

Go further. Fuel your financial well-being.

In this three-part series, we explore how Canadian physicians can take their finances further at every stage of their medical career.

We consulted with financial professionals from MD Financial Management and Scotiabank who together bring well over 50 years of physician-focused financial advice and healthcare professional banking expertise. Using fictional examples, we will highlight their unique ability to anticipate and address the needs of physicians through advice-led solutions.

In this third segment of the series, meet “Dr. Jacob Stern.” He is an early-career physician who is looking to purchase his first home and pay down his student debt.

The scenario

Dr. Stern has just completed his residency and entered the workforce as a newly incorporated physician. He is 31 years old and married to Andrea, who is a teacher.

Recently, the couple has been contemplating whether to buy their first home. Dr. Stern also wants to pay off the \$150,000 balance of his student loans in the same time frame but does not know where to start.

His questions:

- Can I purchase a home with 5% down?
- Is it possible to pay my debt in three years?

We turned to Scotiabank Healthcare and Professional Advisor Rod McFadden to provide Dr. Stern specialized advice and banking solutions. Rod has extensive experience working with new to practice physicians and brought in MD Advisor* and Early Career Specialist Kristine Greenfield to build Dr. Stern and his family a sound financial strategy. Together, they were able to guide him on how to best proceed.

From the lens of the specialists

If Dr. Stern paid off his student loans and bought a home at the same time, it would not only limit his financial flexibility but hinder his long-term savings plan.

Taking a holistic planning approach

“We focus on goal planning with early-career physicians and look at their short- and long-term financial priorities. For recent graduates, paying debt is often their immediate concern, but we explain there are many financial strategies available that focus on more than debt repayment,” says Kristine.

The shift from residency into the workforce is a big milestone that sparks many questions. Rod and Kristine

are specialized in helping new physicians like Dr. Stern understand what they can do today to prepare for a financially secure tomorrow.

Dr. Stern thought it would be possible to pay his debt and purchase a home in the same time frame. Instead, Rod and Kristine proposed a flexible, customized solution that would allow him to achieve both over the long term, while saving for the future.

First, Rod opened Dr. Stern a corporate bank account to separate his personal and professional transactions for accounting purposes. Previously, he was using his personal account to process business expenses, which was complicating his finances.

Rod and Kristine then helped Dr. Stern identify his financial priorities as it was not possible to repay his debt and buy a home in the time frame he imagined. Homeownership was a greater priority, so he and Andrea pursued this first.

Dr. Stern didn't have substantial savings, so Kristine recommended that he and Andrea open registered retirement savings plans (RRSPs). With these, they could both take advantage of the Home Buyer's Plan, and each withdraw up to \$35,000 from their RRSP tax-free to buy a home. This would help them save for a down payment, while helping Dr. Stern budget to pay his debt and lower his tax bill as an incorporated physician.

“I also connected Dr. Stern to a Scotiabank mortgage advisor who helped him get approved for a mortgage based on his projected income,”⁹ explained Rod. “This program helps residents and new physicians like Dr. Stern qualify for a mortgage at the start of their careers.”

Despite the student loans and not having enough for a down payment, Scotiabank and MD Financial Management identified a solution that would allow Dr. Stern to purchase a home, while positioning him to achieve his goals and prepare for the next phase of his career.

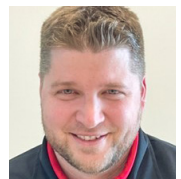
Physician-focused solutions

Scotiabank and MD Financial Management deeply understand the financial concerns physicians have upon entering the workforce. Scotiabank opened the door to professional banking solutions and tailored offerings from its Healthcare+ Physician Banking Program, while working closely with an MD Advisor to ensure the physician's financial plan supported their goals. Together, they are well-positioned to provide customized financial advice and solutions to help physicians at any stage of their career.

Take your finances further

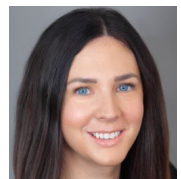
MD Financial Management and Scotiabank have decades of combined experience enhancing the financial well-being of physicians. Together, their team of dedicated financial advisors and specialists deliver wealth management advice, strategic borrowing solutions and customized banking support, helping physicians take their finances further.

Visit our websites or contact one of our advisors directly:



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⁹ For residents, fellows and new-to-practice physicians, the mortgage amount qualified for is based on estimated projected income. The projected income is an average estimated amount based on available industry data and is subject to change. Your actual income may vary. Terms and conditions apply.

* MD Advisor refers to an MD Management Limited Financial Consultant or Investment Advisor (in Quebec), or an MD Private Investment Counsel Portfolio Manager.

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