



## General Information relating to Deferred Mortgage Payment Programs

**1. Deferred mortgage payments are discretionary.**

Lenders maintain the legal right to timely repayment of their mortgages and mortgage payment deferral programs are offered at their sole discretion and each lender has different policies on how they handle these requests. *Note: These programs are generally restricted to 'Institutional' lenders only. Private mortgages do not qualify.*

**2. No lender is going to forgive your mortgage payment.**

A deferred payment program allows you to roll a defined number of mortgage payments into your mortgage, however you are still expected to ultimately pay all of the money you owe, with interest.

**3. True financial hardship must be demonstrated.**

These programs are for customers who are genuinely struggling to make their next mortgage payment. They may have lost their job(s) and/or a portion of their income, and they do not have the cash reserves necessary to draw on. If you are not in this group, you are not likely to be eligible. However, if you do make the decision to request a payment deferral, please be prepared to submit a detailed breakdown of your personal assets, current income and expenses.

**4. If you do not currently fall into this distressed category, please do not call your lender at this time.**

Lender phone lines are overloaded right now with many of the calls being from customers who are worried but are not in a situation as per # 3 above. If you are still receiving your normal income and have enough money to make your next mortgage payment, please delay a call to your lender until you are in that situation. Or better yet contact the mortgage professional that you originally worked with when you obtained your mortgage. They will be happy to review all of your options with you!

**5. Deferring mortgage payments will not hurt your credit score.**

A lender-approved deferment is not a missed payment—and it will not appear on your credit bureau report as such. Lenders are also typically offering to waive any fees associated with these types of programs during the COVID-19 crisis.

**6. Deferred Payment Programs are typically capped at six months.**

Deferring the first payment will be easier than deferring the second one, and so on. Right now, six months is about the longest deferment you should expect to receive, but no lenders will do this all at once. Most of them will require that you reach out with a request for each individual payment that you are going to miss.

**7. Communication is the key.**

If you are going to miss your mortgage payment, contact your lender first! Be honest with them about your circumstances and have a plan for how you are going to get back on track. If you are about to miss a payment and cannot get through on the phone lines, send your lender an email. Lenders may waive NSF fees if you miss a payment but can demonstrate to them that you attempted to notify them in advance.

**8. A mortgage deferred payment program is for your mortgage payment only.**

Property tax installments and insurance premiums are entirely separate from these programs and must continue to be paid. If municipalities and insurance companies offer similar programs (which most municipalities are currently doing), they should be contacted separately.

**9. Other options may be available.**

In addition to rolling missed payments back into your mortgage for a specified period of time, lenders also have the ability to refinance your mortgage to pay out other debt (subject to qualification), restore your original amortization (which lowers your payment amount), hold a payment (during a temporary suspension of income), or offer you a reduced payment for a specific time. We recommend that you contact your mortgage professional to review these other options. *Note: Interest-only payments are usually not available under these programs.*

**10. Rental property investors may also be eligible.**

Property investors with tenants who have stopped making their rent payments will also be considered, however they will be assessed by the same rigorous standards as noted in # 3 above. *Note: Some provincial governments have introduced tenant relief programs. Rental-property owners can also encourage their tenants who have been adversely impacted by COVID-19 to apply for these programs if available.*

***Please remember that these are challenging times for not only customers but for the lenders themselves. They are all working extremely hard to try to provide all their customers with first class service and to help those borrowers who are being adversely impacted by COVID-19. It may take you a significant amount of time to reach a customer service representative at your particular lender, so when you do finally get a live person on the other end of the phone, remember that they are doing their best in difficult times and treat them with the respect they deserve.***

