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YOUR NEXT MOVE LIBRARY / MONEY MADE CLEAR

Mortgages Made Clear

The words and questions behind a home loan.

You do not need to become a mortgage expert. You do need to understand what you are borrowing, what can change and what it may cost to leave.



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A practical guide. A more confident conversation.

The terms you will hear

Mortgage and principal

A mortgage is a loan secured against property. Principal is the amount you owe, separate from interest. Your payment may also include other amounts; ask for an itemized breakdown. [1]

Interest rate

Interest is the cost of borrowing. Compare offers with similar terms and features, rather than judging a mortgage by the advertised rate alone. [3]

Term versus amortization

The term is the period your mortgage contract covers. Amortization is the estimated time to repay the loan through scheduled payments. You may need several terms to finish paying. [2]

Renewal versus refinancing

At the end of a term, a remaining balance usually needs renewal or repayment. Refinancing changes the borrowing arrangement and may require new approval and costs. Ask the lender to explain your options. [4]

Your next move. My mission.

Look beyond the monthly payment

Fixed and variable

A fixed rate stays the same during its term. A variable rate can change. With some variable mortgages the payment changes; with others the payment stays fixed for a time but the split between interest and principal changes. [1]

Open and closed

An open mortgage generally offers greater early-repayment flexibility. A closed mortgage limits extra payments and may charge a penalty if you exceed the privileges. Confirm the written rules. [1]

Insurance: ask which kind

Mortgage default insurance protects the lender if you cannot pay. It is different from property insurance and optional life or disability coverage. Do not assume one policy replaces another. [5]

Room to repay or move

Ask about lump-sum privileges, payment increases, portability and the cost of breaking the contract. Porting a mortgage is subject to the lender’s requirements; it is not automatic. [1]

A longer repayment schedule

A longer amortization can lower scheduled payments but generally increases total interest when other terms are comparable. Ask for both a payment illustration and a total-cost comparison. [2]

Your next move. My mission.

My mortgage meeting checklist

- [ ] Confirm the principal, term and amortization.
- [ ] Request the rate and all fees in writing.
- [ ] Ask what could change my payment or balance.
- [ ] Request examples of early-exit costs.
- [ ] Confirm approval conditions and funding dates.

The feature I need explained again:

My question about flexibility or future plans:

Bring your questions to Francesco.

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Start a conversation at francescobasile.ca

OFFICIAL READING / CHECKED 16 OCTOBER 2026

1. FCAC - Choosing a mortgage
2. FCAC - Terms and amortization
3. FCAC - Mortgage interest
4. FCAC - Renewing a mortgage
5. FCAC - Down payments

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