MORTGAGES BY THOM

THE MORTGAGE PLAYBOOK

What rate-shoppers miss.
What strategists know.

A GUIDE FOR BUYERS AND HOMEOWNERS · VERSION 1.0 · 2026

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THE FRAME

Why the rate isn't the whole story.

Most people walk into a mortgage conversation asking what's the lowest rate. It's the easiest thing to compare. It's also the wrong question.

A rate is one number on a contract that has dozens of other terms on it. Prepayment privileges. Penalty structure. Portability. Amortization. Whether the mortgage actually fits how you live. All of those things decide what your mortgage really costs you over time.

The lowest rate on the wrong structure can cost you more than a slightly higher rate on the right one. I've seen it both ways.

This Playbook is built around the four levers that actually move the needle:

→ **How fast you pay it off.** Most mortgages have built-in tools that knock years off the amortization. Most people never use them.

→ **How smart you qualify.** Rental income, secondary suites, business-for-self income — the way your file gets presented decides whether you get the home or walk away.

→ **How accessible your equity is.** Your money should be working for you, not locked behind a banker's permission slip.

→ **How well it fits your next five years.** Penalties, portability, and the difference between a mortgage that works for who you are now and one that works for who you're becoming.

THE BOTTOM LINE

The rate gets the headlines. The structure gets the result.

PAYING OFF FASTER

Four levers most people never pull.

Every standard mortgage in Canada comes with tools built in to pay it off faster. The catch is nobody at the bank is going to walk you through them.

STRATEGY 01

Accelerated bi-weekly payments.

Instead of paying monthly, you pay half your monthly payment every two weeks. There are 26 bi-weekly periods in a year, which means you make 26 half-payments instead of 24. That's the equivalent of one extra full payment a year, straight to principal.

> FOR EXAMPLE
>
> *On a* **$500,000** *mortgage at 5% over a 25-year amortization, switching to accelerated bi-weekly knocks roughly* **3 years** *off without changing your monthly budget by a dollar.*

Who it's for

Anyone with a steady paycheque who can comfortably absorb a payment every two weeks instead of monthly. Especially powerful for first-time buyers who set this up from day one.

The catch

Some lenders call it "bi-weekly" without the accelerated part, which is just your monthly payment divided in half. That version does nothing. Always confirm it's accelerated.

STRATEGY 02

Bump your payment by a few percent.

Most mortgages let you increase your regular payment each year, often by 10 to 20 percent. A small lift you barely notice. Compounded over the life of the mortgage, it's years off the amortization and tens of thousands in interest you don't pay.

> **FOR EXAMPLE**
>
> *A 10% payment increase on a* **$500,000** *mortgage takes roughly* **2-3 years** *off your amortization. Stack it with accelerated bi-weekly and you're looking at 5 years off your timeline.*

Who it's for

Homeowners whose income has grown since they got the mortgage. Most people set the payment once and forget it. Your income changed. Your payment can change with it.

QUALIFYING SMARTER

When the bank says no.

Banks have one box. They look at your income, your credit, your down payment, and they fit you into that box or they don't. A broker has access to lenders who look at the full picture.

STRATEGY 03

Rental income changes the math.

If the home you want has a basement suite, an in-law unit, a separate entrance, or even the potential for one, certain lenders will count a portion of that rental income toward your qualifying income.

> FOR EXAMPLE
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> *A basement that could rent for* **$1,500/month** *can add anywhere from* **$10,000 to $14,000** *to your qualifying income depending on the lender. That can move you from a $550K approval to a $675K approval. Same buyer. Same paycheque. Different structure.*

The catch

Not every lender treats this the same. Some require a legal suite. Some don't. Some need a lease in hand. Some don't. Some count 50% of the rent, others count more. This is where strategy matters way more than chasing the lowest rate.

STRATEGY 04

Self-employed and business-for-self.

If you're self-employed, you've probably been told by a bank that you don't qualify on paper. Your accountant did their job making your income look small for tax purposes, and the bank's box doesn't know what to do with you.

That's a bank problem, not a you problem. There are lenders who specialize in business-for-self files. They look at gross income, business cash flow, and full financial pictures. Not just the one tax line that scared off the bank.

Who this is for

Sole proprietors. Incorporated business owners. Commission-only earners. Contractors. Anyone whose income doesn't fit neatly on a T4. The bank said no. That's not the end of the conversation.

EQUITY AND ACCESS

Your money, when you actually need it.

You paid into your home. You put a real down payment down. That equity is yours. It shouldn't be hard to get to when life calls for it.

STRATEGY 05

Use your prepayment privileges.

Most mortgages let you put a lump sum down each year, often up to 15 to 20 percent of the original balance. Tax refund. Year-end bonus. Inheritance. Side hustle money. Most homeowners never touch it.

> FOR EXAMPLE
>
> *A* **$10,000** *lump sum applied once a year on a* **$500,000** *mortgage shaves roughly* **5 years** *off the amortization. It's one of the fastest, cheapest ways to cut your total interest cost.*

STRATEGY 06

Put your paycheque to work against the balance.

Certain mortgage structures let your everyday income sit against the balance you're paying interest on. Instead of your paycheque landing in a chequing account earning nothing while you pay interest on your mortgage, the structure has your income reduce the interest-bearing balance the second it lands.

For the right borrower, it's a powerful way to shrink the interest you pay every month without changing a single thing about how you live. You still pay your bills. You still spend money. The mortgage just gets out of the way of your cash flow.

Who it's for

Higher-income earners with strong cash flow, sole proprietors with chunky income deposits, and anyone who carries a large chequing account balance. If your money sits, this structure puts it to work.

STRATEGY 07

HELOC and accessible equity.

If you put a real down payment down or you've built equity over the years, that money is yours. A home equity line of credit gives you access to it without selling, refinancing, or jumping through bank hoops every time you need it.

What it's good for

Renovations that increase the value of your home. Investment property down payments. Emergency cash flow. Bridging between a sale and a purchase. Funding a business move. The point is access. Your equity should work for you, not sit locked behind a fresh approval every time.

WHERE YOU ARE VS WHERE YOU'RE HEADED

The 5-year picture.

The mortgage that fits you on signing day isn't always the mortgage that fits you three years in. The thing that matters most is whether your structure can move with your life.

Prepayment penalties. If you break your mortgage early — to move, to refinance, to take advantage of a rate drop — the penalty can be brutal. On a five-year fixed at a big bank, breaking in year three can cost you tens of thousands of dollars. The penalty calculation depends on whether you're with a Schedule A bank or a monoline lender, and the gap between the two can be massive.

> THE PENALTY TRAP
>
> *On a* **$500,000** *mortgage, breaking a 5-year fixed at a major bank in year three can cost you* **$15,000 to $25,000** *in penalty. The same break at a monoline lender might cost* **3 months of interest***, often under $6,000. Same buyer. Same balance. Very different cost.*

Portability. If your mortgage is portable, you can take it with you when you move and avoid breaking it entirely. Sounds simple. The rules around timing, qualifying for the new property, and matching balances are where it gets messy. Knowing this before you sign saves you from a penalty you didn't have to pay.

Term length. The default conversation is five-year fixed. It's the longest, the most predictable, and the easiest to sell. It's also not always the right answer. If you're likely to move, refinance, or restructure in three years, locking into five could cost you. A shorter term, or a variable rate, might serve you better.

The questions to ask yourself before signing:

→ Will I be in this home for the full term?

→ Could my income or job change in the next 3 to 5 years?

→ Am I planning to renovate, invest, or buy a second property?

→ Will my family situation look different by renewal?

→ Could I want to access my equity for something I haven't planned yet?

THE BOTTOM LINE

A great mortgage today fits the life you're actually building, not just the rate you signed for.

HAVE QUESTIONS?

LET'S ACTUALLY TALK IT THROUGH.

If anything in here made you pause, raise an eyebrow, or think wait, my mortgage doesn't do that — that's the conversation worth having.

This Playbook is built to give you enough to walk into a real conversation, not enough to replace one. Every situation has its own shape. Your income, your goals, your timeline, the property you're looking at. The strategies in here only matter once they're matched to your actual picture.

If you've been chasing rate, you're not alone. Almost everyone does. But the people who get the strongest mortgages aren't the ones with the lowest rate. They're the ones who built the structure around where they're actually headed.

Book a call. No pressure, no pitch. Just a real conversation about what fits.

BOOK A CALL →

Or send a message on Instagram @thom.brow.mortgages

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