

PRE-AUTHORIZED DEBIT (PAD) ACCOUNT AGREEMENT

In this **PAD Agreement**, "**you**" and "**your**" mean each person who signs this agreement as borrower and co-borrower, and "**we**", "**our**" and "**us**" mean The Bank of Nova Scotia, Scotia Mortgage Corporation and, as appropriate, any of our subsidiaries. "**Loan(s)**" means mortgage loan(s) listed in the Commitment Letter issued in connection with the application number referenced above.

At least one of the borrowers on the loan must be an account holder on the account being debited.

Borrower	Co-borrower	Co-borrower
Pre-Authorized Debit (PAD) Account		
Transit Number	Bank Number	Bank Account Number

Please provide us with a cheque marked VOID drawn on the PAD Account listed above.

By signing this PAD Agreement, you are authorizing us to debit the PAD Account you have designated in this form for your payment, including any tax payment, and any costs, service charges and fees set out in any documents related to the Loan(s) (as amended from time to time) at this or another Financial Institution. For mortgage loans, we may deduct interest from the date of the first advance until the term start date (Interest Adjustment Date) at which time regular repayment will commence.

The frequency of withdrawals from your PAD Account will be as set out in the documents related to your Loan(s), as amended from time to time.

If you are enrolled in Scotia Mortgage Protection insurance, your Mortgage Protection insurance premium will be debited from the same account and with the same frequency as your Loan payment if you have been advised accordingly.

The debits charged to your PAD Account are considered to be personal pre-authorized debits.

When you give us this authorization to debit your PAD Account, it is the same as delivering a notice to your Financial Institution where you maintain your PAD Account. Your Financial Institution will debit the PAD Account you specify in the same manner as if you had given written instructions.

The Financial Institution listed will not check if the debit was in accordance with this authorization nor verify that we have fulfilled the purpose of the debit as a condition to honouring the debit.

You agree that any renewal, amendment or adjustment of the Loan(s), Scotia Mortgage Protection insurance, any adjustment in the amount required to pay your property taxes for the Loan(s) and/or any applicable service charges and fees set out in your any documents related to your Loan will result in an automatic adjustment of the payment amount and you authorize us to debit your PAD Account in such adjusted amount(s).

Cancellation of Agreement

The authorization applies only to the method of payment and does not have any bearing on your obligations under your Loan(s). You may cancel this payment method at any time by providing us with no less than 30 days written notice. You may obtain a sample cancellation form or further information on your right to cancel this PAD Agreement at your Financial Institution where you maintain your PAD Account or by visiting www.cdnpay.ca. Termination of this authorization does not eliminate your obligation to make payments to us. This authorization will continue until you cancel it. The amount of each debit received by us will be credited against the outstanding balance of the Loan(s), your Mortgage Protection insurance premium (if applicable) and any applicable costs, service charges and fees.

Account Information

You are responsible for letting us know if there are any changes to the PAD Account information of this pre-authorized debit. Changes must be submitted to us in writing. You will provide us with another authorization if this is required.

Insufficient Funds

We are not responsible to notify you if the pre-authorized payment was reversed due to insufficient funds or changes in the PAD Account status (even if we choose to do so). You are responsible for any charges that arise from this situation and to ensure that the required payment is made through an alternative method. For any mortgage Loan or Scotia Mortgage Protection insurance, when the PAD Account is held at another Financial Institution, you must contact us to continue the pre-authorized payment arrangement if any pre-authorized payment is reversed. For any Scotia Plan, when the PAD Account is held at another Financial



Institution and any pre-authorized payment is reversed, you must make arrangements with us to cover the amount of the reversed payment. However, we will continue the pre-authorized payment arrangement for the subsequent payments. If a mortgage Loan is in arrears for more than 60 days, we will discontinue the pre-authorized payments for the Scotia Mortgage Protection insurance premium(s) for that mortgage Loan, however we may continue to debit your PAD Account for your Loan payment, including any tax payment, and any costs, service charges and fees.

Right of Reimbursement

Debits charged to the PAD Account and Financial Institution you specified under this PAD Agreement will be reimbursed, if, within 90 days after the date of the debit, you provide the applicable branch of the specified Financial Institution with a declaration in which you declare that:

- the debit was not drawn in accordance with this PAD Agreement
- the authorization was cancelled by you on notice to Scotiabank before the debit was made; or
- you did not authorize the debit.

You have certain recourse rights if any debit does not comply with the PAD Agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD Agreement. To obtain more information on your recourse rights, you may contact Scotiabank at 1-800-4SCOTIA (472-6842) or visit www.cdnpay.ca.

Authority to Debit Account

You warrant that all persons whose signatures are required to sign on the PAD Account have signed this PAD Agreement.

By signing below, you waive your right to prior notice of the payment amount and payment date for the initial debit as well as prior notice of any adjustment of the payment amount or change to the payment date, subject to applicable law.

You may contact us at your servicing branch to provide notices, make enquiries, obtain information or seek recourse with respect to any debits under this authorization.

This PAD Agreement replaced any prior pre-authorized payment agreement you have provided in connection with the Loan(s).

Date:

Borrower Signature

Co-Borrower Signature

Co-Borrower Signature