HSBC

HSBC Bank Canada

EARLY RENEWAL AGREEMENT AND COST OF BORROWING DISCLOSURE STATEMENT

06JAN2017

Introduction

This Early Renewal Agreement and Cost of Borrowing Disclosure Statement (this **Agreement**) contains important legal terms. It sets out:

- the steps you must take to early renew your mortgage loan with us
- the cost of borrowing of your mortgage loan for the new term
- amendments to the terms and conditions of your mortgage loan after early renewal.

Some capitalized words are defined in this Agreement.

Borrower(s)	**Borrower(s)**
MR QIAN LIU 9395 RUE DE ROISSY BROSSARD QC J4X3A1	
Covenantor(s)	**Covenantor(s)**

HSBC is pleased to offer to early renew your mortgage loan as set out in this Agreement.

Tiered mortgages

If you have a tiered mortgage loan, this Agreement applies only to one tier. In this Agreement, "mortgage loan" refers to the tier of your mortgage loan described in Step 1 of this Agreement.

How to early renew your mortgage loan

If you decide to early renew your mortgage loan, please complete the following steps:

Step 1 – Review your current mortgage loan details.

Step 2 – Decide if you would like to make a lump sum payment on early renewal. If you make a lump sum payment you may be required to pay a prepayment charge.

Step 3 – Review any prepayment charge that may be payable as a result of your early renewal or lump sum payment.

Step 4 – Review this Agreement outlining additional terms and conditions, and have all parties who signed the original mortgage loan agreement (including any covenantors) sign and date this Agreement, and return it to us.

Deadline for returning this signed Agreement

To allow us to process your early renewal, please complete all the renewal steps and make sure that your payments are up to date and we receive the completed Agreement **prior** to 17JAN2017.

We want to thank you for your business. If you have any questions about your mortgage loan, please call your branch or contact us at 1-888-310-HSBC (4722).

STEP 1 – Review the details of your Current Mortgage Loan

This summarizes key information about your current mortgage loan (the **Current Mortgage Loan**).

Mortgage Account Number: 021-170118-800

Mortgaged Property:

3 022 164

QC

9395 ROISSY RUE J4X3A1

BROSSARD QC

Mortgage Rank: First

Type of Mortgage: Variable Rate

Closed Term

Equity Power Mortgage

Installment Payment Amount: $480.17

Current Maturity Date: 20FEB2017

Last Installment Payment Date: 23JAN2017

Term: 60M

Payment Frequency: BI-WEEKLY

Remaining Amortization Period at Projected Early Renewal Date*: 241M
(how long it will take or the maximum time we will allow you to pay the mortgage loan back if we agree to renew your mortgage loan)

Projected Balance Owing on Projected Early Renewal Date*: $195800.58

* These figures assume:

- The current annual interest rate and installment payments remain the same including for the amortization period;
- You do not make any extra or increased payments or other changes to your mortgage loan; and
- You make all payments on time.

STEP 2 – Lump Sum Payment on Early Renewal (Optional)

You can make a lump sum payment to the principal amount of your mortgage loan at renewal which may be subject to a prepayment charge. If you plan to make a lump sum payment, complete this section.

☐ **YES, please apply a payment of $_______________ to my principal amount.** This payment will reduce the principal amount of your renewed mortgage loan.

Method of lump sum payment (choose one)

☐ Debit account no. ____________________

☐ Cheque included

Payments and amortization resulting from the lump sum payment (choose one)

☐ Please keep the same installment payment for the term of the renewed mortgage. We will confirm the amortization after the lump sum payment is made.

Or

☐ Please lower the installment payments based on the Remaining Amortization Period at the Projected Early Renewal Date (stated in Step 1). We will confirm the new payment amount after the lump sum payment is made.

Please note: If you do not select one of these two options, we assume you wish to lower your installment payments and keep the same amortization.

STEP 3 – Review Prepayment Charges that may be payable

You may be required to pay a prepayment charge unless one of the following circumstances exists:

- [ ] Your current mortgage is an open mortgage
- [x] Your current mortgage is a variable rate closed mortgage and it is after the first 3 years of its term
- [ ] The early renewal rate is a blended interest rate based on a weighted average of the annual interest rate of your current mortgage loan and the current posted or negotiated rate
- [ ] You are converting a 6 month closed, fixed rate mortgage loan to a closed, fixed rate mortgage loan with a longer term
- [ ] You are converting a closed, variable rate mortgage loan to a closed, fixed rate mortgage loan with a term that is the same as or longer than the term left on your variable rate mortgage loan
- [ ] The maturity date of your current mortgage loan is within 120 days

If none of the above circumstances exists, you are required to pay a prepayment charge of $ 0.

If you are making a lump sum payment that is more than the early payment options allowed under your mortgage loan, you are required to pay a prepayment charge of $ 0.

Please refer to the Mortgage Account Payout Statement or the Mortgage Account Prepayment Statement.

STEP 4 – Review and Sign this Agreement

1. General Information about this Agreement

definitions: how we use certain expressions in the Agreement

"This Agreement" is defined on the first page.

"You" and "yours" refer to each of the borrowers and the covenantors (if any) who sign this Agreement. This includes their successors and assigns. A covenantor is someone who agrees to be bound to the terms of this Agreement including repaying the mortgage loan, but may not receive the benefit from the mortgage loan proceeds. An assign is someone you transfer the mortgage loan, Mortgage and/or mortgage property to.

"We," "our," and "us" refer to HSBC Bank Canada and its successors and assigns.

"Posted Rates" refers to our published annual interest rates for residential mortgages in Canada (not special offers, rate sales or rate reductions), which you can find at any HSBC branch or at hsbc.ca. A statement of any of our managers shall be conclusive evidence of our Posted Rate.

"Prime Rate" refers to our floating annual interest rate used as a reference for determining interest rates on loans in Canadian dollars in Canada. You can find our Prime Rate at any HSBC branch or at hsbc.ca. A statement of any of our managers shall be conclusive evidence of our Prime Rate.

"Current Mortgage Loan" is defined on the second page of this Agreement.

"Early Renewal Date" refers to the effective date of the early renewal and is the date this Agreement (including the new term) will begin.

"Existing Agreement" refers to the existing Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement, which may have been amended by a payment option change or any of the following agreements:

- Mortgage Renewal Agreement
- Early Renewal Agreement
- Conversion Agreement

"Mortgage" refers to the collateral mortgage or standard charge mortgage that is registered against the mortgaged property and that secures your mortgage loan.

when your new term starts	The projected Early Renewal Date is 23JAN2017 and this is when your new term will begin. The date of your mortgage loan once renewed is considered to be the Early Renewal Date. All of your rights under your Existing Agreement remain in effect until the Early Renewal Date.
effect of this Agreement	This Agreement amends your Existing Agreement, and the terms of this Agreement become part of the Existing Agreement (which as amended is called the **Mortgage Loan Agreement**). The Existing Agreement remains unchanged and in effect except as amended by this Agreement. If there is any inconsistency between this Agreement and the Existing Agreement, this Agreement governs. Nothing in this Agreement is meant to affect our rights or remedies related to: • the mortgaged property or any security for the mortgage loan • any other person who is not a party to this Agreement (including any original or previous borrower, covenantor, guarantor, surety and anyone holding an encumbrance or interest in the mortgaged property).

2. Term and Amortization

mortgage loan term	24 months. This is the term of your mortgage loan after you renew early.
maturity date	21JAN2019 This is the date the new term of your mortgage loan ends. At that time, we may offer to renew your mortgage loan for another term. If we do not offer to renew your mortgage loan, you must repay your mortgage loan in full.
amortization period	241 months. This is the time we estimate it will take or the maximum time we will allow you to pay off your mortgage loan in full. To estimate, we assume: • the annual interest rate and installment payments remain the same for the amortization period • you do not make any extra or increased payments or other changes to your mortgage loan • you make all payments on time The amortization period will be shorter if you make additional or increased payments or if the annual interest rate on your mortgage loan decreases. It may be longer if the annual interest rate on your mortgage loan increases. Your annual interest rate may increase or decrease if you have a variable rate mortgage and the Prime Rate changes or if you renew your mortgage.

3. Interest and Cost of Borrowing

annual interest rate	You have chosen a fixed interest rate, starting on the Early Renewal Date. For a fixed rate mortgage loan, your annual interest rate is 2.15 % per year. We compound interest semi-annually, not in advance, and charge interest at the same time as your installment payment is payable (for example, monthly, bi-weekly, etc.). For a variable rate mortgage loan, your annual interest rate is Prime Rate plus/minus N/A %. We compound and charge interest at the same time as your installment payment is payable, not in advance (for example, monthly, bi-weekly, etc.). Throughout the term of your mortgage loan, the annual interest rate goes up and down based on our Prime Rate. We determine the annual interest rate that applies to you based on the Prime Rate on a daily basis. Based on our Prime Rate of N/A % at the date of this Agreement, the current annual interest rate on your mortgage loan is N/A %. The annual interest rate is a nominal rate, which means the rate is not adjusted for compounding.

adjustment of annual interest rate (for fixed rate only)	Our Posted Rate on the Early Renewal Date for the fixed rate mortgage term you chose may be lower than the annual interest rate set out in this Agreement. If it is, we adjust: • your annual interest rate to that lower Posted Rate, and • your installment payment amount based on that lower Posted Rate and the amortization period of your mortgage loan. To receive the lower rate, you must complete and return this Agreement before the Early Renewal Date.
discount (for fixed rate only)	You will receive a discount of 0.99 % off our Posted Rate as of the date of this Agreement. The discount is the difference between the Posted Rate and the annual interest rate of your mortgage loan. If our Posted Rate is lower or higher when we early renew your mortgage loan, we will adjust your discount. We will confirm the annual interest rate and the discount, as may be adjusted, after we early renew your mortgage loan.
cost of borrowing for the term	The law sets out the kinds of costs that are to be included in the cost of borrowing of your mortgage loan. These costs include interest and some of the fees and costs for your mortgage loan. When we estimate your cost of borrowing, we assume: • The current annual interest rate does not change for the term; • You make all payments on time; and • You do not make extra or increased payments or other changes to your mortgage loan.
interest for the new term	$ 8023.17 This is an estimate of the amount of interest you pay over the new term of your mortgage loan. If you have chosen a variable rate mortgage, the annual interest rate on your mortgage loan goes up and down. The estimate is based on the current annual interest rate.
other costs of borrowing for the new term	$ 0.00
total cost of borrowing for the new term	$ 8023.17 This is the estimated total cost of borrowing for the new term of your mortgage loan.
annual percentage rate (APR) – cost of borrowing	2.15 % This is the estimated total cost of borrowing for the new term of your mortgage loan, as an annual percentage rate on the estimated principal amount of your mortgage loan on the Early Renewal Date. If interest is your only cost of borrowing (meaning you did not have to pay any additional fees or costs), then the annual interest rate and the annual percentage rate are the same.
discharge and transfer out fees	Where we are allowed to do so by law, we charge fees if you pay your mortgage off in full or move the mortgage loan to another lender. This is the administration fee payable to us for calculating your mortgage loan payout amount, conducting all internal steps required for payout, and preparing and/or signing and forwarding a mortgage discharge. If you transfer your mortgage to another lender, you will pay our transfer out fee for conducting all internal steps and preparing and/or signing and forwarding the documents to the new lender. As of the date of this Agreement, our fees for processing these documents are:

$ 0	Discharge fee **(per discharge)**
$ 0	Transfer out fee **(per mortgage transferred)**
$115	Land title registration costs **(estimate per discharge)**

other fees	**$25**	Payment History Statement
	$25	Additional Payout Statement
	$115	Registration and search fees (estimate per property)
	$75	Loan re-advance or restructure fee

4. Payments

payments

Starting on the Early Renewal Date, you will make installment payments set out below on your mortgage loan.

Your first installment payment is due on 06FEB2017

After that date, your installment payments are
bi-weekly

Your last installment payment is due 21JAN2019

type of payment

- [x] You will pay blended principal and interest payments
- [ ] You will pay interest only payments (construction mortgages only).

amount of your installment payment

$ 461.44 This is the amount of your bi-weekly installment payment.

If you have a variable rate mortgage and choose to pay interest only under this Agreement, this installment payment amount may change when the annual interest rate changes. The amount we show here is an estimate based on the current annual interest rate.

total principal and interest payments

$ 23994.88 This is the total of all principal and interest payments over the term of this mortgage loan after early renewal. We base this amount on all payments being the same amount and paid on time.

If you are making interest only payments on this mortgage loan, and you have a variable rate mortgage, this is an estimate based on the current annual interest rate.

how we apply your installment payments

When you make an installment payment, we apply it first to paying interest that has accumulated on your mortgage loan since your last payment and second to paying down the principal amount. Over time (assuming you have blended principal and interest payments, pay your installment payments on time and the annual interest rate does not increase), more of each installment payment goes to repay the principal and less goes to pay interest.

our right to increase your installment payment if it does not cover interest (variable rate only)

If the annual interest rate increases to N/A % (the **threshold rate**) or higher, your installment payment will not be enough to cover the interest part of your installment payment. If this happens, we can increase the amount of your installment payment. The increase would apply to the next payment you make, as well as the rest of your payments.

If the interest rate goes above the threshold rate, we will increase your installment payment so that it equals an amount that will pay out the principal and interest you owe over the remaining number of months in the original amortization period. For example, if the original amortization period of the mortgage loan was 300 months and you have 144 months left, we amortize the payments over a 144 month period.

5. Renewal and Conversion

we may offer to renew your mortgage again

At the maturity date, we may offer to renew your mortgage loan, at an interest rate and other terms agreed to by you and us. If we do not offer to renew your mortgage loan, you must repay your mortgage loan in full. We will tell you in writing whether or not we plan to renew your mortgage loan as required by applicable laws. If we offer to renew your mortgage loan, but you do not accept our offer by the maturity date, we can renew your mortgage loan as follows:

a) If your mortgage loan is at a fixed rate, we can renew it for a 6 month open term at our Posted Rate for open, fixed rate residential mortgages for that term.

b) If your mortgage loan is at a variable rate, we can renew it for a 3 year open term at our Posted Rate for open, variable rate residential mortgages for that term.

when you can convert your closed mortgage loan without paying prepayment charges

You can convert the following closed mortgage loans without having to pay prepayment charges:

- A 6 month closed, fixed rate mortgage loan to a closed, fixed rate mortgage loan with a longer term
- A variable rate mortgage loan to a closed, fixed rate mortgage loan with a term that is the same as or longer than the term left on your variable rate mortgage loan.

To do this:

- You must not be in default on your mortgage loan
- You must contact us before the end of the term of your mortgage loan
- You must sign an agreement with amended terms and conditions, including the annual interest rate and cost of borrowing.

Unless we make other arrangements, the interest rate will be our Posted Rate for closed, fixed rate mortgages of the same term.

6. Default, Late Payments and Default Charges

when your mortgage is in default

You are in default of both the Mortgage Loan Agreement and the Mortgage, if:

- You do not make an installment payment when it is due.
- You fail to do something you are required to do under the Mortgage Loan Agreement or the Mortgage.
- You do not buy or keep proper all-risk insurance on the mortgaged property.

The Mortgage also states ways in which the Mortgage Loan Agreement and your Mortgage may be in default. If you default under your Mortgage, the Mortgage Loan Agreement or the Equity Power Facility Letter (if it applies to you), then you automatically default under all of them.

sale of mortgaged property can be treated as default

We can treat the Mortgage Loan Agreement and the Mortgage as being in default, if you do any of the following, unless we give you our written approval first:

- Sell, transfer, lease, rent, or license all or any of mortgaged property; or
- Enter into an agreement to sell, transfer, lease, rent or license all or any of the mortgaged property.

payment schedule when in default

If you are in default under the Mortgage Loan Agreement or the Mortgage, we may change your installment payment amount and frequency to monthly, as long as we tell you in writing before we do it.

interest owing on late payments	If you are late making an installment payment, we charge extra interest on both the late principal and interest parts of your payment. We calculate this extra interest for each day you are late, using the interest rate that applies to your mortgage loan. When we receive the late payment, we apply it in this order: 1. Toward the late payment interest 2. Toward your regular interest 3. Toward the principal We can also apply the late payment to other amounts you owe; for example, property taxes.
interest before and after maturity, demand, and default	We charge you interest at the annual interest rate on amounts owing before they fall due, after they fall due (if they are unpaid when due), after default and after we have obtained judgment against you for the amounts owing, until the amounts owing are paid in full.
default charges	If you default on the Mortgage Loan Agreement or your Mortgage, for any reason, you will have to pay: • The missed installment payments; • Interest on the principal and interest for the missed installment payments; • Our costs, including our legal costs, to collect the money from you, whether we do it directly or through someone else; • Our costs, including our legal costs, to protect the mortgaged property, to take action under the Mortgage or the Mortgage Loan Agreement, or to enforce the Mortgage or the Mortgage Loan Agreement and realize against the mortgaged property (such as foreclosure), whether we do it directly or through someone else; and • Other unpaid amounts you owe under the Mortgage or the Mortgage Loan Agreement.
dishonoured payments	If your bank returns or does not honour a payment you made under the Mortgage Loan Agreement (for example, they return a cheque for not sufficient funds), we may require you to pay us back the amount charged by your bank.
demanding the mortgage loan be paid in full immediately	If you are in default under the Mortgage Loan Agreement or your Mortgage, for any reason: • We can terminate the Mortgage Loan Agreement and require you to immediately pay us everything you owe us under the Mortgage Loan Agreement and the Mortgage. • We can exercise either some, all, or none of our rights under the Mortgage Loan Agreement and the Mortgage (or our rights under the law or in equity). If we exercise some of our rights, remedies or powers, but not others, we are not giving up the ones we did not use. We can still exercise those rights later. Our rights, remedies and powers under the Mortgage Loan Agreement are cumulative and not alternative and are not in substitution for any other rights, remedies or powers available to us.

7. How Your Mortgage Loan Can Be Paid Off Early

open/closed	After early renewal your mortgage loan will be Closed
mortgage cannot be in default	If you would like to pay all or part of your mortgage loan early: • Your mortgage loan must not be in default; • You must have complied with all of the terms of the Mortgage Loan Agreement and the Mortgage; • You can only pay all or part of your mortgage loan in the ways set out in this Agreement.
no rebate of cost of borrowing	We do not have to give you a rebate of any cost of borrowing when you pay your mortgage loan off early.

prepayment administration fee	Each time you make an extra or increased payment on your mortgage loan, we may charge you an administration fee of $25 at the same time.

EARLY PAYMENT OPTIONS – OPEN MORTGAGES

open mortgage	If you have an open mortgage, you can prepay any amount without penalty, as long as: • All your installment payments are up to date. • Any payment you make is a minimum of $100. When you pay off your whole mortgage loan, you must also pay all interest you owe up to that point.

EARLY PAYMENT OPTIONS – CLOSED MORTGAGES
Part I. Extra and increased payments on your mortgage loan (3 options)

closed mortgage	If you have a closed mortgage and you kept all your installment payments up to date, there are three ways you can pay off some of the principal amount of your mortgage loan early, listed below as Options 1, 2, and 3. We do not charge you the prepayment charges set out in Part II below if you choose any of these options.
option 1 – up to 20% pre-payment	On any anniversary, you can pay up to 20% of the original principal amount. We will apply this against the principal left on your mortgage loan. You must make a minimum payment of $100.
option 2 – matching installment payment	You can double any installment payment. This is called a match payment, and we apply it against the principal left on your mortgage loan. For every match payment, you can also choose to miss a future installment payment. **If you choose to miss a payment, you will notify us and we will still charge you the interest on the principal amount of your mortgage loan until the next installment payment. You must continue to pay any creditor insurance premium due.**
option 3 – increase installment payment by up to 20%	Once a year, you can increase your installment payment by up to 20%. We will apply the increased amount you pay against the principal left on your mortgage loan. When you increase your installment payment under Option 3, you must keep paying this new installment payment amount for 12 months (or until your mortgage loan is paid off, whichever is shorter). At the end of the 12 months, you can change this new increased installment payment amount by telling us: a) to *increase* your payments again under this option, or b) to *decrease* your payments by going back to the original installment payment amount. You must make this request to us before the 12 months is over. Otherwise, your installment payment amount will continue at the same amount.
payment options cannot be more than 20%	For each year, your extra and increased payments under the three options must be, in total, 20% or less of the original principal amount of your mortgage loan. Any payment above this 20% maximum will fall under Part II below.
payment options cannot be carried forward	You can choose these three options every year of the term of the mortgage loan. But if you do not use Options 1, 2, or 3 in one year, you cannot save them for another year.
anniversary date	When we say anniversary date, we mean the day that is 365 days after the Early Renewal Date (this would be the first anniversary date). In a leap year, this would be 366 days. Or it means any subsequent anniversary after the first anniversary.
year	When we say year, we mean the time running from the Early Renewal Date to the first anniversary date, and after that, running from any anniversary date to the next anniversary date.

Part II. Prepayment charges for paying closed mortgage early

A. Fixed Rate Closed Mortgage

prepayment charge

We charge you a prepayment charge if you have a closed mortgage and you want to pay out more of your mortgage loan than the three options in Part I allow.

after first 5 years of term

If your term is longer than 5 years and you pay out your mortgage loan in full after the first 5 years, the charge is 90 days' interest at your annual interest rate on the prepayment amount.

during first 5 years of term

In all other cases, the prepayment charge is the higher amount of these two options:

- 90 days' interest on the prepayment amount, or
- An interest differential amount.

The interest differential amount is the interest differential on the prepayment amount for the remaining term.

The interest differential is the interest rate that is:

- The annual interest rate on your mortgage loan, minus
- The Posted Rate (at the time you prepay) for fixed rate closed mortgage loans based on the remaining term, minus any discount we gave on your mortgage loan.

The remaining term is the number of days between the date of prepayment and maturity. See "how to calculate prepayment charges" below for more information and a sample calculation of prepayment charges.

how to calculate prepayment charge

Here is how you can calculate the cost of paying all or some of your mortgage loan before the maturity date. Please see sample calculations in the section below.

Formulas:

90 days' interest = prepayment amount x annual interest rate x 90 days ÷ 365

interest differential amount = prepayment amount x (annual interest rate - [Posted Rate - discount]) x remaining term ÷ 365

In the formulas, we use the stated rates for the annual interest rate and Posted Rate, which means we do not adjust for compounding or a leap year.

The annual interest rate and the discount are set out in this Agreement, unless adjusted as described in Section 3. After we renew your mortgage loan, we confirm in writing the annual interest rate and the discount.

The Posted Rate is the Posted Rate for new fixed rate closed mortgages based on the remaining term at the time you prepay. The chart below sets out which Posted Rate applies based on the remaining term.

The remaining term (the number of days between prepayment and the maturity)	We use a Posted Rate with a term of:
1 day to 182 days	6 months fixed
183 days to 365 days	1 year fixed
366 days to 730 days	2 year fixed
731 days to 1095 days	3 year fixed
1096 days to 1460 days	4 year fixed
1461 days to 1825 days	5 year fixed
1826 days to 2555 days	7 year fixed
2556 days +	10 year fixed

The example below assumes the following:

prepayment amount	$100,000
annual interest rate (as described above)	5% or 0.05 expressed as a decimal
days between the prepayment and maturity	366
Posted Rate for a 2-year mortgage	3.5% or 0.035 expressed as decimal
discount (as described above)	0.5% or 0.005 expressed as a decimal

sample calculation of 90 days' interest charge

90 days' interest = $100,000 x 0.05 x 90 ÷ 365 = $1,232.87

sample calculation of interest differential amount

Using the same example above, here is how we calculate the interest differential amount:

step one: A = Posted Rate – discount = 0.035 - 0.005 = 0.03

step two: B = annual interest rate – A = 0.05 – 0.03 = 0.02

step three: interest differential amount = $100,000 x B x 366 ÷ 365 = $100,000 x 0.02 x 366 ÷ 365 = $2,005.48

contact us for exact costs of making a prepayment

We add accrued interest, fees and costs (as listed in the section "discharge and transfer out fees") to arrive at a final payout amount. Please contact us for the exact cost of paying off some or all of your mortgage loan before the maturity date.

B. Variable Rate Closed Mortgages

during first 3 years of term

During the first three years of the term, if you want to prepay more than the 20% maximum of the original principal amount of your mortgage loan described in Part I above, we charge a prepayment charge.

The prepayment charge is 90 days of interest on the prepayment amount. We calculate the charge using the same annual interest rate as your mortgage loan uses.

The annual interest rate is based on the stated (nominal) rate not compounded and a 365 day year. We apply the amount you prepay against the principal left on your mortgage loan.

after first 3 years of term

After the first three years of the term, there is no prepayment charge. This is because a closed term variable rate mortgage automatically converts to an open term mortgage after three years. However, you must make a minimum payment of $100.

When you pay your whole mortgage loan off in full, you must also pay all interest you owe up to that point.

contact us for exact costs of making a prepayment

We add accrued interest, fees and costs (as listed in the section "discharge and transfer out fees") to arrive at a final payout amount. Please contact us for the exact cost of paying off some or all of your mortgage loan before the maturity date.

8. Terms for Porting Your Mortgage Loan

when you can port your mortgage

We may allow you to transfer (port) your mortgage loan to a different residential property (New Property) within 60 days after paying out your mortgage loan.

You will have to apply for a new mortgage loan on the New Property (New Mortgage Loan) and satisfy our lending guidelines and approval rules that apply at the time.

terms of new mortgage loan	If we agree that you can port your mortgage loan, the terms of the New Mortgage Loan will be as follows: • the annual interest rate will be the same as on your mortgage loan. • the term begins on the date we advance the New Mortgage Loan and will have the same remaining term rounded to the nearest month as your mortgage loan immediately before paying it out. • the principal amount must be equal to the principal amount that was outstanding on your mortgage loan immediately before paying it out. • the payment amount will be calculated based on the remaining amortization of your mortgage loan rounded to the nearest month and may be different than the payment amount of your mortgage loan. • if your mortgage loan is a fixed rate mortgage, the discount for the purposes of calculating the prepayment charges will be the same as the discount on your mortgage loan. For example, if you have a mortgage loan with the following terms: • Fixed Rate of 6% (discount of 0.5%) • 5 year closed, starting January 15, 2013 and maturing January 15, 2018 • Outstanding balance on April 1, 2015 (date of the port) is $100,000. If we agree to port your mortgage loan, your New Mortgage Loan will be: • Fixed Rate of 6% (discount of 0.5%) • 34 month closed term starting on April 1, 2015 • Principal Amount of $100,000.
if you require additional funds	If you wish to borrow additional funds when we advance your New Mortgage Loan, you can apply for an additional loan at the Posted Rate we offer at that time for the type of mortgage and term that you choose. Our standard lending guidelines apply.
costs for new mortgage loan	You are responsible for paying costs related to your New Mortgage Loan and additional loan. These include administration, legal, property survey and inspection fees, as well as taxes and insurance premiums.
prepayment charge to be paid	Whether or not you can port your mortgage loan, when you pay out your mortgage loan on your existing mortgaged property, we charge you a prepayment charge, as described in Section 7 of this Agreement.
refund of prepayment charge	If we agree to port your mortgage loan and advance a New Mortgage Loan to you within 60 days after you paid out your mortgage loan, we will refund the prepayment charge paid.

9. General Terms and Conditions That Apply to Your Mortgage Loan

no assignment without permission in writing	You cannot transfer or assign your rights or obligations under your Mortgage Loan Agreement without getting our written permission first. We can assign our rights, benefits, obligations under your Mortgage Loan Agreement at any time without telling you or asking for your permission.
communicating with you verbally, electronically, or by fax	We can choose to accept changes to this Agreement, the Mortgage Loan Agreement or the Mortgage verbally, electronically or by fax. You will promptly sign and return documents we send you to confirm any agreements we make by any of these methods. You authorize us to record phone calls between you and us and to use these recordings as evidence of agreements and discussions between you and us. You also agree that we can rely upon any of these verbal, fax, or electronic agreements we receive from you (or that we think came from you even if they were not from you) and that we can consider these types of agreements the same as a written agreement.

notices that we send to you	We can send you notices and other documents relating to this Agreement by mail. If you agree, we can also send them by fax or email. We will send documents to the most recent mailing address, fax number or email address we have in our records. We can assume you have received what we send to you in these time frames: • Regular mail: 5 business days after mailing • Fax: On the day our fax machine records it was sent • Email: On the day our server records it was sent You must notify us of any changes in your mailing address, fax number, or email address.
complaints	You can contact us with any concerns by telephone at 1-888-310-HSBC (4722), email at info@hsbc.ca, secure internet banking message, letter, in person or through our public website www.hsbc.ca. If you are not satisfied with the way we have dealt with your concerns, you can contact the Financial Consumer Agency of Canada: a) at its office at Financial Consumer Agency of Canada 427 Laurier Ave., West, 6th Floor Ottawa, Ontario K1R 1B9, or b) through its website at www.fcac-acfc.gc.ca
binding effect	This Agreement is binding on you and each of your respective heirs, personal representatives, successors and assigns.
joint and several	The borrowers and covenantors (if there are any) who sign this Agreement are jointly and severally (solidarily if in Quebec) liable for the liabilities and obligations set out in this Agreement and the Mortgage Loan Agreement.
mortgage or hypothec in Quebec	If the mortgaged property is located in Quebec, the terms "mortgage" and "Mortgage" mean hypothec.
choice of language	You have requested this Agreement and all related documents be in English. *Toutes les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés en anglais.*

By signing below, each of you agrees to the terms and conditions of this Agreement and confirm you received a copy of this whole Agreement.

Borrower **PLEASE SIGN AND DATE**	2017 Date	Borrower	Date
Borrower	Date	Borrower	Date
Covenantor	Date	Covenantor	Date
Covenantor	Date	Covenantor	Date