



PRESS RELEASE



Canadian Mortgage News - National Archive 2007

81 per cent of Canadians satisfied with their mortgages

Canadian Association of Accredited Mortgage Professionals survey shows longer amortization and flexible terms keep mortgage industry buoyant

TORONTO, Ontario, November 07, 2007 — The vast majority of Canadians (81 per cent) are happy with the terms of their mortgages thanks in large measure to "good interest rates" and longer amortization options, according to a report released today by the Canadian Association of Accredited Mortgage Professionals (CAAMP). Significantly, thirty seven per cent of Canadians who have taken out a mortgage in the last year have chosen amortization periods of more than 25 years. The information was gathered by Maritz from an online survey of 2,000 Canadians in late September and analyzed in conjunction with CAAMP economist, Will Dunning.

While mortgage rates continue to be the most common factor consumers use to rate satisfaction with their mortgages, consumers are clearly pleased with the many new alternatives they have. Fifty-eight per cent cited more choice for payment options and mortgage terms as reasons for being satisfied with their current mortgage.

"Canadians, particularly first time homeowners, are looking for lending products that can help them enter the market as prices continue to rise," said Jim Murphy, AMP, President and CEO of CAAMP. "Alternative lending products, such as longer amortizations, with the option to renegotiate terms, are keeping the housing market accessible to a wider range of investors."

Most Canadians chose their mortgage lender because of the rate offered and most said they sought two or less quotes, suggesting that at least on rates, there is not much difference among institutions. The number of Canadians who have consulted with a mortgage broker remained unchanged from last year at 28 per cent; however for those new mortgages taken out during the last year, the number consulting mortgage brokers rises to 43 per cent. The majority of Canadian mortgage holders continued to consult with one of the major banks when taking out a mortgage.

The survey asked Canadians about the turmoil in the United State's sub-prime mortgage and housing markets. Most Canadians said they are aware of the events, and that they are concerned about them to varying degrees. However, they see little impact on themselves - even among those who are concerned to some degree, 58 per cent said that the changes in the U.S. have had no effect on their recent decisions.

"Canadian homebuyers are a sophisticated and savvy group," said Andrew Moor, AMP, CAAMP Chairman. "They have a risk management attitude. Canadians understand that our mortgage market remains strong and stable, even as they continue to keep a close eye on interest rates."

Growth of residential mortgage credit continues to accelerate - during the past two years, it expanded by an average of \$77 billion per year, or 11.4 per cent per year. The volume of residential mortgage credit outstanding is forecast to grow by 11.7 per cent in 2007, 9.3 per cent in 2008 and 8.4 per cent in 2009. Total mortgage credit is projected to reach \$963 billion by the end of 2009 and will surpass \$1 trillion during 2010.

Canadian Mortgage News - 81 per cent of Canadians satisfied with their mortgages

The mortgage market's expansion in recent years is related to strong housing market activity. The volume of sales more than doubled (rising by 144 per cent) in the six years from 2000 to 2006, for a growth rate of 16 per cent per year - resulting in a rapidly rising requirement for mortgage financing. Over the same period, outstanding residential mortgage credit expanded at a rate of 8.9 per cent per year.

Canadian attitudes towards buying a home varied according to their locations. Those most negative pointed to high house prices. Those most positive cited low interest rates. When asked if "now is a good or bad time to buy a home in your community," British Columbians were slightly less positive about buying than a year ago while Saskatchewan and Alberta were the only two provinces where a majority gave a negative response (60 and 59 per cent respectively) reflecting the heated housing markets in those two provinces. In the East, Quebec and Ontario, respondents were more positive about buying at this time.

About CAAMP

Established in 1994, the Canadian Association of Accredited Mortgage Professionals (CAAMP), formerly the Canadian Institute of Mortgage Brokers and Lenders, is Canada's national mortgage industry association. CAAMP has assumed a leadership role in the industry it serves and has set the standard for best practices for Canada's mortgage practitioners. In 2004, CAAMP created the Accredited Mortgage Professional (AMP) designation as part of an ongoing commitment to increasing the level of professionalism in Canada's mortgage industry.

As a membership-based organization, CAAMP strives to develop its network of professionals and to represent the interests of these individuals to government, media and consumers. CAAMP has attracted over 10,000 members and 1,100 companies from across Canada - representing over 90% of Canada's mortgage activity. CAAMP members make up the largest and most respected network of mortgage professionals in the country. CAAMP's membership base consists of mortgage lenders, brokers, insurers and other industry participants.

CAAMP's other primary role is that of consumer advocate. On an ongoing basis CAAMP aims to educate and inform the public about the mortgage industry. Through its extensive membership database, CAAMP provides consumers with access to a cross-country network of the industry's most respected and ethical professionals.

In September/October 2007, Maritz Research conducted a 21-question telephone survey with 2,000 Canadian consumers. A sample of 2,000 Canadians ensures an accuracy of + 2.2%, 19 times out of 20.

A copy of the survey is available at www.caamp.org

For further information: or to request an interview, please contact: Myra Reisler, Media Profile, (416) 504-8464, myra@mediaprofile.com; Jim Murphy, CAAMP, 1-888-442-4625, (416) 385-2333, ext. 31, jmurphy@caamp.org