



#### **PRE-PAYMENT FEE CALCULATIONS**

##### **3 Months Interest (3 MI) Fee**

A 3 month interest fee is the amount of interest calculated at your current interest rate, on your remaining mortgage balance on the date of prepayment.

##### **Interest Rate Differential (IRD) Fee**

An interest rate differential fee is an amount of interest, calculated at your Current Interest Rate, that exceeds an amount of interest calculated using the lender's "reinvestment rate". The time period used to calculate these interest amounts, being a factor in the calculation, will be the period of time between the prepayment date and the maturity date of your mortgage term.

*\*The reinvestment rate is the interest rate that is the lowest currently advertised rate disclosed by the lender, on a mortgage term equivalent to the remaining time on your current mortgage term, and for a mortgage product similar to your own. More details regarding how the reinvestment rate is selected can be found in the standard charge terms of your mortgage.*

##### **Per Diem Fee**

A per diem interest fee is a daily amount of interest, and depending on the mortgage terms, the per-diem prepayment charge is calculated when there is less than three months left in your remaining term.

#### **FACTORS THAT COULD CAUSE PREPAYMENT CHARGES TO CHANGE OVER TIME**

Prepayment charges may change as a result of:

**Changes in rates:** Changes to the First National Prime Rate will affect adjustable rate mortgages.

**Passing of an anniversary year:** With the passing of an anniversary year, a different rate is used to calculate the IRD. For mortgages with terms greater than 5 years, after the fifth year, the prepayment fee is calculated using a 3 months interest charge.

**Increase in the mortgage balance:** This could occur as a result of unpaid mortgage payments or items being capped to the mortgage.

#### **CALCULATIONS ON A SECOND MORTGAGE/CHARGE**

Because you are entitled, at any time to prepay the whole or part of the indebtedness then outstanding under your second mortgage/charge without notice or bonus, there is no Prepayment Fee owing in connection with a prepayment prior to the end of your term.

#### **FACTORS THAT COULD CAUSE THIS STATEMENT TO CHANGE OVER TIME ON A SECOND MORTGAGE/CHARGE**

Amounts set out on this statement for your second mortgage/charge may change as a result of:

**Changes in rates:** Changes to the First National Prime Rate will affect adjustable rate mortgages.

**Increase in the mortgage balance:** This could occur as a result of unpaid mortgage payments or other items being added or capitalized to, or otherwise consolidated with the indebtedness owing under the mortgage.