

## Mortgage Default Insurance Disclosure Notice

The Mortgage Insurance Disclosure Regulations require us to make the following information available to the public on request. We must also give the information to borrowers who require mortgage default insurance and we must give it to them before or when they sign a residential mortgage agreement with us.

1. We use mortgage default insurance to protect ourselves in case you default on your mortgage payments or on any other term of the mortgage agreement. We work with the following insurers:
  - Canadian Mortgage Housing Corporation (CHMC)
  - Sagen Mortgage Insurance Company Canada (Sagen)
2. We pay an insurance premium to the insurer for the mortgage default insurance and we pass the cost on to you. You can pay the premium in a single lump sum or you can add it to your mortgage, in which case it will be included as part of your mortgage payment amount.
3. The insurer calculates the premium amount as a percentage of the amount that you borrow under your mortgage. The insurer may base the percentage on a number of factors, including:
  - The loan to value ratio, that is, the amount you borrow relative to the price or value of the property
  - The type of mortgage (for example, second mortgage, mortgage for vacation home, refinance of an insured loan)
  - The amortization period – the length of time it will take to pay off your mortgage
  - Your employment status

The insurer may have different or additional premiums for specific types of mortgage products or mortgage programs. You can see the insurers' products and rates at these websites:

- CMHC: [www.cmhc-schl.gc.ca/en/co/moloin/moloin\\_005.cfm](http://www.cmhc-schl.gc.ca/en/co/moloin/moloin_005.cfm)
  - Sagen: [www.sagen.ca/tools-and-resources/premium-rates-chart/](http://www.sagen.ca/tools-and-resources/premium-rates-chart/)
4. Provincial sales tax may be charged on premiums.
  5. **Mortgage default insurance premiums are non-refundable.**
  6. **You will find the name of the insurer and the premium for your mortgage in the Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement.**
  7. If you default and the insurer pays us, you will still remain liable under the mortgage but your obligations will be to the insurer and not to us.
  8. Our relationship with the insurers is at arm's length. We do not have any arrangements to receive payments or benefits from them in respect of mortgage default insurance, other than payments in respect of claims we make under the insurance as a result of mortgage default.
  9. Approval for your mortgage or mortgage insurance:
    - is not a confirmation of the value or condition of the underlying property, whether or not appraisals or inspections are carried out by or for the Mortgage Default Insurer.
    - does not represent a confirmation of the ability of the borrower(s) and any guarantor(s) to repay the mortgage.