



## PRESS RELEASE



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### **Canadian homebuyers buy more time to consider money-saving options**

**TORONTO, June 8, 2005 /CNW/** - Today's decision by the Bank of Canada to hold the prime rate steady may serve as the final opportunity for Canadians to make important money-saving decisions about their mortgage, according to Andrew Moor, president and CEO of Invis, Canada's largest independent mortgage brokerage.

After more than three years of historically low interest rates, first time Canadian homebuyers and repeat buyers are wondering how current interest rate trends are affecting the mortgage market and home affordability. While the Bank of Canada is holding short-term interest rates steady, the rates on many types of mortgages have been edging upwards in recent weeks, due to movements in the bond market.

For example, six weeks ago, the average discounted rate for the popular five-year fixed-rate mortgage was 4.72 per cent. Today, the same discounted five-year rate is an average of 5.23 per cent. On a \$150,000 mortgage, this increase means an extra \$43.50 on the monthly payment and an additional \$2,610 in interest over the five-year term. Also, with the higher rate, the borrower's principal balance at the end of the term would be \$1,067 higher.

For an individual or couple looking to purchase their first home, this increased cost impacts the maximum purchase price they can afford.

As we head into a rising rate environment, homeowners should consider:

- Fixed versus variable rate mortgages: At what point does variable no longer make sense?
- How changes in the prime rate affect the mortgage market and how this impacts the home buying process.
- The benefits of a pre-approval, including locking in current low rates.
- How enlisting the services of a mortgage broker will ensure you receive the best possible rate.

Andrew Moor and other Invis regional mortgage experts are available to comment on today's Bank of Canada interest rate announcement and its implications for mortgages and Canadian homebuyers.

Invis is Canada's largest independent mortgage brokerage with a national team of over 550 mortgage consultants. Invis mortgage consultants provide unbiased financial analysis, mortgage sourcing and mortgage recommendations for both first time homebuyers and repeat buyers. In 2003, Invis assisted clients with \$3.7 billion in mortgages. For more information, contact Invis at 1-866-854-6847 or visit [www.invis.ca](http://www.invis.ca).