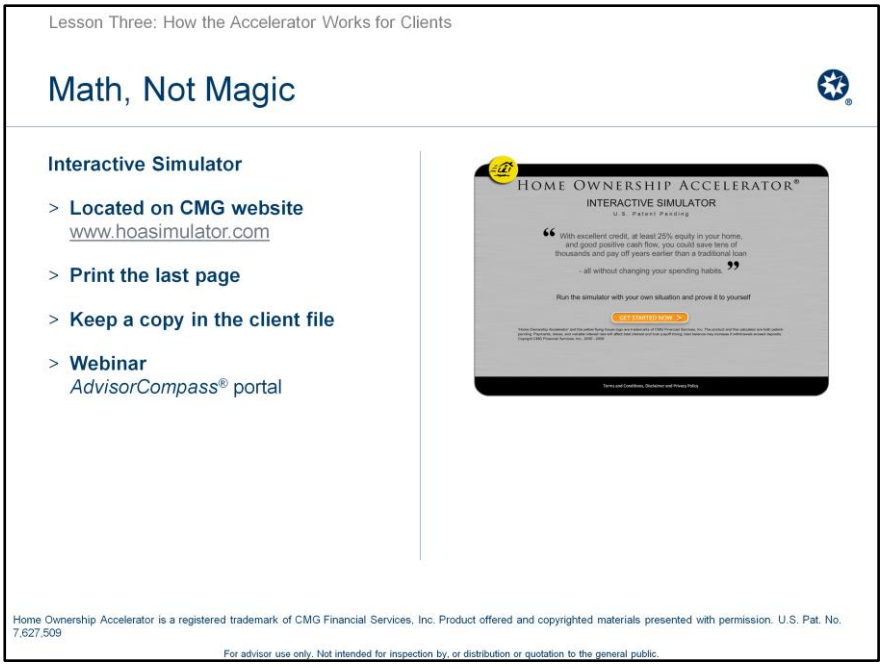
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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
Monthly statement that includes the line of credit and checking account, plus online account access
For advisor use only. Not intended for inspection by, or distribution or quotation to the general public.

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Lesson Two: Innovative Lending Solution
Accelerator Details
Maximum Credit Line
Term
Payments
Lifetime Cap
Interest Rate
Statements
Rate Adjustment Period
Minimum Down Payment
Margin Range
Withdrawals
2.85% - 3.35%
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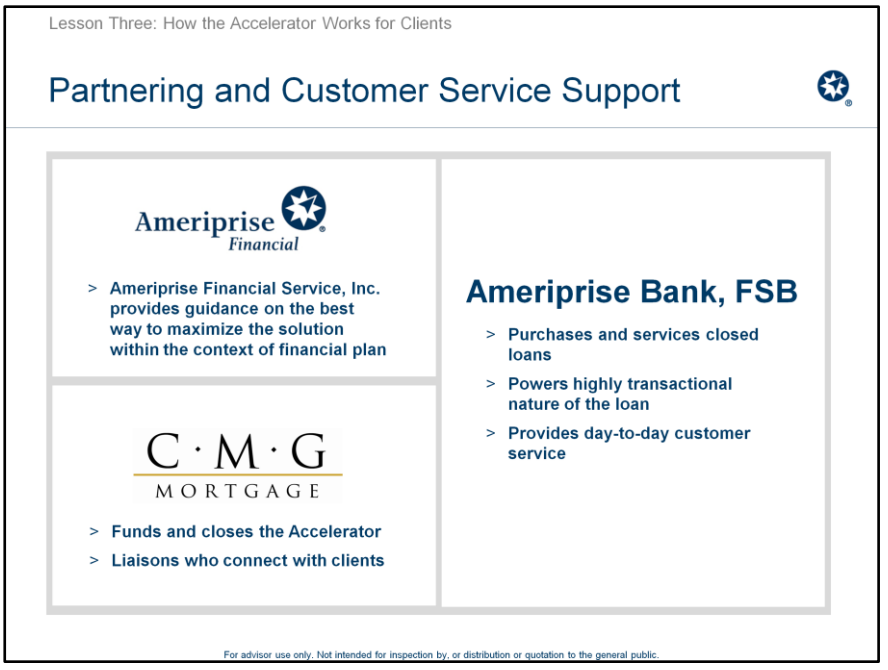
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Sounds good so far, right? But clients really need to know that the Accelerator can save them money and help them pay off debt faster. This is especially true if they are somewhat comfortable with their current loan. They need to see that it's math, not magic.

The patent-pending interactive simulator on CMG's Home Ownership Accelerator website is one way to help them see how it works. Please keep in mind, if you use the simulator with clients, you must print the last page of results and keep a copy in the clients' file.

For a webinar on how to use the simulator, go to the Home Ownership Accelerator page on the *AdvisorCompass* portal.



Important partners help provide good customer service on the Ameriprise Home Ownership Accelerator.

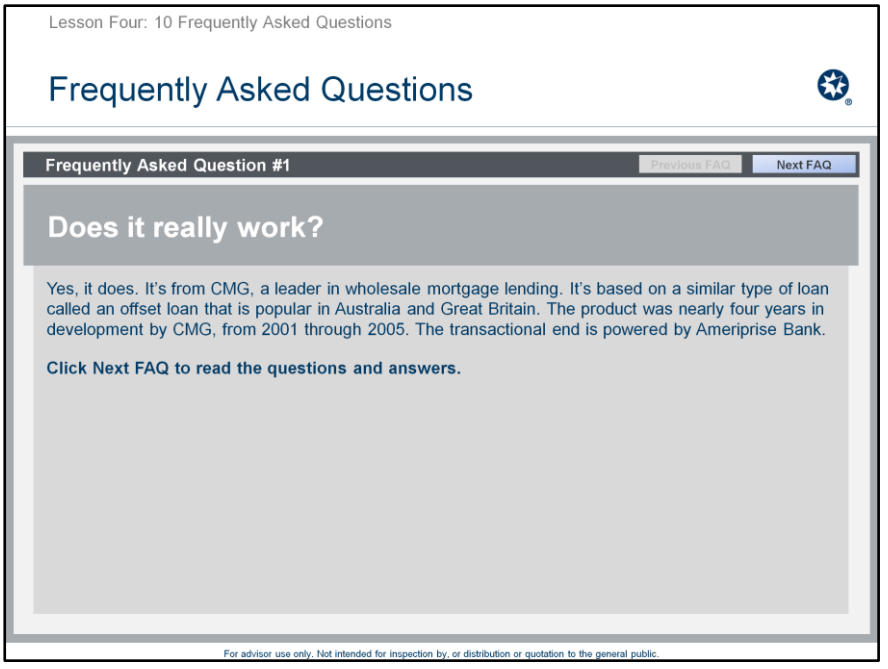
CMG Mortgage, developer of the Accelerator product and the company that funds and closes the Accelerator, has a team of Customer Service Liaisons who connect with clients as the loan funds and walks them through some key things that will happen after funding. CMG can help the client use and leverage this powerful new loan in the best way possible.

Ameriprise Bank purchases and services closed loans that meet certain underwriting criteria from CMG and powers the highly transactional nature of the loan – things like clearing checks, handling ATM transactions and online bill-pay. Ameriprise Bank also provides day-to-day customer service for specific account-related inquiries.

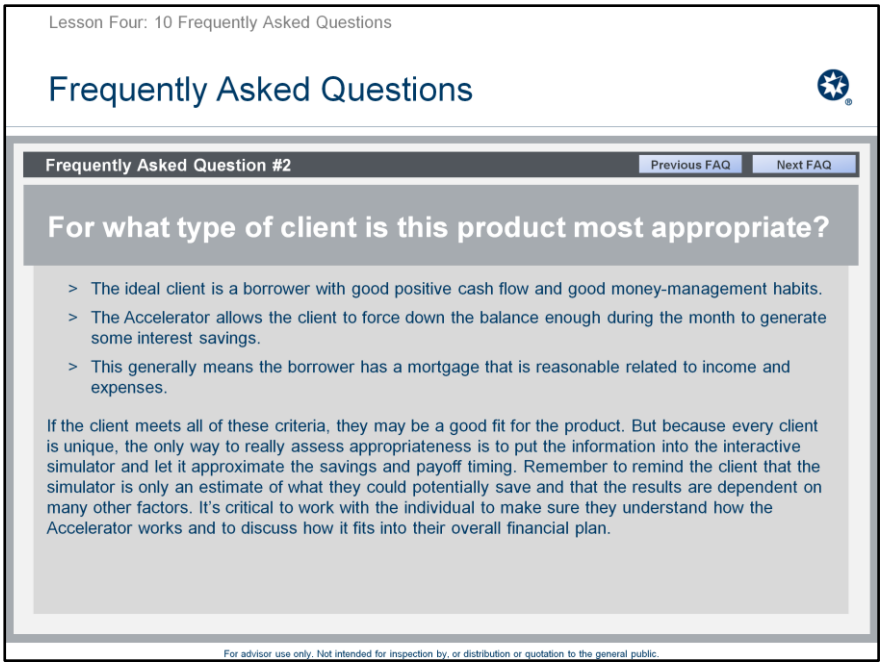
You are also a key partner. As an Ameriprise financial advisor, you provide guidance on the best way to maximize this solution within the client's financial plan.



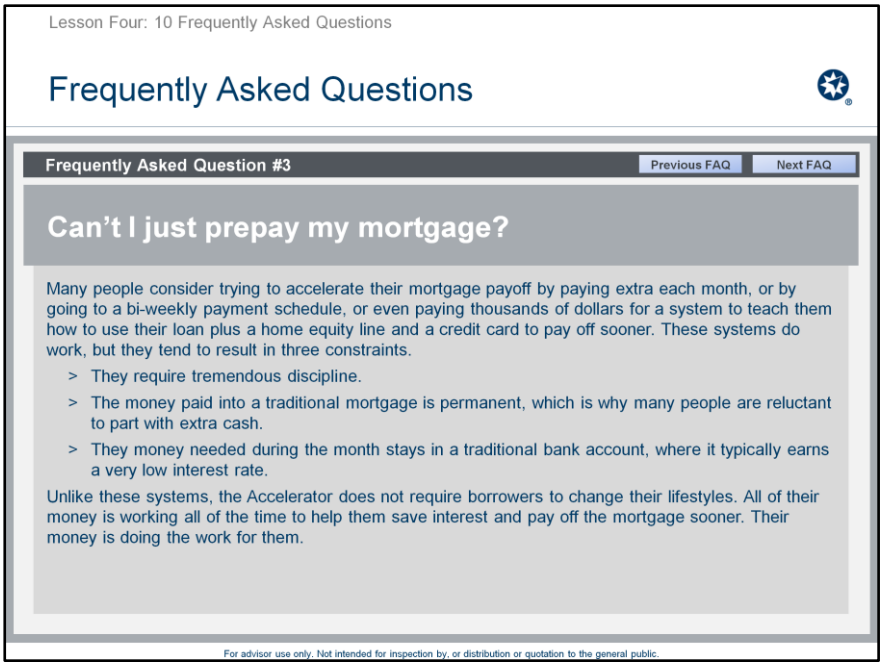
We've covered the basics, but let's walk through some frequently asked questions – from your perspective and the client's. You won't hear audio as you read through the questions.


Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #1
Previous FAQ
Next FAQ
Does it really work?
Yes, it does. It's from CMG, a leader in wholesale mortgage lending. It's based on a similar type of loan called an offset loan that is popular in Australia and Great Britain. The product was nearly four years in development by CMG, from 2001 through 2005. The transactional end is powered by Ameriprise Bank.
Click Next FAQ to read the questions and answers.
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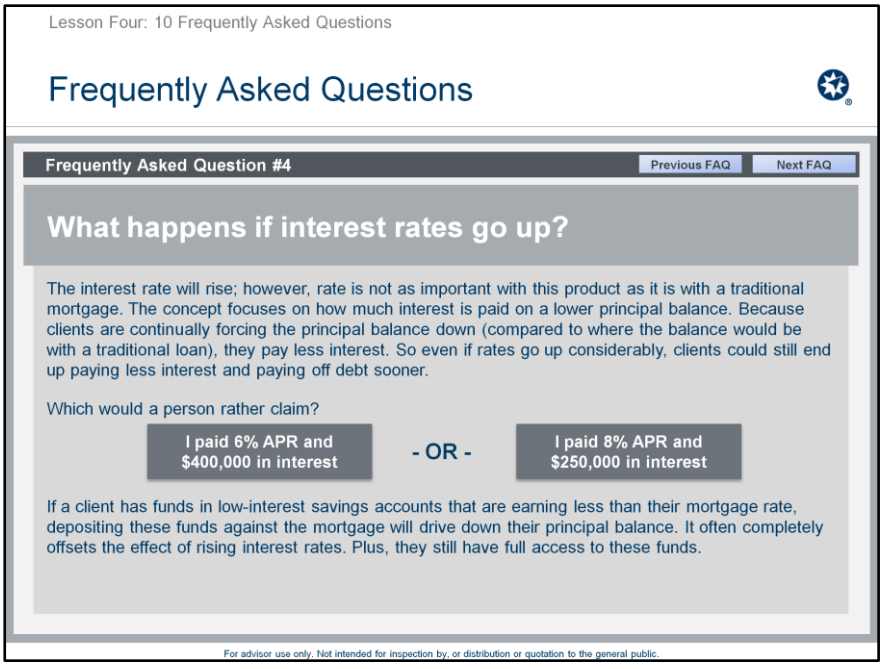
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #2
Previous FAQ
Next FAQ
For what type of client is this product most appropriate?
> The ideal client is a borrower with good positive cash flow and good money-management habits.
> The Accelerator allows the client to force down the balance enough during the month to generate some interest savings.
> This generally means the borrower has a mortgage that is reasonable related to income and expenses.
If the client meets all of these criteria, they may be a good fit for the product. But because every client is unique, the only way to really assess appropriateness is to put the information into the interactive simulator and let it approximate the savings and payoff timing. Remember to remind the client that the simulator is only an estimate of what they could potentially save and that the results are dependent on many other factors. It's critical to work with the individual to make sure they understand how the Accelerator works and to discuss how it fits into their overall financial plan.
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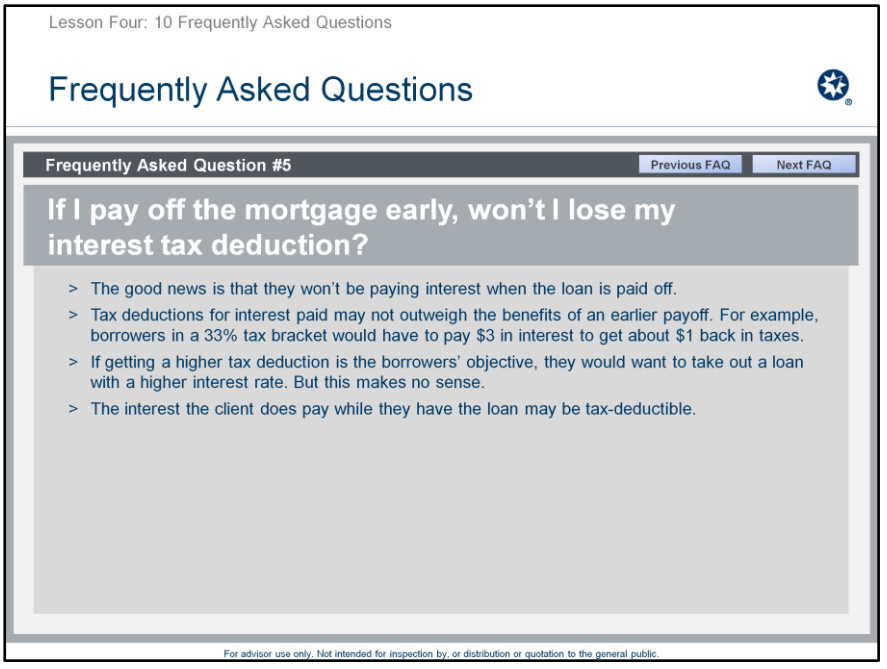
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #3
Previous FAQ
Next FAQ
Can't I just prepay my mortgage?
Many people consider trying to accelerate their mortgage payoff by paying extra each month, or by going to a bi-weekly payment schedule, or even paying thousands of dollars for a system to teach them how to use their loan plus a home equity line and a credit card to pay off sooner. These systems do work, but they tend to result in three constraints.
> They require tremendous discipline.
> The money paid into a traditional mortgage is permanent, which is why many people are reluctant to part with extra cash.
> They money needed during the month stays in a traditional bank account, where it typically earns a very low interest rate.
Unlike these systems, the Accelerator does not require borrowers to change their lifestyles. All of their money is working all of the time to help them save interest and pay off the mortgage sooner. Their money is doing the work for them.
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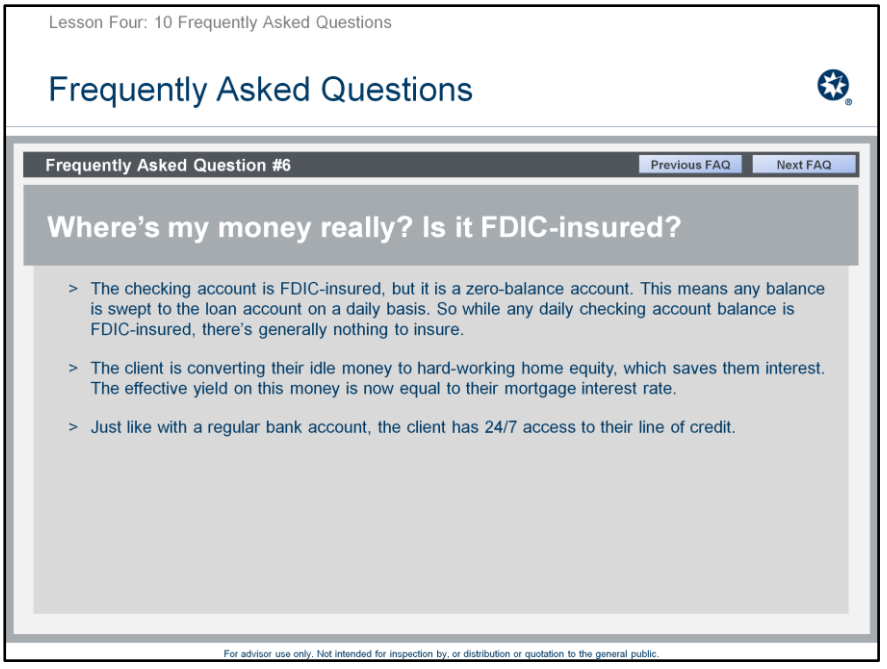
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #4
Previous FAQ
Next FAQ
What happens if interest rates go up?
The interest rate will rise; however, rate is not as important with this product as it is with a traditional mortgage. The concept focuses on how much interest is paid on a lower principal balance. Because clients are continually forcing the principal balance down (compared to where the balance would be with a traditional loan), they pay less interest. So even if rates go up considerably, clients could still end up paying less interest and paying off debt sooner.
Which would a person rather claim?
I paid 6% APR and $400,000 in interest
- OR -
I paid 8% APR and $250,000 in interest
If a client has funds in low-interest savings accounts that are earning less than their mortgage rate, depositing these funds against the mortgage will drive down their principal balance. It often completely offsets the effect of rising interest rates. Plus, they still have full access to these funds.
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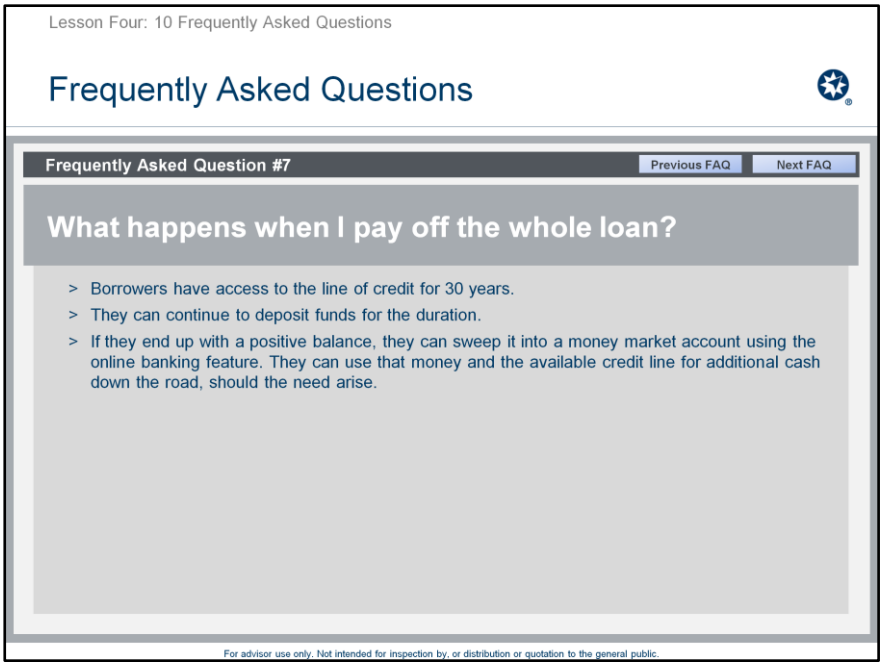
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #5
Previous FAQ
Next FAQ
If I pay off the mortgage early, won't I lose my interest tax deduction?
> The good news is that they won't be paying interest when the loan is paid off.
> Tax deductions for interest paid may not outweigh the benefits of an earlier payoff. For example, borrowers in a 33% tax bracket would have to pay $3 in interest to get about $1 back in taxes.
> If getting a higher tax deduction is the borrowers' objective, they would want to take out a loan with a higher interest rate. But this makes no sense.
> The interest the client does pay while they have the loan may be tax-deductible.
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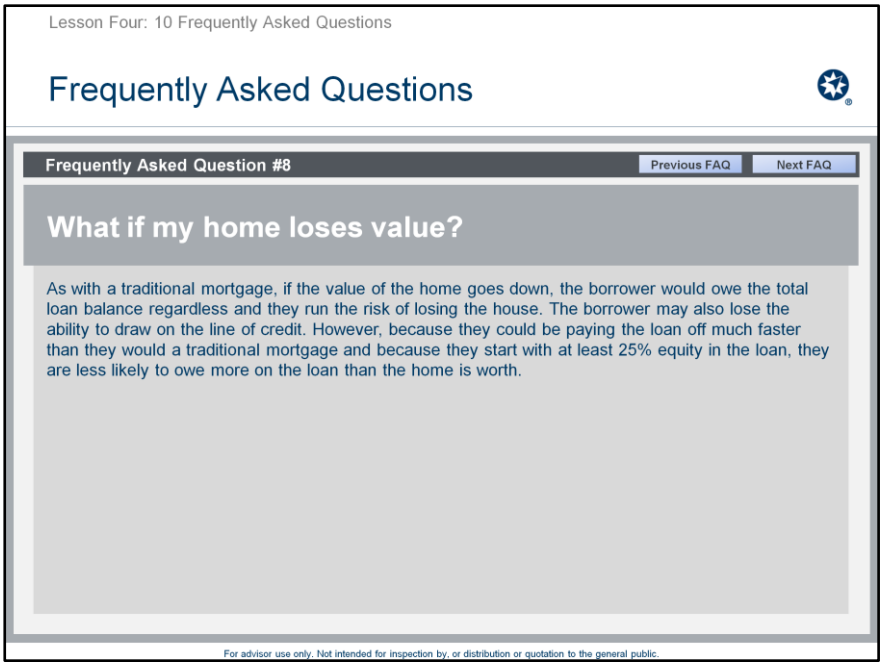
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #6
Previous FAQ
Next FAQ
Where's my money really? Is it FDIC-insured?
> The checking account is FDIC-insured, but it is a zero-balance account. This means any balance is swept to the loan account on a daily basis. So while any daily checking account balance is FDIC-insured, there's generally nothing to insure.
> The client is converting their idle money to hard-working home equity, which saves them interest. The effective yield on this money is now equal to their mortgage interest rate.
> Just like with a regular bank account, the client has 24/7 access to their line of credit.
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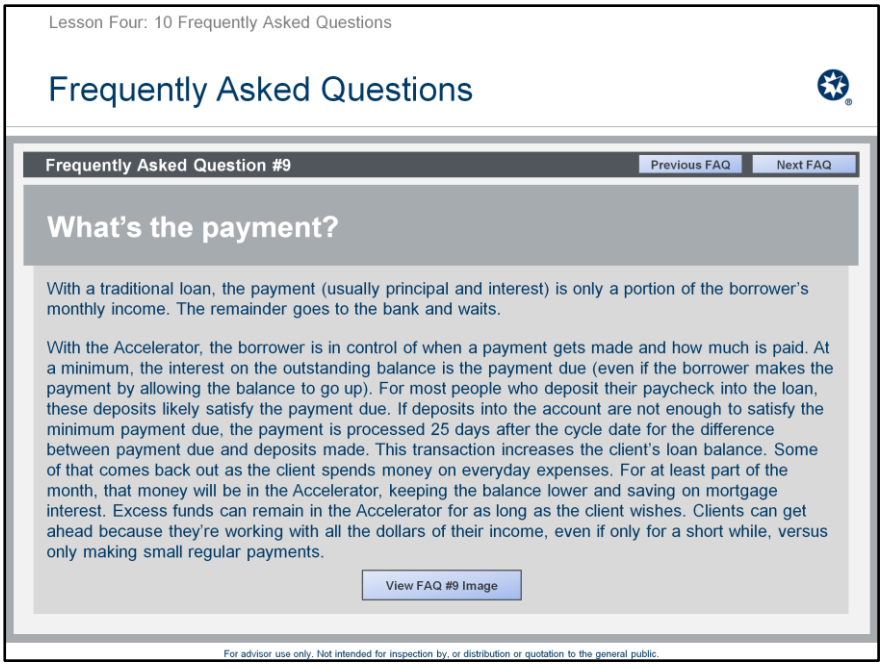
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #7
Previous FAQ
Next FAQ
What happens when I pay off the whole loan?
> Borrowers have access to the line of credit for 30 years.
> They can continue to deposit funds for the duration.
> If they end up with a positive balance, they can sweep it into a money market account using the online banking feature. They can use that money and the available credit line for additional cash down the road, should the need arise.
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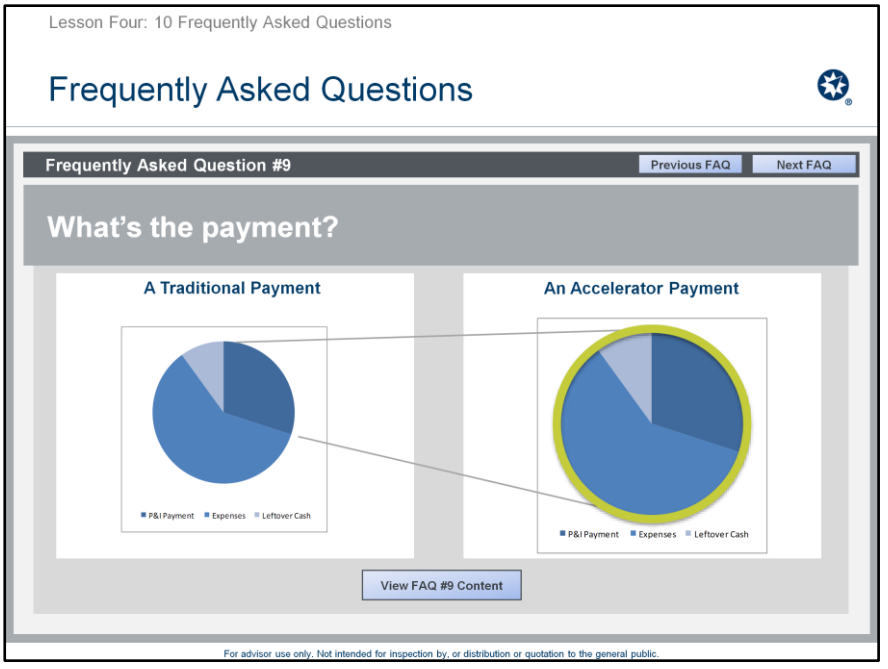
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #8
Previous FAQ
Next FAQ
What if my home loses value?
As with a traditional mortgage, if the value of the home goes down, the borrower would owe the total loan balance regardless and they run the risk of losing the house. The borrower may also lose the ability to draw on the line of credit. However, because they could be paying the loan off much faster than they would a traditional mortgage and because they start with at least 25% equity in the loan, they are less likely to owe more on the loan than the home is worth.
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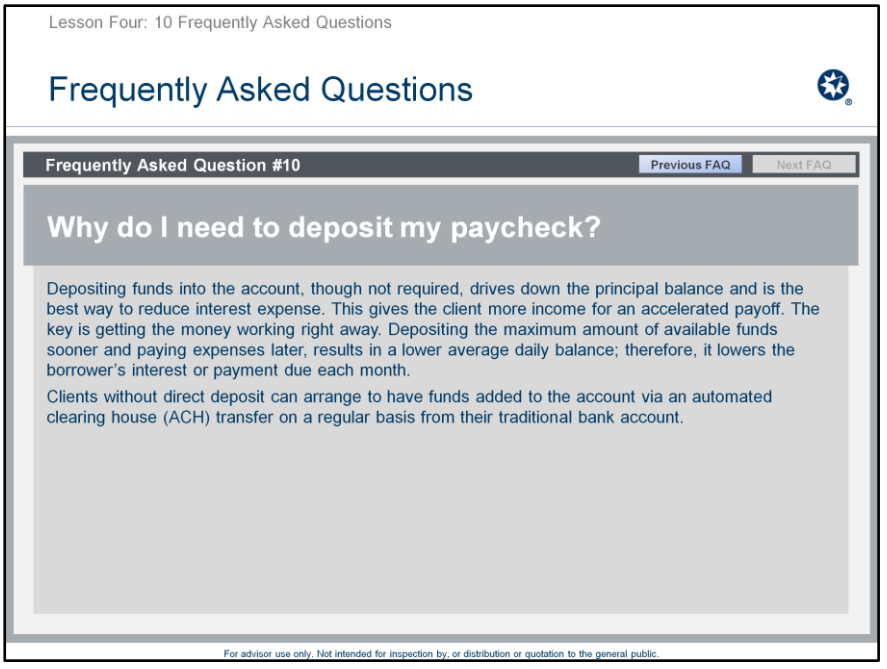
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #9
Previous FAQ
Next FAQ
What's the payment?
With a traditional loan, the payment (usually principal and interest) is only a portion of the borrower's monthly income. The remainder goes to the bank and waits.
With the Accelerator, the borrower is in control of when a payment gets made and how much is paid. At a minimum, the interest on the outstanding balance is the payment due (even if the borrower makes the payment by allowing the balance to go up). For most people who deposit their paycheck into the loan, these deposits likely satisfy the payment due. If deposits into the account are not enough to satisfy the minimum payment due, the payment is processed 25 days after the cycle date for the difference between payment due and deposits made. This transaction increases the client's loan balance. Some of that comes back out as the client spends money on everyday expenses. For at least part of the month, that money will be in the Accelerator, keeping the balance lower and saving on mortgage interest. Excess funds can remain in the Accelerator for as long as the client wishes. Clients can get ahead because they're working with all the dollars of their income, even if only for a short while, versus only making small regular payments.
View FAQ #9 Image
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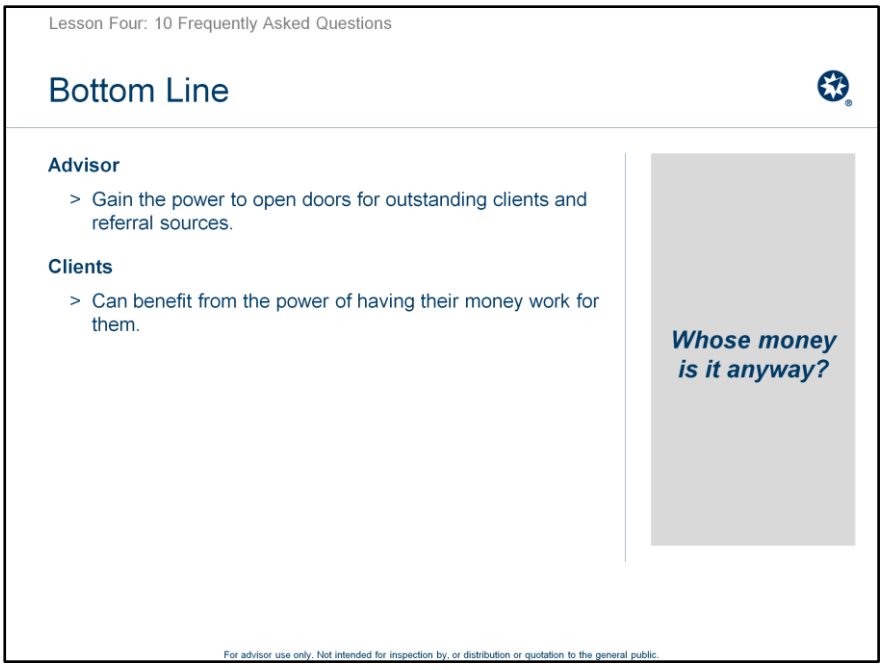
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #9
Previous FAQ
Next FAQ
What's the payment?
A Traditional Payment
P&I Payment
Expenses
Leftover Cash
An Accelerator Payment
P&I Payment
Expenses
Leftover Cash
View FAQ #9 Content
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Lesson Four: 10 Frequently Asked Questions
Frequently Asked Questions
Frequently Asked Question #10
Previous FAQ
Next FAQ
Why do I need to deposit my paycheck?
Depositing funds into the account, though not required, drives down the principal balance and is the best way to reduce interest expense. This gives the client more income for an accelerated payoff. The key is getting the money working right away. Depositing the maximum amount of available funds sooner and paying expenses later, results in a lower average daily balance; therefore, it lowers the borrower's interest or payment due each month.
Clients without direct deposit can arrange to have funds added to the account via an automated clearing house (ACH) transfer on a regular basis from their traditional bank account.
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The bottom line is this. For you, the financial advisor, this innovative loan solution has the power to open doors to outstanding clients and referral sources. Clients can benefit from the power of having their money work for them. After all, whose money is it anyway?



Consider how the product integrates with your value proposition and financial planning practice.

Financial Planning Integration



Four Cornerstones:

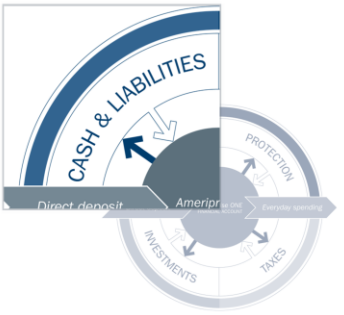
- > Cash & Liabilities
- > Protection
- > Taxes
- > Investments

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Recall the four cornerstones of financial planning. The Accelerator fits well within cash and liabilities.

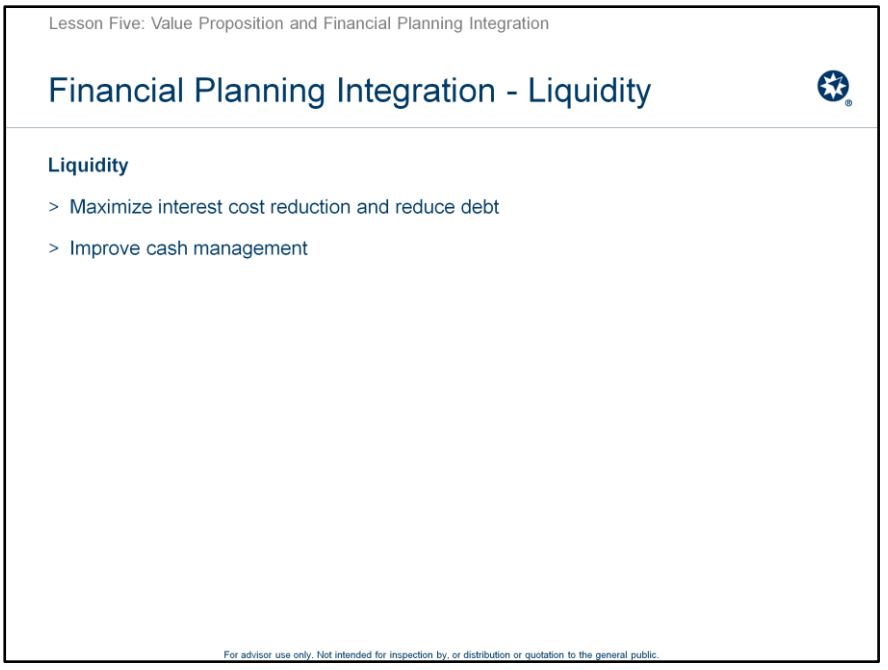
Cash & Liabilities

- Cash + access to debt = liquidity.
- Proper planning including the Ameriprise Home Ownership Accelerator may help improve liquidity.
  - Makes cash work harder
  - Reduces interest costs
  - Reduces debt while retaining access to the debt that was eliminated



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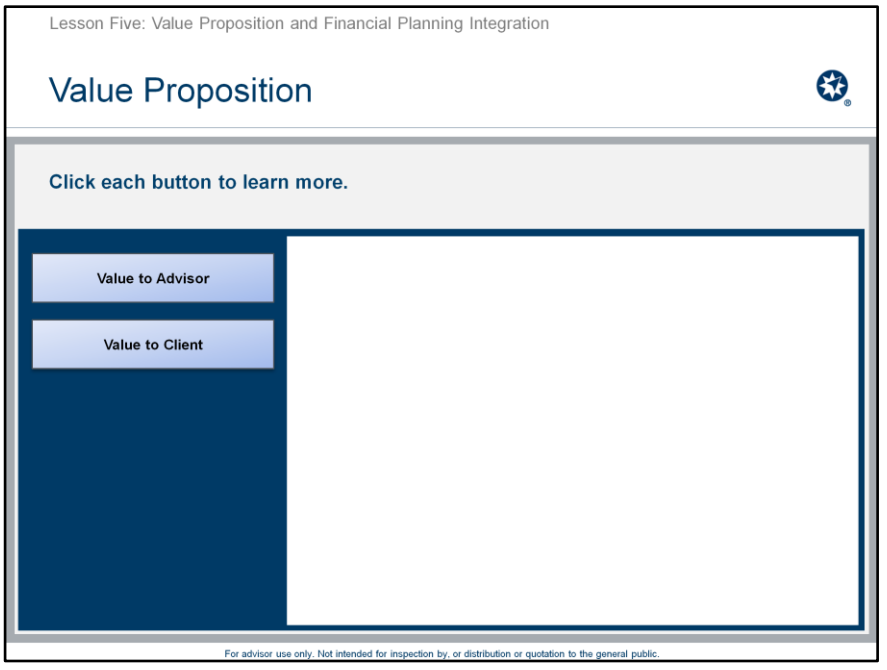
Liquidity is a function of cash and access to debt. Proper planning for someone who has the Accelerator may help improve liquidity. Why? Because it makes cash work harder, reduces interest costs, and in a positive cash flow situation reduces debt while retaining access to the debt that was eliminated.



The product has several uses pertaining to liquidity:

- To maximize interest cost reduction and reduce debt when part of a spending plan when disbursement is delayed.
- To improve cash management by using cash earning low rates in bank accounts to pay down higher-cost debt.

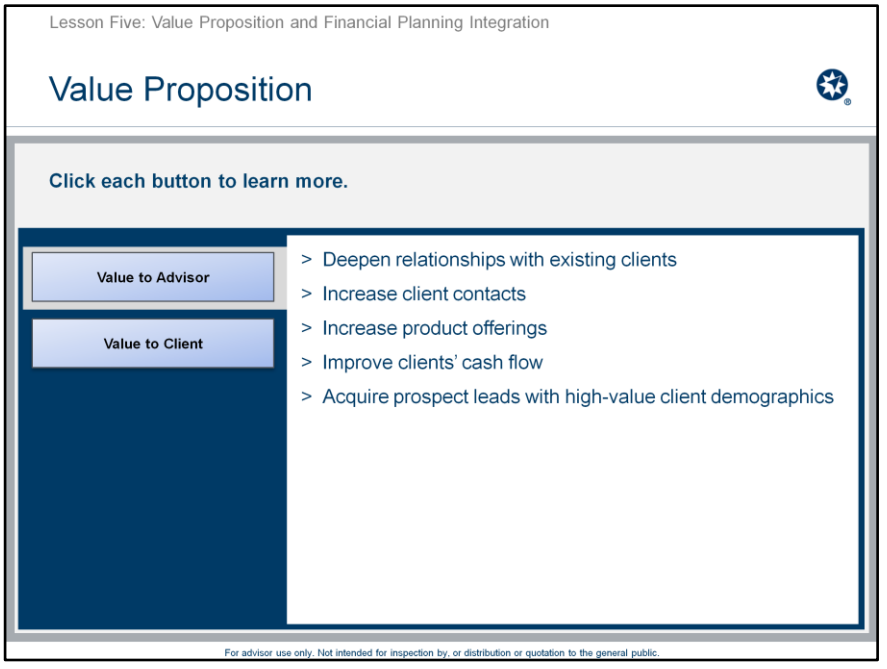
Funds deposited into the Accelerator are available to withdraw when needed up to the line limit. This makes it an excellent loan for self-employed individuals whose income might fluctuate. It can also leave a nice cushion if clients have unexpected expenses or other emergencies.



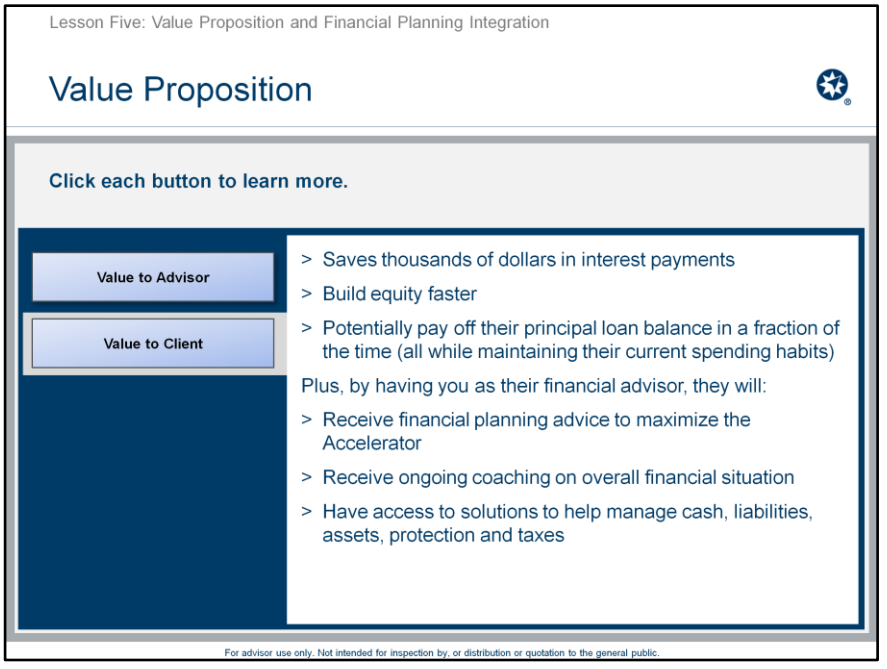
Home loans, including the Accelerator, are strictly regulated. Because of this, advisors may not receive any compensation, or rewards for the referral of this product from Ameriprise Financial or any other source. Advisors may not provide bonuses or gifts to clients or professional colleagues in exchange for Accelerator referrals.

Although we cannot offer advisors compensation for referring clients to the Accelerator product, this innovative lending solution does have a strong value proposition for both you, as the advisor, and the client.

Take a moment to review the value propositions.


Lesson Five: Value Proposition and Financial Planning Integration
Value Proposition
Click each button to learn more.
Value to Advisor
Value to Client
> Deepen relationships with existing clients
> Increase client contacts
> Increase product offerings
> Improve clients' cash flow
> Acquire prospect leads with high-value client demographics
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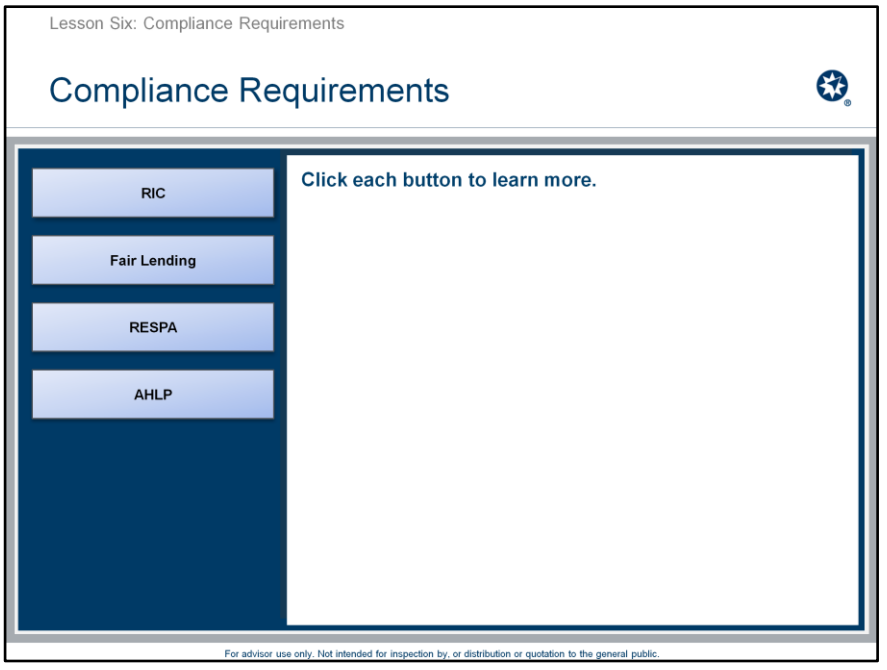
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Lesson Five: Value Proposition and Financial Planning Integration
Value Proposition
Click each button to learn more.
Value to Advisor
Value to Client
> Saves thousands of dollars in interest payments
> Build equity faster
> Potentially pay off their principal loan balance in a fraction of the time (all while maintaining their current spending habits)
Plus, by having you as their financial advisor, they will:
> Receive financial planning advice to maximize the Accelerator
> Receive ongoing coaching on overall financial situation
> Have access to solutions to help manage cash, liabilities, assets, protection and taxes
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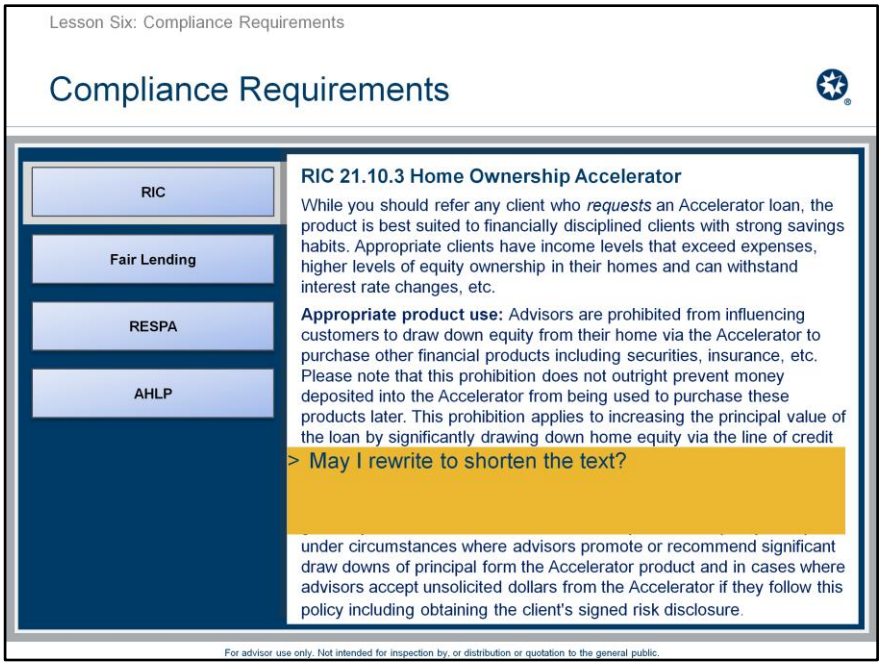
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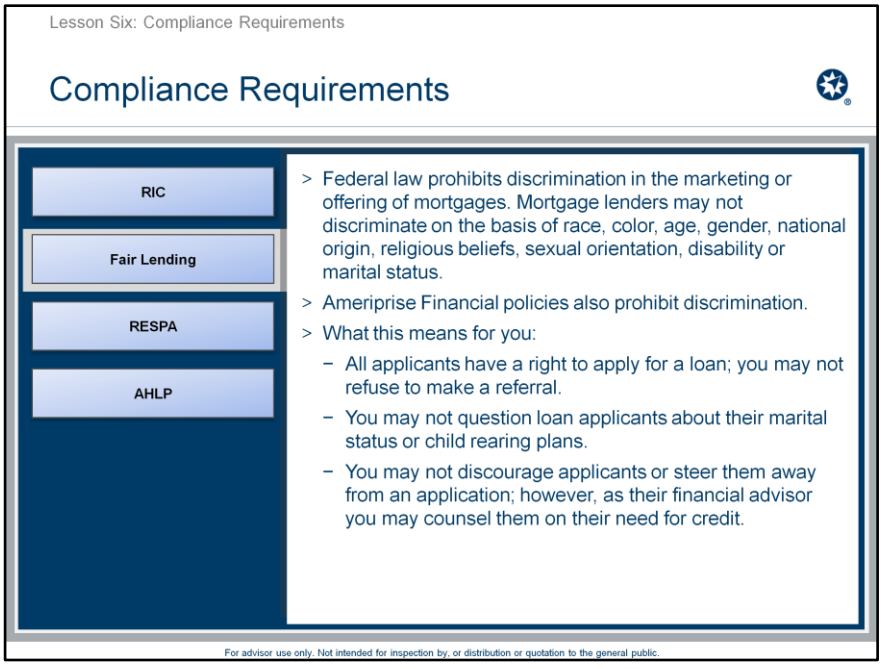
Before discussing this product with a client or referring clients to CMG Mortgage, you must be certified. Certification is granted through completion of this course and the related assessment.



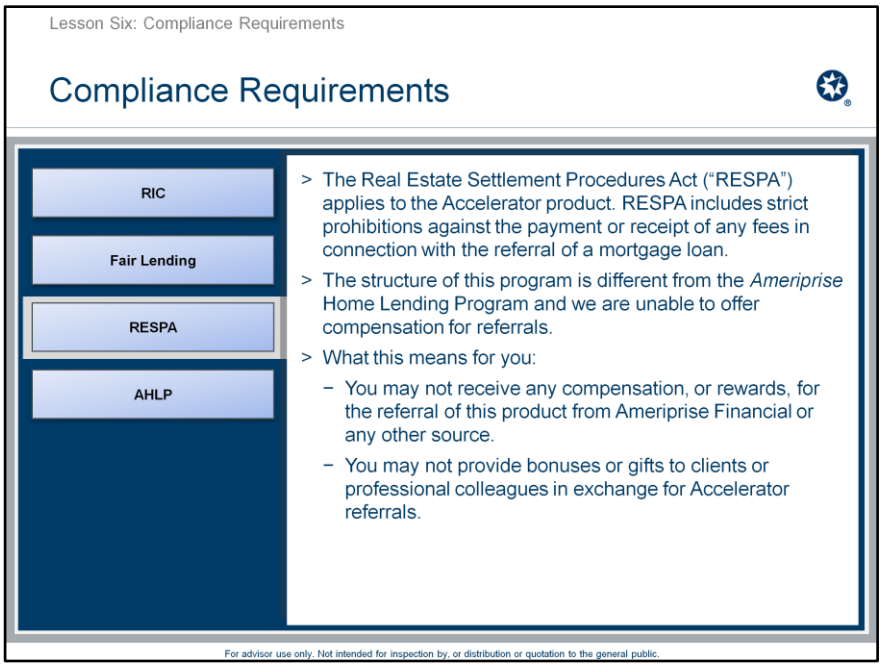
When offering the product, you must adhere to specific regulations and requirements. Read through the compliance requirements. You will not hear audio as you do so.


Lesson Six: Compliance Requirements
Compliance Requirements
RIC
Fair Lending
RESPA
AHLP
RIC 21.10.3 Home Ownership Accelerator
While you should refer any client who *requests* an Accelerator loan, the product is best suited to financially disciplined clients with strong savings habits. Appropriate clients have income levels that exceed expenses, higher levels of equity ownership in their homes and can withstand interest rate changes, etc.
Appropriate product use: Advisors are prohibited from influencing customers to draw down equity from their home via the Accelerator to purchase other financial products including securities, insurance, etc. Please note that this prohibition does not outright prevent money deposited into the Accelerator from being used to purchase these products later. This prohibition applies to increasing the principal value of the loan by significantly drawing down home equity via the line of credit
> May I rewrite to shorten the text?
under circumstances where advisors promote or recommend significant draw downs of principal form the Accelerator product and in cases where advisors accept unsolicited dollars from the Accelerator if they follow this policy including obtaining the client's signed risk disclosure.
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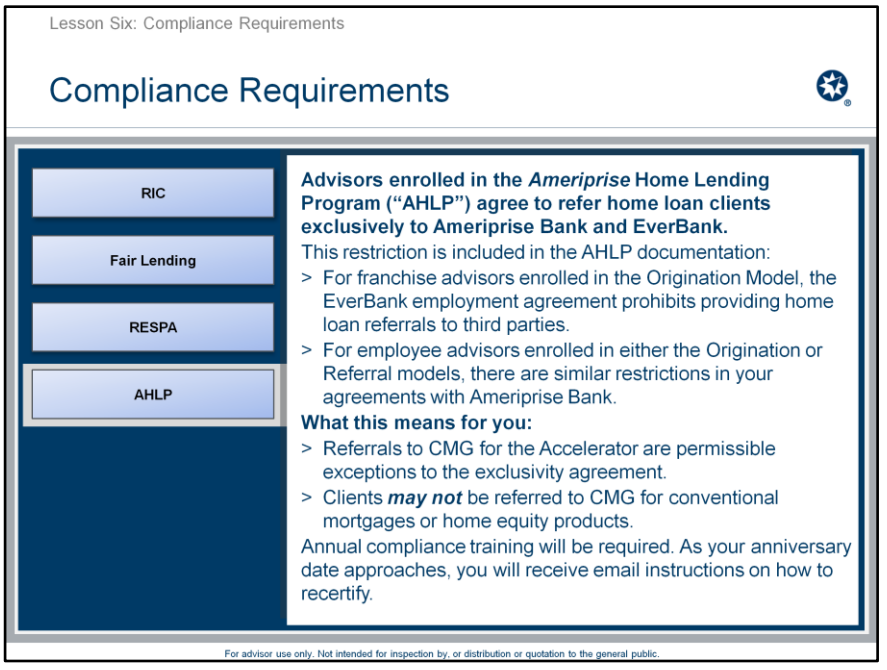
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Lesson Six: Compliance Requirements
Compliance Requirements
RIC
Fair Lending
RESPA
AHLP
> Federal law prohibits discrimination in the marketing or offering of mortgages. Mortgage lenders may not discriminate on the basis of race, color, age, gender, national origin, religious beliefs, sexual orientation, disability or marital status.
> Ameriprise Financial policies also prohibit discrimination.
> What this means for you:
– All applicants have a right to apply for a loan; you may not refuse to make a referral.
– You may not question loan applicants about their marital status or child rearing plans.
– You may not discourage applicants or steer them away from an application; however, as their financial advisor you may counsel them on their need for credit.
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[no audio]


Lesson Six: Compliance Requirements
Compliance Requirements
RIC
Fair Lending
RESPA
AHLP
> The Real Estate Settlement Procedures Act ("RESPA") applies to the Accelerator product. RESPA includes strict prohibitions against the payment or receipt of any fees in connection with the referral of a mortgage loan.
> The structure of this program is different from the *Ameriprise* Home Lending Program and we are unable to offer compensation for referrals.
> What this means for you:
– You may not receive any compensation, or rewards, for the referral of this product from Ameriprise Financial or any other source.
– You may not provide bonuses or gifts to clients or professional colleagues in exchange for Accelerator referrals.
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[no audio]


Lesson Six: Compliance Requirements
Compliance Requirements
RIC
Fair Lending
RESPA
AHLP
Advisors enrolled in the *Ameriprise* Home Lending Program ("AHLP") agree to refer home loan clients exclusively to Ameriprise Bank and EverBank.
This restriction is included in the AHLP documentation:
> For franchise advisors enrolled in the Origination Model, the EverBank employment agreement prohibits providing home loan referrals to third parties.
> For employee advisors enrolled in either the Origination or Referral models, there are similar restrictions in your agreements with Ameriprise Bank.
What this means for you:
> Referrals to CMG for the Accelerator are permissible exceptions to the exclusivity agreement.
> Clients *may not* be referred to CMG for conventional mortgages or home equity products.
Annual compliance training will be required. As your anniversary date approaches, you will receive email instructions on how to recertify.
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[no audio]

Other Compliance Considerations

Bank branching regulations prohibit advisors from accepting bank deposits.

- By accepting deposits for the Accelerator account, you may be deemed a "branch" of Ameriprise Bank which would have serious legal and regulatory impact.
- Deposits should be sent directly to Ameriprise Bank as outlined in the Service Support Guide the client receives after the loan closes.

Individual state banking regulations prohibit the sale of the Accelerator product in some states.

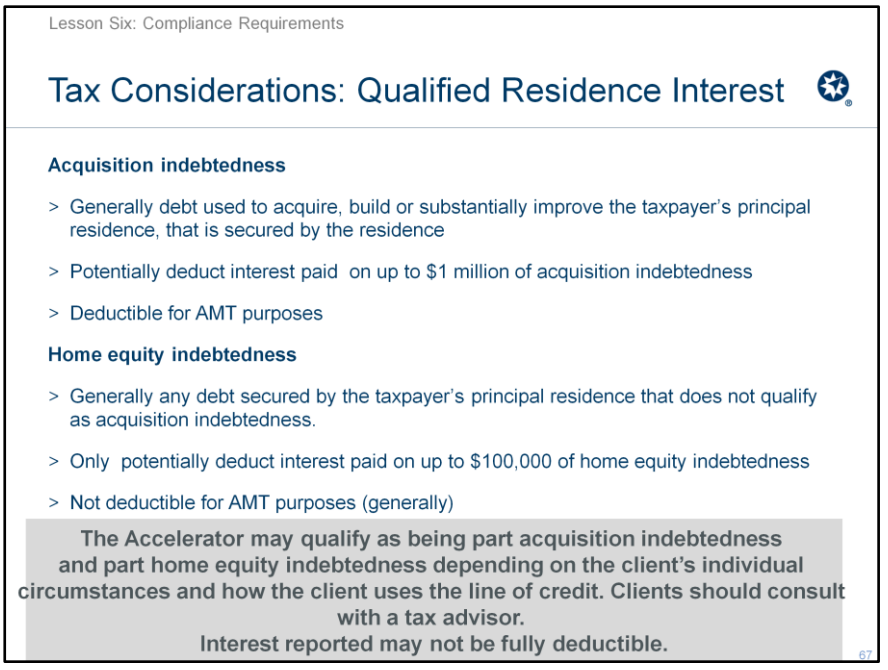
- At the time of launch of this program, 28 states are approved, and more states are being added every month.
- Please contact Ameriprise Bank Sales Consulting for the most current list of approved states 1 (800) 437-3401, Option 1.

Simulator use:

- If you use the simulator tool with clients, you must print the last page of the simulator results and keep a copy in the clients' file.

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Qualified residence interest can take one of two forms: acquisition indebtedness or home equity indebtedness. How the loan proceeds are used determines whether a qualifying loan is acquisition indebtedness, home equity indebtedness, or a combination of the two.

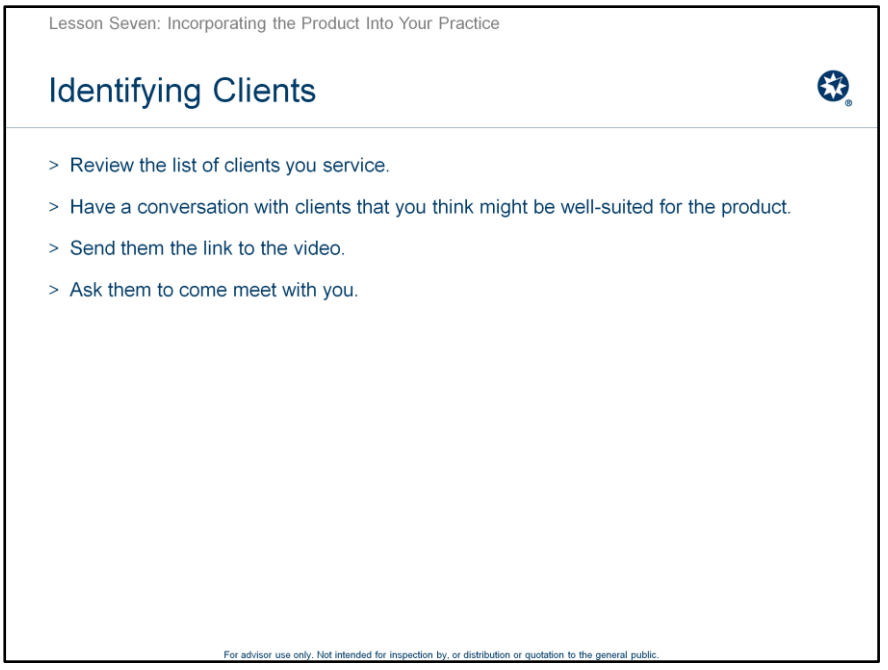
Acquisition indebtedness is debt used to acquire, build or substantially improve the taxpayer's principal residence (and, in some cases, a second or vacation home) that is secured by the residence that was acquired/built/substantially improved upon. The tax law allows the taxpayer to deduct interest paid on up to $1,000,000 of acquisition indebtedness.

Home equity indebtedness is generally any debt secured by the taxpayer's principal residence (and, in some cases, a second or vacation home) that does not qualify as acquisition indebtedness. The taxpayer can only deduct interest paid on up to $100,000 of home equity indebtedness. In addition to the lower limit on deductibility, home equity indebtedness is generally not deductible for alternative minimum tax purposes.

The Accelerator may qualify as being part acquisition indebtedness and part home equity indebtedness depending on the client's individual circumstances and how the client uses the line of credit. The client should consult with a tax advisor. Interest reported may not be fully deductible.



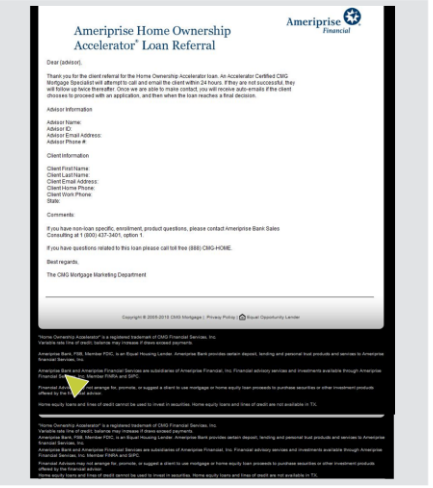
At this point, you probably have a pretty good idea of a few clients who could benefit from this product.



Review the list of clients you service. Have a conversation with clients that you think might be well-suited for the product. Send them a link to the video, and ask them to come meet with you so that you can show them how their individual situation might look using the simulator.

Making the Referral

- Contact Ameriprise Bank Sales Consulting.
  - Overview of the referral process
  - Necessary tools
  - State availability
  - Client-approved marketing materials
- To make a referral, complete and submit the referral form located on the *AdvisorCompass*® site.
- Keep a copy for the client file.
- You will receive an email from CMG confirming your referral, and the client will be contacted within 24 hours.


Ameriprise Financial

Ameriprise Home Ownership Accelerator® Loan Referral

Dear [advisor],

Thank you for the client referral for the Home Ownership Accelerator loan. An Accelerator Certified CMG Mortgage Specialist will attempt to call and email the client within 24 hours. If they are not successful, they will follow up twice thereafter. Once we are able to make contact, you will receive auto-emails if the client chooses to proceed with an application, and then when the loan reaches a final decision.

Advisor Information

Advisor Name:
Advisor ID:
Advisor Email Address:
Advisor Phone #:

Client Information

Client First Name:
Client Last Name:
Client Email Address:
Client Home Phone:
Client Work Phone:
State:

Comments:

If you have non-loan specific, enrollment, product questions, please contact Ameriprise Bank Sales Consulting at 1 (800) 437-3401, option 1.

If you have questions related to this loan please call toll free (888) CMG-HOME.

Best regards,

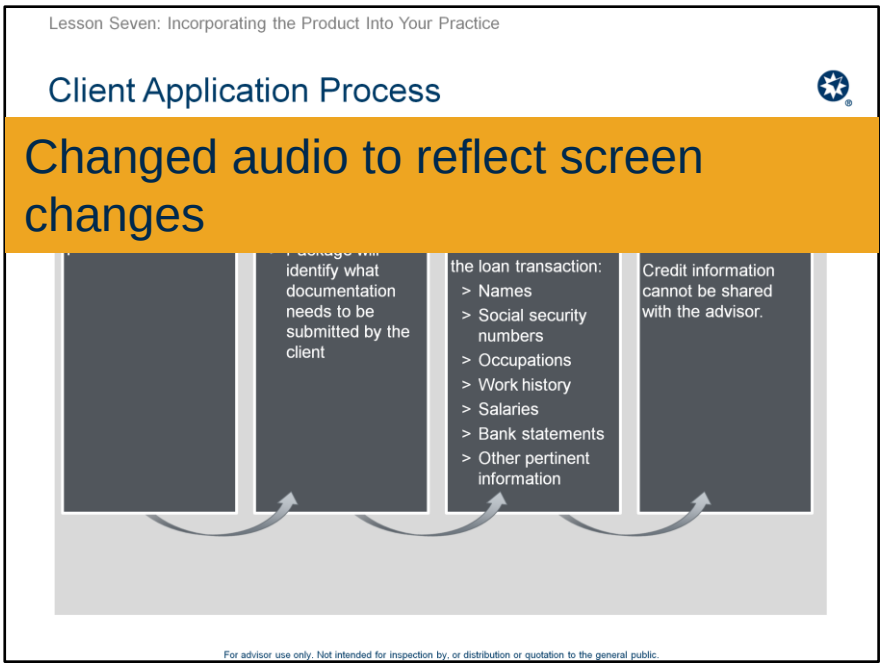
The CMG Mortgage Marketing Department

For advisor use only. Not intended for inspection by, or distribution or quotation to the general public.

In addition to meeting with clients, you may refer them to CMG for their Accelerator loans.

As a best practice, contact the Ameriprise Bank sales consulting group before submitting your first referral. Our internal sales consultants will share with you an overview of the referral process, and provide you with the necessary tools and client-approved marketing materials as well as make sure the referral you want to make is in a CMG-approved state.

To make a referral, complete and submit the referral form on the AdvisorCompass site. Make sure to keep a copy for the client file. You will receive an email from CMG confirming your referral, and the client will be contacted within 24 hours.



After the referral has been made, the CMG loan officer will work with the client to begin the application process.

The Accelerator loan application package will clearly identify what documentation the borrowers will need to submit in order to complete the loan application process.

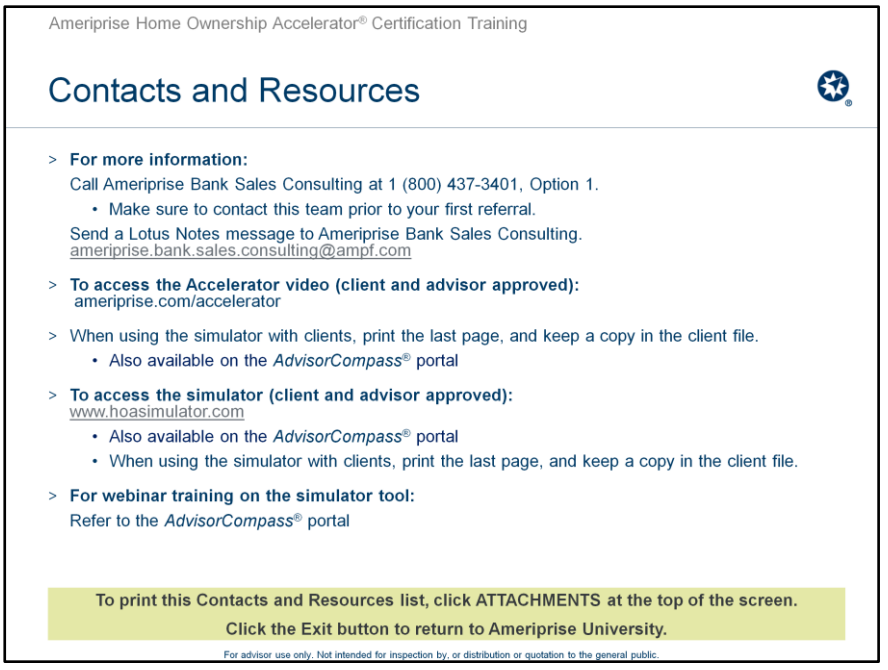
The client will be required to provide personal information related to the loan transaction. This information may include names, social security numbers, occupations, work history, salaries, bank statements, and other pertinent information for all borrowers on the loan.

The client sends this documentation for each borrower back to CMG.

Due to legal and compliance issues, credit information cannot be shared with the advisor. The advisor will not be obligated to perform any additional services; however, they will receive status updates via email when the loan application has been submitted, and also when the loan is funded, declined or withdrawn.



So what's next? If you have decided that you would like to offer the Ameriprise Home Ownership Accelerator to clients, complete the short assessment. Once you have passed the assessment, you will receive a confirmation email that you have completed the training and are now eligible to offer the product to clients. After that? Start having the conversation with existing clients, and contact the Ameriprise Bank Sales Consulting Group if you have any questions.



If you have questions about the Ameriprise Home Ownership Accelerator product, how to get started, or if you need help marketing it to clients and prospects, contact the Ameriprise Bank Sales Consulting team. You can also send an email to ameriprise.bank.sales.consulting@ampf.com.

To make it easier to begin the conversation with clients, we've created an online video that lasts about five minutes and gives a high-level explanation of how the product works. Feel free to email this link to clients.

To access the simulator, use the link shown here. This is a CMG tool, so if you do use it with clients, you must print the last page of the simulator and keep a copy in the client's file.

Thank you for your interest in the Ameriprise Home Ownership Accelerator. The representatives at Ameriprise Bank and CMG look forward to working with you.