

Butler Mortgage's Update on Mortgage Deferrals

To all Clients and Investors, here is some information regarding the Mortgage Deferral Program:

- At this time it appears that **all of the Schedule "A" banks** are offering a Mortgage Deferral Program for up to **6 months** of mortgage payments.
- **Smaller, monoline lenders** like First National, MCAP, etc. are also offering the program.
- Also, **"B" lenders** are offering the program.
- **Private lenders are not specifically offering** this particular program. Since private lenders are not governed the same as regular institutional lenders, and given that most private lenders are dependent on those mortgage payments they receive to pay their own bills and expenses, it should be expected that mortgage payments will need to still be made. If you are someone that has borrowed a private mortgage and don't believe you will be able to make your payment to the lender, please contact the mortgage broker that set up the private mortgage or the lender directly (if you have their contact info) and **plead your case**. I do know of some very reasonable private lenders that have already approached me to relay that they would be okay with deferring some payments for borrowers that have been impacted and adding the interest to the end of term balance.
- Approval for the Deferral Program is consider **case-by-case**. You have to demonstrate that the COVID-19 virus has directly impacted your financial situation either via loss or reduction in employment or through loss of investment income such as no rental income coming from an investment home.
- At this point, the majority of people in the country are impacted, so we believe that eligibility is widespread.
- We can confirm that **mortgages on rental properties ARE eligible** for the Mortgage Deferral Program.
- Some banks, like ScotiaBank, have even come out with guidelines stating that they will allow a client to get as many as three different properties approved for the Mortgage Deferral Program (Note from Rock Star: we have had some investors get **more than three approved**).
- To move forward on trying to get approval for the Mortgage Deferral Program, please **contact your mortgage lender**. I believe trying to email them may also work well in times like this as we are hearing

the phone lines are pretty jammed up at most of the lenders. My office is trying to get specific email addresses for each bank so that the inquiries are directed to the right channel. (Note from Rock Star: The Bank's 1-800 numbers have long wait times, but are MUCH better than dealing with anyone at a local branch).

- The Mortgage Deferral Program basically states that you would not have to make mortgage payments for up to 6 months. The bank will then be **adding the INTEREST** for those 6 months to your mortgage balance (assuming you used the full 6 months of the program) and then we are being told the banks will likely be adjusting your mortgage payment to account for this, ultimately leading to you having the **same renewal date** as your original mortgage schedule.
- It is our understanding that being approved for the Mortgage Deferral Program **does NOT negatively affect your credit score** with Equifax or TransUnion via a late payment rating. There should be no late payment rating associated with this program, at least that is what we have been told.