

Adjustable-rate mortgages: Strategic flexibility in an ever-changing market

When fixed-rate options feel out of reach, an adjustable-rate mortgage offers the flexibility your clients need.

Meet “Jacob & Jessie”*

With a growing family, Jacob and Jessie want to upsize their home, but the housing market is challenging. They’ve been approved for an adjustable-rate mortgage, giving them a larger mortgage with lower monthly payments—or in other words, they get affordability for today and flexibility for tomorrow.

Should they decide to move, they won’t have to commit to a fixed term or face large prepayment charges. If the Bank of Canada increases its benchmark rate, their payments could increase, but they’ll have the option to lock into a fixed rate at any time for added stability.

With interest-only prepayment fees, your clients get added flexibility:

- 5 months interest in the first year
- 4 months interest in the second year
- 3 months interest in years 3 – 5

Key benefits:

- Fluctuating rate structure
- Excellent option for clients who don’t want to be locked in
- Lower prepayment fees with interest rate differential calculations
- Ability for clients to switch to a fixed rate
- Competitive pricing & broker compensation

Details:

- Available on purchases & refinances
- Applicable to owner-occupied properties and rentals
- Applicable to Extended Ratio Program.
- Rentals subject to applicable rate premiums. Large loans may be subject to additional premiums

Ensure your clients know the difference between ARM & VRM:

- ARM payments rise & fall with changes in prime rate
- VRM payments are fixed, but interest rises & falls with changes in prime rate¹

Need more info? Contact your sales representative or visit our [partner resource library](#)

*For illustrative purposes only. Lending criteria subject to change without notice.

¹The Equitable Prime Rate (P) is the annual rate of interest that is established from time to time by Equitable Bank, at its discretion, as a point of reference, and may change at any time.

Terms, conditions, and interest rates are subject to change without notice. Additional documentation may be requested. Additional pricing or mortgage lending criteria may apply. This information is for the intended recipient only and not for distribution without written consent.