Should I Sign My Renewal Letter?

The 5-minute decision guide for self-employed homeowners

MortgageInBrampton.com
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The one rule

A renewal letter is an offer, not an obligation. It reflects your lender's convenience - not necessarily your best available option. Five minutes of checking can save a full term of overpaying.

Step 1: Check the calendar

Your mortgage can usually be switched WITHOUT penalty at maturity. The window to compare properly is 2-6 months before that date. If your letter just arrived, you have time - use it.

Step 2: Has anything improved since your last approval?

- [ ] My credit score is higher / my balances are lower
- [ ] My business revenue or declared income has increased
- [ ] I now have 2+ years of business history or financials
- [ ] My CRA balance is paid or under arrangement
- [ ] My property value has grown (more equity)
- [ ] My mortgage payments have been perfect for 12+ months

Checked ANY box? You may now qualify for a cheaper lender category than the one sending this letter. That is exactly what a renewal review checks.

Step 3: Read past the rate

Compare: renewal/lender fees - amortization change - new monthly payment - penalty structure - prepayment privileges - and the TOTAL cost over the term. A 'low rate' with high fees or interest-only structure can cost more than a higher rate elsewhere.

Free professional mortgage advice - no obligation.

Call or text Rajiv before you sign:

Direct: 647-291-7116 | WhatsApp: wa.me/message/JGBM4VZS5YDDK1 | rajiv@simplifymortgage.ca

Track your renewal: grademymortgage.ca/rajivverma/tools/track-my-mortgage

Stay, Switch or Refinance?

Match your situation to the right path - then verify before signing

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Sign and stay - IF all three are true

- ☐ The offer is competitive after a comparison (not assumed - checked)
- ☐ Nothing in Step 2 improved since your last approval
- ☐ You don't need to consolidate debt or access equity

Switch lenders - the usual winner when things improved

New lender, better pricing or terms, typically no penalty at maturity. Self-employed borrowers who improved their file often jump a whole category: private to B, or B to bank rates. The renewal date is your exit window - it only comes once a term.

Refinance - when the mortgage itself should change

Consolidate high-interest debt or CRA balances, access equity, restructure payments. Compare the full cost including any penalty - sometimes waiting for maturity wins.

Red flags - call before signing if you see these

- ☐ A private mortgage renewal with another renewal fee
- ☐ A rate jump with no explanation or negotiation
- ☐ Interest-only payments rolling over for another year
- ☐ 'Sign by Friday' pressure on a letter sent months early
- ☐ Your lender declined to renew (options exist - act fast)

The 5-minute answer: don't sign blind - get a free second opinion.

Send Rajiv a photo of your renewal letter by text or WhatsApp. You'll know within days whether staying, switching or refinancing wins - in dollars, not opinions.

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