Facts about Mortgage Portability

Porting your mortgage means carrying the exact amount, rate and remaining term and amortization to a new property. If you want a higher amount, you will need to speak with your lender about a blended rate. They may say no. If you want a smaller amount, you will pay a penalty on the portion not ported.

If you are porting your mortgage, then you have bought a new home and will need to fully qualify under the stress test. The mortgage is ported, not the eligibility of the applicant.

Porting is not always the best option. In some scenarios, breaking your mortgage and paying the penalty will save you money in the long run. Breaking your mortgage may reduce payments if the amortization is low on the remaining balance. Or if rates are expected to rise, you may want a new, lower rate.

Not all mortgages are portable. Fixed rates usually are, however variable mortgages often are not. Credit lines are also not portable.

If your original mortgage loan was (CMHC/Genworth) insured, you can port the insurance fee as well to the new home if you are buying another home that will also be insured.

If you have a home to sell and decide to sell it first, you will be breaking the mortgage first. Most lenders have a timeline between closing of new home and old home, so to be able to port, both closings would need to be within a 60-90 day window (on average).

Check the terms and conditions of your current mortgage. Maybe you don't like the pre-payment options. Maybe you don't like the lender. Maybe your mortgage is hard to get out of, unless you sell, so maybe this is your chance. Maybe it's time for a change.