



WHAT SHOULD I BE DOING WITH MY MORTGAGE IN TODAY'S FINANCIAL ENVIRONMENT?

CURRENT VARIABLE RATE/FIXED TERM BORROWER

- The Bank of Canada Prime lending rate has been reducing so stay the course for now!
- Because of the above, mortgage lenders have reduced their own prime lending rate
- The Bank of Canada may again reduce the prime lending rate in the future

CURRENT FIXED RATE/FIXED TERM BORROWER

- Fixed rates are currently moving higher due to higher bond yields
- Stay the course-allow time for the bond market to find its level. When it does, fixed rates will most likely be reduced
- Once the current environment is behind us, we may see enhanced rate competition

NEW/RENEWING BORROWER

- Ensure flexibility above all else-maybe consider a variable rate mortgage or a short fixed rate term
- Variable rate mortgages can be converted to a fixed rate at any time and generally have no penalty to convert
- I can compare the overall costs of fixed rate mortgages to variable rate mortgages and the results may surprise you!

PAYMENT CHALLENGED BORROWER

- Cash-flow is most important here
- Consider refinancing your current mortgage-but only if it improves your cash-flow
- Do not wait until your mortgage and other bills fall into arrears to call me!