



PRESS RELEASE



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RBC offers new mortgage option for Canadians

Rate cap feature protects homeowners from rising prime rates

TORONTO, Ontario, April 29, 2010 — One of the biggest decisions facing Canadian homeowners is choosing between a fixed or variable-rate mortgage. RBC has re-introduced a third option, called RateCapper, which provides an alternative for homeowners seeking the potential interest savings of a variable-rate mortgage combined with the security of a fixed-rate mortgage.

With the RBC RateCapper mortgage, the interest rate over the five-year term is based on the lower of Royal Bank of Canada's prime rate, currently at 2.25 per cent, and a set maximum rate, currently capped at 5.875 per cent.

"In today's rising rate environment, we have seen increased demand for mortgage options that provide additional rate protection," said Marcia Moffat, vice-president, home equity financing, RBC Royal Bank. "RateCapper gives homeowners the best of both worlds - they can take advantage of a low prime rate, while at the same time locking in a guarantee they will never pay more than the 'capped rate' over the term of the mortgage, no matter how much the prime rate may rise."

"Economic conditions are strong enough that we expect the Bank of Canada to increase the overnight rate starting mid-year," according to Paul Ferley, assistant chief economist, RBC Economics. "The pace of increases should be fairly steady through the remainder of 2010 and 2011, which will influence the prime rate."

More about how a RateCapper mortgage can benefit Canadian homeowners can be found at www.rbcroyalbank.com/ratecapper.

The RateCapper is just one of several innovative home financing products and services offered by RBC. Canadians can visit the mortgage centre www.rbc.com/mortgageadvice for access to advice about all aspects of their homeownership goals - whether they are renewing their mortgage, buying their first home, planning their next move, renovating or managing their current home financing.