

## ONTARIO BORROWER DISCLOSURE

### COST OF BORROWING/APR

#### INCLUDED AND EXCLUDED COST

1. **Administrative Charges**; costs for services, transactions, or any other activities related to the mortgage. Examples; Lender fee, admin fee, set up fee, etc.
2. **Legal Fees and Disbursement Fees**; Charges for the services of a lawyer, or notary hired by the lender, which the borrower must pay in relation to the mortgage. Pro Tip: If the client has the option to choose their own lawyer, we simply disclose an estimated cost, but do not require it to be included in APR. Ensure you do not underestimate the legal costs.
3. **Insurance Fees**; other than those excluded under clauses 2 (a), (f) and (h) e.g.; Title insurance required by the lender. Pro-Tip – Title insurance obtained by the borrower and where the borrower is the beneficiary, does not get added to APR.
4. **Broker Fees** charged by the broker and payable by the borrower. Note: If lender is collecting broker fees from their lender fee, and it is known, please breakdown this fee and fully disclose your portion of your broker fee for full transparency.
5. **Appraisal fee** if required by the lender. This also includes an inspection fee or a survey cost required by the lender.

All costs below must match the mortgage commitment.

#### **INCLUSIONS** – Costs included in APR:

COST/FEE	DESCRIPTION	DISCLOSURE	INCLUDE In APR	DEDUCTED FROM ADVANCE
Administrative charges / Lender Fees	Depends on Lender	YES	YES	YES
Lender Legals fees	Depends on Lender	YES	YES	YES
Title Insurance, lender required	Estimate \$400-\$1000	YES	YES	NO
Appraisal fees, lender required (also includes any Inspection fees, or Survey costs required by lender)	Estimate \$400	YES	YES	NO
Broker Fee		YES	YES	YES
Broker Fee, payable by borrower and being collected by the Lender as part of their lender fee.	Broker fee in the amount of \$... is included in Lender fee, and being	YES	YES	YES

	deducted from advance			
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**EXCLUSIONS** – Costs NOT included in APR, however, can be disclosed so clients are aware of all costs:

COST/FEE	DESCRIPTION	DISCLOSURE	INCLUDE In APR	DEDUCTED FROM ADVANCE
Legal fees, Lawyer chosen by Borrower.	Estimate the legal fee \$1300 - \$1500	YES	NO	NO
Appraisal fees, inspection and survey ordered by borrower or reimbursed to borrower	Known to Borrower	YES	NO	NO
Mortgage Default Insurance		YES	NO	YES
PST on Default Insurance		YES	NO	YES
Property tax holdback for B deals		YES	NO	YES
Status certificate	Estimate \$100	YES	NO	NO
Property Insurance (borrower beneficiary)		NO	NO	NO
Overdraft charges		NO	NO	NO
Document Registration		NO	NO	NO
Int. Reserve paid to Lender for Commercial Mortgages		YES	NO	YES

**Material Risk Disclosure** Put: "See Attached Material Risk Form"  
Then complete & generate Material Risk form in Velocity

**Closing Costs – Not included in the cost of Borrowing/APR**

1. New Home Warranty - Tarion
2. Property Insurance (Creditor Life Insurance)
3. Land Transfer Tax
4. Any Utility Bills
5. Property tax
6. HST on purchase
7. Legal fees for purchase

**Authorized Person:** Change Deal Agent to "Bailey Coats (ON)" - DO NOT CHANGE ASSIGNED (Leave as yourself)  
Updated Authorized Title to "Broker"

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure:**

Property to be mortgaged: 99 Queen Street maple, Ontario X0X 0X0 , Detached ,

**Details of Mortgage:**

The principal amount of the First mortgage \$ 345,000.00, will be repayable in Monthly installments of \$ 1,738.91, to be paid on the 1st , including interest, starting on October 01, 2011. The net advance of funds is \$ 344,781.00.  
The total amount of all payments over the 5 Years term will be \$ 104,334.60. The mortgage will be amortized over 25 Years .

**Interest:**

The date on which interest begins to accrue is: August 31, 2011 and if any grace period is given, the details are:  
N/A

The annual interest rate is 3.590 % and the compounding period is Semi-Annually.

Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods.

Where the annual interest rate may change, the method of determining the annual interest rate is:

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included In APR
Other Lender Fees	Title Insurance	\$ <u>219.00</u>	<u>X</u>
<b>Total Costs:</b>		<b>\$ <u>219.00</u></b>	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 57,708.34 APR: 3.590 %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

Prepayment Privileges: See commitment for details

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

**Conflict of Interest Disclosure:**

The Mortgage Broker/Agent has the following relationship which may be a potential conflict of interest:

Mortgage Architects and Radius Financial have major shareholders in common

**Referral Fees to Brokerage and/or Broker/Agent:**

*Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.*

**Mortgage - Commissions**

*The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.*

**Mortgage Brokerages, Lenders and Administrators Act**

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**Disclosure to Borrower**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependant on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**

The Brokerage is representing The Borrower & the Lender, not to the preference of either in this transaction.

The Brokerage has acted for 57 lenders during the previous fiscal year.

Name and Address of Brokerage: Mortgage Architects Inc. Licence #: 10287 A-6505 Mississauga Road, Mississauga, ON L5N 1A6

Name of Authorized Person signing on behalf of Brokerage: Hilary Imineo, Agent Licence #: M08003213

Date: 11/03/2011 Authorized Signature: \_\_\_\_\_

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgment**

I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_  
Mickey Mouse

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_  
Mickey Mouse

I / we waive the 2 business days requirement for this disclosure.

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_  
Mickey Mouse

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_  
Mickey Mouse

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