**Understanding mortgage relief measure options**

In the last few years, Canadians have been faced with a complex, rapidly-changing economic environment with increased cost of living and higher interest rates, in addition to the residual financial impact of the pandemic.

A growing proportion of homeowners with mortgage loans on their principal residences are experiencing financial stress. A smaller percentage are experiencing severe financial stress, because of exceptional circumstances, and are at risk of mortgage default. These exceptional circumstances include the current combined effects of high household indebtedness, the rapid increase in interest rates, and the increased cost of living.

Concentra Bank understands these concerns and we are able to help our customers on a case-by-case basis, providing financial relief measure options to those who need them.

Depending on your unique financial situation, we may be able to offer one or a combination of mortgage relief measures, pending receipt of supporting documentation to validate the relief request.

If you are approved for a mortgage relief measure, you will be provided with an Agreement that contains details of the relief measure offer and period; information about the terms and conditions of the offer; and the impact of accepting the offer on your mortgage. This Agreement will be provided to you prior to these measures taking effect so that you can make a timely and informed decision.

**Examples of possible mortgage relief measure options that could be offered1 and the corresponding short & long-term impacts to your mortgage:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **What is it** | **Short-term impact**  | **Long-term impact**  |
| **Mortgage Payment Deferral** | Allows you to defer your principal and interest payment for a specific short-term period.  | After the deferral period ends, you resume making your mortgage payments. You will need to repay the mortgage payments you defer. | Your principal balance does not decrease and the interest that is accrued but not paid is added to your mortgage balance (capitalized). Defering both principal and interest payments causes your amortization period to increase and you will owe more money on your mortgage than before the deferral period.  |
| **Partial Payment Deferral (Interest-only payments)** | Allows you to only pay the interest portion of your mortgage payments for a specific short-term period. This may be offered if you’ve already extended your amortization and/or used the capitalization option. | Defers the payment of principal, up to a maximum amount and period. You will need to repay the mortgage payments you defer. | Your principal balance does not decrease. This causes your amortization period to increase temporarily until the repayment plan has been implemented. In addition, this means that you will pay more interest over the life of your mortgage.  |
| **Amortization Extension (Temporary or Permanent)** | Allows you to lower your mortgage payments by extending the amortization period, which is the estimated length of time it takes to pay off a mortgage in full.  | Extends the length of time to pay off mortgage in full. Should you wish to restore the original amortization period at a later date, your options include (i) increasing your Regular Payment amount, and/or (ii) making a lump sum payment.  | You will pay more interest over the life of your mortgage.  |
| **Capitalization** | Allows you to add an amount to your mortgage principal.You may be able to capitalize:* missed mortgage payments;
* property tax payments;
* property repair costs;
* condominium fees; and/or
* other outstanding charges.
 | Increases your mortgage payments to reflect the increase of your mortgage principal.  | Capitalizing increases your principal balance and causes your amortization period to increase. To maintain your original amortization perioid, your payment will increase and the increased principal balance means that you will pay more interest over the life of your mortgage.  |
| **Capitalization with Amortization Extension** | Allows you to add an amount to your mortgage principal in combination with extending your amortization period.  | Changes your mortgage payment to reflect the increased principal balance resulting from capitalization and the new amortization period. Extends the length of time to pay off mortgage in full. Should you wish to restore the original amortization period at a later date, your options include (i) increasing your Regular Payment amount, and/or (ii) making a lump sum payment. | Capitalizing increases your principal balance and causes your amortization period to increase. Further extending your amortization period through an amortization extension means that you will pay more interest over the life of your mortgage. |

*1 Not all of these options may be applicable to you. Concentra Bank will determine the most appropriate relief measure option to your financial circumstances.*

**During any approved Relief Measure Period, we will also:**

* Waive prepayment charge when making a lump sum payment to repay deferred mortgage payment(s) or when you sell your principal residence during the mortgage relief period, subject to review of individual circumstances and approval by Concentra Bank.
* Waive internal fees or costs for a limited period that would otherwise be charged.

**Contact us**

If you are facing temporary financial difficulties or are at risk of experiencing difficulty, please contact us to discuss our eligibility criteria for offering relief measures and to begin developing an appropriate and individualized solution that works best for your financial needs.

We can be reached during our business hours of **8:00am – 8:00pm in all time zones** at our toll- free number of **1-855-795-4489** or email us.

**Additional resources**

Our federal regulator, the Financial Consumer Agency of Canada (FCAC), offers educational resources on financial hardship, managing debt, and more. Please visit:

[Guideline on Existing Consumer Mortgage Loans in Exceptional Circumstances](https://www.canada.ca/en/financial-consumer-agency/services/industry/commissioner-guidance/mortgage-loans-exceptional-circumstances.html)

[Mortgage relief options](https://www.canada.ca/en/financial-consumer-agency/services/mortgages/relief-options.html)

[Managing your money in challenging times](https://www.canada.ca/en/financial-consumer-agency/services/covid-19-managing-financial-health.html)

[Financial tools and calculators](https://www.canada.ca/en/services/finance/tools.html)

We encourage you to seek information and advice from appropriate sources, such as a lawyer, accountant, or realtor to support sound financial decision-making.