

What you need to know about Scotiabank® Mortgages

Thank you for choosing Scotiabank for your mortgage needs! Obtaining a mortgage is a significant decision and at Scotiabank we want to make sure you have selected a mortgage option that's right for you. This document provides a summary of mortgage options available from Scotiabank to help you make an informed decision. You can find out more about these mortgage options from your mortgage broker.*

Questions to consider with your mortgage broker:

When choosing a mortgage loan, you should discuss your financial situation, your future financial plans, and your tolerance for risk with your mortgage broker. Some questions to consider are:

- What is the purpose of the mortgage loan?
- How long do you intend to own the home or have the mortgage in place?
- Do you anticipate any events that may require a change to your mortgage?
- Do you anticipate any additional borrowing needs in the future?



Key mortgage terms you should know:

Amortization Period	The actual number of years it will take to repay a mortgage loan in full. This may go beyond the term of the loan. The shorter the amortization period, the less interest you will pay over the life of your mortgage loan but your payments will be higher. The longer the amortization period, the more interest you will pay over the life of your mortgage loan but your payments will be lower.
Maturity Date	The last day of the term of the mortgage loan. The mortgage loan must then be renewed or repaid in full.
Mortgage	A mortgage loan is a loan secured by real property. The lender will register a charge on title to the property in the provincial or territorial land titles office where the property is located. If you default under a loan secured by the real property, the lender may take possession of the property.
Prepayment Charge	If the mortgage is closed for repayment before its maturity date, this is the cost to repay the mortgage before its maturity date.
Term	The period of time over which the interest rate, prepayment and other mortgage loan conditions are set. At the end of the term, the mortgage loan must be repaid unless it is renewed.

Choosing a Scotiabank mortgage loan that is right for you:

Below are mortgage loan options you can choose at Scotiabank and their key benefits and risks. Further details on your selected mortgage loan will be included in your credit agreement and disclosure statement.

Mortgage Loan Options	Key Benefits	Key Risks
Interest Rate Options:		
<p>Fixed Rate - The interest rate and payment stay the same for the term.</p>	<ul style="list-style-type: none"> Peace of mind knowing your interest rate and payment will not change over the mortgage term. Protection from market rate increases during the term. 	<ul style="list-style-type: none"> A fixed interest rate may be higher than the available variable interest rate for a comparable term. The prepayment charge to break a fixed rate closed term early can be higher than the prepayment charge for a closed term variable rate mortgage. For more on prepayment charges, see the description of “closed term” below.
<p>Variable Rate - The interest rate is based on Scotiabank’s prime rate plus/minus an adjustment factor. The interest rate and payment amount will change as Scotiabank’s prime rate changes.</p>	<ul style="list-style-type: none"> If the Scotiabank prime rate decreases, so will your interest rate and payment. The interest rate can be lower than the fixed rate for a comparable term. You can switch to a fixed rate term longer than your remaining term without a prepayment charge. 	<ul style="list-style-type: none"> If the Scotiabank prime rate increases, your interest rate and payment will increase.
<p>Ultimate Variable Rate - The interest rate is based on Scotiabank’s prime rate plus/minus an adjustment factor but will not exceed a cap rate. The mortgage payment is fixed using the cap rate and will not change during the term.</p>	<ul style="list-style-type: none"> Peace of mind that your payment will not change and your variable interest rate will not increase above the cap rate. While your interest rate is lower than the cap rate, the excess payment will be applied to reduce the principal balance. You can switch to a fixed rate term 3 years or longer without a prepayment charge. 	<ul style="list-style-type: none"> While your interest rate is lower than the maximum cap rate, your payment at the maximum cap rate will be higher than it would be at your variable interest rate.
Term Options:		
<p>Closed Term - The mortgage cannot be repaid before the end of the term (above applicable prepayment privileges) unless you pay a prepayment charge.</p>	<ul style="list-style-type: none"> The interest rates for closed terms are typically lower than for open terms. 	<ul style="list-style-type: none"> If you break a closed mortgage term early, a prepayment charge will apply. The calculation of the prepayment charge will depend on the type of interest rate you select. You can find out about Scotiabank’s prepayment charges on our website at Scotiabank.ca/en/personal/mortgages/understanding-mortgage-prepayment-charges.
<p>Open Term - The mortgage can be repaid at any time during the term without a prepayment charge. An administrative fee will apply if the mortgage is repaid within the first year.</p>	<ul style="list-style-type: none"> Flexibility of repaying the mortgage loan at any time during the term without prepayment charges. 	<ul style="list-style-type: none"> The interest rates for open terms are generally higher than for closed terms.

Other Scotiabank Borrowing Solutions:

Scotiabank offers other borrowing solutions that can help you meet your financing needs.

Borrowing Solutions	Benefits	Risks
<p>Scotia Total Equity® Plan (STEP) - A flexible borrowing solution tied to the equity in your home. It allows you to mix and match different kinds of Scotiabank credit products (like mortgage loans, a line of credit, credit cards and more) based on your needs. It is secured by a collateral charge your home.</p>	<ul style="list-style-type: none"> • With STEP, you can create a borrowing plan to help you achieve your goals and plan for the future, potentially with one application. • You can borrow up to 80% of the value of your home, including up to 65% as revolving credit (i.e. a line of credit or a credit card). 	<ul style="list-style-type: none"> • If you use the equity in your home and don't have a plan to repay the debt in full, this can result in you carrying the debt for a prolonged period. • If you default on one credit product under your STEP, all products you have under the STEP will also be considered in default. • If you want to switch lenders, you will need to repay all of the credit products under your STEP.
<p>ScotiaLine Personal Line of Credit - A ScotiaLine Personal Line of Credit is a revolving loan that allows you to access up to 65% of the equity in your home. This means that you can withdraw funds from the line of credit up to your credit limit, repay them and withdraw them again. It is secured by a collateral charge registered on title to your home and can be included as part of a STEP. The interest rate is based on Scotiabank's prime rate and an adjustment factor. The minimum payment is usually interest on the money used.</p>	<ul style="list-style-type: none"> • A secured ScotiaLine Personal Line of Credit will typically have a lower interest rate than an unsecured line of credit. You pay interest only on the amount you borrow. • It provides convenient access to funds for future expenditures and unexpected events with flexible repayment terms. You can repay the amount borrowed at any time without a prepayment charge. 	<ul style="list-style-type: none"> • Since there is no specific time to repay the balance owing, you can end up carrying a balance indefinitely unless you have a repayment plan. • Since the interest rate is variable, the amount of the minimum payment will change over time. • Scotiabank can reduce the line of credit limit in the future, change the interest rate or demand repayment at any time. • If you want to switch lenders you will need to repay the full amount owing under the line of credit.

Resources:

You can find additional information on choosing a mortgage and other information about mortgages at <https://www.scotiabank.com/ca/en/personal/mortgages.html> and <https://www.canada.ca/en/financial-consumer-agency/services/mortgages.html>.

If you have a complaint about Scotiabank's products or services, please visit:

<https://www.scotiabank.com/ca/en/about/contact-us/customer-care/how-to-resolve-your-complaints.html>

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* This document is being provided for informational purposes only. Please consult with your mortgage broker for information about your mortgage options. All mortgage applications are subject to meeting Scotiabank's standard credit criteria, residential mortgage standards and maximum permitted loan amounts. Some conditions may apply.

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