



Maya and Tom Reyes, Burnaby

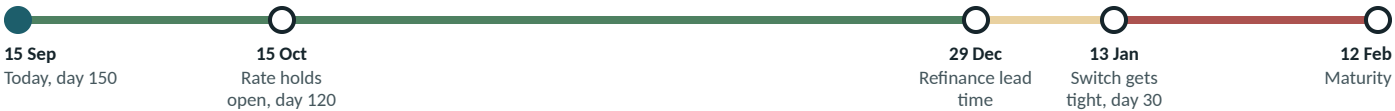
Mortgage maturing 12 February 2027. Prepared for Jordan Leung, Mortgage Broker.

Brief	RB-0915-0412
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Session	COMPLETE
Participants	Both borrowers
Time spent	19 min, 2 sittings
Documents	6 of 12 received

DAYS TO MATURITY 150 Matures 12 Feb 2027	BALANCE AT MATURITY \$534,600 Lender statement, projected	CURRENT MORTGAGE 2.79% fixed, \$2,905/mo Big 6 bank, 5-yr term from Feb 2022, collateral charge
PROPERTY AND EQUITY \$1,095,000 • LTV 49% Townhouse, BC Assessment 2026	REMAINING AMORTIZATION 20 years Uninsured, 25 years at origination	QUALIFICATION PATH OPEN QUESTION Straight switch or refinance, see decision 1

Renewing like for like at a fixed rate raises the mortgage payment by **\$378 to \$476 a month**, and the household has set a ceiling of about **\$450**. Since 2022, Tom has become self-employed, the household has taken on **\$44,200** of consumer debt, and they want to build a basement suite in 2027. Folding the debt and the suite into the mortgage would turn a stress-test-free straight switch into a **full refinance**. Whether that refinance qualifies depends on how a lender treats about ten months of self-employed income.

WHERE THIS FILE SITS ON THE RENEWAL CALENDAR



1 What has changed since February 2022

AREA	WHAT CHANGED	SOURCE	WHY IT MATTERS FOR THIS FILE
Tom's income	Left a salaried role (T4 \$118,000) in March 2025. Now a self-employed consultant, sole proprietor. Reports 2025 net business income of \$96,000.	STATED T1 OUTSTANDING	Less than two years of self-employment history. This limits how many lenders will use the income in any path that requires qualification.
Maya's income	Same employer. Salary now \$106,000, up from \$92,000.	PAYSTUB	Stable income that can be used to qualify.
Household	Second child born November 2024. Childcare about \$850 a month.	STATED	Reduces the monthly buffer.
New debt	Car loan \$32,400 at 6.9%, \$640 a month, 60 months left. Line of credit \$11,800 at prime plus 2% (6.45%), paying about \$300 a month. No card balances carried.	CAR LOAN STMT LOC STATED	\$940 a month of payments outside the mortgage. This is what makes consolidation attractive.

AREA	WHAT CHANGED	SOURCE	WHY IT MATTERS FOR THIS FILE
Property plans	Legal basement suite. One contractor estimate of \$85,000. Target start spring 2027. Expected rent about \$2,100 a month.	STATED SINGLE QUOTE	New funding need, and possible future rental income.
Time horizon	May move closer to a school in 4 to 6 years. Not decided.	STATED	Affects term length, portability and penalty exposure.
Property value	BC Assessment 2026 \$1,095,000. Client estimates \$1,120,000.	ASSESSMENT	LTV 49% today, 61% if refinanced as explored below.

2 What they are trying to do

GOALS, AS RANKED BY THE CLIENTS

1. Keep the payment increase under about \$450 a month.
2. Build the basement suite in 2027.
3. Be mortgage-free by Maya's 60th birthday, about 22 years away.
4. Clear the car loan and the line of credit.

Tension. Goals 2 and 4 need new money, which turns a straight switch into a refinance. At a 25-year amortization, a refinance also pushes payoff three years past goal 3.

Rate type. Prefers fixed. Rated comfort with a variable payment at 2 out of 5.

"Anything over about \$450 more a month and we are cutting childcare."

Maya

"We want the suite, but not if it means another five years of payments on the back end."

Tom

"I would rather know the number every month."

Maya, on variable rates

FOR YOU Decisions that need your judgment

- 1 **Which path fits: a straight switch now, a refinance now, or a switch now with borrowing later.**
It depends on how lenders will treat Tom's income. On Maya's income alone, the refinance they explored shows an indicative TDS of 57% at the qualifying rate.
- 2 **Whether consolidating the car loan and line of credit suits them.**
It removes \$940 a month of payments. Over 25 years, it also raises total interest on those two balances from about \$7,500 to about \$28,400 unless they make extra payments.
- 3 **Fixed or variable.**
Variable is \$210 a month cheaper than the fixed switch today. The clients' stated comfort with variable is low and their buffer is thin.
- 4 **Term length and penalty terms.**
A possible move in 4 to 6 years, plus mid-term borrowing for the suite, both make portability, blend-and-increase and penalty method matter as much as rate.
- 5 **How to use the incumbent's early offer.**
The bank offered 4.54% for 5 years on 2 September. That is 35 basis points above the illustrative switch rate used here.

Your call with this client will fall after 13 October 2026, when BC's Mortgage Services Act is in force. Sections 1 and 2 are written to support your suitability assessment. The written disclosure of material risks, and any recommendation, remain yours.

3 Options the clients explored

Presented in the order the clients looked at them. Rates are an illustrative market snapshot from 14 September 2026, not lender quotes.

OPTION	RATE	AMORT.	PAYMENT	CHANGE IN DEBT PAYMENTS*	INTEREST, 5 YRS	BALANCE AT TERM END
A. Renew with current bank 5-yr fixed, early offer received 2 Sep QUALIFICATION PATH Renewal, no requalification.	4.54%	20 yrs	\$3,381	+\$476	\$110,383	\$442,095
			ONE-TIME COSTS None.		CLIENT REACTION "Easiest, but over our limit."	
B. Straight switch, fixed 5-yr fixed, same balance and amortization QUALIFICATION PATH Straight switch. No stress test (uninsured, from a federally regulated lender). Income is still verified.	4.19%	20 yrs	\$3,283	+\$378	\$101,639	\$439,254
			ONE-TIME COSTS Collateral charge discharge plus legal, about \$700 to \$1,000, often covered by the new lender.		CLIENT REACTION "Fits the budget. Doesn't solve the suite."	
C. Straight switch, variable 5-yr variable, prime minus 1.05% QUALIFICATION PATH As B.	3.40%	20 yrs	\$3,073	+\$168	\$82,621	\$432,837
			ONE-TIME COSTS As B.		CLIENT REACTION "Tempting. Nervous about it."	
D. Refinance to consolidate and fund the suite \$534,600 + \$44,200 debt + \$85,000 suite = \$663,800 QUALIFICATION PATH Full requalification at 6.39%. See indicative ratios below. At 20 years instead: \$4,146 a month, +\$301 , \$132,402 of interest, \$547,435 left at end of term.	4.39%	25 yrs	\$3,633	-\$212	\$135,934	\$581,726
			ONE-TIME COSTS Legal, appraisal and discharge, about \$1,200 to \$1,800.		CLIENT REACTION "Solves everything on paper. Worried about 25 years."	
E. Switch now, borrow later B today. Suite and debts funded in 2027 or 2028, once Tom has two filed years QUALIFICATION PATH Straight switch now, full qualification later. Penalty or blend terms depend on the lender and product chosen now and are not modelled.	4.19%	20 yrs	\$3,283	+\$378	As B	As B
			ONE-TIME COSTS As B, plus later refinance costs and any penalty.		CLIENT REACTION "Makes sense if the penalty is small."	

*Compared with today's \$2,905 mortgage payment plus \$940 of car loan and line of credit payments. Option D removes those two payments. Figures in red exceed the clients' stated \$450 ceiling.

4 Payment at the next renewal

Payment in February 2032 on the remaining balance and amortization, if rates are 1 or 2 points above the rate chosen now.

OPTION	SAME RATE	+1 PT	+2 PTS
A. Renew, 4.54%	\$3,381	\$3,607	\$3,840
B / E. Switch fixed, 4.19%	\$3,283	\$3,505	\$3,733
C. Switch variable, 3.40%	\$3,073	\$3,289	\$3,514
D. Refinance, 25 yrs	\$3,633	\$3,946	\$4,271
D. Refinance, 20 yrs	\$4,146	\$4,424	\$4,711

For option C during the term: if prime rises 0.5 points, the payment is \$3,211. If it rises 1 point, the payment is \$3,353, which is \$448 above today.

6 Material risk flags

Variable rate with a thin buffer (C)

A 1-point rise would use up almost all of the stated \$450 ceiling.

Prepayment penalty (B, C, E)

A possible move in 4 to 6 years, and E assumes new borrowing mid-term.

Longer amortization (D at 25 years)

Payoff would come at Maya's age 63, past her stated goal.

Income stability

Self-employment history is under two years, and the tax documents are not yet received.

Not flagged

High LTV (61% at most). Payment history: the clients report no missed payments. MyFi did not check credit.

5 Indicative ratios, option D

Qualifying rate (contract + 2%, floor 5.25%)	6.39%
Qualifying payment, 25 yrs	\$4,402
Property tax, heat, 50% of strata	\$614
GDS / TDS on Maya's income only	56.8% / 56.8%
GDS / TDS adding Tom's stated 2025 income	29.8% / 29.8%

Commonly cited limits are 39% GDS and 44% TDS. How Tom's income is treated, whether any future suite rent can offset payments, and which ratio limits apply are all lender-specific and yours to assess. TDS equals GDS here because D pays off both consumer debts.

7 Questions the clients asked that MyFi did not answer

- "Can the rent from the suite count toward qualifying?"
- "If we switch now, can we add money for the suite next year without a penalty?"
- "Does Tom's business income count yet?"
- "Is a HELOC better than refinancing for the renovation?"
- "Would our bank match 4.19% if we asked?"

A Documents

Mortgage statement, Aug 2026	RECEIVED	Maya: 2025 T4 and NOA	OUTSTANDING
Early renewal offer, 2 Sep 2026	RECEIVED	Tom: 2024 and 2025 T1 General and NOA	OUTSTANDING
Maya: paystub, Aug 2026	RECEIVED	Tom: 2025 business statements (T2125)	OUTSTANDING
2026 property tax notice	RECEIVED	Line of credit statement	OUTSTANDING
BC Assessment 2026	RECEIVED	Strata fee confirmation	OUTSTANDING
Car loan statement	RECEIVED	Contractor quote for suite	OUTSTANDING

B How the figures were calculated

- Fixed rates are compounded semi-annually and variable rates monthly. All payments are monthly. The balance at maturity is projected from the lender statement.
- Rate snapshot, 14 Sep 2026: best advertised 5-year fixed rates were 4.09% to 4.29%. This brief uses 4.19% for an uninsured switch and 4.39% for a refinance. Variable is prime (4.45%) minus 1.05%. The Bank of Canada held its policy rate at 2.25% on 2 Sep 2026.
- Straight switch: an uninsured mortgage moved between federally regulated lenders with no increase in balance or amortization (up to \$3,000 of costs may be added) is exempt from the minimum qualifying rate. This has applied since 21 Nov 2024.
- Qualifying rate is the greater of the contract rate plus 2% or 5.25%. Property tax is \$3,650 a year, heat \$100 a month and strata \$420 a month (50% counted).
- Consolidation interest: the car loan costs about \$6,000 more in interest if it runs its remaining 60 months, and the line of credit about \$1,500 at the current payment. Both balances cost about \$28,400 in interest if amortized over 25 years at 4.39%.
- Every figure comes from a deterministic calculation module. The language model asks questions and writes the framing, and it produces no numbers.

C Consent and record

- Both borrowers consented at 10:42 PT on 15 Sep 2026 to share this brief and the documents they uploaded with Cedar & Tide Mortgage Group.
- Tom chose not to share his business bank statements. Ask for them directly if you need them.
- The clients keep their own copy of this decision record and can withdraw consent at any time.
- Session log: MF-S-7A21-C4. Questions asked, answers given and options viewed are all timestamped.

WHAT THIS BRIEF DOES NOT DO

It does not recommend a lender, product, term or option. It does not check credit, verify income beyond the uploaded documents, or provide lender quotes. The suitability assessment, the disclosure of material risks and any recommendation remain with the licensed mortgage broker.