

# Porting Your Mortgage

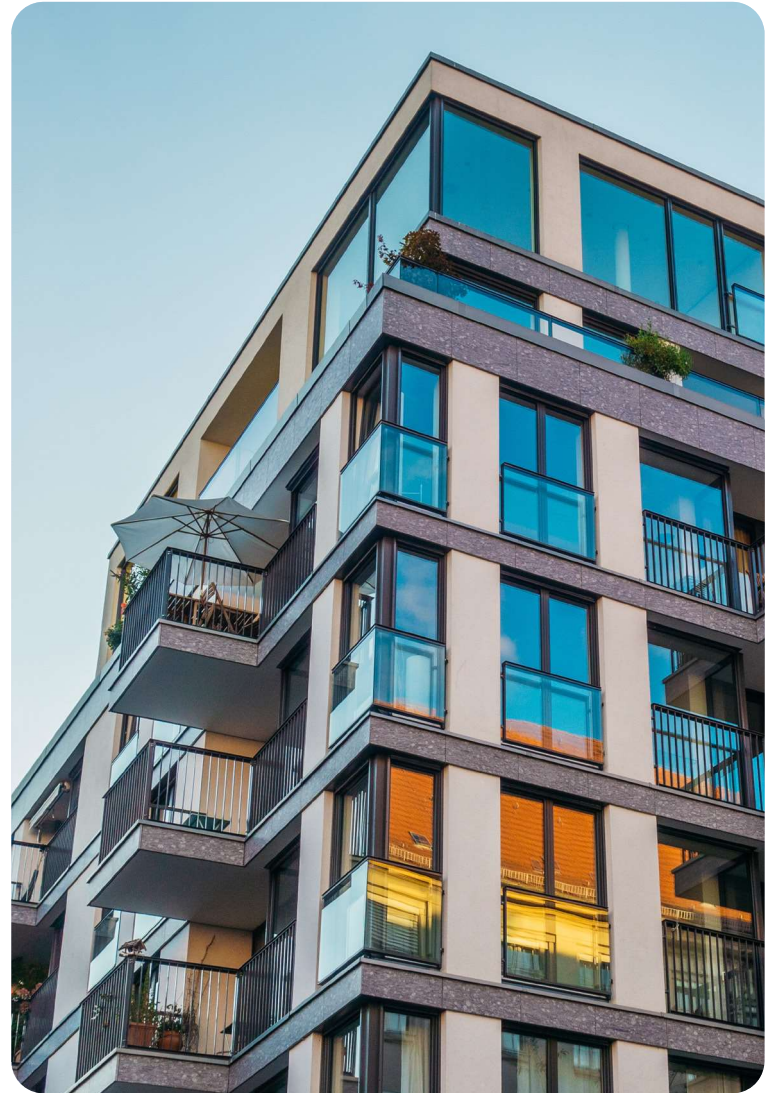
Selling your current home and moving into a new one can be stressful enough, let alone worrying about your current mortgage and whether you're able to carry it over to your new home.

Porting enables you to move to another property without having to lose your existing interest rate, mortgage balance and term. The ability to port also saves you money by avoiding early discharge penalties!

While not all mortgages are portable, most fixed-rate products typically feature this option. In those cases, lenders utilize a "blended" system where your current mortgage rate stays the same on the mortgage amount ported over to the new property and the new balance is calculated using the current interest rate. With variable-rate mortgages, as porting is typically not an option, you will end up breaking your existing mortgage when you move. As a result, you will be charged a three-month interest penalty, which may or may not be reimbursed with your new mortgage.

If you are able to port your mortgage with no penalty when you sell your existing property and buy a new one, there are some additional conditions which may still apply:

- Some lenders allow you to port your mortgage, but your sale and purchase have to happen on the same day. Other lenders offer a week to do this, some a month, and others up to three months.
- Some lenders don't allow a changed term or force you into a longer term as part of agreeing to port your mortgage.
- Some lenders will reimburse your entire penalty whether you are a fixed or variable borrower if you simply get a new mortgage with the same lender – replacing the one being discharged. Some lenders may even allow you to move into a brand-new term of your choice and start fresh.
- There are instances where it's better to pay a penalty at the time of selling and get into a new term at a brand-new rate that could save back your penalty over the course of the new term.



While this may sound like a complicated subject, I am happy to help explain all of your options and help you select the right mortgage options or review potential penalties. Contact me today to get started!

## Rob Falls

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