



## PRESS RELEASE



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### **Homebuyers still primed to save thousands with today's mortgage rates, Invis finds**

*Five-year fixed mortgage rates edge higher after flirting with all-time lows*

**Toronto, July 21, 2005** – According to Invis, five-year fixed mortgage rates are increasing from levels that were just above all-time lows, yet there are still plenty of opportunities for homebuyers to cash in on some of the lowest rates in recent memory.

The last two days have seen a number of lenders increase rates on the popular five-year fixed rate mortgages by 0.10%.

"While a small increase in mortgage rates would not be noteworthy in most years, since the beginning of 2005 we have been in a remarkable period of stable or declining rates," explains Andrew Moor, president and CEO of Invis, one of Canada's largest mortgage brokerage firms. "In fact, July will be only the second month in 2005 that has seen any rate increase at all. The key question is does the recent rate increase mark the beginning of a longer-term upward trend in mortgage rates?"

Any long-term trend in five-year fixed mortgage rates would be driven by increasing bond rates, the key determinant of the pricing of fixed mortgages.

"Despite the rate increases, with the help of a mortgage broker, homeowners can still secure a five-year fixed mortgage for as low as 4.50% from a variety of lenders. Let's not forget that historically, it remains an excellent time to save on borrowing costs for those looking to purchase or refinance a home," adds Moor.

In July 2000, a competitive rate on a five-year fixed mortgage was 6.75%. Assuming this rate, the monthly payment on a \$200,000 mortgage with a 25-year amortization period was \$1,370. Under the five-year rate of 4.50% still available today, the monthly payment has fallen to \$1,107, a savings of \$15,789 in payments over the five-year term. Assuming a rate of 4.50%, a homeowner now paying \$1,370 monthly could finance a mortgage of \$247,545 — which represents a 24% boost in purchasing power over the last five years.

"Homebuyers who prefer the stability of a fixed rate mortgage will want to consider locking in these rates now for the next 120 days by obtaining a pre-approval before they begin shopping for a home. For existing homeowners, re-negotiating one's mortgage can be an attractive option," says Moor.

Invis is one of Canada's largest mortgage brokerage firms with a national team of over 550 mortgage consultants. Invis mortgage consultants provide unbiased financial analysis, mortgage sourcing and mortgage advice for both first time homebuyers and repeat buyers. Invis arranged over \$4.5 billion in mortgages in 2004.

Invis regional mortgage experts are available to comment on recent trends in fixed and variable mortgage rates, the impact on mortgage shopping, and the renewal or refinancing process for existing homeowners.