



PRESS RELEASE



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Canadian Mortgage Consumers Manage their Debt Responsibly

OTTAWA, Ontario, March 19, 2008 — Canada Mortgage and Housing Corporation's (CMHC) 2007 Mortgage Consumer Survey shows that 78 per cent of Canadians who recently purchased a new home intend to pay off their mortgage as quickly as possible, and many have already taken steps toward that goal.

"This study confirms that Canadians remain fundamentally cautious when it comes to their mortgage debt," said Pierre Serré, Vice-President, Insurance Products and Development, CMHC. "The fact that new homeowners are working to pay down principal early and are accelerating payments is a good indication that this responsible behaviour will continue throughout the life of their mortgage."

The 2007 survey focused primarily on recent purchasers and also for the first time included questions on homeowner behaviour regarding mortgage debt re-payment since arranging their mortgage. More than half of recent purchasers agreed that, whenever possible, they would use extra money to pay down the principal on their mortgage. CMHC's survey revealed recent purchasers are acting on these intentions, with one-third at some point having made a lump sum payment to their mortgage. Also, well over half reported making weekly or biweekly payments, and the majority of these (84 per cent) are being made on an accelerated basis, which has the effect of shortening the original amortization period.

CMHC's survey also indicates that Canadians continue to be well served by the mortgage industry, with 85 per cent of respondents expressing satisfaction with the mortgage process. Eighty-four per cent felt they had access to suitable housing options, 88 per cent felt confident they could manage their debt, and 89 per cent of recent purchasers felt that the mortgage choice they made was the best option for them.

Relationships with financial institutions remain very important to mortgage consumers. 2007 has seen a slight increase in mortgage consumer loyalty with, on average, 74 per cent remaining with their current lender. However, this increase was most pronounced among first-time purchasers and those who refinanced their mortgage. The majority of those who chose to switch to another financial institution when arranging their mortgage did so to obtain a better interest rate, but those who stayed with their existing lenders cited both a good interest rate and good service as the predominate reasons. In addition, the proportion of purchasers using the services of mortgage brokers has risen to 33 per cent from last year's level of 27 per cent.

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 more than 1,400 recent active mortgage consumers comprised of first-time buyers, repeat buyers, mortgage renewers and refinance consumers. The results for the entire sample are accurate within 2.6 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.

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As Canada's national housing agency, CMHC draws on over 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 and cities across the country.

For more information call 1-800-668-2642.

[More information on CMHC's Mortgage Consumer Survey.](#)

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