

List of questions to ask your mortgage expert of choice

Statistics show that well over half of Canadians with a mortgage renegotiate before their term is up. And the average five-year borrower changes their mortgage every three-and-a-half years.

That's why it often pays to trade a slightly lower rate for more flexibility, unless you know you won't change your mortgage during its term. A cheap rate can certainly save hundreds of dollars up front. Just be sure it doesn't cost thousands after closing.

On that note, here's a list of questions to ask your mortgage expert of choice. Check the boxes one by one as you talk with your adviser.

With a little effort, this list will help you snare the most feature-rich mortgage possible, at a rate that's better than average.

Here's what you need to consider

- [The rate](#)
- [Extra payments](#)
- [Penalties](#)
- [Refinancing](#)
- [Variable-rate mortgages](#)
- [Other features](#)
- [Extra costs](#)

The Rate

1. Is the rate you're quoting me the lowest I can possibly get, given my qualifications and mortgage preferences?
2. If I find a lower rate for a similar product elsewhere, will you match it?
3. How long will the lender hold my rate, once I apply?
4. If I get approved and rates drop, how will I know? Will the lender automatically adjust my rate lower? Will I get the lender's very best promotional rates if its rates fall?
5. Can I get a pre-approval at this rate
6. Do you offer fully discounted rates up front at renewal?

Extra Payments

7. How much extra can I prepay each year without penalty
8. When can I make these prepayments?
9. How much can I increase my ongoing payments each year?
10. What payment frequencies do you have?

Penalties

11. Can I break my mortgage any time I want?
12. If a [mortgage penalty](#) applies, how do you calculate it?
13. Can I port my mortgage to a new property to avoid penalties?
14. How long do you give me to port my mortgage?
15. Do you deduct interest from my penalty rebate if I port my mortgage and my old and new house don't close on the same day?
16. If I break the mortgage early, can I use my unused prepayment privileges to lower the penalty?
17. If the mortgage includes cash back, how much of that cash do I have to repay if I break the mortgage early?

Refinancing

18. Is there any restriction on when I can refinance?
19. Can I increase my mortgage at any time, at fully discounted rates, and without paying any penalty?
20. Can I extend my mortgage term at any time without penalty, and at fully discounted rates?
21. Is your mortgage readvanceable?
22. Can I roll in my refinance or switch costs to the new mortgage?

Variable-rate Mortgages

23. Does your variable rate mortgage have any restrictions?
24. Can I fix my payment so that it doesn't move if rates increase?
25. How fast does the lender increase rates when prime rate rises?
26. Can I convert my variable rate to any of the lender's fixed rates, at any time?
27. If I convert my variable rate to a fixed rate, will I get the absolute lowest rate the lender offers for that term?

Other Features

29. Can I split the mortgage into different parts?
30. Can you offer the amortization I want?
31. Does the lender let me check my balance and remaining amortization online? Make prepayments online?
32. Is the lender a bank or credit union with branches?
33. Do you offer early renewals at your best discounted rates with no fees or penalties?
34. Do you offer an all-in-one style mortgage where I can combine chequing, savings and my mortgage into one account?
35. If I sell my house, can the buyer assume my mortgage?
36. If I get a one-year fixed, can it be converted to any of the lender's fixed rates, at any time?
37. Can I skip a payment if needed? If so, how often and under what circumstances?
38. Do you pay profit sharing on my mortgage?
39. What default insurer will insure my mortgage?
40. If I purchase creditor life insurance through you, can I port that insurance to a new lender without having to requalify and lose the premium I'm paying on my current mortgage amount?

Extra Costs

41. Will you pay my appraisal fee?
42. Do you have any processing fees?
43. Do you have any [cancellation fees](#)?
44. How is the mortgage compounded?
45. Do you charge "reinvestment fees" on top of the penalty if I break my mortgage early?
46. Do I have to pay legal (aka. mortgage registration) fees?
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47. Is the mortgage a "collateral charge" mortgage?
48. If I switch my mortgage to you, will you pay my old lender's discharge fee?
49. Do I have to pay title insurance if I switch my mortgage to you?
50. Will I pay a higher rate if I'm self-employed and cannot prove my income in the traditional manner
51. Does the mortgage come with free banking or significant discounts on other financial products?
52. If I switch lenders and have a mortgage and line of credit, will the lender charge me a separate discharge fee on both the mortgage and line of credit?
53. If I need bridge financing to cover the gap between the purchase of my new home and the sale of my old home, what rate and fees will you charge?
54. Will I pay an extra fee if I break my open mortgage within 12 months?

Service

55. If I have a problem with my mortgage, who do I call?
56. Will I get a dedicated mortgage adviser, or talk to someone different each time I have a mortgage question?
57. How long do I have to wait on hold to speak to my mortgage adviser? What are his/her hours?
58. Will my mortgage adviser contact me annually for a mortgage check-up?

Advice

59. What are your qualifications as a mortgage adviser?
60. Given my lifestyle and savings, will you be honest with me about whether I can truly afford this mortgage?
61. What methods will you use to help me pick the right term?
62. Will you help me stress test my mortgage?
63. What mortgage strategies will you provide to help me retire faster?