

Introducing the RBC Down Payment Booster

Does it feel like it's taking forever to save enough to buy a home? Maybe you have strong monthly cash flow, but are delaying your home purchase because you still don't have a 20% down payment. If so, then the RBC® Down Payment Booster could help you achieve home ownership sooner – and save money in the long run.

What is the RBC Down Payment Booster?

It combines two existing RBC products – a conventional mortgage and an instalment loan – to increase your down payment to 20%.¹

- With it you could save thousands of dollars in borrowing costs (e.g. mortgage default insurance premiums)
- Enjoy a preferred low rate² for the instalment loan

Did you know?

If you're buying a home in Canada and have a down payment of less than 20%, then you must also purchase mortgage default insurance. This additional cost is calculated as a percentage of the mortgage, based on the size of your down payment. It can be paid in a single lump sum or added to your mortgage and included in your monthly payments. Default insurance can be as much as 4.00% of your mortgage amount. You can avoid this expense by having a down payment of at least 20%.³



How much can you save?

In this example, the RBC Down Payment Booster provides you with an instalment loan to increase the amount of your down payment.

Down Payment Booster Example

	10% Down Payment	20% Down Payment	
Mortgage Details	Property Value	350,000	350,000
	Client Down Payment	35,000	35,000
	Instalment Loan		35,000
	Mortgage Default Insurance Cost*	9,765	0
	Mortgage Amount	315,000	280,000
	Total Amount Borrowed	324,765	315,000
Savings	Mortgage Insurance Savings		9,765
	Interest Saved on the Life of the Mortgage		22,673
	Interest Paid on the Instalment Loan		(13,528)
	Total Interest Savings over the Life of the Mortgage		19,691
Cash Flow	Monthly Mortgage Payment**	1,625	1,398
	Monthly Instalment Loan Payment***		404
	Total Monthly Cash Flow Required	1,625	1,802

* Applicable taxes on premium not included.

** Based on a five-year fixed-rate mortgage at 3.50%.

*** Based on a five-year fixed-rate instalment loan of 6.99%, amortized over 10 years.

Example is for illustrative purposes only. Rates and savings are approximate and may vary. Rates may not represent the current rates of Royal Bank of Canada.

- In this example, if you make a 10% down payment, you will have to pay almost \$10,000 in mortgage default insurance, which will be added to the total mortgage amount borrowed.
- With the RBC Down Payment Booster, you can increase the amount of your down payment with an instalment loan. In this example, even with a separate monthly payment of \$404 for the instalment loan, you'll still save close to \$20,000 in interest over the life of your mortgage by putting 20% down on your home and eliminating the cost of mortgage default insurance.

Cash flow considerations

With the RBC Down Payment Booster, you can achieve the 20% down payment. Be sure to consider your instalment loan payments when calculating your monthly cash flow.

Remember that even with a separate instalment loan payment, you can still save

thousands of dollars in interest over the life of your mortgage when you achieve a 20% down payment and eliminate the cost of mortgage default insurance.

We're here to help

Are you an existing RBC client with a

credit score of greater than 700?

Do you have at least 10% saved towards

the down payment of your ideal home?

With the RBC Down Payment Booster, you can own your dream home sooner and still make a 20% down payment.

We're here to help you select the home borrowing solutions that are right for you.



Royal Bank

¹ Client must have at least 10% of their down payment from their own equity. No gifted funds. The unsecured portion of the down payment cannot exceed 10% of the property value. Client must have been an RBC client for more than three months at the time of their application with a credit score of >700. A & B scored applications only for both mortgages and instalment loans. Not available for an RBC Homeline Plan®.

Not available for construction draw mortgages or for any amendment to an existing mortgage with RBC, including a portability transaction, an advance of additional funds, a renewal, a new mortgage segment within an RBC Homeline Plan or a transfer of an existing mortgage with RBC to an RBC Homeline Plan. Investor mortgages are not included.

² Preferred low rate is available for a five-year term fixed rate instalment loan of at least \$5,000 with an amortization of 10 years. Funds must be used as part of a down payment for a residential home. Offer may be withdrawn at any time.

³ For additional information about mortgage default insurance premiums and rates, please visit these websites:

CMHC: www.cmhc-schl.gc.ca/en/co/moloin/index.cfm

Genworth: www.genworth.ca/en/index.aspx

Canada Guaranty: www.canadaguaranty.ca/

Subject to standard lending criteria for residential mortgages and instalment loans. See your mortgage specialist for more details. Personal lending products and residential mortgages are offered by Royal Bank of Canada and are subject to its standard lending criteria.

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