



Alterna Bank's commitment to you regarding mortgage loan insurance

Many thanks for taking your mortgages with Alterna Bank. We appreciate your business.

It is a regulatory requirement that Alterna Bank tell you about our relationship with the mortgage loan insurance provider we worked with for your mortgage.

Alterna Bank uses the services of three primary mortgage loan insurance providers:

- 1) Canada Mortgage and Housing Corporation, a crown corporation of the Government of Canada;
- 2) Sagen (formerly Genworth Financial Canada); and
- 3) Canada Guaranty Mortgage Insurance Company

Alterna Bank uses these three providers because they represent the best options for our clients, are recognized firms within their industry, represent excellent corporate leadership in Canada and have your best interests in mind.

Alterna Bank has not entered into any agreement with these insurers to receive payments or benefits to do business with them.

Alterna Bank does not receive any payments or benefits from these insurers to do business with them and does not expect to receive such payments or benefits.

The premium you pay is the premium Alterna Bank has arranged for you based on the fee schedule from the insurers – no more, no less. You pay the premium; Alterna Bank is the beneficiary. Alterna Bank applies any claims received from insurers to outstanding mortgages for which default insurance was arranged.

Neither Alterna Bank nor its employees receive any financial or non-financial incentives from these mortgage loan insurance providers. Alterna Bank employees may receive training and information from the insurers as a means of staying current with mortgage insurance issues.

What is mortgage loan insurance?

Mortgage loan insurance insures Alterna Bank against a default of payment by homeowners. Alterna Bank requires mortgage loan insurance for fully qualified

properties and approved applicants when homeowners do not provide at least 20% of the purchase price as a down payment.

Payment options

Mortgage loan insurance can be paid as a single lump sum or it can be added to the principal of the mortgage and then included in your regularly scheduled payments.

Mortgage loan insurance premiums

The amount homeowners pay as a premium depends on the amount of down payment. Generally, the more you put down from your own resources as a down payment lessens the risk of the deal and therefore you pay a lower premium amount.

More information

You are encouraged to read the material the mortgage loan insurance provider posts publicly by visiting their web sites or by calling them directly. Additionally, information of mortgage loan insurance may be obtained from your lawyer or notary who helped you arrange your mortgage.

You can find the amount you are paying for mortgage loan insurance:

- 1) on the Cost of Borrowing Information Table
- 2) on the Statement of Disclosure
- 3) on the Mortgage Loan Insurance calculation disclosure
- 4) on your All-in-One statement detailing the mortgage transaction.