

|   | Fixed-Closed Mortgage  | Variable-Closed Mortgage   |
|---|--|--|
| Down Payment  | Minimum 5% Down  | Minimum 5% Down  |
| Terms Available   | 1-10 Year Terms  | 3 & 5 Year Terms   |
| Locked in?  | Yes  | Yes  |
| Prepayments<br>Can you pay extra without penalty?                   | Yes  | Yes  |
| Rate  | Fixed for Term   | Fluctuates with Prime Rate   |
| Mortgage Payments   | Fixed for Term   | Different lender to lender. Ex's: 1) Payment change each time Prime does 2) Change only when Prime increases 3) Start at a higher payment and more goes to principal or interest as Prime changes  |
| Penalty if break mortgage early                                     | The higher of:<br>1) 3 months interest or<br>2) Interest Rate Differential | 3 months interest  |
| Portable; Can you move the mortgage to a new house with no penalty? | Yes<br>(each lender has own porting policies)                              | Not typically, would trigger a 3 month interest penalty.   |
| Conversion<br>(Change from fluctuating rate to a fixed rate)        | n/a  | Yes, but rate would be based on <b>fixed rates at that time, you do not lock in at your variable rate.</b> New term must be longer than remaining term OR lender may have a specific new term min. |

| FAQ's   |
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| <p><b>Can only First Time Buyers put 5% down?</b></p> <p>NO, any buyer in Canada can put 5% down on a primary residence.</p>  |
| <p><b>What is the Stress Test Rate?</b></p> <p>It is a rate used to QUALIFY only, it is not the rate consumers actually pay. It was brought in due to all time low interest rates and the concern if people would still be able to manage their home costs if/when rates go back to more normal levels. (*Remember in the AB BOOM - the best 5yr rates were 5-6%)</p> |
| <p><b>What is the best payment schedule?</b></p> <p>Accelerated weekly is THE best...but by a very small amount over the more popular accelerated bi-weekly program.</p>  |
| <p><b>Do I pay a Broker?</b></p> <p>No, the lender you choose compensates your Broker, but the Broker works for you.</p>  |
| <p><b>How do I get pre-approval?</b></p> <p>Step 1 is the application which can be found on <a href="http://www.brokeryeg.ca">www.brokeryeg.ca</a></p>  |
| <p><b>Then what?</b></p> <p>Once the application is returned, it moves fast. Nikole walks you through every step thereon so the only thing you need to do right now is complete the application and off we go!</p>  |
| <p>ANY questions, I am here to help.</p>  |

Information subject to change without notice and represents the majority of lenders guidelines, some may have varying details.