



THE ALBERTA & BRITISH COLUMBIA REFINANCE GUIDE

Make your *mortgage* work harder.

Four paths to refinancing — from breaking your current term to a spousal buyout — written by award-winning mortgage brokers licensed in Alberta and British Columbia.

Refinancing isn't one decision — it's several. Whether you're thinking about breaking your term early, adding to your mortgage at renewal, setting up a secured line of credit, or navigating a spousal buyout, the right path depends on your numbers. This guide walks you through all four.

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NINA SHEN — MORTGAGE ASSISTANT Licensed mortgage agent and underwriter who handles document collection, e-signing, and the details that keep your timeline on track.

WHY A MORTGAGE BROKER

We shop. *You save.*

A refinance is one of the most important financial decisions you'll make as a homeowner. Working with an independent broker means more options, better advice, and a team paid by the lender — not by you. We're experienced, award-winning mortgage brokers licensed in Alberta and British Columbia.

WIDER OPTIONS

More lenders, more fit

Banks, credit unions, monolines and trust companies all bidding for your business. We see refinance offers your bank won't show you.

SMARTER TERMS

Beyond the headline rate

Penalty calculations, prepayment privileges, portability, and fine print — the details that turn a good refinance into a great one.

BETTER ADVICE

Your interests, full stop

Bank employees can only offer their own bank's products. We're paid by the lender you choose — so our loyalty sits firmly with you.

Our service is free to you.

We're paid by the lending company you choose — not by you. There are no fees from Elevation Mortgage on a standard refinance. Our advice, our comparison work, and our ongoing support after closing are all included.

THE FOUR PATHS

Four ways to *refinance*.

Most homeowners don't realize how many ways there are to refinance. Each path has its own math, its own timing, and its own ideal client. Here's a quick map of the four — we'll go deep on each in the pages ahead.

- 01** **Breaking your current term & rate**
Refinancing before your current term is up. There's a penalty involved — but when rates have dropped or your situation has changed, the math can still work strongly in your favour.
- 02** **Refinancing at renewal — adding to your mortgage**
At maturity, you can increase your mortgage amount to access equity, consolidate debt, or fund a renovation — with no penalty. Our most common refinance path.
- 03** **Refinancing at renewal — adding a secured line of credit**
Instead of a fixed lump sum, set up a HELOC alongside your renewed mortgage. Draw what you need, when you need it, and pay interest only on what you've used.
- 04** **Spousal buyout — separation or divorce**
If you're keeping the family home and need to buy out your spouse's share, a spousal buyout refinance can borrow up to 95% of the home's value — well above a standard refinance limit.

Not sure which path is yours? Most clients aren't when they first call. Send us a quick message — we'll run the numbers across all four scenarios and tell you which one actually saves you the most.

Breaking your current *term & rate.*

The question we hear most from homeowners with rates above 5%: “Should I just pay the penalty and refinance now?” The honest answer — sometimes yes, sometimes no. It depends entirely on the numbers. Here’s what to look at.

When the math tends to work

RATE HAS DROPPED

A material gap between rates

If your contract rate is meaningfully higher than today’s available rate, the monthly savings can outpace the penalty within 2–3 years.

EQUITY ACCESS NEEDED

A renovation, debt, or life event

Sometimes a penalty is worth paying to consolidate high-interest debt or fund a major renovation now rather than waiting two years for renewal.

VARIABLE RATE

Predictable, manageable penalty

Variable-rate mortgages have a 3-month interest penalty — almost always modest. The math is simpler and the bar to break is lower.

BLEND & EXTEND

No penalty alternative

If your renewal is 6–18 months out, a blend-and-extend lets you lock in today’s rate without breaking — a middle path worth considering.

⚠ THE FEDERAL STRESS TEST STILL APPLIES

Refinancing is treated as a new mortgage application — meaning you’ll need to qualify at the higher of your contract rate plus 2% or the Bank of Canada benchmark, whichever is greater. We’ll confirm this works before we move forward.

Understanding your *penalty*.

Before you can decide whether to break your mortgage, you need to know exactly what it'll cost. There are two penalty types — and the difference between them can be thousands of dollars.

VARIABLE RATE

3 months' interest

Charged on variable mortgages. Three months of interest on your remaining balance — usually predictable and modest, the smallest penalty you'll see.

FIXED RATE

Greater of 3 months' interest or IRD

Most fixed mortgages charge the higher of the two. The Interest Rate Differential (IRD) is where penalties get expensive — and where lender choice matters most.

HOW TO GET YOUR EXACT FIGURE

Your lender provides the official payout.

Lenders are required to provide exact penalty payout details — and only the lender can issue that official figure. We can **provide estimates only**. When you're weighing whether to break, the right first step is to call your lender's customer service line and ask for a written payout statement.

WHEN YOU CALL, ASK FOR:

- The exact penalty payout in writing
- Whether the penalty is calculated as 3 months' interest or IRD
- The discharge fees and any administrative costs
- The mortgage balance as of your intended payout date

Once you have the official figure, send it our way — we'll run the full break-even math against today's rates so you can decide with real numbers.

Why your lender choice matters — Scotia vs. RFA

SCOTIA & BIG BANKS

Posted-rate IRD

Compares your contract rate against the spread between their **posted rate** and the discount you originally received. The posted-rate inflation drives the penalty up — often thousands more on the same mortgage.

RFA & MONOLINE LENDERS

Contract-rate IRD

RFA, MCAP, First National, Strive use your contract rate vs. their **current rate** for the closest remaining term. Fair, transparent — and usually thousands less.

Refinancing at *renewal*.

Renewal is the cleanest refinance window you'll have. Your term is up, you're no longer committed to your current lender, and there's no penalty to break. If you've built equity and want to access it, this is when the math is most generous.

Why homeowners add to their mortgage at renewal

ACCESS EQUITY

Renovations & improvements

Funding a kitchen, basement, or major upgrade at mortgage rates instead of credit card or unsecured loan rates. The single most common reason clients refinance.

CONSOLIDATE DEBT

High-interest debt rolled in

Credit cards at 19.99%, car loans at 7%, lines of credit at 9% — all rolled into a single low-rate mortgage payment. We often see monthly cash flow savings of \$800+.

INVESTMENT CAPITAL

Down payment for a rental

Use your home equity to fund the 20% down payment on an investment property. A common path for clients building a rental portfolio.

RESTRUCTURE

Adjust amortization or term

Shorten amortization to pay off faster, or extend it to lower monthly payments. Renewal is the right moment to right-size your mortgage to your life today.

Up to 80% of your home's value. A standard refinance lets you borrow up to 80% of your home's appraised value — mortgage plus any new funds combined. We'll order an appraisal and run the numbers to see exactly what's available.

START THE CONVERSATION EARLY

A standard renewal needs about 4 months of lead time. A renewal with a refinance attached needs more — we want time to compare lenders, order an appraisal, and complete the legal work without pressure. The earlier we connect, the more options you have.

Adding a *secured line of credit*.

A Home Equity Line of Credit — a HELOC — sits alongside your renewed mortgage. Unlike a refinance lump sum, you're not required to draw the full amount at once. You use what you need, when you need it, and pay interest only on the amount you've drawn. It's one of the most flexible financial tools available to a homeowner.

HELOC vs. straight refinance

REFINANCE LUMP SUM

Best when...

- You need a specific known amount
- You're consolidating debt and want the discipline of a fixed payment
- You have a fixed-bid renovation or one-time large purchase

HELOC FLEXIBILITY

Best when...

- You don't need the funds yet — but want them ready
- You're renovating in phases or DIYing over time
- You want a flexible safety net or emergency fund
- You're using equity for ongoing investment opportunities

HOW MUCH

Up to 65% of home value as a standalone HELOC, or up to 80% combined with your mortgage.

WHAT YOU PAY

Interest only on the amount drawn. The undrawn balance costs nothing — you only pay when you use it.

QUALIFYING

Verifiable income, decent credit (typically 650+), and you must pass the stress test on the full HELOC limit.

Renewal is the right moment. Setting up a HELOC at renewal is cleaner and less expensive than mid-term — no penalty, no separate legal work needed, and the lender can package both products together for better pricing.

A *spousal* buyout.

When a relationship ends, your mortgage often becomes one of the most complicated things to untangle. If one partner wants to keep the family home, a spousal buyout refinance is often the path forward. Lenders treat this differently than a standard refinance — and the rules are more generous than most people realize.

HOW A SPOUSAL BUYOUT WORKS

Borrow up to *95% of home value.*

- 1** The partner staying in the home **refinances the mortgage in their name only**, removing the departing partner from the mortgage and title.
- 2** The new mortgage amount **includes the buyout of the other partner's equity** — calculated from a current appraisal minus the existing mortgage balance.
- 3** Under CMHC guidelines, a spousal buyout refinance can **borrow up to 95% loan-to-value** — versus the standard 80% for a regular refinance. This higher limit is what makes the buyout possible without a massive new down payment.

What you'll need

✓ SEPARATION AGREEMENT

A signed separation agreement (or strong documentation of the agreed buyout amount). Some lenders accept drafts; signed agreements make the process smoother.

✓ SINGLE-INCOME QUALIFICATION

Proof you can qualify for the new mortgage on your income alone. Spousal and child support both count as income with consistent payment history.

✓ PROPERTY APPRAISAL

A current appraisal (or in some cases an automated valuation) to establish equity and the buyout amount.

✓ LEGAL WORK

A real estate lawyer to update title, discharge the existing mortgage, and register the new one. We'll coordinate with your lawyer directly.

A private conversation, no pressure. In Alberta, the Dower Act adds considerations for the departing spouse — another reason to get legal and mortgage advice early. Reach out any time. We've walked many clients through this; your situation is more common than it feels right now.

What goes *into* your refinance.

A refinance is treated as a new mortgage application — meaning it's built from the same four pillars as a purchase. Here's what we'll review together before we move forward.

INCOME

Same rules as a purchase

Salary, hourly, contract, commission, self-employed — all qualify with the right history. Self-employed clients may need two years of T1 Generals and Notices of Assessment. Spousal/child support counts as income with consistent payment history.

CREDIT

640 and up opens the most doors

A credit score from 640 and up gives you the broadest options and best pricing. Below that, we have B-lending and alternative options for clients with missed payments or other credit issues.

HOME EQUITY

An appraisal sets the ceiling

Standard refinance: up to 80% of appraised value.
Spousal buyout: up to 95%. We'll order the appraisal and confirm exactly how much you can access before any commitment.

DEBT SERVICING

Income vs. all your costs

Lenders compare your income to your new mortgage payment, taxes, condo fees, heating, and other personal debts. Your ratio should be under 42% — we'll calculate yours before we apply.

THE FEDERAL STRESS TEST STILL APPLIES

Like a purchase, every refinance applicant must qualify at a rate **higher** than their actual contract rate — typically the contract rate plus 2%, or the Bank of Canada benchmark, whichever is greater. We'll confirm this works on your numbers before we move forward.

FROM OUR CLIENTS

Real *stories*, real outcomes.

Recent five-star Google reviews from clients across Alberta and British Columbia.

★★★★★

“Julie made the whole mortgage process feel effortless. Her knowledge and calm communication kept us confident every step of the way. Absolutely recommend.”

— SARAH M. · ALBERTA · GOOGLE REVIEW

★★★★★

“Andy found us a rate our bank couldn’t touch. Responsive, honest, and incredibly thorough — we’ll never go to a bank for a mortgage again.”

— DAVID K. · BRITISH COLUMBIA · GOOGLE REVIEW

★★★★★

“I was very satisfied with Andy’s level of professionalism and mortgage advice. He always kept me in the loop and provided all the information I needed. Quick response and a helpful approach made the whole process smooth.”

— MARK T. · GOOGLE REVIEW

HELPFUL READING

More on our *blog*.

Tap any article to read it on our website.

RENEWALS

Renewing your mortgage — three reasons to call us first →

EQUITY ACCESS

HELOC vs. refinance — which path fits your goal? →

PENALTIES

Should you break your mortgage early? When the math works →

SPOUSAL BUYOUT

Divorce, separation & your mortgage — Alberta & BC options →

[ELEVATIONMORTGAGE.CA](https://elevationmortgage.ca) Your hub beyond this guide — calculators, blog library, current rates, and more. [Visit](#) →

Ready when *you* are.

Whether you're weighing all four refinance paths or already know which one fits, the first step is the same — a quick conversation about your numbers. Book a call or start your application below.



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APPLY NOW



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