



PRESS RELEASE



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Consumers Cautious About Mortgage Debt

OTTAWA, Ontario, February 20, 2007 — Three-quarters of all respondents to the 2006 Mortgage Consumer Survey conducted by Canada Mortgage and Housing Corporation (CMHC) indicated that their goal is to pay off their mortgage as quickly as possible. Moreover, half agreed that, whenever possible, they would use extra money to pay down their mortgage.

"This study suggests that Canadians are fundamentally cautious when it comes to their mortgage debt," said Pierre Serré, Vice-President, Insurance Product and Business Development. "This is particularly true among young first-time homebuyers."

The survey also indicates that Canadians are well served by the mortgage industry with an overall satisfaction rate of 84 per cent. When asked about their preference for a mortgage provider, 86 per cent of respondents indicated that it is somewhat or very important that their lender be a Canadian institution.

Relationships with their current financial institutions are very important to recent mortgage consumers. While 2006 has seen a slight increase in the percentage of consumers who switch to another financial institution when renewing their mortgage, the majority of mortgage consumers remain loyal to their current lender.

Although the proportion of purchasers using the services of mortgage brokers has remained unchanged from last year's level of 27 per cent, the percentage of consumers who turn to mortgage brokers for renewal and refinance transactions increased in 2006.

A growing majority of Canadians (71 per cent) who refinanced their mortgage in the last year did so before the scheduled renewal time. Among those who refinanced, the most common reason was for home renovations and improvements, followed by reducing their overall interest costs.

CMHC's Mortgage Consumer Survey is conducted each fall to examine consumer behaviour, attitudes and expectations when acquiring, renewing or refinancing a mortgage. The survey is based on a national probability sample of active mortgage consumers comprised of first-time buyers, repeat buyers, mortgage renewers and refinance consumers. The results for the entire sample are accurate within 2.1 percentage points 19 times out of 20.

As Canada's leading mortgage insurer, CMHC shares a wealth of knowledge and housing expertise for the benefit of Canadians. CMHC's mortgage insurance has opened doors for millions of Canadians, giving them the assurance and piece of mind that comes with homeownership.

As Canada's national housing agency, Canada Mortgage and Housing Corporation (CMHC) draws on 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes — homes that will continue to create vibrant and healthy communities across the country.

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