



EDUCATION BRIEF MS1 SECOND MORTGAGES

PURPOSE

This guide explains what original homeowners in the Middle Springs 1 (MS1 – Park Ave, Glacier Drive, Jasper Way) development need to know about paying off the second mortgage on their home.

When MS1 was built (before the Town of Banff incorporation), 82 homes received an interest-free loan registered on title. The loan amount differed for each home and remained interest-free as long as the original homeowner continued living in the home.

Repayment of the loan is triggered under the following conditions:

- When the original homeowner sells the property **OR**
- When the homeowner ceases to reside on the property

REPAYMENT PROCESS

BHC will be notified of any title change through the homeowner's lawyer. If the homeowner has vacated the property before the sale, interest will be charged at a rate of prime + 5% and calculated from the day the homeowner ceased to reside in the property to the day the loan is paid off.

BHC will:

- Calculate any interest owing
- Issue a mortgage payout letter to the law firm showing the total amount due
- Once BHC receives payment, send a discharge form to the lawyer to remove the mortgage from the home title

OPTION FOR EARLY PAY OUT

Homeowners can pay the second mortgage at any point before selling their home. Choosing this option will avoid any applicable interest charges, as the mortgage remains interest-free during the period of owner occupancy.