



Collateral Charge Mortgages

A collateral charge mortgage is a different way to secure a mortgage or loan against your property. First off, let's take a look at a standard charge mortgage so you can understand what makes the collateral charge mortgage different.

Standard Charge Mortgage

A standard charge mortgage is designed to only insure the mortgage loan as detailed - it does not secure any other loan products you may have with the same lender. To borrow more money in the future, you would need to apply and re-qualify for an additional loan.

Collateral Charge Mortgage

With a collateral charge mortgage, you are able to secure a mortgage or loan against your property. This means that you can be lent additional money from your lender after closing without needing to refinance or pay a lawyer. If you have a Home Equity Line of Credit, you have a collateral charge mortgage.

Some additional benefits of the collateral charge mortgage include:

- Easier to access equity when your property increases in value

- Withdraw home equity without refinancing
- Good product if you want to consolidate debt or use your equity for renovations or investments

However, keep in mind that other lenders won't accept transfers from borrowers with collateral charges; borrowers must refinance which means incurring legal costs that would not otherwise be associated with switching lenders when you have a standard mortgage.

Why Get a Collateral Charge Mortgage?

When you know if you might want to access more of your home's equity in the first few years of your mortgage for things like debt consolidation or renovations. A collateral charge mortgage will allow you to do so without incurring more legal fees.

Don't hesitate to contact me today to learn more about collateral charge mortgages and if this is the right option for you!

ALLAN MURRAY
Mortgage Agent Level 1
Wolfpack Mortgage Solutions Team
www.allanmurray.ca
allanm@dominionlending.ca
905-536-3154

