

SAVE MONEY AND BE MORTGAGE FREE SOONER.

FirstOntario Credit union wants you to save money and own your home sooner. You have three options to choose from: 20% Prepayment Privileges, Changing your Amortization Period, and Increasing your Payment Frequency. Let us show you the savings.

OPTION 1

20% Prepayment Privileges

You can shorten the life of your mortgage by years, as well as save substantial interest costs, when you take advantage of mortgage prepayment privileges. You have three options to choose from:

- Increase your mortgage payment (principal and interest) at any time during the year in any combination by up to 20% (cannot exceed 20% of original mortgage balance)
- Make a lump sum prepayment up to 20% of the original mortgage principal each calendar year.
- Or, choose both (maximum of 20% together). Check out the savings!

Example: Mortgage Amount: \$100,000
Term: 5 years
Interest Rate: 5.80%*
Mortgage payments: \$627.97
Payment Frequency: Monthly

In this example, you can make a prepayment of up to \$20,000 on your mortgage. The following are some example of ways you can apply that money.

Increase Your Monthly Payments

Here are some illustrations on how you can save money with an increase to your payment EVERY month – Check out the savings!

20% Payment Increase (\$20,000 divided by 12 monthly payments)	
Payment Increase	\$1,666.67
Interest Saved	\$76,000.76
Original Amortization Period	25 yrs
New Amortization Period	4.08 yrs
Years You Save	20.92 yrs

\$200 Payment Increase	
Payment Increase	\$200.00
Interest Saved	\$38,946.64
Original Amortization Period	25 yrs
New Amortization Period	15.08 yrs
Years You Save	9.92 yrs

Double Your Payment	
Payment Increase	\$627.97
Interest Saved	\$62,265.02
Original Amortization Period	25 yrs
New Amortization Period	8.42 yrs
Years You Save	16.58 yrs

Lump Sum Prepayment Each Year

You may decide that a lump sum prepayment each year is better for you. Here are the savings!

20% Lump Sum Repayment	
Lump Sum Amount	\$20,000
Interest Saved	\$73,587.56
Original Amortization Period	25 years
New Amortization Period	4.67 yrs
Years You Save	20.33 yrs

\$5,000 Lump Sum Repayment	
Lump Sum Amount	\$5,000
Interest Saved	\$52,469.91
Original Amortization Period	25 years
New Amortization Period	11.00 yrs
Years You Save	14.00 yrs

\$2,500 Lump Sum Repayment	
Lump Sum Amount	\$2,500
Interest Saved	\$38,277.85
Original Amortization Period	25 yrs
New Amortization Period	15.00 yrs
Years You Save	10.00 yrs

OR CHOOSE BOTH

10% Payment Increase & 10% Lump Sum Repayment	
Payment Increase (Monthly)	\$833.33
Lump Sum Amount (10%) (Yearly)	\$10,000
Interest Saved	\$74,817.80
Original Amortization Period	25 yrs
New Amortization Period	4.25 yrs
Years You Save	20.75 yrs

These are only examples of what you can save when you take advantage of our 20% Prepayment Privileges. How quickly you pay down your mortgage is entirely up to you. We're here to design the mortgage plan that's right for you.

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OPTION 2

Increasing Your Payment Frequency

Depending on the payment frequency that is best for you, there are advantages to bi-weekly VS monthly or semi-monthly payments. Not only do you reduce your amortization period and pay your home off earlier but you also save interest costs.

For example, choosing **accelerated weekly payments** instead of monthly payments on an \$100,000 mortgage can **save more than \$16,676 in interest costs, and cut 4 years off the life** of your mortgage.

Example:

- Mortgage Amount: \$100,000
- Interest Rate: 5.80%*
- Amortization Period: 25 years

Payment Frequency	Amount	Amortization	Total Interest Cost ¹	Savings vs. Monthly Payment
Monthly	\$627.97	25.0 yrs	\$88,389	\$0
Bi-Weekly	\$289.83	24.8 yrs	\$87,076	\$1,313
Weekly	\$144.92	24.8 yrs	\$86,843	\$1,546
Accelerated Bi-Weekly ²	\$313.99	21.1 yrs	\$71,890	\$16,499
Accelerated Weekly³	\$156.99	21.0 yrs	\$71,713	\$16,676

* Assumes constant interest rate throughout amortization period. Compounded semi-annually, not in advance.

¹ Over the life of the mortgage.

² Monthly payment divided by 2.

³ Monthly payment divided by 4.

OPTION 3

Changing Your Amortization Period

How long you amortize your mortgage for can make a big difference in the amount of interest you pay. Check out the interest savings between an amortization period of 25 years compared to 20 years or 15 years.

Example:

- Mortgage Amount: \$100,000
- Term: 5 years
- Interest Rate: 5.80%*
- Payment Frequency: Monthly

SHORTEN BY 5 YEARS:

Amortization Period	25 years	20 years	Interest Savings
Monthly Payment	\$ 627.97	\$ 701.01	
Total Interest	\$ 88,390.05	\$ 68,241.65	\$20,148.40

SHORTEN BY 10 YEARS:

Amortization Period	25 years	15 years	Interest Savings
Monthly Payment	\$ 627.97	\$ 829.40	
Total Interest	\$ 88,390.05	\$ 49,292.03	\$39,098.02

*Assumes constant interest rate throughout amortization period. Compounded semi-annually, not in advance.

Call 1-800-616-8878 to speak with a FirstOntario Credit Union representative today.

For interactive tools and calculators regarding mortgages visit our website at www.firstontariocu.com/gofigure.