

Fixed Term Prepayment Fee Terms and Conditions



Applicable to fixed term loans originated, modified or renewed on agreements executed on or after April 12th, 2023

1. Partial Prepayment - Unless the Loan, the Loan Agreement or the mortgage securing the Loan is in default you may (i) prepay up to twenty percent (20%) of the principal amount of the Loan, and (ii) increase the amount of each monthly payment by up to twenty percent (20%), in both cases, once in every Mortgage Year (as defined below) during the term of the Loan, without the payment of any additional compensation to us. If you do not exercise these partial prepayment rights in any Mortgage Year, they will lapse and cannot be accumulated.
2. Additional / Full Prepayment - Except as set out in Section 1 and Section 2(d), you have no right to prepay all or any part of the Loan. However, we may, but we are not obligated to, accept any additional prepayment offered by you, and if we agree to accept such prepayment, then you must pay to us, in addition to the amount prepaid, an additional compensation as set out below:
 - a) on all Loans, if such prepayment is made within the last 3 months of the Term, you must pay a prepayment fee equal to interest on the Prepaid Amount based on the number of days between the period between the Prepayment Date and the Balance Due Date;
 - b) if the Term is between 6 months and 5 years (and there are 3 or more months left in the Term when such prepayment is made), you must pay a prepayment fee equal to the greater of:
 - i. 3 months interest on the Prepaid Amount at the Interest Rate; or
 - ii. interest at the Rate Differential (as defined below) on the Prepaid Amount for the period between the Prepayment Date and the Balance Due Date (such period, rounded up to the nearest number of months, the "Remaining Term");
 - c) if the Term is longer than 5 years and such prepayment is made at any time prior to the fifth anniversary of the Date of Advance, you must pay a prepayment fee equal to the greater of:
 - i. 3 months interest on the Prepaid Amount at the Interest Rate; or
 - ii. a prepayment fee equal to interest at the Rate Differential on the Prepaid Amount for the Remaining Term;
 - d) notwithstanding any other provisions in this Section 2, if the term is longer than 5 years, then, at any time after the fifth anniversary of the Date of Advance (but with more than 3 months remaining in the Term), you may prepay the Loan in full (but not in part) and pay to us, in addition to the amount prepaid, a prepayment fee of 3 months of interest on the Prepaid Amount at the Interest Rate.

All capitalized terms not otherwise defined herein or below shall have the meanings ascribed thereto in the Fixed Rate Mortgage Loan Agreement (Form 0239) that you have entered into with us, as renewed, if applicable (the "Loan Agreement").

In these Sections 1 and 2:

"Current Rate" means the per annum interest rate then being offered by us to the majority of our borrowers on a mortgage loan with terms that are identical or (if a loan with identical terms as the Loan is no longer offered) most similar to the terms of the Loan and with (i) a term that is equal to the Remaining Term, or (ii) if there is no such match, a term that is shorter than and closest to the Remaining Term, or (iii) if there is no comparable loan with a term that is shorter than the Remaining Term, the shortest term then being offered for such comparable loan. A certificate of one of our managers as to the then Current Rate is conclusive proof of the Current Rate. You must ask us for the then Current Rate if you wish to make a prepayment under Section 2.

"Mortgage Year" means, with respect to the first Mortgage Year, the 12-month period between the Date of Advance and the first anniversary thereof, and, with respect to all other Mortgage Years, the 12-month period between every anniversary of the Date of Advance and the next such anniversary.

"Prepaid Amount" means the amount to be prepaid by you in addition to that permitted under Section 1, except that, if the Prepayment Date is within 60 days after a partial prepayment under Section 1 was made, then the Prepaid Amount will be the sum of (i) the amount to be prepaid, and (ii) the amount of that partial prepayment.

"Prepayment Date" means the date as requested by you, and accepted by us in our sole discretion, on which a prepayment under Section 2 is to be made.

"Rate Differential" means the per annum percentage rate (rounded up to the second decimal place) by which the Interest Rate exceeds the Current Rate.