



PREMIERE[®]

MORTGAGE CENTRE

Mortgage Basics: Quick Guide



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Mortgage Terms

Fixed Rate

Your interest rate and payments stay the same for the whole term. Easy to budget since nothing changes.

Variable Rate

Your rate goes up or down with the Bank of Canada changes. Your payment usually stays the same, but how much goes to interest or principal changes.

Adjustable Rate

Your rate changes with the Bank of Canada, and so does your payment. Payments can rise or fall.



Buying Basics

Deposit

Money you put down when making an offer to show the seller you're serious. This is part of your down payment.

Down Payment

The total money you pay upfront for a home, usually a percentage of the purchase price. The bigger your down payment, the less you need to borrow for your mortgage.



Terms & Options

Term

The length of your current mortgage deal (often 1-5 years). At the end, you renew or switch lenders.

Closed Term

Locked in for the length of the term. You'll pay a penalty if you break it early, but rates are lower than open terms.

Open Term

Gives you flexibility – pay off your mortgage anytime without a penalty. Comes with a higher interest rate.

Payout Penalty

A fee charged if you break your mortgage or pay it off early.

Bridge Loan

A short-term loan that helps cover your down payment if your new home closes before your old one sells.

Amortization

The total time it would take to pay off your whole mortgage (i.e. 25 years).

Porting

Moving your current mortgage, with the same rate and terms, to a new home when you move.

Every mortgage is different.
Let's find the best fit for you!