

# INTEREST-ONLY MORTGAGE



## Sometimes an interest-only payment is a good short-term option.

### Ideal for the client who:

- Has an irregular income
- Expects financial situation to change in the near future
- Needs to free up cash flow
- Would benefit from short-term payment relief
- Has a sound strategy about how the extra savings will be used
- Only plans to stay in home for a short period of time

### Other Program Details

**LOAN PURPOSE:**

Purchase or Refinance

**LENDING AREAS:**

Major urban centres

**PROPERTY TYPES:**

Residential only, owner-occupied, up to 4 units

**BORROWER QUALIFICATIONS:**

Contract, 30-year amortization

**AMORTIZATION:**

Not applicable

**PAYMENTS:**

Monthly, interest only<sup>1</sup>

**PRE-PAYMENT OPTION:**

20% on anniversary date<sup>2,3</sup>

### By the Numbers

**AVAILABLE TERMS:**

1 and 2 year

**LENDER FEE:**

100 BPS

**FINDER FEE:**

50 BPS

**RATE PREMIUM:**

25 BPS

**MINIMUM BEACON SCORE:**

580, exceptions considered

**MAXIMUM LTV:**

65%

**MAXIMUM LOAN AMOUNT:**

\$1,000,000

**RATE GUARANTEE:**

90 days for purchases, 60 days for refinances.

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<sup>1</sup> The monthly payment is based on the annual cost of interest, divided by 12. <sup>2</sup> Renewal offer - It is the sole discretion of IC Savings to offer continuance of interest-only payment upon maturity of the original term, or to implement repayment based on a maximum 30-year amortization. <sup>3</sup> Mortgages are closed unless an arms-length sale is provided, whereby penalty will be three (3) months' interest or IRD, whichever is greater.