

ADVICE FOR LIFE | HOMEBUYERS GUIDE 2025

YOUR MORTGAGE RENEWAL: The Ultimate Money Makeover



Spring cleaning isn't just for your home. Your mortgage renewal offers an ideal opportunity to refresh your financial strategy - especially if you're in your peak earning years with changing family needs and retirement goals taking shape.

As with any major financial decision, your mortgage needs periodic refinements to match your evolving financial landscape. Many homeowners discover they have more financial flexibility than they realized when their mortgage comes up for renewal. The key is knowing where to look.

First, evaluate your current position. Has your income increased since your last renewal? Are your children finishing university or moving out? These life changes could free up cash flow for strategic mortgage optimization. Evaluate if accelerated payments or a shorter amortization period align with your retirement timeline.

Consider this real scenario: At their last renewal, a couple redirected funds previously used for their children's activities into their mortgage payments. This simple shift, combined with strategic use of their home equity, helped them balance retirement savings while staying on track to be mortgage-free five years sooner.

Your mortgage renewal can be more than just a rate shopping exercise – it's your chance to design the next phase of your financial future. Our mortgage specialists can help you create a strategy that balances your current needs with your long-term goals.

Interest Savings by Payment Frequency

based on a \$500,000 mortgage, with a 5% interest rate over 25 years

Accelerated bi-weekly payments create one extra monthly payment yearly, reducing your principal faster. This approach could eliminate nearly 3 years and 6.5 months from your mortgage and over \$60,000 in interest compared to monthly payments, without drastically changing your budget. [Try our mortgage payment calculator](#)

Payment Method	Total Interest Paid	Payment Amount	Time Saved	Interest Saved
Monthly	\$372,409	\$2,908		
Accelerated Bi-Weekly	\$311,972	\$1,454	3 years and 6.5 months	\$60,437

Opportunities Emerging for Ontario Homebuyers

Ontario's housing market is facing some challenges as Canada-U.S. trade issues create economic uncertainty. Compared to one year ago, February's home sales activity in Ontario declined by 26.7%.¹ Nationally, the past month's home sales declined 10.4% versus February 2024.²

Home sales in the Central region of Ontario (largely the Greater Toronto Area) dropped 30.2% year-over-year, with a 2.9% decrease in average price. The Eastern region (largely Ottawa and Kingston) fared better, as home sales dipped 10.5% year-over-year, while the average price edged 1.6% higher.³

These conditions are pointing to a buyer's market as supply exceeds demand and bidding wars to drive prices higher could be less common. With a weaker housing market, it may be easier for prospective buyers to negotiate on price and terms.

As well, the Bank of Canada (BoC) lowered its overnight rate on March 12 by 25 basis points to 2.75%, aiming to support the Canadian economy. Homebuyers will benefit as lower mortgage rates enable them to pay off their mortgages sooner and with less interest paid. The next BoC interest rate decision is on April 16.

Your Renewal Makeover Checklist:

- Start 120 days before your term ends
- Evaluate your current financial position
- Identify opportunities for optimization
- Create your personalized strategy with a mortgage specialist

¹ <https://creastats.crea.ca/board/orea>
² <https://stats.crea.ca/en-CA/>
³ <https://creastats.crea.ca/board/orea>

GETTING YOUR FINANCIAL HOUSE IN ORDER FOR SPRING

As we move into the spring housing market, preparing your finances is crucial. Here's a guide to positioning yourself for mortgage success.

Pre-Approval: Your Foundation

Getting pre-approved isn't just a formality – it's your competitive edge in the market. Here's what Alterna is looking at:

- **Downpayment documentation:** clear proof of funds and their sources
- **Income verification:** last 2 year's T4s and recent pay stubs
- **Credit profile:** current score and credit history
- **Debt service ratios:** Your total debt compared with total income (ability to pay)

TIP: Get pre-approved early, but note, many expire after 90-120 days, so consider when you want to purchase to ensure it doesn't expire too soon.

Credit Score Optimization:

Your credit score directly impacts your mortgage rate. A strong credit score can save you thousands over the term of your mortgage.

Quick wins for credit enhancement:

- Keep credit utilization below 30% of available credit
- Maintain consistent, on-time payments
- Avoid new credit applications when house hunting
- Review your credit score for free to check for errors (Equifax or TransUnion) [Read more](#)

Downpayment Strategies:

With average home prices in Ontario ranging from \$684,000 in Ottawa and to over \$1 million in the GTA⁴, your downpayment strategy is crucial.

Current downpayment requirements

Purchase Price	Minimum Downpayment
Up to \$500,000	5%
\$500,000 - \$1,500,000	5% for first \$500,000 + 10% on remainder
Over \$1.5 million	20%

Smart Saving Approaches:

First Home Savings Account (FHSA)

- Tax deductible contributions up to \$8,000/yr
- Maximum lifetime contribution of \$40,000
- Tax-free withdrawals for first home purchase

Traditional Methods

- RRSPs (Home Buyers' Plan)
- Tax-Free Savings Account (TFSA), limits adjusted annually
- Investment Savings Account

Market Readiness Checklist

- Obtain **pre-approval** documentation
- Organize **downpayment** funds
- Calculate **additional costs** (e.g. land transfer tax, legal fees, etc.)
- Research neighbourhood **price trends**
- Connect with a **real-estate professional**

Alterna Advantage

- ✓ Competitive rates
- ✓ No hidden fees
- ✓ Dedicated service
- ✓ 120-day rate guarantee⁵
- ✓ Flexible payment options



Meet a MORTGAGE SPECIALIST



At Alterna, we care about finding the right financial solution that meets your unique needs. We offer competitive rates, pressure-free transparent advice and caring service. Ready to take the next step?

[Book an appointment.](#)

SCAN TO VIEW RATES



⁴ www.crea.ca/housing-market-stats/canadian-housing-market-stats/national-price-map/

⁵ Terms and conditions apply, visit alterna.ca/homebuying

Alterna Savings and Credit Union Limited operates as Alterna Savings. Alterna Savings is a credit union operating in Ontario. For information on deposit insurance, please ask for a brochure at the credit union or visit the FSRA's website at <https://www.fsrao.ca>. (03/25)