

# DEALING WITH MORTGAGE PAYMENT DIFFICULTIES



When unforeseen financial circumstances impact your ability to make regular mortgage payments, it's important for you to take quick action. With early intervention, cooperation, and a well executed plan, you can work together with your mortgage professional to find a solution to your financial difficulties.

## What can I do to help?

If you find yourself facing financial difficulties, as a result of job loss, family income reduction, or for other reasons, it can be an overwhelming experience leaving you feeling uncomfortable and unsure of what to do. By following these three simple steps, you can make a big difference in resolving your financial difficulties.

### 1) Talk to your mortgage professional

- To increase the chance of successfully managing your financial situation through early intervention, call your mortgage professional at the first sign of financial difficulty;
- Ask the mortgage professional about information on the options available for managing your financial situation; and
- Keep the mortgage professional informed as circumstances evolve.

### 2) Clarify the financial picture

In order to help your mortgage professional fully understand your financial situation, before meeting with them, prepare a detailed list of financial obligations including any credit cards, loans, household bills with the amounts owing and their due dates. Be sure to include information about your current income, savings accounts, investments, and any other assets.

### 3) Stay informed

The more information you have at your disposal on managing your finances, the easier it will be to make the right decisions.

[Take Charge of Your Debts](#) is an online tool from the Government of Canada that is designed to help borrowers like you understand debt problems, and includes information on making a budget, budget counselling, collection agencies, credit, and credit repair. To view this tool, log on to [www.ic.gc.ca](http://www.ic.gc.ca) (Industry Canada) and search for "Take Charge of Your Debts".

## How can mortgage professionals and CMHC help?

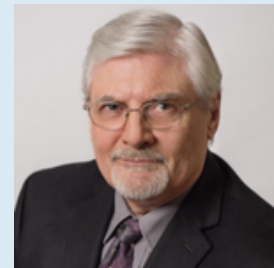
Your mortgage professional wants to establish and maintain a positive relationship with you over the long term, and is fully trained and equipped with the tools to help you deal with the temporary financial setbacks that you may be facing.

For mortgages insured by Canada Mortgage and Housing Corporation (CMHC), CMHC provides mortgage professionals with tools and the flexibility to make timely decisions when working with you to find a solution to your unique financial situation. These tools include:

- Converting a variable interest rate mortgage to a fixed interest rate mortgage in order to protect you from a sudden interest rate increase, should one occur.
- Offering a temporary short-term payment deferral. Your mortgage professional may be prepared to offer greater payment flexibilities, particularly if previous lump sum prepayments have been made, or if you have previously chosen an accelerated payment schedule.
- Extending the original repayment period (amortization) in order to lower your monthly mortgage payments.
- Adding any missed payments (arrears) to the mortgage balance and spreading them over the remaining mortgage repayment period.
- Offering a special payment arrangement unique to your particular financial situation.

CMHC is also willing to consider other alternatives proposed by the mortgage professional to resolve or avoid mortgage payment default. In every case, the options available will depend upon your individual financial circumstances.

CMHC is Canada's national housing agency. For over 60 years CMHC has shared a wealth of knowledge and housing expertise to help create an informed and reassured homeownership experience for Canadians.



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For more details on CMHC's programs, contact me or visit CMHC's interactive "[Step by Step](#)" Guide. As Canada's authority on housing, CMHC helps Canadians buy a home with a minimum down payment starting at 5%. Ask your mortgage professional about CMHC.