mortgage number
2469962

I. PREPAYMENT TERMS AND CONDITIONS

Prepayment Charges – Paying off your mortgage before the maturity date.

You may prepay some, or the entire mortgage early, based on the type of mortgage you have. If we later agree to change or extend the terms of the loan, these prepayment conditions do not apply to the new renewal or extended term. To determine whether the **Closed, Open, or Flexible Prepayment** terms below apply to the term of your mortgage loan, please refer to the Prepayment Type shown in the "Term" section of this statement.

Miss-a-Payment® Option

You may miss any scheduled payment, as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot, however, miss your payment for Loss of Life Protection, Health Crisis Protection and/or Mortgage Disability Protection premium(s), if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular mortgage payments.

Prepayment Privilege - Closed Prepayment Type

If you have a closed mortgage and your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the three ways listed in the following chart. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12-month period starting on the Term Start Date or the anniversary of that date. If your mortgage term is less than 12 months, these options are available during the term.

PREPAYMENT OPTIONS

How	When	What it means
1 *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year	your principal mortgage balance will be reduced by that amount
2. *by paying one or more additional amounts up to a total of 15% of the original principal amount ** of your mortgage	at any time during each anniversary year (excluding day prepaid in full)	
3. by increasing your regular mortgage payment by up to 15% of the principal and interest payment originally set for the term of the mortgage	once each year of the term of your mortgage	

* Only items 1 & 2 qualify for the *Miss-a-Payment* option

**This is the principal amount when your mortgage was first entered into with us or, where your mortgage has been assigned to us from another lender, the principal amount that was outstanding at the time of the assignment.

Prepayment Charge

When you prepay some, or the entire principal of your mortgage, you will incur prepayment charges unless the partial prepayment is in accordance with the prepayment options chart above. The cost to pay off some, or the entire principal amount of your mortgage early, is the **higher** of **(A)** or **(B)**:

(A) *3 months' interest costs* at the mortgage rate on the amount you want to pre-pay.

(B) *the interest rate differential*. This means the difference between your existing mortgage interest rate and the interest rate currently charged for a mortgage similar to yours for the remaining term of the loan. (This is, our current posted interest rate for a fixed rate closed term mortgage with a term that is closest to the remaining term of your existing mortgage, less any rate discount you received on your existing mortgage). The cost is calculated on the amount you wish to prepay.

If your term is greater than 5 years, and you prepay some or the entire principal amount of your mortgage after the 5th year, the maximum cost to prepay is (A) above.

If you received a cashback with your mortgage, the cashback amount will be repayable as outlined below under the heading *Cashback*.

Flexible Prepayment Type

In addition to the Closed Prepayment Type options and charges outlined above, if you have a flexible mortgage you may early renew your mortgage into a fixed rate closed term of one year or longer without a prepayment charge.

Open Prepayment Type

If you have an open mortgage and you payoff your entire mortgage within the 1st year from the Term Start Date, you will be charged an administration fee of $200. Otherwise, if all your mortgage payments are up to date, you can pay off some, or the entire principal amount owing, at any time without the administration fee or any prepayment charges.

Cashback

If you receive a cashback with your mortgage, the cashback amount will be repayable if your mortgage loan does not remain outstanding with us for the full term. If your mortgage is partially prepaid, paid off in full, transferred, assumed, or renewed prior to expiry of the term, the cashback amount will appear as payable in any discharge or early renewal statement and will be calculated on an even, prorated basis using the following formula;

$$\text{Cashback Repayment} = \frac{\text{Remaining Term in months (rounded up)}}{\text{Original Term in months}} \times \text{Cashback Amount Received}$$

Portable Mortgage/Blended Rate

If you have a closed fixed rate mortgage, you may transfer your existing mortgage loan balance and the remaining term to a new home or you may combine your existing loan balance with an additional amount and extend your term. The interest rate on the new loan will be a blending of the rate you were paying on the amount transferred from your existing loan and the rate applicable to the extended term of the new loan and the additional amount. You must apply for a new mortgage and meet all our normal qualifications as if you were applying for any other new mortgage.

Prepayment Charge Reduction

If you payoff your entire mortgage early and concurrently provide us with a qualifying replacement mortgage, you may qualify for a prepayment charge reduction. Your Servicing Branch will review the details with you.