LIVING & LENDING

Your monthly key to smart living and lending

Choosing a mortgage isn't a one-time decision — it's a series of choices that shape how your payments work for you over the years ahead. This month, we're walking through the building blocks: interest rate types, amortization, payment schedules, term length, and the difference between open and closed, high-ratio and conventional mortgages.

From there, we go a step further — looking at a few simple, practical strategies that can help you pay down your mortgage faster, without a complicated overhaul or a change to your day-to-day budget. Small, consistent habits can make a real difference over the life of a loan.

IN THIS ISSUE...

MORTGAGEARCHITECTS
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Make Your Mortgage Work For You!

There are several choices when it comes down to choosing a mortgage product that best suits you. Below we have outlined some of the most common options and what they mean.

Interest Rate Type
One of the first decisions when it comes to your mortgage is whether you want a fixed-rate, variable-rate or protected (capped) variable-rate mortgage.

A fixed-rate mortgage is ideal for new home owners or anyone on a fixed income that is looking for a stable monthly payment amount.

A variable-rate mortgage allows you to take advantage of decreasing interest rates (but you pay more if they go up). These are great for individuals who have additional monthly cashflow or wiggle room in their budget and want to make the most of their potential mortgage savings.

Lastly, there is the protected (capped) variable-rate mortgage. This operates similarly to a variable-rate mortgage, except it comes with a maximum (or capped) rate allowing you to take advantage of interest rate decreases while never paying above a set amount should the rates rise.

Amortization
This is the life of your mortgage. A typical amortization period is 25-years to pay off the entirety of the loan, but there are options for shorter (or longer!) terms if preferred. The benefit of a shorter term is that, while having higher payments, you would pay less interest over the lifetime of your mortgage and be mortgage-free faster! On the other hand, a longer amortization period allows for smaller monthly payments.

Payment Schedule
This refers to the frequency that you will make mortgage payments and can range from monthly to bi-monthly, bi-weekly, accelerated bi-weekly or even weekly payments. There are many great calculators on the MY Mortgage Planner app (available through Google Play and the iStore) that can help you calculate and compare these payment schedules to see what works best for you.

Mortgage Term
The term of a mortgage is the length of time for which options are chosen and agreed upon, such as the interest rate. When the term is up, you have the ability to renegotiate your mortgage at the interest rate of that time and choose the same or different options. The standard is a 5-year term.

Open vs. Closed
An open mortgage allows you to increase mortgage payments or make lump sum deposits on your mortgage loan. A closed mortgage, on the other hand, does not allow additional payments without penalties.

High Ratio vs. Conventional
A conventional mortgage is where you put the standard 20% down on your home. However, as not everyone is able to do this, many buyers will end up with a high-ratio mortgage product. High-ratio mortgages need to be insured due to financial institutions only being allowed to lend up to 80 percent of the homes purchase price WITHOUT mortgage default insurance. Therefore, if you choose a high-ratio mortgages over a conventional one, you will pay a monthly insurance premium.

Want to know more? Contact me today!

PAYING DOWN SMARTER: GETTING AHEAD ON YOUR MORTGAGE

Here's something a lot of homeowners don't realize: with amortization, a larger portion of each payment goes toward interest early on, gradually shifting toward principal over time. That's just how the math is structured. What it means in practice is that any extra amount you put toward your principal — whenever you're able to do it — reduces the balance you're paying interest on for the rest of your amortization. There's no wrong time to start; whatever works for your budget, works.

That's what makes prepayment privileges worth knowing about.

Lump sum payments work because they go straight to principal. Most closed mortgages allow you to prepay a set percentage of your original principal each year — often somewhere in the 10-20% range, depending on your lender — without penalty. Whether that's a tax refund, a bonus, or savings you've set aside, applying it against your principal reduces what you're paying interest on going forward.

Accelerated bi-weekly payments quietly add a full extra payment a year. With monthly payments, you make 12 payments a year. With accelerated bi-weekly, you're paying half your monthly amount every two weeks — but there are 26 two-week periods in a year, not 24. That extra two payments works out to one full additional monthly payment annually, applied straight to your principal, without it ever feeling like a lump sum hit to your budget.

WHAT ACCELERATED BI-WEEKLY PAYMENTS CAN DO

On a $320,000 mortgage at 5.09% over 20 years

Standard Monthly	VS	Accelerated Bi-Weekly
Payment **$2,118.38**		Payment **$1,059.19**
Payoff time **20 years**		Payoff time **17.5 years**
Total interest paid **$188,400**		Total interest paid: **$161,400**

This example is for illustrative purposes only.
Interest rates shown may not reflect current rates, and the calculation does not account for any additional prepayment privileges.

Increasing your regular payment has a compounding effect. Many lenders let you bump your payment amount by a set percentage each year. Because that extra amount goes entirely to principal rather than interest, even a modest increase can shorten your amortization more than people expect — and it's something you can start or stop as your budget allows.

Renewal is your best opportunity to reset your strategy. Your circumstances change over a 5-year term — income, expenses, priorities. Renewal is the one guaranteed moment your mortgage is up for a real conversation. It's worth asking: is my current payment schedule still the best fit, or has enough changed that a different approach makes sense?

None of these strategies require refinancing or a complicated overhaul, and none of them require getting it "right" from day one. They just work quietly, in the background, whenever you're ready to put them to use.

A few questions worth bringing to your next renewal conversation:

MORTGAGE RENEWAL CONSIDERATIONS...

Has my income or budget changed since I signed this term?

Am I still on the payment frequency that makes the most sense for me?

Could I comfortably handle a bit more toward my payment than I am now?

Is my current mortgage product still the right fit for where I'm at?

Whatever the answers are, you'll know your mortgage is still working for you.

LIVING WELL BEYOND THE DESK

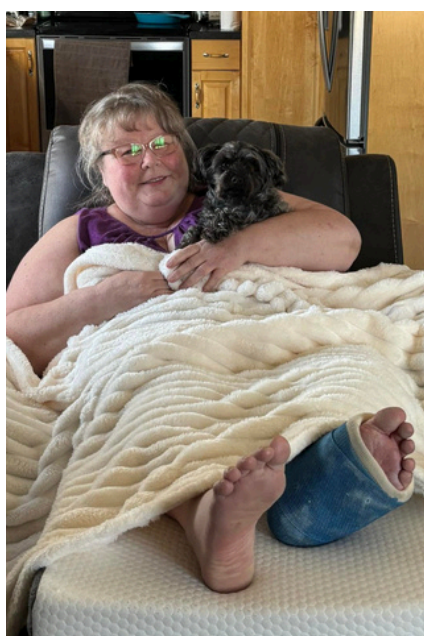
A Season of Support

Some months, this section is about the small everyday things — the garden, the dogs, suppers on the deck. This month, it's about something bigger: Karen's road back to solid footing.

Her ankle fusion surgery in April wasn't a sudden turn — she'd been waiting for it for about a year, and only got in sooner thanks to a cancellation. She came home in a plaster cast, then a fiberglass cast, then eventually the walking boot she's in now. With a no-weight-bearing order for three months, getting around was minimal at best — she worked from her recliner with her foot up, with Brenda close by at the kitchen table, right up until just a few weeks ago.

None of it would have been manageable without the support along the way — Tara and her team in St. Albert, underwriters who went above and beyond to keep her deals moving, and clients who stuck with her and offered nothing but encouragement. That's what a service-focused business is really built on, and we're beyond grateful for it.

Now that Karen's back in her office, that boot's days are numbered, and she's already looking ahead to fall, including a few days at the Team Borle Summit in St. Albert — networking, team building, and continued education to close out the year strong.

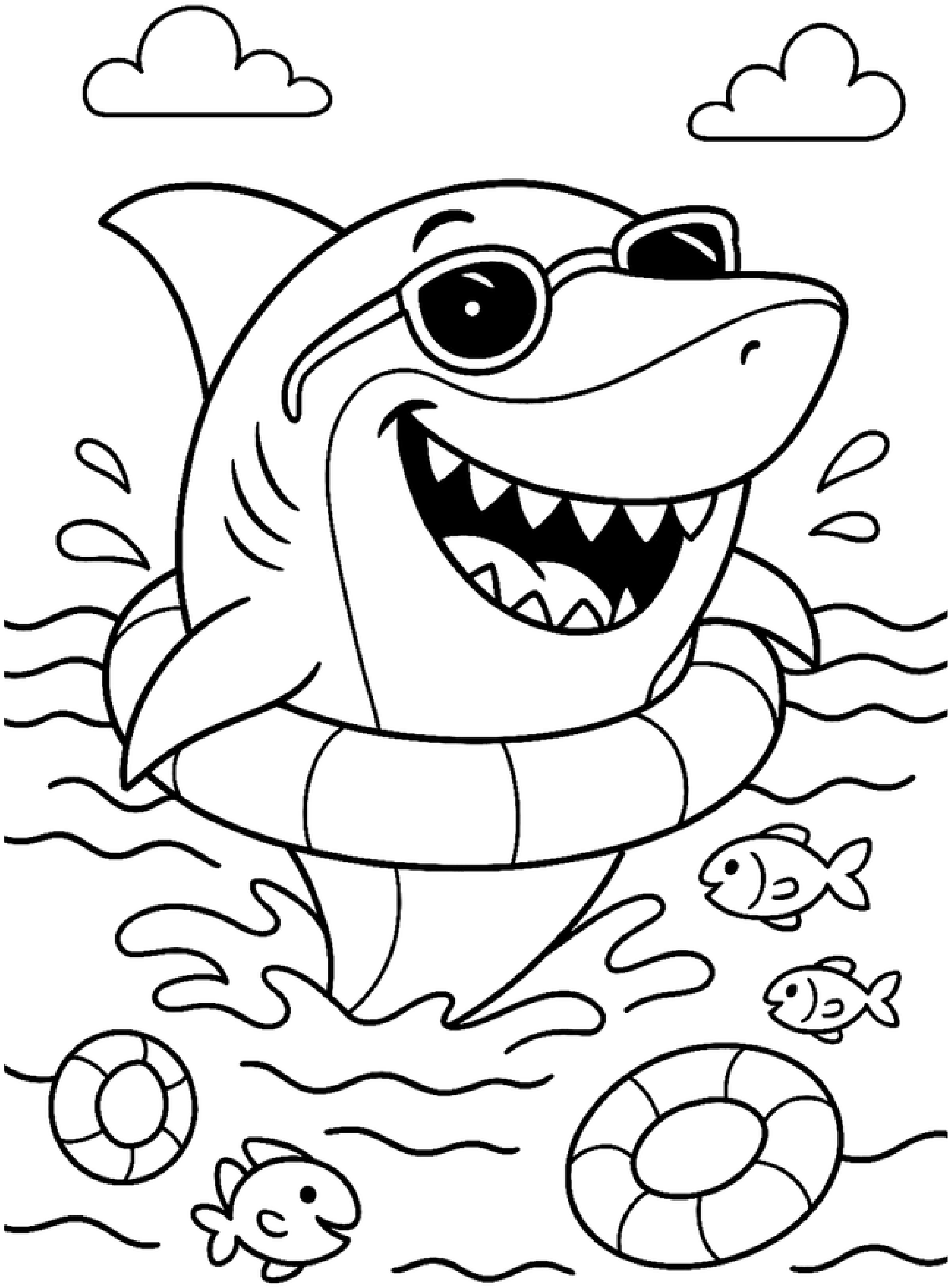

Home, healing, and Odie's puppy-love support

KID’S CORNER: COLOR & SHARE

Text Karen a photo at 306-221-7493 & we will feature it on Facebook!

Name:

Age:



www.KarenReimer.org

YOUR VOICE MATTERS

I love hearing from you! Whether you have questions about mortgages, homeownership, or the market - or you've got a pre-approval story that could help someone else - reach out anytime. Your voice matters here.

Submit Your Questions

Got a question you've been pondering?
Text or email me anytime! I love hearing from you, and your questions often inspire great topics for upcoming newsletters.

Share Your Story

Recently gone through the mortgage pre-approval process? I'd love to hear about your experience! Text or email me anytime - your insights could help others navigating the same journey, and might inspire content in future newsletters.

Contact Me

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With useful tools and calculators to help you determine your affordability, monthly mortgage payments, closing costs and more, my app has everything you need at your fingertips. Click here to download the app or visit our website.