FREE GUIDE · FOR ALBERTA HOMEOWNERS

One Payment Instead of Five

Using the equity you already built to retire high-interest debt - how it works, what it honestly costs, when it is the smartest move on the board, and when it is not.

- How consolidation actually works - refinance, second mortgage, or at renewal
- The honest math: what you save, what it costs, what it does to your credit
- When it is the right move - and the one situation where it backfires
- No judgment anywhere in these pages. More people do this than you think.

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The Quiet Pile and the Obvious Fix

> Credit cards, a line of credit, a car loan, a lingering consumer loan - it piles up quietly, and it is far more common than anyone admits. If you own a home, you might be sitting on the fix.

The mechanics are simple: high-interest consumer debt typically costs several times what mortgage money costs. Consolidation uses your home equity to pay those balances to zero and fold them into one mortgage-rate payment. The interest bleed stops the same day, and the monthly cash-flow relief is often dramatic - commonly hundreds of dollars a month on a typical Alberta file. Your exact numbers take about fifteen minutes to run from your actual statements.

The three ways in

- **Refinance your mortgage.** Break the current term, borrow up to the allowed share of your home value, clear the debts. Mid-term this triggers a penalty - which is why the math must include it, honestly.
- **Wait for renewal - the penalty-free window.** At maturity there is NO penalty, which makes renewal THE moment to restructure: extend the amortization, take equity out, clear the cards - whatever the plan needs. Heads-up: a restructure like this usually does involve a lawyer; a straight renewal does not.
- **A second mortgage or HELOC.** When your first mortgage is worth keeping (great rate, brutal penalty), a second position can clear the debts without touching it. Costs more than a first; costs far less than the cards.

> **What it does to your credit**
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> Usually good things, fast: paying revolving balances to zero collapses your utilization - often the heaviest weight on a score - and improvement commonly shows within a few statement cycles. One inquiry in; a cleaner file out.

The Honest Part

> Consolidation is one of the most powerful moves in personal finance - and it has one failure mode, and you deserve to hear it straight.

It only works once per behaviour change. Consolidation clears the cards; it does not cancel them. If the spending that built the balances continues, the cards refill while the mortgage carries the old debt too - a bigger hole, dug politely. The fix is not shame; it is a plan: a written budget, trimmed credit limits, honest expectations. Pair consolidation with even a modest plan and you stay out; treat it as a reset button and you return.

When it is the right move

- ✓ The debt is stable or shrinking and the interest is what hurts - consolidation kills the interest
- ✓ Monthly cash flow is choking the household budget - relief funds the plan
- ✓ Renewal is inside a year - the penalty-free window makes the math even cleaner
- ✓ The balances came from a season - not a pattern

When to pause

- ✓ The balances are still climbing month over month - plan first, consolidate second
- ✓ The amounts are small enough to clear within a year by focus alone
- ✓ Selling within a couple of years anyway - the transaction costs may outweigh the win

Here's the thing about the shame

Half the people who sit across from a broker with card debt start with an apology. Skip it. Debt happens to good earners and half your neighbourhood - what separates outcomes is not virtue, it is **whether the interest gets killed while the balance is still killable.** Arithmetic, not character.

Fifteen minutes. Your statements. Real numbers.

What you owe, what it costs, what consolidation changes - no judgment anywhere in the conversation.

Call or Text 403-703-6847

Go deeper: shawnselanders.ca/debt-consolidation-mortgage-alberta · the refinance-vs-HELOC question at shawnselanders.ca/heloc-vs-refinance-alberta.