

My Mortgage Options

We dare you to compare!

LENGTH OF MORTGAGE

\$200,000 mortgage
5.6% rate
Monthly payment

Payment	Cost
40 years	
\$1036.41	\$297,478
25 years	
\$1232.45	\$169,735
20 years	
\$1379.82	\$131,156
15 years	
\$1637.96	\$94,833

FREQUENCY OF PAYMENT

\$200,000 mortgage
5.6% rate
25 year amortization

Years to repay	Cost
Monthly payments	
25	\$169,735
Accelerated bi-weekly payments	
21.22	\$139,909
Accelerated weekly payments	
18.3	\$117,977

I would like to buy my dream home, but...

I don't want to be paying down my mortgage for the next 40 years!



So, you've just put the winning bid on your house – how would you feel about adding an extra \$60,000, \$70,000, or even \$80,000, just for the fun of it?

Not that good, we're willing to bet.

If you're not careful, the total cost to mortgage your home can be staggering in the long run. Take a look at the tables to the left – the cost in the right column is the interest you are paying on the principal amount borrowed to fund the purchase of your home. While interest is an unavoidable reality of mortgages, your goal should be to pay as little interest as possible over the life of your mortgage.

How to avoid paying more.

First, the time period determining how long you will borrow money for – called the amortization period – is an important consideration. These typically range from 5 to 25 years, but can now run as long as 40 years. On the surface, a longer amortization period may sound appealing – smaller payments, the potential for borrowing more, maybe a better house and more money in your pocket every month. But (and there is always a but), we all know some things can be too good to be true. A bank offering you a long, expensive mortgage, structured with small and less frequent payments, is really only looking out for itself, as the interest on such a loan would greatly increase the total cost paid out by you in the end.

The second way interest can get out of hand is through frequency of payments. Changing your payment structure can help you bring the principal down faster, thereby cutting down on interest accumulation, and getting you mortgage-free faster. Looking at the second table, you can see how accelerated weekly payments reduce not only the amount of time you'll pay, but also the total cost of the mortgage.

Something else you want to consider is starting your payments as soon as possible – if your mortgage closes early in the month, don't wait to start the payments until the beginning of the following month. A break from payments might seem like a nice idea, but delaying only ends up costing you more in accumulated interest.

“Tough times and a tricky mortgage - he worried that it couldn't be done.

He applied for a mortgage jointly with his brother – who was out of province. Although it was uncommon, we got it done – together. Over the years, we have worked out a financial plan, provided a debt-consolidation and vehicle loan, helped improve his credit score and meet the goal of home ownership. Now, he is a very happy homeowner with a healthy financial future.”

As told by a Credit Union Member Service Rep

How are we different?

We approach the mortgage process a little differently. We like to start by asking when you want to retire, when you want to be mortgage-free, and work backwards from there. We also factor in your lifestyle and goals, anything that might require financial commitment down the road, and work with you to set up a plan that will get you out of your mortgage as fast as possible, and still allow you to have the life you want.

Our expert staff will also keep in touch with you over the course of your mortgage, watching out for any bumps in the road and helping you stay on track for repayment. Upon renewal, we reassess your whole situation and determine the best strategy going forward.

Our utmost priority is your financial health. Most financial institutions and mortgage brokers look at your mortgage in terms of how it affects them, *their* targets and their bottom line, not **your** goals and **your** unique needs. They want to lend you the maximum they can, to get the most back in return. We don't believe in looking at our members that way. Our financial fitness assessment will help you get your money working for you.

Stuck in someone else's mortgage?

We believe in advocating for your best financial interest. You might be making payments too low to do anything but chip away at interest, financing for the maximum period, not having taken the extra costs of home ownership into consideration, or dealing with a mortgage too big to begin with.

If you think you're caught in a mortgage trap, come talk to us. We are not a commission based sales environment, so you can be assured we'll put you first. The answer could be as simple as restructuring your payments, or it could take converting your mortgage, but no matter what, we'll be there working for you.

Come talk to us, let us show you how to make your mortgage work for you.

We'll show you how...

Go to mycreditunion.ca for:

- » The Personal
- » Pre-Authorized Debits
- » PIN Reversals
- » Available Mortgage Options

Convenient ways to access your accounts

The Credit Union ATMs:

- 18 Grenville St., Toronto
- 5700 Yonge St., Toronto
- 900 Bay St., Toronto
- 33 King St. W., Oshawa
- Econo Lodge,
265 Memorial Ave., Orillia
- Macdonald Cartier Building,
49 Place D'Armes, Kingston
- 2125 Algonquin Ave.,
North Bay
- THE EXCHANGE® Network
www.the-exchange.ca

Alternative ways to bank:

- Member Assistance
1-888-516-6664
- Direct Teller
1-800-387-0602
- Online Banking
www.mycreditunion.ca
- TelPay®
1-800-827-6317

Survey says...

How we are addressing the issue of fees.

Service fees emerged as a major concern in our recent member survey. And why shouldn't they?

Every month you look at your statement whether it is with us or another financial institution, and you stare at the lines marked 'fees' in disbelief, but you don't think there's anything you can do about it, it's just the cost of running your life. Even 'no fee' accounts have hidden fees somewhere. In banking nothing is ever "free".

We don't want you to be afraid to look at your monthly statement ever again.

The lowest fees possible

Service fees are an unavoidable part of keeping your money in any financial institution, and while we cannot eliminate fees for our members, we do believe in structuring our fees so that you can manage your transactions to significantly reduce the amount you are paying each month.

Our service fees exist simply to cover costs, so wherever we can realize savings we pass that on to you.

How do we do that? We have reduced our EXCHANGE® ATM deposit and withdrawal fees effective July 1st.

The fee to deposit will be eliminated completely - saving you \$1 each time you deposit. The fee for withdrawals will be dropped from \$1 to 75 cents.

How can you save even more money? Interac® ATM withdrawals cost you \$1 plus the surcharge fee which starts at \$1.50 and goes up to over \$2 at some ATMs. Start using THE EXCHANGE® Network ATMs instead and you will immediately save at least \$1.50 per withdrawal. THE EXCHANGE® Network allows you to access your account from any of their 2100 ATMs located across the GTA and Canada. Since we have joined THE EXCHANGE® Network and you now have a cheaper, convenient way to access your accounts we have decided to no longer subsidize Interac® ATM withdrawals. Starting July 1st the Interac® fee will increase from \$1 to \$1.25 per transaction.

We believe in keeping fees as low as possible for each of our individual members, and we pride ourselves in being at, or lower than, the rest of the financial marketplace.

Most of the miscellaneous fee changes we are making will not affect most members' day to day banking.

For instance, we are increasing NSF fees in order to ensure that these costs are covered by members needing this service, not spread among all members.

What you can do?

Our work doesn't stop at our own fees and services – we believe in being active with our members by helping you adapt your own banking habits to reduce the amount of service charges you pay.

There could be many things you can do to tweak your own habits to avoid paying service fees:

- have your pay deposited here at The Credit Union avoiding transaction fees on cheques and withdrawals
- avoid NSF fees by opening an overdraft and keeping track of your balance – use duplicate cheques
- check your statement online on a regular basis to avoid shortfalls
- avoid Interac® and surcharge fees by using THE EXCHANGE® Network
- ask for cash back when making debit purchases
- make one or two larger withdrawals rather than many small ones
- monitor and compare consecutive monthly statements, be aware of your habits
- look for problem areas in fees and see if there is a way to modify your behaviour and eliminate repeat offenders

If you have concerns about how much you're paying in service fees, even if those fees are with another financial institution, bring us your statement. Our expert and dedicated staff will be more than happy to go over your personal statements with you to evaluate your chequing behaviour and look for unnecessary repeated access. We will show you where extra fees are coming from and explore alternatives, and help you reconcile your statements so that there are no future surprises.

Want to reduce the amount of those pesky fees you pay each month?

Sit down with us and we'll show you how.