A Little Info About Mortgages

A **term** is how long you and the lender agree to borrow/lend the money, with certain conditions (ie. spelling out the rate etc)

If you select a term that's too long, you might miss a drop in the rates. (and you might pay fees if you payout early – if you chose a "closed" term)

Choose a term too short, and rates might be **higher** at renewal/end of the term. (but they might also be higher no matter what term you choose)

If you take a fixed rate, the rate stays the same for the term. Take a variable and it moves (generally with the prime rate).

Fixed, closed, mortgages often have pre-payment penalties that are the higher of either 3 months' interest penalty, **or** interest-rate-differential. (We could dive into how these are calculated for days, but just be aware that in this case the lender has two options upon which to penalize early repayment that falls outside of the pre-payment privileges)

Variable, closed, mortgages often have pre-payment penalties of just 3 months' interest.