

MORTGAGE RENEWAL

What to do 120 days before your renewal. Why you shouldn't just sign the letter your bank sends you.

PREPARED
BY

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1. The Renewal Trap

Your bank will send you a renewal letter 21 days before your mortgage matures. Most people sign it and send it back without thinking. **This is exactly what your bank is counting on.**

Here's why that costs you money:

- The rate on that letter is almost **never** the best rate available
- Your bank has **zero incentive** to offer their best rate — they already have your business
- You're on a **tight timeline** (21 days) which limits your negotiating power
- A broker checks **20+ lenders in 15 minutes** — your bank only checks one

*Shawn's Tip: Start the conversation **120 days** before your renewal date. That gives us time to shop, negotiate, and lock in the best rate. Waiting until the last minute is how banks win.*

2. The 120-Day Renewal Timeline

| | |
|---------------------|--|
| 120 Days Out | Start shopping. Call me. I'll check 20+ lenders and show you what's available. No commitment required. |
| 90 Days Out | We compare your bank's best offer against broker options. Lock in a rate hold (most lenders hold for 90–120 days, protecting you if rates rise). |

| | |
|--------------------|---|
| 60 Days Out | Make your decision. If switching lenders, we start the transfer process. If staying, negotiate with your bank using the competing offers as leverage. |
| 30 Days Out | Finalise paperwork. If switching, your new lender and lawyer handle the transfer. You just sign. |
| 21 Days Out | Your bank sends the renewal letter. If you haven't already acted, you're now on their timeline — not yours. |
| Renewal Day | Your new term begins. If you switched, the transfer is seamless. Your payment may change based on the new rate. |

3. What You Can Do at Renewal

Renewal isn't just about rate. It's an opportunity to adjust your entire mortgage strategy:

- **Switch lenders** — No penalty at renewal. Move to whoever offers the best deal.
- **Change your term length** — Go from 5-year fixed to 3-year, or try variable.
- **Adjust your amortisation** — Extend to lower payments or shorten to pay off faster.
- **Increase your payments** — Even an extra \$100/month saves thousands in interest.
- **Make a lump sum payment** — Apply savings or a bonus directly to principal.
- **Consolidate debt** — Roll high-interest debt into your mortgage (if equity allows).
- **Switch payment frequency** — Move to accelerated bi-weekly to save interest.

Shawn's Tip: Switching lenders at renewal is free — there's no penalty. Your new lender handles everything. The only cost is typically a \$200–\$300 discharge fee from your current lender.

4. The Real Cost of Not Shopping

Here's what a 1% rate difference actually costs on a \$350,000 mortgage over a 5-year term:

| Rate | Monthly Payment | 5-Year Total | Interest Paid |
|---------------------|--------------------|-----------------|-----------------------|
| 5.49% (bank offer) | \$2,124 | \$127,440 | \$87,290 |
| 4.49% (broker rate) | \$1,929 | \$115,740 | \$75,590 |
| Difference | \$195/month | \$11,700 | \$11,700 saved |

Based on \$350,000 mortgage, 20-year remaining amortisation. Rates are illustrative.

5. Your Renewal Checklist

120 days before renewal, gather this information:

- Your **renewal date** (check your mortgage statement or original documents)
- Your **current rate** and **remaining balance**
- Your current **payment amount** and **frequency**
- Any **prepayment privileges** you haven't used this year
- Your **credit score** (check free through Borrowell)
- Changes in **income or debts** since your last term
- Whether you want to **borrow more** (renovation, debt consolidation)
- Whether your **property value has changed** significantly

Renewal Coming Up?

Don't just sign the letter. In 15 minutes, I can check 20+ lenders and tell you exactly what you qualify for. No cost. No obligation.

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