FREE GUIDE · FOR ALBERTA HOMEOWNERS

The Mortgage Renewal Playbook

Your renewal letter is not an instruction - it is an invitation to shop. The six-month head start that turns the easiest moment in your mortgage into the most valuable one.

- Why the rate on the letter is almost never the best available
- The six-month timeline, phase by phase, with the full checklist
- Everything you are allowed to change at renewal - penalty-free
- The four renewal traps that cost Alberta homeowners the most

Shawn Selanders

MORTGAGE BROKER · MORTGAGE ARCHITECTS

403-703-6847 · Shawn@ShawnSelanders.ca · shawnselanders.ca · Serving Southern Alberta since 1999

The Letter Is Not the Offer. It Is the Opening Bid.

> Here's the thing about renewal letters: the rate on that paper is almost never the best your lender can do. It is the best they can do that you will still sign without shopping.

Renewal is the one moment in your mortgage when the door is wide open. Your term is ending, so there is **no penalty to leave** - which means every lender in the market can compete for you, and your current lender knows it. The letter is priced on the assumption that you will not make them compete. Most people prove that assumption right: they sign within days of the letter arriving, often at a rate meaningfully above what a few phone calls would have found.

The homeowners who win at renewal do one thing differently: **they start early and make the market do the work.**

What renewal actually is

At the end of your term (the 3-year or 5-year contract, not the whole mortgage), the remaining balance needs a new agreement. You can re-sign with your lender, renegotiate with them, or move the mortgage to a different lender entirely - at maturity, that move is penalty-free. A renewal is a fresh negotiation where you hold the leverage. The letter is written hoping you will not use it.

Why starting six months early is the whole game

Here is what most homeowners never hear: rate holds run longer than you think. The majority of lenders will hold a renewal rate **four months (120 days) before your maturity date - and some can hold up to six months out.** So the shopping clock should start at the six-month mark: organized before the main hold window even opens. Starting early costs nothing and buys three things: a **rate hold** (if rates rise, you kept the lower one; if they fall, you take the better one), **time to shop properly** across 20-plus lenders instead of accepting one number, and **room to fix surprises** - a credit hiccup or paperwork gap found six months out is an easy repair; found in week one, it is a crisis.

What a percentage point is worth

Simple arithmetic, no predictions: on every $350,000 of mortgage balance, one percentage point of rate is roughly $3,500 a year in interest - about $290 every month, every month of a five-year term. That is what shopping is worth. Ask for today's numbers on your actual balance and the math gets personal fast.

Everything You Are Allowed to Change at Renewal

> Renewal is not just a rate decision. Because there is no penalty at maturity, it is the cheapest moment to redesign the whole mortgage around the life you have now - not the life you had when you signed.

- **Your lender.** At maturity you can switch penalty-free - and on a standard switch the new lender often covers the transfer costs, and **you usually do not even need a lawyer**. Confirm what is covered before you commit.
- **Your rate type.** Fixed to variable, variable to fixed - renewal is the free moment to change your mind.
- **Your term length.** One to ten years. Shorter keeps options open; longer buys certainty. The right answer depends on your next five years, not the market's.
- **Your amortization.** Shorten it to pay the mortgage off faster - or extend it for month-to-month breathing room.
- **The size of the mortgage itself.** Because there is no penalty at renewal, this is THE time for an equity take-out - consolidate high-interest debt, fund a renovation, whatever your plan needs. One heads-up: restructuring like this usually does mean a lawyer gets involved. Worth it when the move is right; just budget for it.
- **Payment features.** Prepayment room, payment frequency, the ability to skip or double - these vary by lender far more than rates do, and they are negotiable now.

The Four Renewal Traps

- **The auto-renewal.** Ignore the letter and many lenders roll you into a default term at posted rates - the most expensive mortgage most people will ever hold. The letter always deserves an answer; it just does not deserve a signature on day one.
- **Signing early without shopping.** An early-renewal offer months before maturity can be genuinely good - or a move to lock you in before you look around. The only way to know is to look around.
- **Assuming loyalty is rewarded.** Lenders price new customers hungrily and existing customers politely. Fifteen years of on-time payments earns a thank-you, not a discount - unless you shop, in which case it earns both.
- **Choosing the next term on rate alone.** The penalty structure, prepayment room and portability of the NEXT term decide what your life costs if anything changes in it. Two identical rates can hide thousands of dollars of difference in the fine print.

The Six-Month Checklist

> Print this page. Find your maturity date. Work backward. Every box is ten minutes or less.

6 MONTHS OUT - GET ORGANIZED

- [x] Find your exact maturity date (mortgage statement or one call to your lender)
- [x] Check your credit score - free and score-safe at shawnselanders.ca/check-your-credit
- [x] Build your document list in sixty seconds: shawnselanders.ca/checklist
- [x] Call or text Shawn: 403-703-6847 - the clock starts HERE; some lenders can hold a rate this far out

4 MONTHS OUT - THE MAIN HOLD WINDOW OPENS

- [x] File shopped across 20-plus lenders; rate HELD - most lenders hold four months before maturity
- [x] Compare offers beyond the rate: penalty structure, prepayment room, portability
- [x] Decide what else this renewal should fix - amortization, an equity take-out, rate type

90 TO 45 DAYS OUT - LOCK IT IN

- [x] Choose the winning offer and complete the application
- [x] If switching lenders: appraisal and transfer paperwork (often covered - confirm)
- [x] Respond to document requests the day they arrive - speed is leverage

45 DAYS TO MATURITY - THE HANDOFF

- [x] Sign the new agreement - a straight switch or re-sign usually needs NO lawyer; an equity take-out or restructure is the exception
- [x] Confirm your first payment date and amount with the new term
- [x] Diarize the NEXT renewal six months before it lands - the playbook repeats

Here's the thing about renewals

Your lender is counting on your busy life. The letter arrives, the rate looks fine-ish, the signature takes thirty seconds - and the cost of not shopping gets spread invisibly over sixty months where you never quite see it. **A few weeks of light homework, once every five years, is the best-paid work most homeowners ever do.**

Renewal Questions, Answered Straight

Do I have to requalify if I stay with my lender?

A straight re-sign typically involves no new qualification - exactly why the letter counts on you staying. Switching means a new application with current documents: paperwork, not peril, and the price of admission to the whole market's pricing.

What does switching actually cost - and do I need a lawyer?

On a standard switch at maturity, the new lender typically covers the appraisal and transfer costs - and a straight switch usually requires **no lawyer at all**; the transfer is handled for you. The exception is restructuring: an equity take-out or new money generally does involve legal work. Either way, you hear the full cost picture before anything proceeds.

My situation changed since the last term. Am I stuck?

Not automatically. Income changes, new debts, a credit bruise - these narrow some doors and leave others open; knowing which is which is a broker's job. The worst move is signing unshopped on an assumption.

What if rates move after I lock?

A rate hold protects you in one direction and costs you nothing in the other: if rates rise before maturity, you keep the held rate; if they fall, you take the lower one. There is no scenario where holding early hurts you - which is why the six-month start is the entire strategy.

Is it worth it if my mortgage is small?

The dollars scale with the balance; the homework does not. And renewal is about more than rate - payment features, amortization and consolidation matter at every mortgage size.

Your renewal date is already set. The only question is who does the shopping.

One call starts the six-month playbook - no cost, no pressure, no obligation to move anywhere.

Call or Text 403-703-6847

Go deeper: twenty-six renewal questions answered at shawnselanders.ca/mortgage-faq-alberta/renewals-penalties · your document list at shawnselanders.ca/checklist.