



CMP

Canadian Mortgage Professional

MORTGAGEBROKERNEWS.CA
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ALTERNATIVE LENDING RENAISSANCE

What brokers need to know as more consumers opt to bypass the banks

STAMPING OUT HARASSMENT

How the mortgage industry can tackle a pervasive culture problem

COMMERCIAL KNOW-HOW

The rewards of mastering the commercial lending sector



5-Star
AWARDS
★ ★ ★ ★ ★
2021



AWARD-WINNING MORTGAGE PRODUCTS

Brokers choose B2B Bank mortgage products as their preferred choice for homebuyers

5-Star AWARDS ★ ★ ★ ★ ★ 2021



MORTGAGE PRODUCTS

CMP turned to brokers to find out which Canadian mortgage products are best in class

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5-STAR AWARDS: MORTGAGE PRODUCTS

THE COMPLETE PACKAGE

FOR LENDERS and brokers alike, there are few more critical aspects of the industry than the mortgage products themselves. They're a defining factor in how mortgage professionals successfully present themselves to borrowers, and as mortgage seekers ponder their financing options, a range of considerations come into play, including quality of customer service, turn-around time and variety.

In an effort to identify the lenders whose products best match the needs of brokers and their customers, *CMP* conducted a



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Mario Cloutier, Manulife Bank

WHAT'S MOST IMPORTANT TO BROKERS AND THEIR CLIENTS WHEN CHOOSING A MORTGAGE PRODUCT?

Processing and approval speed



Customer service



Rates



Fees



Online banking capabilities



wide-ranging survey, asking brokers for their opinions on some of the lenders and products they had used over the course of the previous year. To learn more about the key considerations for brokers and borrowers when evaluating mortgage products, *CMP* also asked brokers to rank their priorities when seeking out a product for their clients.

So far in 2021, the mortgage market has largely maintained the same frenetic pace that it set in 2020, with frenzied bidding wars the norm in many markets and house prices rising in Canada's hottest areas at a seemingly unstoppable rate. Even as things began to moderate in June, statistics from the Canadian Real Estate Association showed that actual housing market activity was up 13.6% year-over-year in that month, while the national average sale price posted a 25.9% year-over-year increase.

It's hardly surprising, then, that turn-around time came in at the top of brokers'



list of priorities when selecting the best product for their clients. The ability to swiftly process and close deals has served as an indispensable asset for lenders in the current madcap mortgage market. When asked to rank their most important consideration when choosing a lender, brokers named processing and approval speed as a clear first choice, followed by customer service; rates came in a distant third.

Eighty per cent of brokers said processing and approval speed was very important when choosing a lender, compared to 73% for customer service and just 42% for rates. Thirty-one per cent of brokers said fees were a very important consideration, while 27% said online banking capabilities were critical.

It's not just about rates

It would be a mistake, then, to assume that the lowest rate automatically represents the best option for clients. Andrew MacKillop, vice-president of business development at B2B Bank, notes that it's essential to recognize the factors most relevant to clients' needs, and avoid a one-size-fits-all approach.

"While interest rates are a very important consideration in financing a home, there are several other things that top brokers consider based on their individual clients' needs," he says. "These include choosing a fixed or variable mortgage, lender fees, features and benefits of a product, such as prepayment flexibility and portability, and the ability to get the deal done, especially if there are unique client circumstances to consider."

Mario Cloutier, head of broker sales at Manulife Bank, adds that while many Canadians are swayed by the fact that lower rates mean lower payments, brokers can provide greater value to their clients by finding out what's truly important to them in a mortgage.

"With the rising cost of homes, it may be payment flexibility," he says. "It could be

a desire to be debt-free as soon as possible, or a client may want to always be able to access their home equity tax-free to pursue other opportunities.

"Brokers can have a huge impact on their recommendation when all factors are considered. It's not always the interest rate – it's the interest you pay."

When asked to elaborate on the most important thing they look for when selecting a mortgage for their clients, some brokers mentioned interest rates, although one of the most common factors was flexibility in the conditions offered.

MacKillop notes that flexibility and "providing a variety of product types to meet specific clients' needs consistently" are key considerations for mortgage brokers, and any lender that offers a range of different options has the potential to keep brokers coming back for more.

"From insured to conventional and alt-A with reliable funding and an evolving product suite, a lender that can be a one-stop shop for brokers and their clients can be very beneficial," he says.

Cloutier said flexibility was "one of the most important factors" in reducing financial stress, particularly in unexpected cases like a client losing their job, a family member getting sick, or where there might be significant financial loss.

"When brokers think beyond the mortgage and find low-cost flexibility for all the client's debt, they are reducing financial stress and building long-term client loyalty as well as referrals. The lender should have both flexibility and a variety of products to serve both the broker and the clients."

A trusted lending source

Survey respondents also emphasized that confidence in the lender is a significant priority for their clients, along with low penalties, transparency regarding fees and penalty calculations, and strong service.

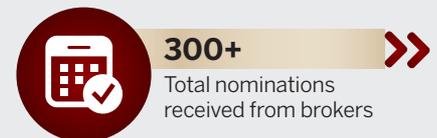
Cloutier says the client experience should

METHODOLOGY

To determine Canada's best mortgage products, CMP conducted an online survey, asking brokers about their preferences and priorities when recommending a mortgage to their clients. The survey was open to brokers across Canada, who were asked to provide product recommendations in a range of different areas, including fixed- and variable-rate products, commercial and refinancing.

For each lender they nominated, brokers were asked to rate the offerings they provided on a scale of 1 (poor) to 5 (excellent). They also identified the most important factors they and their clients consider when choosing a mortgage product, as well as their most significant area of growth this year.

Products and companies that received a score of at least 4.00 in each category were named 5-Star Award winners.



5-STAR AWARDS: MORTGAGE PRODUCTS

BROKERS' TOP AREAS OF GROWTH



**Alternative
lending**



Refinancing



**High-net-worth
programs**



Remote lending



**Insured
switches**



**Rental
properties**



**Multi-residential
insured
mortgages**



Semi-retirees



“[Brokers] tell us loudly and clearly that good service is table stakes for a lender to be part of their consideration set. Speed, ease and reliability are often mentioned as key elements of broker choice”

Andrew MacKillop, B2B Bank

be “a fundamental part” of a mortgage broker’s decision to recommend a product and lender, going beyond the service provided during the underwriting stage.

“When brokers are able to provide multiple options with a full suite of products with the same lender, it’s a great starting point for a valued experience,” he says. “As fintechs and online mortgage providers become more prevalent in Canada, the customer service the broker can provide through a quality, brand-named lender becomes increasingly important.”

MacKillop adds that the focus on service is telling. “[Brokers] tell us loudly and clearly that good service is table stakes for a lender to be part of their consideration set,” he says. “Speed, ease and reliability are



often mentioned as key elements of broker choice. Having the right product that aligns with the client's situation must be part of the solution.”

Areas of growth

CMP also asked brokers to identify the biggest growth areas they had witnessed in their mortgage business between this year and last. The rise of alternative income and lending since the beginning of the COVID-19 pandemic was identified as a

strong growth area for many brokers, while insured switches, refinancing, high-net-worth programs and rental properties all featured heavily as well.

Other significant areas of growth included the multi-residential insured market and remote lending, as well as semi-retirees getting their credit house in order before retirement.

MacKillop says that ultimately, brokers have proven their mettle in using their skills and experience to deliver the best

mortgage solutions to fit their clients' individual needs.

“The great thing about mortgage brokers is that they are experts in their field and understand clients' needs, expectations and goals,” he says.

“Many leading brokers tell us that truly understanding, assessing and delivering on their individual clients' circumstances paves the way for a positive experience, building a strong and sustainable growth business.”

5-STAR AWARDS: MORTGAGE PRODUCTS

5-Star AWARDS MORTGAGE PRODUCTS 2021

LENDERS

★ B2B Bank

Phone: 800-263-8349
Email: questions@b2bbank.com
Website: b2bbank.com



★ Canadian Mortgages Inc.

Phone: 888-465-1432
Email: info@thecmigroup.ca
Website: canadianlending.ca/brokers



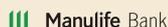
★ HomeEquity Bank

Phone: 866-522-2447
Email: marketingrequests@heb.ca
Website: chipadvisor.ca



★ Manulife Bank

Phone: 844-239-4677
Email: brokersales@manulife.ca
Website: manulife.ca



★ XMC Mortgage Corporation

Phone: 416-364-7944
Email: hello@xmcmortgage.com
Website: xmcmortgage.com



- ★ CIBC
- ★ CMLS Financial
- ★ CWB Optimum Mortgage
- ★ Desjardins
- ★ Equitable Bank
- ★ First National
- ★ FirstOntario Credit Union
- ★ Haventree Bank
- ★ Home Trust
- ★ HSBC
- ★ ICICI Bank Canada
- ★ MCAP
- ★ Meridian Credit Union
- ★ MERIX Financial/Lendwise/NPX
- ★ Radius Financial
- ★ RBC
- ★ RMG Mortgages
- ★ Scotiabank
- ★ TD Canada Trust

FIXED-RATE MORTGAGES

- ★ B2B Bank
- ★ CMLS
- ★ First National
- ★ HSBC
- ★ Lendwise
- ★ Manulife Bank
- ★ MCAP
- ★ Scotiabank
- ★ TD Canada Trust

VARIABLE-RATE MORTGAGES

- ★ B2B Bank
- ★ Desjardins
- ★ First National
- ★ HSBC
- ★ Manulife Bank
- ★ MCAP
- ★ Scotiabank
- ★ TD Canada Trust

FIRST-TIME BUYERS

- ★ Canadian Mortgages Inc.
- ★ Home Trust
- ★ First National
- ★ Manulife Bank
- ★ MCAP
- ★ Meridian Credit Union
- ★ MERIX Financial
- ★ RMG Mortgages



REVERSE MORTGAGES

★ **Equitable Bank**

Reverse Mortgage

★ **HomeEquity Bank**

CHIP Reverse Mortgage

★ **Manulife Bank**

Manulife One

REFINANCES

★ **CIBC**

Home Power Mortgage

★ **Desjardins**

Versatile Line of Credit

★ **HSBC**

5-Year Fixed

★ **Manulife Bank**

Manulife One

★ **MERIX Financial**

Adjustable Rate Mortgage

★ **TD Canada Trust**

Home Equity FlexLine

INVESTORS

★ **B2B Bank**

Net Worth Program

★ **CMLS Financial**

CMLS – Connect Mortgage

★ **Desjardins**

★ **Manulife Bank**

Manulife One

★ **Scotiabank**

Scotia Total Equity Plan (STEP)

COMMERCIAL MORTGAGES

★ **CMLS Financial**

Conventional Term

★ **Desjardins**

Multi-Project Option

★ **First National**

Conventional Fixed-Rate Mortgage

★ **FirstOntario Credit Union**

5-Year Closed Term

★ **Manulife Bank**

Manulife One

★ **MCAP**

Conventional Commercial Financing Solution

★ **Meridian Credit Union**

Commercial Owner-Occupied Lending (COOL)

★ **RBC**

Commercial Mortgage

ALTERNATIVE MORTGAGES

★ **B2B Bank**

Alternative Suite of Mortgage Programs

★ **CWB Optimum Mortgage**

HOMEWORKS

★ **Equitable Bank**

The EQB Evolution Suite

★ **First National**

Excalibur

★ **Haventree Bank**

NextJob Program

★ **Home Trust**

1- to 5-Year Fixed Rate

★ **ICICI Bank Canada**

1- to 5-Year Fixed Rate

★ **NPX**

XTEND Mortgage, XTEND+ Mortgage, EXACT Mortgage, AXIS Mortgage, XTREME Mortgage

★ **XMC Mortgage Corporation**

Uninsured Mortgage Options