

## Your Mortgage is Approved! Here's What Happens Next.



Now that your TD Canada Trust mortgage has been approved, it's time to sign the mortgage documents. Here are the next steps you can expect:

### 1. Signing the Credit Agreement

You will need to sign the Mortgage Loan Agreement (the MLA). The MLA outlines the specific terms and conditions of your loan. For example, the MLA will describe your interest rate, term, payment information and whether the mortgage is open or closed to prepayment. These terms and conditions are the written version of what you agreed to during the application process.

#### It's important to know that:

- With a fixed interest rate MLA, the interest rate is fixed for the term you have agreed to and cannot be changed except by way of amendment;
- With a variable interest rate MLA, the interest rate will change whenever TD Mortgage Prime Rate changes for the term you have agreed to and the equation for the rate cannot be changed except by way of amendment.

### 2. Signing the Collateral Charge

Once the Mortgage Loan Agreement is signed by all the required borrowers (and the guarantee is signed by any applicable guarantors), the Collateral Charge will be signed either with your solicitor or, if you have chosen to use our in-house registration program, at your TD Canada Trust branch. The Collateral Charge is the security that the bank has in exchange for lending you the money set out in the MLA. It is registered against the real estate you are either buying or refinancing.

After discussion with your advisor, you may have decided to have your Collateral Charge registered for more than the amount of money you are actually borrowing at this time. If you are using a solicitor to register your new collateral charge, it is important that you discuss any additional associated costs/fees with him/her prior to funding your mortgage loan that may occur because of the higher registration amount.

**You'll notice that the interest rate in the Mortgage Loan Agreement is different from the interest rate on the Collateral Charge.**

The Mortgage Loan Agreement sets out the specific terms and conditions of your loan.

The Collateral Charge secures your loan and is registered at TD Prime Rate + 10%. This is the maximum rate of interest for which TD Canada Trust is secured. As you'll see, this rate can give you greater flexibility and cost savings in the future.

While the interest rate on the Collateral Charge may be different than the interest rate in the MLA, you can only be charged interest based on the MLA interest rate. For example, if your MLA has a fixed interest rate of 5% per annum, then even though the Collateral Charge contains a different rate, you can only be charged interest at 5% per annum, before or even after default.

#### **There are benefits to having two agreements, a Mortgage Loan Agreement and a Collateral Charge.**

Having a Mortgage Loan Agreement and a Collateral Charge can be useful if you ever want to change your loan. For example, if you wanted to switch from a mortgage loan to a home equity line of credit in the future, you could reuse the existing Collateral Charge as security for the new line of credit without incurring any new registration fees. If you have registered the Collateral Charge for a higher amount than your current loan agreement, then if you want to borrow a higher amount in the future, you may be able to reuse the existing Collateral Charge, subject to credit approval. You could also save money at that time by not incurring the cost of registration fees for a new collateral charge on the property. Some conditions may apply when reusing your Collateral Charge, so please discuss this with your TD Canada Trust mortgage representative.

### 3. The Repayment Letter

After you have received the funds, we will send you a Mortgage Repayment Letter. This Mortgage Repayment Letter will give you a summary of your mortgage details, such as the mortgage principal amount, payment amount and important dates. It will also update you with any changes that may have occurred and that you agreed to. Keep it with your important papers for future reference.

#### **Any Questions?**

**Please contact your TD Canada Trust mortgage representative if there is anything else we can help you with. We want you to be absolutely comfortable with your mortgage.**

**Thank you for choosing  
TD Canada Trust.**

