

## Porting Your Mortgage: What You Need to Know

If you're thinking about moving to a new home within Canada, you may be wondering if you can take your current mortgage with you. The good news is that in most cases, you can "port" your mortgage provided you meet CMLS current qualification guidelines.

Here's what you need to know about porting your mortgage.

## What is Porting of a Mortgage?

Porting a mortgage is the process of transferring your existing mortgage from your current home to a new home, meaning you are selling your existing property at the same time as purchasing a new property.

## How to Easily Transfer Your Mortgage with Our Mortgage Porting Option

Looking to move but want to keep your current mortgage terms? Our mortgage porting option makes it simple and seamless for you. Here's how it works:

Steps to Port Your Mortgage:

1. **Initial Requirements:** First, you'll need a confirmed offer for selling your current home and a purchase agreement for your new property. Ideally, both transactions should close on the same day, although we can accommodate a maximum gap of 30 days between the two dates.
2. **Online Application:** Simply fill out our online application form and provide all necessary documentation. This may include your recent job letter and pay stub, along with your purchase and sale agreement and MLS listing details.
3. **Re-Qualification:** We'll review your application to ensure you meet our lending criteria. This includes factors like your credit score, income, and debt-to-income ratio.
4. **Property Criteria:** Your new property's location, condition and its appraised value must also meet our guidelines.

Costs to Consider:

- **Port Administration Fee:** A one-time, non-refundable fee of \$200 will be charged to your account once your mortgage application is received.
- **Appraisal Fees:** If an appraisal of your new property is needed, you'll be responsible for covering this cost.
- **Discharge Fee:** A fee may be applicable for the discharge of your existing property.
- **Legal Fees:** Lawyers' fees are separate and will vary based on your situation.

Porting Options:

- **Straight port:**
  - This means no change to the current rate, term or mortgage balance.
  - Loan to Value (LTV): The LTV must be the same or lower than the remaining LTV on your existing property.
    - **Loan to Value is a financial term used to express the ratio of a loan to the value of an asset.**
  - Maximum purchase price of the new home cannot exceed \$999,999.00.
  - Prepayment Penalty: A prepayment penalty is charged on sale of the existing property and reimbursed, in full, upon advance of the new loan.

- **Port & Increase:** (only applies to CMLS Prime).
  - New term must be equal to or greater than the remaining.
  - Minimum increased mortgage amount is \$25,000.00.
  - Amortization may be increased to a max of 25 years, Increase in amortization may trigger a new insurance premium.
    - The client is responsible for mortgage default insurance costs if applicable.
    - Minimum amortization 10 years to a maximum of 25 years
  - Interest rate:
    - Fixed rate: CMLS will calculate a weighted average blended rate.
    - Adjustable-Rate Mortgage (ARM): your rate is still based on the current prime rate, however, the +/- factor is based on the greater of your existing rate or current rates offered.
  - Maximum purchase price of the new home cannot exceed \$999,999.00.
  - Prepayment Penalty: A prepayment penalty is charged on sale of the existing property and reimbursed, in full, upon advance of the new loan.
  
- **Port & Decrease:** (only applies to CMLS Prime & Aveo).
  - This means no change to the current rate or term.
  - Maximum purchase price of the new home cannot exceed \$999,999.00.
  - Prepayment Penalty: A prepayment penalty is charged on the sale of the existing property and reimbursed, in part upon advance of the new loan. The percentage of the amount of the mortgage loan being ported is the percentage of the penalty being reimbursed.
    - For example, if you are porting 75% of the loan, then 75% of the penalty will be reimbursed.

For more information or to start the porting process, feel free to reach out to us. We're here to make your move as smooth as possible!

**Phone:** 1-888-995-2657 option 4 (Monday to Friday 9am to 5.30 pm Est)

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