



REFINANCE HAPPY GUIDE

We're **HAPPY** to hear from you
anytime via text, phone or email.

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THE TEAM



MIKE LLOYD

Head Honcho of Happiness

"In a complex market that's tough on buyers, having the right experience and connections is vital -- that's why I founded The HomeHappy Team. We facilitate Happy Homeownership."

- Over 20 years experience in lending management, and 10+ years as an independent mortgage consultant.
- Founded Canadian Mortgage Experts in 2011, and led the franchise to become the largest Dominion Lending Centre.
- Team Leader of The HomeHappy Team, and a flexible problem solver.

We strive to make every client's mortgage strategy the best solution for their goals, and offer exclusive products to better serve you.



LOUISE LLOYD

Director of Ongoing Happiness

"Behind the scenes worker that supports the team, so they can take better care of you!"

- Experienced senior operations manager with a Restaurant and Retail industry background.
- Dedicated, efficient, and creative, Louise enjoys art, travel, swimming, and field hockey.
- Maintains back of house business administration, and cares for referral partners.

She supports the team in administering external marketing programs with her keen artistic eye and passion for detail.

THE TEAM



CINDY FERRIER

Administrator of Everyone's Happiness

"Love being a part of a process that helps clients achieve their financial goals."

- Over 30 years lending and financial industry experience.
- Success-oriented industry veteran.
- Primary contact for client care, handles documentation for smooth lender approvals.

After early retirement, she missed the finance world, and joined our team to share her passion for helping clients.



YOLANDA FEQUET

Happy Mortgage Sleuth

"My role is so fulfilling when I help our clients build out their mortgage plans and then make that plan turn their dreams into reality."

- Over 20 years of financial industry experience.
- Completed an MBA, Financial Planning certificate, and Risk Management courses.
- Structures the best mortgage for you, and shares tax efficient strategies.

THE TEAM



BRENDAN TURNER

Wrangler of Happiness

"Nothing brings me more professional happiness than seeing a client leave with a smile."

- Strong customer service background.
- Client-oriented, dedicated, and a positive go-getter.
- Brings a personal touch when helping clients achieve their wants and needs.

He will do everything he can to get you the mortgage that best suits your family.

Click to watch more on The HomeHappy Team



Buying a home is a big deal, so don't flounder alone.

The HomeHappy Team is a group of industry experts who will help find the best mortgage for you.

WHY USE THE HOMEHAPPY TEAM?

Consider This...

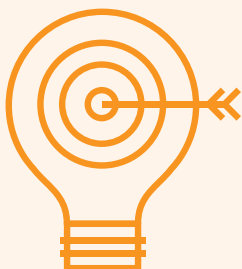
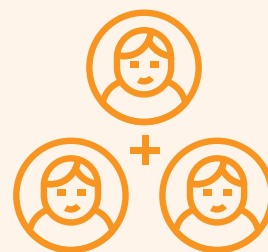


LENDING EXPERIENCE

We find the best solution every time. With over 70 years of combined lending experience, The HomeHappy Team knows the mortgage market inside and out, and we never leave you hanging — we're with you every step of the way.

THE TEAM APPROACH

We care about your experience, and an expert team is more effective than one broker. A jack of all trades is a master of none, that's why we each have specialized expertise. Together we get more done, so you're fully covered throughout the process.



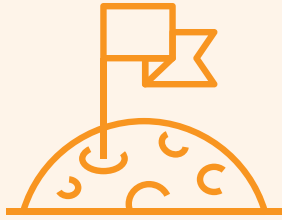
CONTINUING OUR EDUCATION AND TECHNOLOGY

We invest in us, so we have more to offer. Our team participates in ongoing training to hone our industry specific skills to provide you with the best value.

Our easy, smooth, and secure application process is intuitive and keeps your data safe. Our technology also adds vital efficiencies to get you approved faster.

WHY USE THE HOMEHAPPY TEAM?

Consider This...



THE DLC AND CME ADVANTAGE

Frankly, we offer deals others just can't. As the flagship of Dominion Lending Centres, lenders are motivated to keep us happy by offering their best rates and products. Another great advantage to using a large volume broker? We get hard deals done fast, so you can focus on what matters.

CLIENT SATISFACTION

We're a referral based business. We meet over 90% of our clients through someone we've already helped, and we want you to be so outrageously happy with our service you trust us enough to refer your friends and family too.



WHY USE A MORTGAGE EXPERT?



MORTGAGES MADE EASY. WE DO THE HARD WORK, SO YOU DON'T HAVE TO.

We work with you, ***supporting*** and ***informing*** throughout the process.



We evaluate ***your needs***, so you choose a loan with the ***right options and features*** -- there's more to consider than just the best rate.



We handle **all** the paperwork, and follow through so it's **hassle-free**.

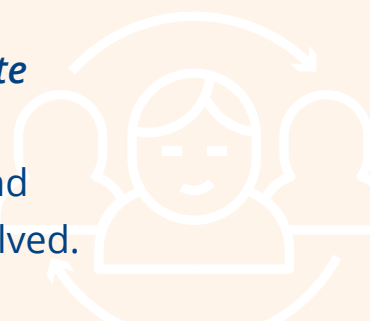
Our services are typically **free** because lenders pay us.



It's not a transactional relationship. We offer ***ongoing expert advice*** to ensure your mortgage ***always works for you***.

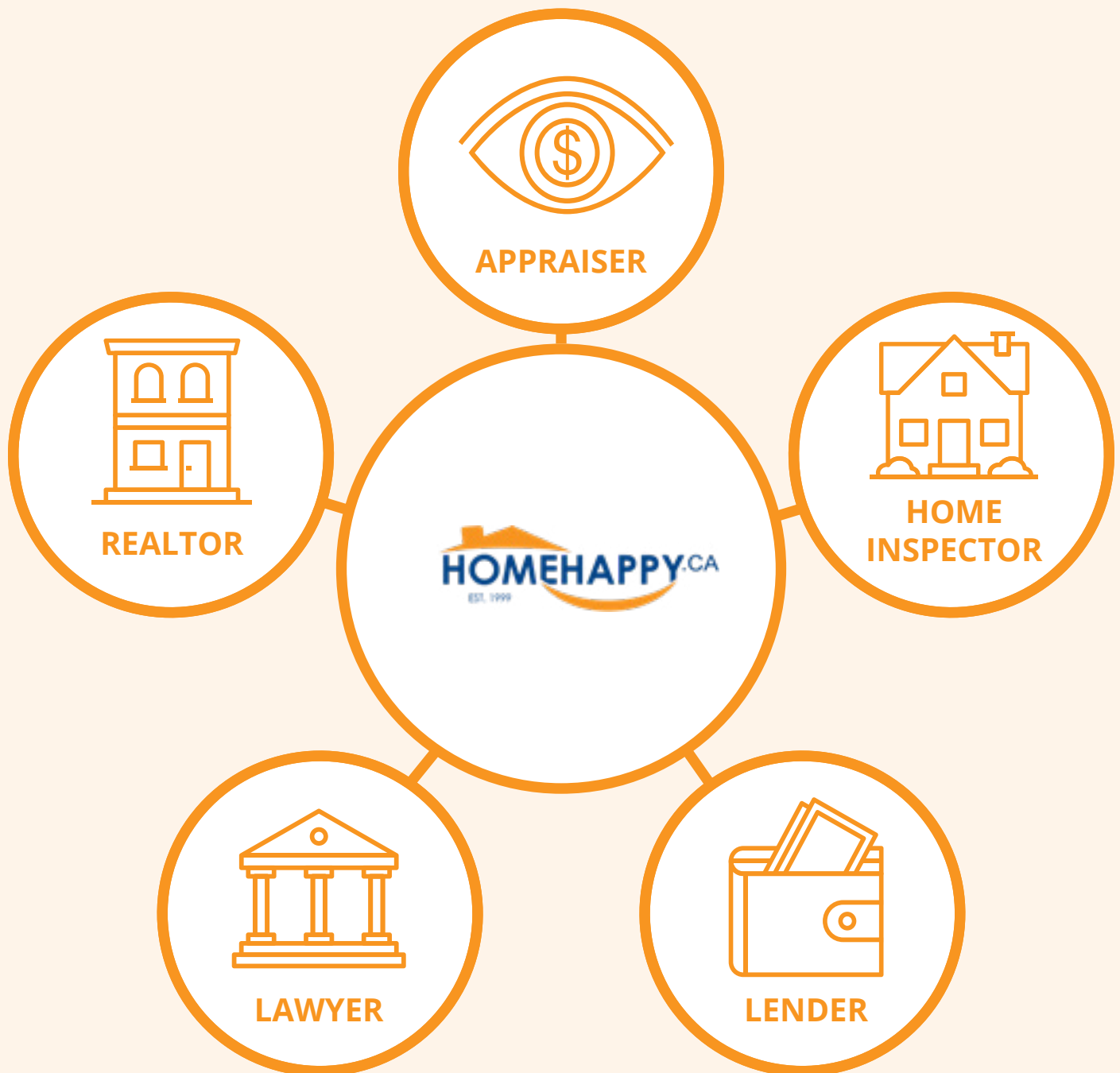
We calculate how much you can borrow, and your likely payments so you know your affordable price range.

We ***coordinate*** and ***communicate*** with the other professionals and institutions involved.



WHO IS ON YOUR TEAM?

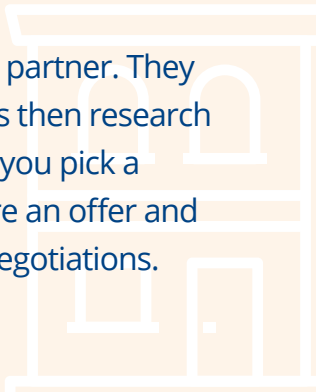
We organize the professionals you need, so you can focus on making a house a home.



YOUR SUPPORT TEAM

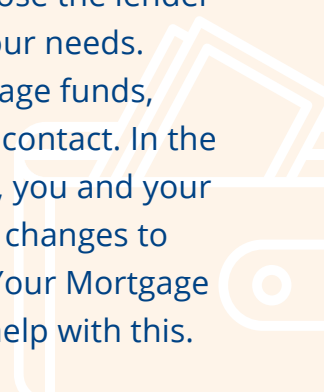
REALTOR

Your home buying partner. They assess your desires then research the market. When you pick a home, they prepare an offer and represent you in negotiations.



LENDER

We help you choose the lender that best suits your needs. After your mortgage funds, you'll have more contact. In the future, if desired, you and your lender can make changes to your mortgage. Your Mortgage Expert can also help with this.



INSURER

Mortgage insurance protects your lender against any losses incurred. If you have less than 20% of the property value as a down payment, we arrange this with your lender.



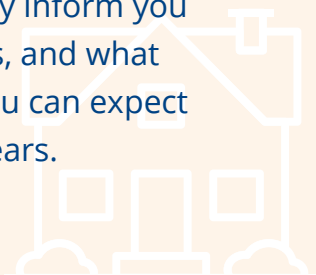
APPRAISER

Provides the lender a home's market value. The market value is what the home would sell for with reasonable exposure to a large number of buyers. If required, we arrange the appraisal.



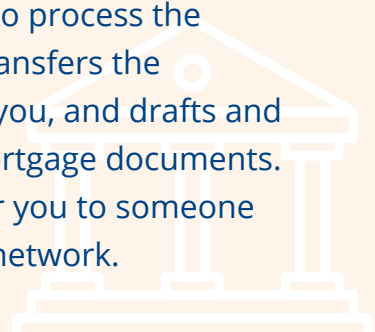
HOME INSPECTOR

Assesses your home construction. They inform you of needed repairs, and what type of repairs you can expect in the next few years.



LAWYER

Liaises with your lender and realtor to process the purchase, transfers the property to you, and drafts and registers mortgage documents. We can refer you to someone local in our network.



THE 9 STEP HOME BUYING PROCESS

1. PRE-APPROVAL



Speedy apps and pre-qualifying calculators are only estimates. When you pre-qualify, the lender acknowledges your likely approval. Without properly verifying and vetting your information, nothing is guaranteed.

Don't hang your future on uncertainties.

A pre-approval tells you how much you qualify for, so you only look at homes you can afford.

As licensed mortgage brokers, we personally review your application, and verify your documents. We spot potential issues, and get you on track. With that, we determine your maximum loan amount. You also receive a letter from the lender stating the amount you're approved to borrow.

Finally, you can house hunt with confidence with a locked in loan rate for up to 120 days.

3. OFFER IN AND ACCEPTED



Once you have an accepted offer, we'll get to work on the financing.

2. HOUSE HUNTING



With your price range, your realtor researches the market to find homes that fit your criteria.

4. LENDER, INSURER, APPRAISAL

We collect the required paperwork from you to liaise with the lender, insurer, and appraiser to get final financing approval.

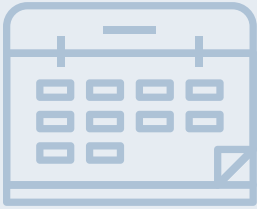


5. FIRM SALE

Once you meet financial criteria, we instruct you to remove the condition to financing with your realtor. Then you have a "firm sale". Now, we advise you on the necessary steps to provide your deposit, and send your paperwork to the lawyer. We instruct the lawyer, so you can focus on what comes next and get ready to celebrate.



THE 9 STEP HOME BUYING PROCESS



7. CLOSING DATE

The money is given to the sellers, and the property is transferred to you. Yay!

6. SIGNING YOUR PAPERWORK

You sign your paperwork 3 or 4 days before your closing or completion date. You choose the frequency you want to make your mortgage payments. Monthly, bi-weekly, or accelerated bi-weekly are most common.



8. MOVE IN

Usually your possession date comes a day after your closing date. Now you receive keys and can move into your new home.



9. FIRST MORTGAGE PAYMENT

Your payment comes out based on the frequency you chose. The first payment generally comes out 30 days after closing.



WHAT IF I NEED A CO-SIGNER?

Don't worry. If the lender asks for a co-signer when you apply for a mortgage, it doesn't mean you're being refused. You're close to approval, but the lender needs a bit more security that the loan will be paid on time without difficulty.

A lender asks for a co-signer when you lack either the appropriate credit or income required to service the loan. If it's a question of credit experience, you may lack the history or amount (credit cards, loans) to prove yourself. Or, your current debts are too large to debt service, but they believe you can pay those debts and the mortgage payment. If the concern is poor credit, time and responsibility is what the lender is looking for.

[Look at our 6 step guide to better credit for help.](#)



WHAT IS A CO-SIGNER?

Anyone (usually family) willing to guarantee your mortgage. If you default on the loan, the co-signer is required to make the payments.

There are two ways to be a co-signer, and each has pros and cons. A guarantor is only on the mortgage documents while a co-borrower goes on property title with the borrower. To determine what's best for your situation, seek independent legal advice.

HOW TO REMOVE A CO-SIGNER FROM YOUR MORTGAGE

When you feel ready to handle your mortgage solo, contact your lender to request co-signer removal. They check your information — like employment, income, and debt — to see if you qualify. If not, the co-signer remains until you do.



FEES AND CLOSING COSTS

WE WON'T HIDE BEHIND A MASK.

Our goal is to be as transparent as possible.

The HomeHappy Team arranges your mortgage free of charge. If in a difficult situation where clients don't meet standard mortgage approval guidelines, there may be a fee. That being said, we quote you up front, so you can decide what's best for you before we proceed.

Below we've outlined possible costs while in the mortgage approval process, so there's no surprises along the way. Informed buyers make the best choices.

We want to show you exactly what to expect.

| CLOSING COST | APPROX COST | THINGS TO CONSIDER: |
|---------------------------------------|--|--|
| GST (5%) | Calculate your cost here | Applicable to new home purchases only. |
| Legal Fees and Disbursements | \$1,200 | Lawyer or notary fees for legal transaction relating to purchase, mortgage registration and title. |
| Property Transfer Tax | Calculate your Tax here | Some exemptions apply for first time-home buyers and new builds. |
| APPRAISAL FEES | | |
| Adjustments (Property Tax and Strata) | TBD | You must reimburse the seller for any pre-paid taxes or fees. |
| Home Inspection Fee | \$275 | Optional but highly recommended to have an inspector evaluate the structure and condition of the property and identify any problems prior to purchase. |
| Title Insurance/Survey Fee | \$200+ | Survey shows where the house sits on the plot. Title insurance protects both the lender and home owner. (At lender's discretion.) |
| Home Insurance | TBD | Fire insurance is required for non strata homes while content insurance is optional. |
| Moving Expenses | \$500 + | |

WHAT IS CREDIT?

Swiping your card is easy, but you may be doing more damage than you realize.

WHAT IS A CREDIT SCORE?

More important than ever, your credit score evaluates your risk level as a borrower. Your score is generated by 2 main organizations: Equifax and TransUnion. A number between 300-900, it determines what rates and mortgage products lenders will offer. For example, the rate difference between a credit score of 680 and 720 could be as much as \$55 per month.

Do you know your Credit Score?



Check Your Credit Score with Equifax



Check Your Credit Score with Trans Union

Your credit score is fluid and always changing— a poor score isn't permanent. But it can take 3 to 6 months for the changes you make to reflect in your score. The sooner you start, the better.

Do you know how important your credit is when determining your:

- Ability to secure a mortgage?
- Ability to refinance your home?
- Eligible interest rate?

WHAT IS CREDIT?

What determines your score?

- How long you've had credit.
- History of repayment (whether or not you're on time matters).
- Credit mix. How many cards, loans, or lines of credit you have.
- Credit utilization -- basically, how reliant are you on non-cash funds.
- New credit. The number of recently opened accounts and hard inquiries made by lenders when you apply.

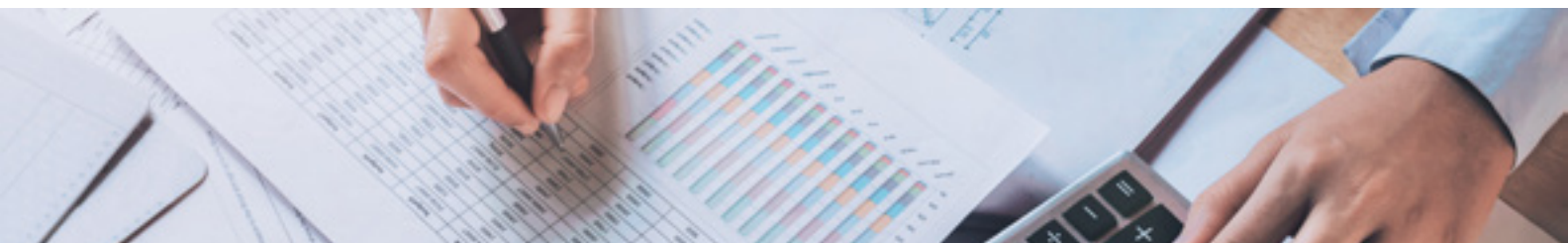
All your creditors report how much you owe, monthly payment, and whether you pay on time. The longer you have credit reporting to the credit bureau without late payments, the higher your score climbs.

Lenders want to see two forms of revolving credit, like credit cards, with limits above \$2,000, and a clean payment history for 2 years. A great credit score includes keeping the balance on your cards below 30% of the limit.

Important things to note:

Your utility bills, cell phone, gym membership, car insurance, etc don't give credit for timely payment. They only register on your credit report if you don't pay. If you want to dispute a charge, it could show as a collection and drastically lower your credit rating. It's better to pay the owed amount, and dispute your case afterwards.

Bankruptcy and Credit Counselling programs make it near impossible to qualify for a mortgage until you are done and reestablished new credit. If you are considering one of these options, don't rely only on your trustee's advice. Talk to us about how this will affect your ability to purchase a home.



6 SIMPLE SECRETS TO A BETTER CREDIT SCORE

*Here are 6 steps to improve your score, and get you back on track to great credit!**

1

Don't collect credit cards. Don't apply for too much credit at once. The credit bureau sees this as a sign of financial trouble.

2

The best way to improve your credit is to make payments on time. Late payments lower your credit score, especially on your credit card, mortgage, or car payment. Even if you only pay the interest, it keeps your score at a relatively decent level. If you can't make a payment, contact your lender before the due date to make alternate arrangements.

3

Never exceed your credit limit. Even going \$5 over could result in costly overage fees, and negatively impact your score.

4

Spread your spending. It's better to have 2 cards at 50% than 1 card nearly maxed. Lower card balances also saves you money on interest payments.

5

Don't close unused credit cards. If you have a low interest card you don't use, keep it open and use it periodically. Having a zero balance card actually improves a low score! It's also great to have a diverse credit mix to show lenders you can manage different types of credit.

6

Keep your accounts out of collections, and stay on top of bills. Setting up automatic payments is a great strategy to never miss due dates. Missed bill payments will cause the lender to send the credit to a collection agency, and it will stick on your credit history. This applies to parking tickets, cable bills, cell phones, and hydro too.



READ MORE TIPS ON OUR BLOG

WHY DO YOU NEED HOME INSURANCE TO GET A MORTGAGE?

If you are applying for a mortgage in order to purchase your home, your lender will require you to obtain house insurance before the closing date. Although making the mortgage payments is your responsibility, your lender has a stake in your property so making sure it is properly insured protects their investment.

HOME INSURANCE PROTECTS YOU FROM:

- Damage to your home
- Damage to your personal property
- Personal property stolen from your car
- Liability
- Accidental damage to someone else's property

We've partnered with Nuera Insurance, the highest rated Canadian Insurance Brokerage, to offer up to 60% in discounts, using our discount code (team@homehappy.ca).

nuera
INSURANCE



Get an instant **Home Insurance Quote** online

Use discount code: team@homehappy.ca

GET A QUOTE



WATCH TO LEARN MORE

MORTGAGE PROTECTION PLAN

PROTECTING YOUR MORTGAGE IS EASY AND IMPORTANT

Life is complicated — we can't predict the ups, downs, twists, or turns. Illness or death can happen to anyone, at any time. If your family has a major life changing event, would you be OK?

| ARE YOU SINGLE? | ARE YOU MARRIED? |
|--|--|
| "If something happens to you, can you get someone to make your mortgage payments for you?" | "What happens if you can't pay your mortgage? Is your spouse able to pay for you?" |

DID YOU ANSWER NO TO EITHER OF THOSE QUESTIONS?

Nearly 44% of Mortgage Protection Plan (MPP) claims are made in the first 2 years, and nearly half of mortgage foreclosures are due to medical problems.

Without protection you risk losing everything you've worked for. With today's high cost of living, it's more difficult to save than ever before. An unexpected death or illness can be financially devastating. The MPP was created as an affordable, simple, and convenient solution to secure your family's financial well-being in the event of death or disability.

An MPP is more affordable than you think. In fact, a typical couple can save thousands compared to buying a term life insurance policy. And MPP premiums don't automatically increase as you age. Insurance through work is only meant to cover income replacement, not pay out your entire mortgage and cover any associated penalties.

There's no reason to gamble — insure your mortgage now and cancel any time. Manulife's MPP will refund all your premiums if you find a better solution within their 60-day guarantee period (or even if you change your mind).

HOW AND WHEN DO I SIGN UP?

Once your mortgage is approved, we review your insurance options. This is when you decide to sign up for the Mortgage Protection Plan. If you do, you complete a standard form with some basic medical questions. Each application is underwritten immediately, so you know if you're approved or not.

Can you afford NOT to insure the biggest investment of your life? Talk to us about MPP today!

THE PITFALLS OF RATE SHOPPING

You could be damaging your credit

RATE SHOPPING IS DANGEROUS TO YOUR CREDIT SCORE — THE MORE YOU SHOP, THE MORE IT DROPS.

Gone are the days when talking to three banks meant a better deal. In fact, those three banks could torpedo your credit score — a major factor in getting a great deal. Applying to different lenders also runs the risk that one application may not perfectly match the others. This can raise flags with lenders and high ratio insurers who may suspect fraudulent activity, blocking you from getting financing altogether.

If you're looking to buy a home, you know that the more competitive a mortgage rate you snag, the more affordable your home is. It pays to shop around with different mortgage lenders because they have different borrowing requirements and weigh things differently. Unfortunately, each application results in a lender performing a hard inquiry on your credit history to ensure you're a responsible, trusted borrower. Hard inquiries stay on your credit report for up to 36 months. A single hard inquiry shouldn't do a lot of damage. But when you shop around, each hard inquiry stacks and causes a lot more.



THE PITFALLS OF RATE SHOPPING

The best way to get a great deal with zero consequences is to go to a reputable, well-established Mortgage Expert -- like The HomeHappy Team. We've been around a long time, have strong lender relationships, and large volumes of business.

With one application and one credit inquiry, we have access to all our lenders and can get the best deal without endangering your credit score or landing you on a possible fraud list.

It also saves you time.

We help you avoid common mistakes, and use our experience to ensure your mortgage plan meets your needs, both now and down the road, by giving you subjective expert advice.

Talk to us to protect your credit, and walk away with the best deal.



VARIABLE RATE PROTECTION PLAN

Protect your wallet, secure the future.

WHAT IS THE RATE HOLD PROGRAM?

A variable interest rate mortgage product can go up whenever the Bank of Canada chooses to raise the Prime Rate. With our Variable Rate Protection Plan we watch the mortgage market for any sign of upward pressure, and when it looks volatile we 'lock in' the best possible Fixed Rate for 120 days. At that time you choose whether to lock in with your current lender for free, or take a chance that it's a temporary blip and keep floating. With our plan you get 120 days to decide.

HOW DOES IT WORK?

Fixed Rates fluctuate and the banks want everyone locked into one so they can profit. We want to ensure when you give up your Variable Rate Mortgage for a Fixed one, it's at the right time. With this plan we contact you when there's sufficient time left, and let you decide. Saving you both money and stress.

WHY DON'T I JUST CALL THE BANKS?

Simply put, they won't arrange this. Banks won't hold any other mortgage products for you, or keep track of the market for you the way we do. The difference between us is we're here to help you before, during, and after your mortgage. We're on your side.

WHAT'S MY NEXT STEP?

Really easy! Let us know what your preferred Fixed Rate term is, and we'll establish the Variable Rate Protection Plan. Yes, it's that simple.

Let us know if you want to take advantage of this program!

**WHAT'S THE
DIFFERENCE
BETWEEN
A FIXED OR
VARIABLE
RATE?**

PURCHASE PLUS IMPROVEMENTS MORTGAGE

4 Reasons to Buy Today

Have you found a great home that's almost perfect? All it needs is a fresh coat of paint? Some new floors? Or perhaps an enclosed garage? No problem! The Purchase Plus Improvements Mortgage was designed to turn a great home into your dream home.

YOUR NEW HOME YOUR WAY

This product allows you to see a property differently, you can imagine it exactly how you want it, before moving in.

INCREASE YOUR PROPERTY VALUE NOW

Renovations up front mean your home is already worth more than you paid for it! Plus you get to enjoy the benefits right away.

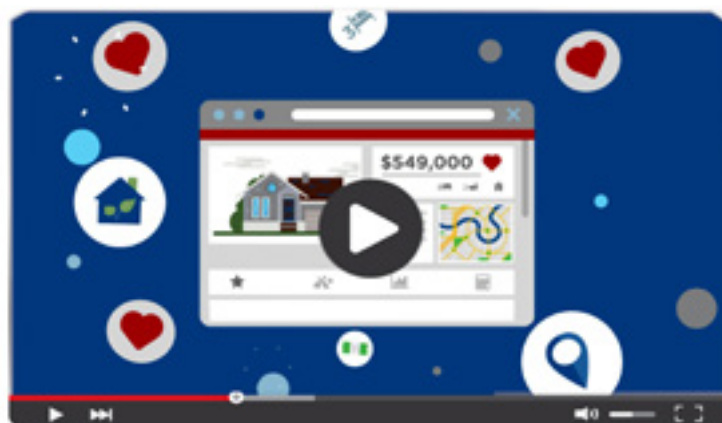
THE CHEAPEST WAY TO RENOVATE

Fixing a home on your Credit Card or Line of Credit can get expensive fast. Bundling the cost with your mortgage keeps it at the lowest rate you can borrow money...your mortgage rate.

MORE LISTINGS TO FIT YOUR NEEDS

With the ability to renovate, more homes may fit your budget. Less expensive homes are perfect for this program because you save on purchase price, and create your dream home all at once. Imagine the possibilities.

Contact us to take advantage of this product!!



Watch This Video to Learn more

A close-up photograph of a hand holding a set of keys. The keys are attached to a wooden keychain shaped like a house. Another hand is reaching up towards the keys. The background is a blurred brick wall. The text "So you have a Mortgage.... now what?" is overlaid on the image.

So you have
a Mortgage....
now what?

AFTER CLOSING MORTGAGE MAINTENANCE

There will be many milestones in the next 5-35 years – and we want to be there for all of them! As these questions arise, don't hesitate to reach out for tips and strategies.

WANT TO PAY OFF YOUR MORTGAGE FASTER?

Lump sum payments are an option. Though lenders all have different rules -- how much you can pay, and when you're allowed to. Let us know if you're considering a lump sum payment so we can assess your situation, and assist you through the process. Checking with us first helps avoid costly mistakes, and find the right strategy for you.

WANT TO TAKE ADVANTAGE OF THE LATEST LOW RATE?

Rates change, and we're currently at a historic low. When they drop, we want you to be the first to know! If you're on a fixed rate mortgage, we'll calculate your penalty vs your savings at the latest rate. Stay in touch to ensure you always have the best rate possible.

WHAT IF YOUR DEBT IS PILING UP?

Are your credit cards, loans, and other debts stacking? Get in touch with us to consolidate your payments, and help you pay down your debt faster. Other debt-consolidation programs will affect your rate and terms when your mortgage comes up for renewal. Call us instead! Get a handle on your finances, without the nasty consequences.

KNOW SOMEONE WE CAN HELP?

Did you enjoy working with us? We'd love to offer them the same great service. We don't advertise or solicit ourselves through 3rd parties -- over 90% of our business comes from clients introducing us to their friends and family. No matter where they are in their home buying journey, we can help!

AFTER CLOSING MORTGAGE MAINTENANCE

STAY IN CONTACT & ANNUAL CHECK UP

We have a monthly newsletter with market updates. Sign up online to get the latest information right in your inbox. Newsletters not your thing? Follow us on [Facebook](#) to stay current.

REFINANCING

Refinancing is the process of obtaining a new mortgage to: take cash out of your home for large purchases; lower your interest rates; reduce monthly payments; and debt consolidation. Please keep reading to discover more about refinancing.



REFINANCING 101

WHAT IS REFINANCING?

Refinancing replaces your existing mortgage with a new one that pays off the remaining debt of the first, and could provide you with better rates and lower monthly payments.

OBTAIN A NEW MORTGAGE TO:

1

Take cash out of your home for large purchases

2

Lower your interest rates

3

Reduce monthly payments

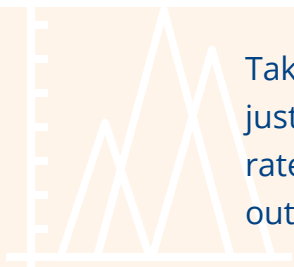
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Debt consolidations



REFINANCING 101

WHAT IS REFINANCING?



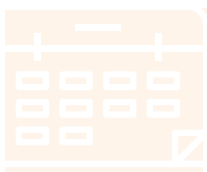
Take advantage of low interest rates. Don't let penalties deter you, just let us crunch the numbers first. Breaking your contract for a lower rate can save you money, depending on the penalty and size of your outstanding mortgage.



Access equity (cash) in your home to make large purchases or cover the occasional expenses that arise as a homeowner, like upgrading your kitchen or replacing your roof. Your home equity has a better interest rate than a personal loan.



Consolidate debt. If you have enough equity, you can pay off high-interest debt through a refinance. However, it's important to discuss with us to ensure penalties and administration costs don't outweigh your savings.



Change amortization period (the time it takes to pay off your mortgage).



Change your mortgage to a Fixed or Variable product.



REFINANCING 101

METHODS OF REFINANCING

NEW MORTGAGE

Break your existing mortgage contract early and obtain a new one with either the same or a new lender. This allows you to access up to 80% of your home's value. There is a penalty to break your current mortgage, administration, and legal fees to consider.

HELOC

Add a home equity line of credit (HELOC). This gives you discretionary access to your home's equity (between 65-80% of its appraised value). You're responsible for monthly interest only payments on the outstanding balance, so this is best suited to disciplined people. There's no penalty, so it can be a good way to finance a project without modifying your mortgage.

BLEND & EXTEND

Blend and extend your existing mortgage. Your mortgage lender may offer you a 'blended rate', which blends your current mortgage rate plus any additional money you borrow at current market rates. Blended rates are usually higher than competitive mortgage rates, so compare the blended rate against the savings if you break your mortgage.

1 in 6 people will refinance this year, and many will choose the wrong financing for them. We can evaluate your options and save you trouble.



**READ MORE
ON OUR BLOG**

WHAT ARE THE COSTS OF REFINANCING?

The cost to refinance your mortgage depends on your strategy. There are always legal costs as a lawyer must change the financing on title. And there are possible penalties if you pay down your mortgage before the term due date. It's important to talk to us to ensure the penalty and administration costs don't outweigh the potential savings. We can run the numbers to make sure it makes sense for you.

How the math works out:

COST OF REFINANCING

| ITEM: | COST: |
|-----------------|---|
| Legal Fees | \$600 to \$800 |
| Title Insurance | \$100 to \$200 <i>*Not always applicable</i> |
| Penalty | 3 Months Interest or IRD* |

**IRD: Interest rate differential penalty. Talk to your Mortgage Expert to discuss how your current mortgage will be affected.*

PENALTIES

WHY DO YOU PAY A PENALTY?

A mortgage locks you into a contract term, and if you break it early your lender loses revenue. You pay a penalty so they can recoup some of their losses before releasing the contract.

Lender penalties can get expensive. We know the costs, and can help you crunch the numbers and look at all of your options.

PENALTY TYPES

1

VARIABLE RATE PENALTY (MOST CASES)

3 Month Interest Penalty

*Mortgage Balance * Current Rate / 12 * 3*

2

CLOSED FIXED RATE PENALTY

3 Month Interest Penalty

*Mortgage Balance * Current Rate / 12 * 3*

Or Interest Rate Differential (IRD)

This varies from lender to lender

PENALTIES

TYPES OF PENALTIES

Penalties depend on whether you are in a Fixed or Variable Rate mortgage, and how your lender calculates them. If you are locked into a Fixed Rate you may be charged an Interest Rate Differential (IRD) or 3 month interest penalty. Unfortunately, you pay whichever one is greater.

Your Lender typically uses 2 interest rates to calculate an IRD, and the difference between these amounts is the IRD. They make the calculations for the first rate with either your current or discounted rate outlined in your mortgage contract, or with the posted interest rate when you signed your contract. Your lender then uses a second interest rate with either the current posted rate for a term with a similar length, or the current posted rate for a term with a similar length minus your originally offered discount.

Your lender determines how to crunch the numbers, so this can all get rather tricky. There are many factors at play.

The brass tacks -- we break it down, so you save more.

If you break your contract, you pay. That's why talking to us is so important. Choosing the right mortgage in the first place could save you well over \$10,000 by avoiding penalties.

IRD's are extremely complex and the calculations vary between lenders, so save yourself the trouble and let us sort it out.

FINAL THOUGHTS

Look, mortgages are a complicated subject, but The HomeHappy Team can make them easy. Life has enough stress as is, and frankly, you don't need more on your plate. Let us take the hard work and hassle so you don't have to. My team's got this.

I work for you, and with a variety of lenders. With one application, you get multiple great options. I get lenders to compete for your business so you always get the best rates and terms. A transparent confidant and advisor, I'll always be there to explain next steps and answer your questions.

I coordinate everyone involved throughout the entire process, and make all the necessary arrangements. With my team by your side, it's never been easier to own your own home, consolidate debt, or refinance.

The best part? My professional service is free. When an institutional lender funds your mortgage, they pay me. You benefit on their dime, and your best interests are our top priority.

While I mainly work through phone and email, I'm flexible and can make in-person appointments throughout the GVRD. If you have questions, need assistance, or know anyone I can help, feel free to reach out.

I'm always happy to lend an ear, and simplify your life.

Sincerely,

Michael Anthony Lloyd

MICHAEL ANTHONY LLOYD & THE HOMEHAPPY TEAM