



Information on the Registered Security for your Secured Line of Credit – Collateral Charge

Banks that offer residential mortgage loans have agreed to adopt a voluntary *Commitment to Provide Information on Mortgage Security* to help consumers understand the type of charge that secures their lending product. Pursuant to this Commitment, Simplii Financial™ is providing you with the following information about the type of charge we will register to secure your Secured Line of Credit.

There are two types of charges a lender can register: standard or collateral. Your Secured Line of Credit will be secured by a **collateral charge**. The following information will answer some questions you may have about your collateral charge.

What is a Collateral Charge?

A collateral charge registered against the title to a home may secure one or more loans or lines of credit. The specific terms of the loan(s) or line(s) of credit are contained in a separate borrowing agreement that is not registered on title.

The specific terms of your Secured Line of Credit, such as the limit and interest rate are contained in your Secured Line of Credit Product Letter. Most of these terms are not included in the collateral charge that we will register on the title to your property.

How much does Simplii Financial register the collateral charge for?

For the Secured Line of Credit, Simplii Financial registers the collateral charge for the approved limit. For example, if the value of your home is \$500,000 and you are approved for a Secured Line of Credit limit of \$250,000, the collateral charge will be registered for \$250,000. You will make payments and pay interest on the money you actually borrow, not on the amount of the registered charge.

What costs would apply if I wanted to switch lenders?

If you wish to switch your Secured Line of Credit to another lender, the new lender may not accept a transfer of your registered collateral charge.

In that case, you will need to pay fees to discharge your registered collateral charge and register a new charge with the new lender.

How would I borrow additional funds?

If you wish to borrow additional funds against your property, you will need to apply and be approved for a limit increase. You must pay any fees required to discharge the existing collateral charge and register a new charge for the new credit limit.

What about discharging the collateral charge?

When the Secured Line of Credit is repaid, you can ask us to discharge the registered collateral charge.

Please call 1-888-872-4724 to learn about the fees that may apply when discharging your Secured Line of Credit.