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MortgageWORKS

Best Mortgage Rates

As of August 1st, 2008

Prime Lending Rate: 4.75%

Variable Rate: Prime – 0.60% (4.15%)

First Year Introductory Rates from: 3.50%

Fixed, Closed Rates:

Terms	Mortgage Cents	Banks
6 Months	5.95%	6.10%
1 Year	5.10%	6.15%
2 Years	5.30%	6.15%
3 Years	5.40%	6.15%
4 Years	5.50%	6.59%
5 Years	5.24%	6.65%
7 Years	6.10%	7.40%
10 Years	6.20%	7.75%

*** Rates subject to change without notice. ***

Mortgage Cents™ Inc. is a leader in offering custom-tailored mortgage solutions and consultation services to individuals, families and businesses across Canada.

Our service offering:

- 1st, 2nd & no money down mortgages
- Pre-approvals & re-financings
- Debt consolidation, lines of credit
- Construction & land financing
- Commercial mortgages, rental properties
- Self employed individuals

Our commitment to you:

- Professional and unbiased advice
- Access to over 60 Canadian lenders
- Market-trained, senior account specialists
- Mobile service Canada wide
- 24 - hour application turnaround
- Mortgage & tax minimization strategies

Brokerage Licence No. 10318

Which one?

Fixed rate mortgage or variable rate mortgage?

Before we answer that question, it's important to understand the difference between a fixed rate mortgage and a variable rate mortgage.

Fixed rate mortgage - A fixed rate mortgage is a mortgage where the rate of interest is fixed for a specific period of time. Generally known as the mortgage term, it usually ranges from between 6 months and 25 years. As time goes on, more of the mortgage payment goes towards the principal and less of the payment goes to the interest.

Variable rate mortgage - A variable rate mortgage is a mortgage that has fixed payments, but the interest rate fluctuates with any changes in interest rates. If interest rates go down, more of the payment goes to principal and if interest rates go up, more of the payment goes towards the interest.

So, which one is better?

Determining which one is better is as simple as looking at your ability to handle risk.

Here's an easy test...

If you loose sleep worrying about the possibility of a .25% increase in the interest rate or get stressed thinking about the impact on your monthly budget if your monthly mortgage payment changes, then a fixed rate mortgage is for you.

You should also take the same test when choosing the length of the fixed rate mortgage term. If you breathe easier knowing that your mortgage payment is fixed for the next 5 years then a 5 year term is right for you.

It's pretty simple, don't like risk, then a fixed rate mortgage term is right for you. Now if risk is not as much of an issue, then a variable rate mortgage is the way to go.

Here's why..

Based on a detail study completed by Professor Moshe Milevsky, Schulich School of Business, of interest rates from 1950 to 2000, consumers are better off, on average, financing a mortgage with a short term floating (prime) interest rate, compared to a long term fixed rate mortgage. A consumer with a \$100,000 mortgage and an amortization period of 15 years would have paid \$22,000 more in interest payments by borrowing and then renewing at the 5 year rate as opposed to borrowing at prime and renewing annually.

The bottom line:

Long term stability has a price, but if you can't sleep, what good is the money?

Call 647-428-7009
or apply online

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