



The Energy Connector

Issue #16

Compare apples to apples when comparing mortgages

With mortgage rates hitting new lows in the last few weeks, The Energy CU wanted to make sure that all of our members understand that when you are comparing mortgages, you need to look at more than just rates. When you look at mortgages you must realize that longer maximum amortization periods could mean lower payments (but higher total interest costs). Other things to consider are prepayment options, what the prepayment penalties are, and if the mortgage is assumable.

Often, people feel they don't need these extra bells and whistles, but you might! You could lose your job, come into some money or rates could fall even further. Keeping a flexible mortgage can be vital if you are looking to save money.

Some institutions only allow you to get out of the mortgage if you sell the property. If you want to change lenders in a few years but not sell the property, you may be out of luck. Most mortgages allow you to get out of a mortgage if you pay a prepayment penalty regardless if you are selling or just wanting to go elsewhere. Those penalties can differ so make

sure you know what the charges are, penalties can be steep especially early in the mortgage term. One common way to calculate the penalty is by using the financial institution's posted rates, less the initial discount you received and the current posted rate. They look at the rate at the time of the mortgage (including any discounts received) and the posted rate of the day (less the discount received). The difference between the two is charged for the remaining term of the mortgage. According to some mortgage specialists this can amount to \$15,000-\$35,000. Some other institutions use another method that some believe is fairer to borrowers. Instead of using the posted rates less the discount, they look at the actual rates. The penalty would then be three months interest and would likely be much less than the \$15,000 that might be otherwise payable.

Lump sum payments are also important. Most mortgages allow annual payments of between 15 and 20 per cent of the principal. Most mortgages also allow you to increase your monthly payments by a certain amount, so you can pay off the mortgage sooner and with less interest. Others allow you to miss a payment, which may come in handy if you go on strike or lose your job.

Another question to ask is if you can take your mortgage with you. Some banks only allow you to port the exact amount you still owe so any upgrade will have to be financed by a separate mortgage. Others allow you to blend and extend - add to a mortgage and blend the new rate with the old one. There are a lot of things to look at to see if a mortgage is right for you. You want as much flexibility as you can get.

If you have any questions about mortgages or travelling down the path to home ownership please give our offices a call at 416-542-2522. We can help guide you to a solution that makes the most sense for you!
With excerpts Fiona Anderson from the Vancouver Sun.



Attention!

Dividends were issued **April 2, 2012**
Check your DIA!
Call TECU to open your Additional Shares account today! Some conditions apply!

The Energy CU 2012 Spring Bus Trip CRUISING IN THE KAWARTHAS Friday, June 15th, 2012

Don't miss out on this chance to enjoy a day of fun and fellowship with other Energy Credit Union members. This member's only event has a value of over \$115, but our Infinite Members can join us for only **\$75** and Essential Members for **\$95**.

Please call 416-542-2522 or visit us at www.theenergycu.com for more information.

Not everything that can be counted counts, and not everything that counts can be counted.
- Albert Einstein



Head Office
14 Carlton Street
Toronto, Ontario
M5B 1K5
Fax 416-542-2735

Service Centre
500 Commissioners Street
Toronto, Ontario
M1M 3N7
Fax 416-542-2631

Gerdau Branch (Restricted Access)
1801 Hopkins Street South
Whitby, Ontario
L1N 5T1
FAX: 905-668-2807

Phone:

Local: 416-542-2522
Gerdau: 905-668-8811 ext 2329
Toll Free: 1-888-942-2522

E-mail:

mail@theenergycu.com

Telephone Teller

Local: 416-465-8251
Toll Free: 1-866-222-0630

Member Security:

security@theenergycu.com

www.theenergycu.com

www.urbanvault.com

The TECU 18th Annual Golf Tournament (in memory of Terry Godfrey)

Please call to register your spot today! Last year's **members only** golf day sold out in record time. To avoid disappointment, do not delay!

PLACE: Lakeridge Links Golf Course

DATE: Monday August 20, 2012

TIME: 12:00 P.M. Shotgun Start (Registration 10:00am)

FORMAT: Four Person Scramble

COST: Preferred/ Infinite Members.....\$45.00

Non-Preferred/Infinite Members.....\$85.00

(Includes Lunch, Greens Fee, Door Prize entry, Power Cart and
½ Chicken Dinner (Vegetarian Available))

Dinner Only.....\$40.00

To determine your "MEMBER STATUS" or to receive information
on qualifying for "Preferred/ Infinite Membership",
contact TECU Staff at 416-542-2522

Changes to your CU MasterCard!

There were recently some key changes in your CUETS MasterCard agreement.

- payments received will be allocated low to high for the total minimum payment due of that billing cycle.
- Where a cardholder has balances owing for a particular billing cycle at different interest rates, they will now allocate payments made by the cardholder that are greater than the required minimum payment for the billing cycle in the same proportion as each amount bears to the outstanding balance.
- Consumer primary cardholders that are registered users at www.cucardsonline.com will have the opportunity to go paperless; which means, cardholders will be able to elect an online statement instead of receiving a paper copy in the mail.

If you have questions about your credit card bill please contact Credit Union MasterCard CUETS at 1 800 561 7849.



Get to know us

Diane Kocet AMP, A.C.U.I.C, B.A. Chief Executive Officer

Dahlia Da Costa AMP Operations Manager/ Compliance, Complaints and Security Officer

Beth Wallace Wealth and Estate Services Coordinator

Nicole Lake F.C.U.I.C. Marketing Operations and Member Relations Coordinator/ Privacy Officer/ Newsletter Editor

Mark McDonald AMP, F.C.U.I.C. Financial Services Manager/Technical Support, Health and Safety Representative

Liana Crimi Member Service Officer/ Clearing Administrator

Charmaine Coy AMP Financial Services Administrator/Deputy Privacy Officer

Lianna Mann Member Service Representative (Contract)

Gosha Kosakowska Finance and Risk Officer

Madura Sivapatham B.A. Accounting Administration Representative/Member Service, Deputy Compliance Officer

Martin Grubb Member Service Representative (Volunteer)

