

MORTGAGE PENALTIES COMPARISON

Bank	Balance @24 mths	Rate 3.49%	Discount 1.74%	2013 Posted 5.23%	Penalty
BMO	213 275	3.49	1.74	5yr posted rate 2013	9149.50
CIBC	213 275	3.49	1.74	5.23-3.49=1.74%	10180.94
RBC	213 275	3.49	1.74	Banks discount off	8392.77
Scotia	213 275	3.49	1.74	their posted rates	11773.00
TD	213 275	3.49	1.74		11452.87
Mono Lines					
First Nat	213 275	3.49	na	Mono lines	4645.57
MCAP	213 275	3.49	na	do not discount.	4478.78
Hometruster	213 275	3.49	na	Their current best	4478.78
Street	213 275	3.49	na	rate is what is given	5118.59
RMG	213 275	3.49	na	to the client.	3838.95
Merix	213 275	3.49	na		4478.78

Assumptions: We are using an initial starting mortgage amount of \$225 000 based on a 5 year term and 25 year amortization. Clients rate is 3.49% for 5 year closed fixed term. Mortgage started Feb 2013 with a monthly payment of \$1122.17/month. Client has requested a payout as of February 2015 (24 months into his 5 year term) To calculate the payout we are using the lenders current 3 year term offerings. The lower the current 3 year term rate the higher the penalty will be.

Note - we used the 3 year term as of February 6/2015 - rates subject to change.

Sources of calculations for the 5 banks are as follows:

BMO - <http://www.bmo.com/calculators/prepayment/index.jsp?lang=en>

CIBC - <https://www.cibc.com/ca/mortgages/calculator/mortgage-prepayment-calculator.html>

RBC - <https://www.rbcroyalbank.com/cgi-bin/mortgage/tools/prepayment/prepayment-charge-calculator.cgi/overview>

Scotia - http://cgi.scotiabank.com/mortgage/Scotia_Preayment.html

TD - <http://prepayment.tdcanadatrust.com/>

Mono Lines use a formula to determine the penalty you will pay. In this instance we take the lenders current 3 year term For example MCAP current 3 year term is 2.79%. Subtract from current rate of 3.49% we get 0.7%. We multiply the 0.7% by current balance of \$213 275 and get \$1492.92. Divide this by 12 (months in a year) we get \$124.41. We then multiply this number by 36 (remaining months in the initial 5 year term) to get a penalty of \$4478.78