LIVE GREENER IN AN ENERGY STAR® CERTIFIED HOME

Choose an RBC Royal Bank® mortgage solution for your future-friendly Locale home

At Locale (Stacks), we're proud to assist you on your clean energy journey with homes built to ENERGY STAR® standards for New Homes. These homes can help you reduce your impact on the environment and energy costs.

Find out how an RBC mortgage can benefit you

- Guaranteed capped interest rate for 36 months.* Plus, you may be eligible for a lower rate 120 days prior to your closing date.
- Available extended mortgage amortization period* beyond standard 30 years can help reduce your monthly payments.**
- Firm mortgage approval. Once approved, you stay approved.***
- A processing fee is applicable. It can be refunded if the mortgage application is funded at the guaranteed interest rate over the original commitment period at time of firm approval.
- More favourable underwriting given that we will recognize 75% lower expected property expenses with heating and cooling.
- Ability to fast-track your mortgage application under the blanket assessment property valuation process for eligible home models.
- 25% mortgage insurance premium rebate is available if eligible under CMHC Eco Plus program.
- Speak to an RBC Mortgage Specialist for additional information.
- Mass offer: Start a mortgage application before October 31, 2024 and you could receive up to $3,500 cash and 55,000 Avion‡ points, for a total value of up to $4,600.[1]
- Long Close offer: Start a mortgage application today and you could receive up to $3,000.[2]

Make an appointment with an RBC Mortgage Specialist today to find out if an RBC mortgage is the right option for your new home purchase in the Locale community. They'll be able to assist in answering any questions you may have and help you along the way.

Call or email RBC:

Tyler Emmet	**tyler.emmet@rbc.com**	**343-462-0769**
Lauren Bartello	**lauren.bartello@rbc.com**	**613-240-0927**

*Mortgage approvals will be limited to the rate commitment period offered by RBC for the purchase.
**Depending on other terms and conditions of your mortgage, a longer amortization period can reduce your monthly payments, but can result in higher overall borrowing costs over the course of your mortgage. You should speak to an RBC Mortgage Specialist to determine what mortgage terms are right for you based on your needs and circumstances.
***Your mortgage approval may no longer be firm if a different home is purchased or you are adding to or removing from your mortgage application a co-borrower.

Personal lending products and residential mortgages are offered by Royal Bank of Canada and are subject to its standard lending criteria.
®/™Trademark(s) of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada. ‡All other trademark(s) are the property of their respective owner(s).
1. Complete terms and conditions are available at https://www.rbcroyalbank.com/dms/mortgages/buying/spring-2024/index.html
2. Complete terms and conditions are available at https://www.rbc.com/mattamyoffer

Longer or shorter? Your amortization affects how much your mortgage really costs.

Choosing the length of your amortization period, which means the number of years you will need to pay the full balance of your mortgage, is an important decision that can affect how much interest you pay over the life of your mortgage.

Historically, the banking industry's standard amortization period has been 25 years, a standard that still applies today to government insured mortgages. It is the benchmark that is used by most lenders when discussing mortgage offers. However, longer time frames are available for conventional mortgages (mortgages where the purchaser has made a down payment of at least 20% of the purchase price).

Why choose a shorter amortization period?

The main reason to opt for a shorter than standard amortization period is so that you become mortgage-free sooner. And since you are agreeing to pay off your mortgage in a shorter period of time, the interest you pay over the life of the mortgage will therefore be greatly reduced.

You also have the advantage of building home equity sooner. Equity is the difference between any outstanding mortgage on your home and its market value. It represents the amount of money you can claim as your asset. If you choose, your equity can be used to secure lower interest cost financing for things such as home renovations, your children's education or second property investments, just to name a few.

A shorter amortization period saves you money on interest.

While there are many good reasons to opt for a shorter amortization period, there are a couple of other factors to consider. Because you are reducing the actual number of mortgage payments you make to pay off your mortgage, your regular payments will be higher.

So if your income is irregular, or if you're buying a home for the first time and will be carrying a large mortgage, a shorter amortization period that increases your regular payment amount and ties up your cash flow may not be the best option for you.

But, if you can comfortably afford the higher payments and are looking to save money on your mortgage, or maybe you just don't like the idea of carrying debt over a long period of time, perhaps you should consider a shorter amortization period. The following chart will help you see the differences between shorter and standard amortization periods.

Compare the difference[1]:

Five-year fixed-rate closed mortgage

Details	25-Year	30-Year	35-Year
Mortgage principal	$500,000.00	$500,000.00	$500,000.00
Monthly mortgage payment (principal & interest)	$2,948.01	$2,710.40	$2,550.87
Monthly payment increase compared to 35-year amortization	$397.14	$159.53	$0
Term interest costs (5 years at 5.14%)	$120,385.18	$122,322.94	$123,623.93
Additional term interest savings over 35-year amortization	$3,238.75	$1,300.99	$0
Balance at maturity	$443,504.58	$459,698.94	$470,571.73

Why choose a longer amortization period?

Choosing a longer amortization period can get you into your dream home sooner than choosing a standard or shorter period.

When you apply for a mortgage, lenders calculate the maximum regular payment you can afford. They then use that amount to calculate the maximum amount they will lend to you for your mortgage.

As a shorter amortization period results in higher regular payments, a longer amortization period reduces the amount of your regular principal and interest payment by spreading your payments over a longer period of time. So you could qualify for a higher mortgage amount than you originally anticipated. Or you could qualify for your mortgage sooner than you had planned.

Longer amortization will get your dream home sooner but may take you longer to pay off your mortgage with more interest.

Again, this option is not for everyone. While a longer amortization period will appeal to many people because the regular mortgage payments can be comparable or even lower than paying rent, it does mean that more interest will be paid over the life of the mortgage. The chart below will help you to see differences between longer and standard amortization periods.

You have the flexibility to shorten your amortization period.

Regardless of which amortization period you select when you originally apply for your mortgage, it does not mean you have to stay with that period throughout the life of your mortgage.

You can always choose to shorten the amortization period and save on interest costs by choosing an accelerated payment option, making extra payments when you can, such as a Double Up®[2] payment or an annual lump sum principal prepayment.

You should review your options at each renewal to shorten your amortization and pay off your mortgage faster.

It also makes good financial sense for clients to re-evaluate their amortization strategy every time their mortgage comes up for renewal.

Then, as you advance in your career and begin to earn a better salary over time, you can simply increase the amount of your regular payments by as much as 10% once each year. All these prepayment features will take years off your amortization period, and save you money on interest.

Compare interest costs

Note: If you choose an amortization of over 25 years, you must have a down payment of at least 20%.

Details	20-Year	25-Year	30-Year	35-Year
Interest costs for full amortization[2]	$297,645.46	$384,397.96	$475,735.81	$571,362.13
Additional interest savings/ cost of the amortization[3]	($178,090.35)	($91,337.85)	$0	$95,626.32

If you would like to discuss amortization options or have any questions about the flexible payment options that can shorten your amortization period, please speak with an RBC® mobile mortgage specialist or visit your nearest RBC branch.

For mortgage calculators visit www.rbcroyalbank.com/mortgagecalculators

Personal lending products and residential mortgages are offered by Royal Bank of Canada and are subject to its standard lending criteria. ® / ™ Trademark(s) of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

[1] In this example, we assume the loan to value is 80% or greater and no default insurance is required. If the mortgage is default insured and the amortization selected is greater than 25 years, an additional default insurance is required. We also assume that default insurance is paid from the client's own resources.

[2] Calculated semi-annually, not in advance.

[3] Over the life of the mortgage, assuming a constant interest rate throughout the amortization period. Charts are for illustrative purposes only. We assume that interest costs will remain the same throughout the entire amortization period, that no payments will be missed and that no additional payments will be made. Charts use the same interest rate for each amortization period. Available interest rates for mortgages with a 30 year amortization period may be higher than for those with an amortization period of 25 years or less and so the actual cost of choosing a 35 year amortization period may be more substantial than shown.

VPS111319

129653 (04/2023)