

## **PenFinancial Credit Union Limited**

### **Schedule “A” to a Charge/Mortgage of Land Additional Provisions**

#### **Closed Mortgage Clause**

The Chargor(s) acknowledge(s) that the strict terms in the mortgage will apply to prohibit the Chargor(s) from making any payments in addition to those required on the stipulated dates prior to maturity date, subject to the prepayment privilege indicated below. However, the Credit Union may agree, in its unfettered discretion, to provide the Chargor(s) with a discharge of the mortgage prior to the maturity date, on the condition that the Chargor(s) agree (s) to pay to the Credit Union all of the unpaid balance of the loan, all accrued interest, the amount of any refundable Cash Bonus previously paid by the Credit Union to the Chargor(s) on the condition that the loan not be prepaid in full prior to the maturity date, and an additional amount as the price for the Credit Union’s agreement to allow the Chargor(s) to make early repayment in full (the “Price”).

If the Credit Union agrees to waive its right to insist that the mortgage loan not be prepaid in full prior to its maturity date, the Price shall be equal to three months’ interest on the unpaid principal balance at the expected payout date, or the Interest Rate Differential Amount, whichever is greater. The Interest Rate Differential Amount would be determined by applying any positive difference between the annual interest rate stated in the mortgage and then current annual undiscounted interest rate for similar mortgages for a term equal to the remaining term to maturity to the principal balance at the expected payout date, over the remaining term to maturity. The principal balance at the expected payout date shall also include the amount of any prepayment already permitted in the same twelve (12) month period in which the expected payout date is to occur, pursuant to a prepayment privilege set out below.

This clause equally applies during any subsequent renewal or extension term of this mortgage, unless modified by an amending agreement between the Chargor(s) and the Credit Union.

In addition to the above, the Credit Union has agreed to extend to the Chargor(s) the following prepayment privileges, which may be exercised when the Chargor(s) is/are not in default:

#### **PREPAYMENT PRIVILEGES**

Notwithstanding that prepayments of principal may not be permitted under the terms of the said mortgage, the following privileges of prepayment shall apply for the current term of the mortgage, and any subsequent renewal or extension term, unless modified by an amending agreement between the Chargor(s) and the Credit Union:

1. If the Chargor(s) is/are not in default at the time of prepayment, the Chargor(s) shall have the privilege of paying an additional amount of principal, once in each 12 month period, commencing on the anniversary date or any anniversary thereof. The Chargor(s) may prepay on any instalment payment date without notice or bonus, a portion of the outstanding principal amount not exceeding twenty percent (20%) of the original principal amount. This privilege, when not exercised in a particular twelve (12) month period, is forfeited by the Chargor(s) (the privilege is not cumulative).
2. If the Chargor(s) is/are not in default at the time of prepayment, the Chargor(s) shall have the privilege of paying, once during twelve (12) month period of the term of the mortgage, the borrower may increase the principal and interest portion of the monthly payment by up to **20 percent** of the principal and interest payment “originally” required during the term of the mortgage. This is done by giving written notice to the Credit Union at any time during the twelve (12) month period. The increased payment will become effective on the date of the next payment following receipt of the Chargor(s)’, and will remain in force until the maturity date of the mortgage.

#### **MEMBERSHIP IN GOOD STANDING CONDITION**

The Chargor(s) covenant(s) to maintain at all times his/her/their status as a member in good standing of **PenFinancial Credit Union Limited** in accordance with its by-laws and resolutions.

#### **ACKNOWLEDGEMENT OF ASSIGNABILITY AND CONSENT TO THE DISCLOSURE OF PERSONAL INFORMATION**

The Chargor(s) hereby acknowledge(s) that the Credit Union has the right to assign or transfer this mortgage to any third party, at its discretion. The Chargor(s) also hereby consent to the Credit Union disclosing to any potential assignee of this Mortgage all of the Chargor(s) Personal Information that it may have in its possession that is related to the Mortgage, for the purpose of enabling the potential assignee to determine whether or not it wishes to purchase the Mortgage. In the event the Mortgage is in fact assigned or transferred to a third party, the Chargor(s) hereby consent to the Credit Union delivering to the assignee all

of the Chargor(s)' Personal information that it may have in its possession that is related to the Mortgage, and its use by the assignee for all of the purposes for which a typical Mortgagee may use it in the course of administering a portfolio of mortgages. All terms, conditions, undertakings and representations shall be binding upon and inure to the benefit of the Chargor(s) and the Credit Union and their respective heirs, executors, administrators, successors and assigns.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

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Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

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Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

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Guarantor