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Dear Clients,

Canadian banks raised the interest rates it charges customers with variable-rate mortgages amid the changes to the mortgage insurance rules announced by Ottawa in October.

The big Canadian banks increased its TD Mortgage Prime rate to 2.85 per cent from 2.7 per cent.

TD said it regularly reviews its rates and adjusts them based on a number of factors, including the cost that the bank pays to fund mortgages. Customers with fixed-rate mortgages were unaffected by the change and TD's prime rate for other products with a variable interest rate, such as lines of credit, was also not affected as that rate remained at 2.7 per cent. This does not mean your payments will increase, it means borrowers with variable-rate mortgages at TD will see a larger portion of their mortgage payment go toward paying interest instead of repaying principal if their payment remains the same.

Since this increase many other banks have raised their 5 year fixed rates 3 times since October 17, 2016. Before the rule change, we saw rates as low as 2.24 per cent for a 5 year fixed. By mid November the lowest rates found were between the range of 2.59 per cent and 2.7 per cent with some lenders as high as 2.99 per cent.

With housing prices appearing to have hit a bottom, there would be no better time to purchase a property in order to take advantage of lower rates, and a decrease in purchase prices.

At a bare minimum, clients who are actively looking for a property should contact me to have their rate held for 120 days. This will ensure you do not get caught in the rate increase war while you are looking for a property.

Please email, call, or text me if you have any questions.

I want to wish you all a warm and happy holiday. I will be available throughout the holidays for any questions or concerns.