PEKOE
MORTGAGES

# Insured, Insurable or Uninsured?

The Renewal Switch Guide: which tier you are in, what ends it, and the checklist.

## The three tiers, in one table

Every residential mortgage in Canada sits in one of three categories. The category is set by federal regulation, not by your lender, and it decides who will compete for your mortgage at renewal.

| Tier | Down payment | Who pays the insurance | Do you ever see it? |
|---|---|---|---|
| **Insured** | Under 20% | You | Yes, added to your balance |
| **Insurable** | 20% or more | Your lender | No, never |
| **Uninsured** | 20% or more | Nobody, there is none | No |

## The rules are stricter for the middle tier

This is the part most people get wrong, including some brokers. The criteria for an insurable, low ratio file are tighter than for an insured, high ratio one.

| Criterion | Insured, under 20% down | Insurable, 20% or more down |
|---|---|---|
| Maximum property value | Under $1,500,000 | **Under $1,000,000** |
| Maximum amortisation | 25 years, or 30 for a first-time buyer or a new build | **25 years, no exception** |
| Refinance allowed? | No | No |
| Owner occupied? | Required | Required |

**Read the amortisation row twice.** A first-time buyer with 5% down can take 30 years. The same buyer with 20% down cannot, and still keep the file insurable.

## Five things that end insurable status

1. ☐ **Refinancing.** Taking equity out. A refinance cannot be insured, at any loan to value.
2. ☐ **Stretching the amortisation past 25 years.** Lowers the payment, costs the tier.
3. ☐ **A property value of $1,000,000 or more.** Tested when the lender approves.
4. ☐ **Renting the property out.** Owner occupancy is a condition.
5. ☐ **Adding anything to the balance while switching.** It makes the switch a refinance.

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## What is safe to do

- [ ] Prepayments within your privileges.
- [ ] Increasing your regular payment.
- [ ] Renewing with your existing lender.
- [ ] Switching lenders at the same balance and the same remaining amortisation.
- [ ] Your home going up or down in value, mid-term.

## The switch checklist

| When | What to do |
|---|---|
| Four months out | Ask your lender: is this mortgage insured, and by which insurer? |
| Four months out | Get your balance, maturity date and remaining amortisation in writing |
| Three months out | Shop the market at the **same balance and same amortisation** |
| Three months out | Ask every quote which tier they are pricing |
| Two months out | Decide. If anyone proposes changing the amount, ask what it does to the tier |
| One month out | Sign. Do not let the file lapse into your lender's default renewal |

## The one question to ask

Before agreeing to anything at renewal, ask: **does this change my balance or my amortisation?** If either moves, the tier may move with it, and the tier decides who competes for your mortgage at this renewal and every one after it.

## Where the numbers come from

The eligibility criteria above are from the Eligible Mortgage Loan Regulations, SOR/2012-281, sections 5 and 6, read on 25 November 2026. The $1,500,000 insured ceiling and the 30 year amortisation for first-time buyers and newly built homes took effect on 15 December 2024.

Budget 2026 proposes raising the low ratio value limit to $1,500,000 and permitting 30 year amortisations on those files. Those changes are **not in force**.

This guide states no mortgage rates. Live rates are at pekoe.ca/rates.

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