

CALCULATING A PREPAYMENT CHARGE

Customer Information Sheet



Gateway 3-2-1 method

You will need to pay a prepayment charge if you prepay more than your prepayment privilege allows. If you're considering paying out your mortgage early or making a lump sum payment, please email one of our [Customer Experience Specialists](#). Alternatively, you can contact your Mortgage Broker to discuss your options with you.

Calculating a prepayment charge with a 3-2-1 method¹

Amount being paid X Percentage = Estimated prepayment charge

$$A \quad x \quad B \quad = \quad C$$

Prepayment charges are calculated on the amount being prepaid:

For payments made at any time in the 1st year of your term where the:

Prepayment date is: Up to and including the 1st anniversary date²
Percentage: 3%

For payments made at any time in the 2nd year of your term where the:

Prepayment date is: After the 1st anniversary date², up to and including the 2nd anniversary date²
Percentage: 2%

For payments made at any time in the 3rd year of your term where the:

Prepayment date is: After the 2nd anniversary date²
Percentage: 1%

Please note this information is for discussion purposes only. Check your most recent Disclosure Statement or Renewal Agreement to find out which prepayment charge method applies to your mortgage and if there are any prepayment restrictions.

You can access our online mortgage prepayment charge estimate calculator at bridgewaterbank.ca to estimate your prepayment charge. If you have any questions about prepaying your mortgage and would like assistance, please contact us:

1.866.243.4301 | customer.experience@bridgewaterbank.ca

1. Each year, only on the anniversary date of your mortgage, you may make a lump sum payment of up to 20% of the principal amount owing on the mortgage at the beginning of your current term without paying a penalty or charge. Prepayments requested at any other time are not allowed. The prepayment cannot be more than 20% of the original amount without paying a prepayment charge and be at least \$500. Even though you may have prepaid less than 20% of the principal amount on previous anniversary dates, the unused prepayment privilege amount does not carry forward.
2. Prepayments made on the anniversary date will be calculated by reducing the amount being prepaid by the allowable prepayment privilege amount.