

Mortgage Types

Over the past 30 years, mortgages have changed in many ways with new features that benefit consumers. Being comfortable with all aspects of your mortgage is a big part of enjoying your new home. There are many types of mortgage solutions and providers available to consumers today.

This table illustrates the most common types of mortgages offered in Canada today.

Mortgage Type	Description
Variable Rate	Mortgage with an interest rate that change with the market. The rate changes each month, meaning that the portion of your monthly payment that goes towards interest may go up or down monthly. However, your total monthly payment probably stays the same.
High-Ratio	Mortgage you obtain when you have less than 25% of the total purchase price to make as a down payment. This type of mortgage must be insured – through sources such as CMHC or GEMI.
Closed	Mortgage with a fixed interest rate – usually lower than an open mortgage rate – and a set, unchangeable term. You cannot pay off a closed mortgage before the agreed end date without paying a penalty.
Convertible	Mortgage you may change from short-term to long-term, depending on your financial situation.
Open	Mortgage you can pay off, renew, or refinance any time. The interest rate for an open mortgage is usually higher than a closed mortgage rate.