



## Qualifying Rate Update

As you'll likely see in the news in the coming days the Office of the Superintendent of Financial Institutions has stated that the new qualifying rate for all mortgages will rise to the mortgage contract rate plus 2% or 5.25%, whichever is higher starting on June 01st.

### **What this really means...**

After June 1, 2021, ALL Mortgages will be qualified at 5.25%, up from the current stress test rate of 4.79%.

As today's best rates are closer to 2% and even as low as 1.50%, you will now need to qualify on a rate that is 2 - 3.5 times higher than your contractual rate.

What this means to those looking for a new mortgage is that the amount of mortgage you qualify for, going forward will be around 4-5% lower, you can expect a decrease in \$5,000 for every \$100,000 you borrow. For those looking to maximize their mortgage amount, this will mean a smaller mortgage approval.

If you are looking to purchase a home OR possibly looking to take advantage of today's historically low-interest rates by looking to refinance and consolidate debts, complete home renovations OR just looking to early renew into a new lower rate, contact me today. It has never been a better time for a complimentary Mortgage review.

***If you have questions or would like to schedule a complimentary Mortgage Review — please book a 15-minute meeting by heading to [patchingmortgageservices.ca](http://patchingmortgageservices.ca)***