



How Your Mortgage Is Secured

When you get a mortgage from us, the loan is secured by the property you are buying or refinancing, such as a house or condominium. We register our security interest on your property at the provincial land registry or land titles office. This registration is called a mortgage charge. Registering a charge gives the Bank the legal right to take steps to recover the loan if you do not meet the terms of your mortgage, as permitted by law.

Our General Information About Mortgage Security

Understanding Conventional Charges and Collateral Charges

As a residential mortgage lender, we want to help you understand the differences between the types of mortgage security used in Canada. Mortgage security is the legal “charge” registered on your property that allows a lender to secure your mortgage loan.

There are two common types of mortgage security in Canada:

- Conventional mortgage charges
- Collateral mortgage charges

Peoples Bank offers conventional mortgage charges only.

This information below explains how each type works in relation to:

1. Transferring or assigning mortgage security to another lender
2. Borrowing additional funds
3. Discharging the mortgage security

	Conventional Mortgage Charge	Collateral Mortgage Charge
Transferring or Assigning the Mortgage Security	<p>A conventional mortgage charge can often be transferred or “assigned” from one lender to another.</p> <ul style="list-style-type: none"> • This may allow you to move your mortgage to a new lender with lower legal or registration costs. • Not all lenders accept assignments, and your ability to transfer depends on the new lender’s requirements. 	<p>A collateral mortgage charge usually cannot be transferred or assigned to another lender.</p> <ul style="list-style-type: none"> • If you want to move to a new lender, the existing collateral charge generally must be discharged and reregistered. • This may result in higher legal or registration costs.
Borrowing Additional Funds	<p>A conventional charge typically secures only the original mortgage loan.</p> <ul style="list-style-type: none"> • To borrow additional funds, you may need to apply for a refinance, which generally requires: <ul style="list-style-type: none"> ○ A new mortgage approval ○ Legal documentation ○ A new or amended mortgage registration • Additional fees may apply. 	<p>A collateral charge may allow you to borrow additional funds more easily, without needing to register a new mortgage.</p> <ul style="list-style-type: none"> • The same charge may secure multiple credit products, depending on the lender’s policies. • Additional borrowing is still subject to credit approval, income verification, and property value requirements.
Discharging the Mortgage Security	<p>When your mortgage is paid in full, your conventional charge can be discharged from the land registry.</p> <ul style="list-style-type: none"> • You may need to pay a discharge fee. • A lawyer or notary may help complete the discharge process. 	<p>A collateral charge may remain on title until all secured credit is fully repaid, not just the mortgage.</p> <ul style="list-style-type: none"> • If you have other credit products secured under the same charge, those must be paid off before discharge. • You may also pay discharge fees and legal or registration costs.

For more information you can also review general information about conventional and collateral mortgage charges provided by:

Canadian Bankers Association (CBA): <https://cba.ca>

Financial Consumer Agency of Canada (FCAC): www.canada.ca/fcac