PEKOE
MORTGAGES

The Renewal Checklist

What to do at six months, three months and one month, and the four questions to ask your lender.

Start six months out, not twenty one days out

A federally regulated lender must send you a renewal statement **at least 21 days** before the end of your term, and must tell you in it whether the term renews automatically if you do nothing. Twenty one days is enough to sign what is in front of you. It is not enough to arrange an alternative.

> **The whole point of this checklist is the gap between those two facts.** Everything below takes longer than three weeks, which is why it starts at six months.

Six months out

- [ ] Find your maturity date. It is on your annual statement and in your online banking, not only on the original commitment.
- [ ] Find out which charge is registered against your home: a **standard charge** or a **collateral charge**. This decides what leaving costs.
- [ ] Pull your credit report from both bureaus and read it. Errors take weeks to correct and a correction after you apply is too late.
- [ ] List every other debt with its balance and monthly payment. Your total debt service is measured on all of it, not just the mortgage.

Three months out

- [ ] Request a **payout statement** from your lender. It carries the exact discharge figure, which no calculator can produce.
- [ ] Decide whether you want a **switch** or a **refinance**. They are different transactions and only one of them re-tests your file.
- [ ] If you want to change the amount or the amortisation, say so now. That is a refinance, and it is measured against today's criteria.
- [ ] Gather income documents: recent pay statements, last two Notices of Assessment, and T1 General with T2125 if you are self-employed.

Switch or refinance: know which you are asking for

	Straight switch	Refinance
What moves	Same balance, same amortisation, new lender	New amount or new schedule
Re-tested against today's criteria	No, on the increased portion there isn't one	Yes, on the increased portion
Legal work	Often handled by the new lender	Yours: $1,500 to $3,000 typically
Appraisal	Often not required	Generally required: $300 to $600
Maximum	Your existing balance	80% of appraised value

One month out

- [ ] Have a written offer from at least one lender other than your own.
- [ ] Add the exit cost to the comparison: a discharge fee of **$300 to $500** where charged, and on a collateral charge the cost of discharging and re-registering.
- [ ] Confirm the new lender's conditions are satisfied, not just issued.
- [ ] Confirm the closing date lines up with your maturity date. A gap costs you interest at your old lender's rate.

What to ask your current lender, in these words

What is my exact payout figure, including any discharge fee, as at my maturity date?

Is a standard or a collateral charge registered against my property?

If I do nothing, what happens on my maturity date?

Is the rate in my renewal statement your best available rate for my profile, or an opening offer?

Figures used in this checklist

Figure	Value	Source
Renewal statement notice	At least 21 days before term end	FCAC, Renewing your mortgage
Conventional refinance ceiling	80% of value	CMHC, Refinance
Legal fees, refinance	$1,500 to $3,000 typically	Pekoe deal flow, confirmed
Appraisal	$300 to $600 typically	Pekoe deal flow, confirmed
Lender discharge fee	$300 to $500	Pekoe deal flow, confirmed
Collateral charge amount	No published percentage exists	FCAC, Borrowing against home equity

No mortgage rate appears in this document. Rates change daily and a rate printed in a PDF is wrong within a week. Current rates are at pekoe.ca/rates.