



Calculate your prepayment charge:

This calculator will show you how much it may cost to prepay your mortgage, in part or in full. Please ensure you have the following documentation/information prior to using the calculator:

- i) Your original mortgage documentation on hand to answer some of the questions while calculating.

Understanding Prepayment Charges - Prepayment charges are connected to mortgages where the interest term is 'closed'. The closed term allows for prepayments up to 10% of the original mortgage amount. Bank is qualifying you to receive a lower rate by implementing the prepayment restrictions. The closed term mortgages allow borrowers to receive a lower rate than they would normally be able to receive through open term mortgages. Hence, when you prepay your mortgage above this limit you are modifying the terms of the facility letter (through faster repayment), resulting in the Bank incurring a cost for your mortgage.

- ii) How is prepayment charges calculated? Prepayment charges are calculated differently depending on the type of mortgage you have. For closed Fixed and Variable rate mortgages, the borrower shall have the privilege of paying the whole amount owing hereunder, or any part thereof, upon payment by way of Four Months Interest Payments.

There may be other fees associated with the paying off your mortgage loan in full. The other fees may include but not limited to be: Discharge fees, Administrative fees, legal fees for discharging of the property, etc. etc.

- iii) What is a Variable rate mortgage in comparison to fixed rate mortgage?

- **Variable rate mortgage** - In a variable rate mortgage, monthly payments are set for the term, even though interest rates may fluctuate during that time. If interest rates go down, more of the payment is applied to reduce the principal; if rates go up, more of the payment is applied to payment of interest. Variable rate mortgages can be open or closed.
- **Fixed rate mortgage** - The interest rate for a fixed rate mortgage is locked in for the full term of the mortgage. Payments are set in advance for the term, providing you with the security of knowing precisely how much your payment will be throughout the entire term. Fixed rate mortgages can be open (may be paid off at any time without breakage costs) or closed (breakage costs apply if paid off prior to maturity).

- iv) Closed and Open terms are as follows:

- **Closed term mortgages** - Closed term mortgages offer you the ability to save on interest costs and pay off your mortgage faster. You will pay a prepayment charge if you wish to renegotiate your interest rate or pay a part or the full balance of your mortgage prior to the end of its term. Borrower cannot pay back the borrowed funds without notice or penalty.
- **Open term mortgages** - Open term mortgages may be appealing if you are planning to pay off your mortgage in the near future. They can be repaid either in part or in full at any time without prepayment charges. You can pay back the borrowed funds without notice or penalty.

The tool estimates the prepayment charge (the cost to break the term of your mortgage) as of today's date on fixed, or variable having a closed term. Please contact us to find out your exact prepayment charge.