

Scotia Total Equity[®] Plan (STEP Program)

Key Features:

- One-time application and approval allows customers to borrow back up to the Global Limit at anytime.
- STEP program gives access to separate mortgage components, lines of credit, and credit card options up to 80% loan-to-value.
- Customers can split their mortgage in up to 3 different terms to manage interest rate risk.
- STEP ALI* (Automatic Limit Increase) allows customers the ability to obtain automatic increases to their revolving credit product as they pay down the balance on their mortgage component.

Fast Facts:

Purpose

- Help your customers reduce the cost of their borrowing and potentially save hundreds of dollars every year with a predetermined borrowing limit they can allocate among a variety of credit products at lower secured rates.

Maximum Loan to Value Ratio

(Mortgage default insurance fees and premiums may apply)

- **Uninsured:** 80%
- **Insured Purchases:** 95%
- **Refinances:** 80%

Maximum Global Limit †

- **Uninsured:** 80%
- **Insured:** 80%
- The total of revolving credit limits for *ScotiaLine*[®] Personal Line of Credit set up within the STEP program may not exceed 65% of the property lending value
- In instances where a customer wishes to borrow back up to the Global Limit, they may need to requalify by completing a full credit application depending on their credit rating at the time of re-borrowing.

Credit Products Available

- **Uninsured:** All eligible STEP credit products to a maximum of 11 components
- **Insured:** Mortgage accounts only to a maximum of 3 for laddering until LVR is below 80%

Additional Information:

When submitting an application, in the notes section:

- Identify the application as a STEP mortgage and the amount of the Global Limit
- Indicate the terms and mortgage values associated with each mortgage component. The total of all components (mortgages, lines of credit, credit cards, etc.) should equal the Global Limit
- Indicate how much money will be advanced on day of funding

Qualifying Rate

- The Qualifying Interest Rate will be the higher of the 5-year benchmark rate and an interest rate determined in accordance with Scotiabank's policies and regulatory requirement, or if mortgage default insurance is required, the higher of the 5 year benchmark rate and the contract rate.

Amortization

- **Insured:** Maximum 25 years
- **Uninsured:** Maximum 30 years

Exclusions

- *Scotia Secondary Home*[®] Financing Program (Insured Type B only)
- *Scotiabank StartRight*[®] Mortgage Program for Temporary Residents
- Non-Resident Lending Program

Maximum # of Borrowers

- Maximum of 2 borrowers (no corporate borrowers) on title
- Guarantors are not allowed

Eligible Transactions

- Purchase
- Refinance

Here are a few things you should know about the STEP Commitment Letter:

- Make sure the basic loan amount on application equals the Global Limit (e.g. the full amount of money for which your client is applying)
- The rate and term shown on the commitment are for qualifying purposes only
- The breakdown of STEP bundle is included on the commitment

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† Subject to credit approval, Scotiabank residential mortgage standards and maximum permitted loan amounts.

Subject to meeting Scotiabank and insurer's lending and credit criteria. The information contained in this Factsheet is deemed to be accurate as of the date of printing. The Bank reserves the right to amend, modify or change any of the options and/or features at any time without notice.

* This feature must be selected and is subject to qualification.

1 The benchmark rate (5-yr conventional mortgage rate) is published weekly by the Bank of Canada and can be found at: <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates>

2 The contract rate is the actual rate being paid, excluding any interest rate buydowns (posted rate less any discount).