

You agree to use your property as security, should motusbank loan you money to buy or refinance a real estate property. If you don't pay or honour the terms of your mortgage loan, motusbank can take legal action against your property and even sell it to get its money back. The agreement will be registered – by motusbank at the land registry office – as a charge against your property. The key features of your motusbank conventional or collateral charge are spelled out below.

(Please Note: A conventional charge is also referred to as a standard charge, non-collateral charge, traditional charge, traditional residential mortgage, residential mortgage, deed of hypothecary loan, and retail mortgage.)

What's a motusbank Conventional Charge?

The actual amount that you borrow in your mortgage loan is registered as a conventional charge. Therefore, if you need a mortgage loan of \$250,000, motusbank will register the conventional charge for \$250,000. This charge is registered on title against your property and holds the specific mortgage loan terms (e.g. mortgage loan amount, interest rate, term and payment amount) and the terms related to the security, such as your obligations and the rights of motusbank.

What's a motusbank Collateral Charge?

The amount you borrow – whether it's the same or greater than the actual amount of your mortgage loan – can be registered as a collateral charge. This allows you to use your home for security for a loan. You may even qualify for more than one loan and may potentially be able to borrow additional funds. For instance, if you need to borrow \$250,000 to buy a property that is valued at \$500,000, motusbank may register the collateral charge for any amount between \$250,000 and \$500,000. The specific mortgage loan terms are documented in a separate mortgage loan agreement, which carefully indicate the amount you actually owe and the terms you've agreed to.

Transferring/Assigning your motusbank Mortgage to a New Lender

- Rules for accepting transfers of mortgage loans from another lender vary by lender. Typically, a lender will only accept such a transfer if it is familiar and comfortable with the other lender's terms.
- Usually, you can only transfer your mortgage loan to another lender if all of the key elements of the mortgage loan remain unchanged (e.g. amount owing, ownership of the property, etc.)
- There may be additional costs involved if you are transferring your mortgage loan or obtaining a new loan from a new lender. These could include prepayment charges and legal, administrative and registration costs. Contact motusbank and your new lender for details.
- You may be able to switch lenders (as is or with an increase to the principal amount) even if a transfer isn't possible, by discharging your motusbank conventional or collateral charge and arranging a new loan with a different lender. This would require registering a new charge.
- **Collateral Charge:**
 - Although possible, it is less likely that a new lender will accept a transfer of a collateral charge mortgage.

Borrowing Additional Funds Using Your Real Estate Property as Security

- You will need to apply and be approved by motusbank or the applicable lender, if you want to use your property as security to borrow additional funds from motusbank or a new lender. Approval for the increased amount will be subject to the current criteria of the lender, your ability to repay the loan and verification that the value of your property supports the mortgage loan request.
- If you want to keep your existing motusbank mortgage loan while borrowing additional funds from a new lender, the new lender may agree to register a second charge against the property. However, motusbank must agree to the registration of a second charge.

- If you want to eliminate your motusbank mortgage and borrow additional funds from a new lender, you will first have to repay the motusbank mortgage loan. Your new lender will register a new charge, and the motusbank conventional or collateral charge securing your motusbank mortgage will be discharged. Additional charges such as prepayment charges, legal, administrative and registration costs may apply. Contact motusbank and your new lender for details.
- **Conventional Charge:**
 - If you have a motusbank mortgage loan secured by a conventional charge, and want to increase the principal amount, motusbank will likely need to register a new charge for the higher amount and discharge the existing conventional charge. Possible fees could include prepayment charges, legal, administrative and registration costs. Contact motusbank for details.
- **Collateral Charge:**
 - If you want to take out another motusbank loan secured by the collateral mortgage or increase the principal amount of your motusbank mortgage loan, motusbank may not need to re-register the charge, providing that you don't exceed the registered amount on the existing charge. In that situation, there would be no registration or discharge costs and any legal costs may be lower. Contact motusbank for details.
 - If the motusbank collateral charge of your existing mortgage is registered for more than your loan amount and you want to keep your existing motusbank mortgage and borrow additional funds from a new lender, motusbank may be required to provide information about your outstanding balance or take actions to provide room for a new charge. Legal, administrative and registration costs could apply. Contact motusbank and your new lender for details.

Discharging your motusbank Mortgage

- The removal of a charge from the title to your property is called a discharge. When the discharge is registered, motusbank releases any rights it would have had against your property under the mortgage security. Legal, administrative (if applicable in your province) and registration costs could apply. Contact motusbank for details.
- **Conventional Charge**
 - Once your motusbank mortgage loan is paid in full (including any prepayment charges that may apply) motusbank will discharge its conventional charge.
- **Collateral Charge**
 - Once the motusbank mortgage loan and all other loans secured by the collateral charge have been paid in full (including any prepayment charges that may apply) motusbank will discharge its collateral charge.