

## **RFA ALTERNATIVE FIXED RATE MORTGAGE SCHEDULE**

In consideration of the granting of the loan secured by this mortgage and of its conditions, the Borrower agrees with the Lender as follows:

The provisions of this Schedule shall be incorporated into, and form part of, the attached mortgage and, where applicable, shall replace the corresponding provisions of this mortgage. All terms and conditions of this mortgage document not varied by this Schedule remain in full force and effect notwithstanding the addition of this Schedule. In the event of any conflict between the provisions of this Schedule and the provisions of this mortgage, the provisions of this Schedule shall prevail.

All terms utilized in this Schedule but not otherwise defined in this Schedule shall have the respective meanings ascribed to such terms in the Standard Charge Terms or Standard Mortgage Terms, as applicable.

The privileges of this mortgage are available to the Borrower only when not in default.

The Borrower will make regular payments at the interest rate, calculated and compounded in accordance with this mortgage and as further set out in this Schedule.

### **1. INTEREST**

The interest rate payable under this mortgage is a fixed rate calculated semi-annually not in advance and is payable in regular and equal instalments as set out in this mortgage.

### **2. PRIVILEGES**

The following privileges may be used in the same year.

The exercising of either privilege will not affect any of the Borrower's obligations under this mortgage including the continuing regular loan payments as to amount or due date.

Privileges are not cumulative and may not be carried over from one year to the next.

#### **(a) PARTIAL PREPAYMENT**

The Borrower, when not in default, may prepay partial amounts of principal, without payment of compensation to the Lender, on any payment date. Such partial payments must each be a minimum amount of \$ 100.00, and total no more than 20% of the original principal amount of this mortgage during each year. This privilege is only available if this mortgage is continuing in force and is not applicable in part to any prepayment in full of this mortgage. Any unused partial prepayment privilege will not reduce the compensation payable on any prepayment in full of this mortgage. This privilege may not be used in the 31 days prior to a prepayment in full of this mortgage.

#### **(b) PAYMENT INCREASE**

The Borrower, when not in default, shall have the privilege of increasing the then regular loan payment on account of principal and interest, in an amount not to exceed 20% thereof, or reducing the aforesaid increased payment by an amount up to but not exceeding 20%, once during any year. It is understood that the principal and interest portion of the regular loan payment may never be less than the original principal and interest amount.

### **3. PORTABILITY**

This mortgage is portable subject to the lender's sole discretion and consent. The Borrower may, when not in default, and upon a bona fide arm's length sale of the property charged hereunder and the purchase of another property, apply for approval to transfer this mortgage as a charge of the same priority and of the same amount to the new property. The closing date of the two sales must be the same. In most cases, an arm's length sale is one where the buyer and seller are unrelated and have no personal or business relationship with each other.

The existing Borrower and the new property must both qualify under the Lender's underwriting policies, criteria, procedures and documentation requirements and those of any insurer, if applicable, in effect at the time of application. The Borrower will be required to pay the port application fee, appraisal fee and insurance premiums, if any, and all other fees and prepayment compensation that may be associated with the granting of the approval to port.

### **4. MATURITY**

The balance of the mortgage money will become due and payable, in full, on the balance due date (maturity) of this mortgage.

In the event the Lender agrees to renew or extend the term of this mortgage, such renewal or extension may, at the Lender's sole discretion, be subject to a credit review and any renewal or extension fee in effect at such time. If the Lender so chooses, the Borrower will be required to provide any and all documentation required by the Lender for the Lender's credit review. Failure of the Borrower to provide such documentation or pay such fees may cause the Lender to revoke any offer of renewal or extension so made.

In the absence of receipt of either full payout funds or a signed renewal offer from the Borrower, the Lender, at its sole discretion and in accordance with its policies at the time of maturity, may renew this mortgage for a term with the length and at the rate of interest as it sets out for an auto renewal in its offer of renewal.

Upon completion of a renewal, all the features and benefits of this mortgage will be rescinded and the features and benefits of the new mortgage will take effect whether or not a renewal or amending agreement is signed by, or delivered to, the Borrower.

### **5. PREAUTHORIZED CHEQUING**

The Borrower agrees to execute any documents necessary to permit the Lender to deduct payments from the Borrower's bank account and to ensure that such account always has clear and sufficient funds to satisfy the payment obligations of the Borrower under this mortgage. It is hereby agreed between the Lender and the Borrower that the covenant herein forms a material consideration in the granting of the mortgage and failure of the Borrower to execute any such documentation enabling the Lender to receive payments through a preauthorized payment method acceptable to the Lender, and on an account with a financial institution in Canada will, at the option of the Lender, result in the full amount outstanding under this mortgage becoming due and payable.

The Borrower shall pay a fee for every dishonoured preauthorized payment, in accordance with the fee schedule established by the Lender from time to time. Unless separate payment for the fee is received with the replacement payment, the fee will form part of the mortgage money and will thereafter be charged interest at the same rate as the mortgage until paid.

## 6. PREPAYMENT IN FULL

The Borrower may prepay the mortgage in full upon a Prepayment Charge and Reinvestment Fee payment (as applicable), as follows:

- For terms less than or equal to 3 years, the Borrower may prepay the mortgage in full upon payment of a Prepayment Charge and a Reinvestment Fee.
- For terms greater than 3 years, the Borrower may prepay the mortgage in full upon payment of a Prepayment Charge.

**Prepayment Charge:** The Prepayment Charge is calculated as one of (a), (b) or (c) below:

(a) First Year of Loan Term: If the Mortgage Loan is in the first year of the Term (original, renewal, conversion or amendment term), the Prepayment Charge amount is equal to 2% of the mortgage balance outstanding on the business day immediately before the date the payout/discharge statement is prepared; OR

(b) Subsequent Years of Loan Term: Once the Mortgage Loan exceeds the first year of the Term (original, renewal, conversion or amendment term), the Prepayment Charge amount is equal to 1% of the mortgage balance outstanding on the business day immediately before the date the payout/discharge statement is prepared; OR

(c) 90 Days or Less remaining in the Term: If the Mortgage Loan matures in 90 days or less, the Prepayment Charge amount is calculated as follows: the current interest rate of your Mortgage Loan (which is the Annual Interest Rate) divided by 365, multiplied by the number of days remaining in the Term, multiplied by the outstanding mortgage balance on the business day immediately before the date the payout/discharge statement is prepared.

**Reinvestment Fee:** \$500 in the first year of the Term, \$400 in the second year, and \$300 in the third year. There is no Reinvestment Fee in subsequent years of the Term.

The exact amount of the Prepayment Charge is available upon inquiry to the Lender.

The Borrower will not be entitled to require a discharge of this mortgage without payment of the Prepayment Charge and Reinvestment Fee (as applicable).

The Borrower will not be entitled to a rebate of any of the costs of borrowing upon such prepayment. The costs of borrowing include the fees and costs related to the mortgage application and any other fees charged as set out in the Lender's fee schedule.

The Borrower agrees that the amounts calculated by the Lender pursuant to the above calculations will, in the absence of obvious error, be conclusive.

The Prepayment Charge and Reinvestment Fee are charges in addition to accrued interest and any applicable compound interest and fees.

## 7. FEES

The Borrower shall pay a fee for every dishonoured payment whether for a regular loan payment, a replacement thereof, or any other remittance of payment or fee under this mortgage.

The Borrower acknowledges that the Lender may charge reasonable fees for all administrative services including, but not limited to, those outlined in the Disclosure Statement provided in the mortgage documentation and available on the Lender's website and the Borrower agrees to pay all such charges. Fees not paid as required may, at the Lender's sole discretion, lead to the withholding of the service or approval for which the fee remains owing or, may

be added to the mortgage money secured hereunder and accrue interest at the rate of the mortgage until paid. The Lender will not be liable for the effect of any such withholding of services or approval.

Fees disclosed in the mortgage documentation represent the most common fees that may be charged from time to time. The Lender will advise the Borrower of any applicable fees when a particular service is requested by the Borrower.

All fee amounts are subject to change at any time and without notice and may be subject to tax where applicable. The fees in effect at any time are available upon inquiry to the Lender.