



FACING FINANCIAL DIFFICULTIES AS A HOMEOWNER

If you're experiencing financial difficulties, please [contact us](#) as soon as you can. RFA will discuss options that may be appropriate for your circumstances.

You may be facing financial difficulties due to exceptional circumstances. This may affect your ability to make your mortgage payments.

Examples of exceptional circumstances include the combined effects of:

- high household debt
- increased cost of living
- rapid increases in interest rates

Rapid increases in interest rates may have a major impact on your finances.

This may be the case if your mortgage has a:

- fixed rate and is up for renewal, and you're facing much higher payments
- adjustable mortgage rate and your payments are much higher

[Converting from an adjustable interest rate mortgage to a fixed interest rate mortgage](#)

You may be able to convert your mortgage from an adjustable interest rate to a fixed interest rate. This option may also protect you if there's a sudden increase in interest rates.

[Learn about managing your money when interest rates rise.](#)

[Leveraging your mortgage features](#)

Your mortgage agreement may include features that could help you if you're facing difficulties paying your mortgage. Check your mortgage agreement or [contact us](#) to find out what features are available to you. Certain conditions apply.

Skip a payment

Your mortgage agreement may offer a "skip a payment" option.

When you use the "skip a payment" option, you add the principal and interest portion of your mortgage payment back into the overall principal of the mortgage. You must pay the property tax portion.

[Learn more about deferring your mortgage payments.](#)

Credit Security Plan

You may have optional life and disability insurance coverage on your mortgage.

Read the terms and conditions of your insurance certificate for more information. Check with your credit insurance provider about the rules for credit insurance claims.

[Learn more about optional mortgage insurance products.](#)

[Other types of mortgage relief measures](#)

Mortgage relief measures may help in the short term if you're at risk of mortgage default. A mortgage relief measure, or a combination of relief measures, may be appropriate for your circumstances. [Contact us](#) to discuss the options available to you. Certain conditions apply and not all mortgage relief measures may be available depending on your circumstances.

[Learn more about the expectations of federally regulated financial institutions regarding mortgage relief measures.](#)

Mortgage relief measures may end up increasing the total cost owing over the total length of your mortgage.

[Mortgage payment deferral](#)

With a mortgage payment deferral, you enter into an agreement with RFA which allows you to delay your mortgage payments for a specific period, usually up to 4 months.

After the deferral period ends, you resume making your mortgage payments. You'll need to repay the mortgage payments you defer.

As a result, after the deferral period ends:

- your amortization, the length it takes to pay off your mortgage, may be longer
- you'll owe more money on your mortgage than before the deferral period
- your mortgage payment amount may be higher

[Learn more about mortgage payment deferrals.](#)

[Extended mortgage payment deferral](#)

Extended mortgage payment deferrals are for a longer period than the standard deferral period of up to 4 months. Usually, you may only defer your payments up to a predefined amount, for example, \$10,000. After you reach this amount, you need to start making your regular payments again.

[Extending Amortization](#)

Extending your amortization period lowers your mortgage payments. Keep in mind that the longer you take to pay off your mortgage, the more you'll pay in interest.

This maximum amortization period depends on whether your mortgage is insured or uninsured.

If your down payment was less than 20% of your home's purchase price, you had to get mortgage insurance. The maximum amortization period for an insured mortgage is 25 years.

If you're at risk of mortgage default, RFA will work to develop a plan with you when you extend your amortization. This plan shall:

- ensure that your total amortization period is reasonable
- include information about your options to restore the amortization to its original period
- include an assessment and communication of the potential long-term, negative financial implications of this change on you

[Learn more about the expectations of federally regulated financial institutions when extending your amortization.](#)

[Learn more about mortgage amortization.](#)

Special payment arrangements

RFA may offer special payment arrangements unique to your situation. This option may help you if you're late in making your mortgage payments. With this option, RFA recovers your late payments over the shortest period, within your financial ability.

Capitalization

With a capitalization option, your financial institution allows you to add late payments to your mortgage principal. RFA may allow you to capitalize missed mortgage payments and interest.

With this option, your financial institution increases your mortgage payments to reflect the increase of your mortgage principal. This means your mortgage payments will be higher.

Interest only Payments

RFA may allow you to only pay the interest portion of your mortgage payments. This may be the case if you've already extended your amortization and/or used the capitalization option.

With this option, you defer the payment of the principal. RFA may allow you to defer your mortgage principal payments up to a maximum amount, usually \$10,000. We may also require that you repay the deferred principal payments over a specific timeframe, usually within 2 years.

Selling your home

If you're at risk of mortgage default and experiencing severe financial difficulties, selling your home may be an option.

Selling your home may offer several potential benefits.

For example, it may help you:

- lower your mortgage payments if you downsize
- reduce your expenses including your utilities and property taxes
- access the equity you have in your home

[Learn more about selling a home.](#)