



Christopher works for **you**, not the lenders.

As requested, I'm keeping a close watch on mortgage rates for you.

Thanks for giving me this opportunity to help. As you requested, I'm letting you know that mortgage rates changed today. If you're in a variable rate mortgage, this fluctuation in rates may have an impact on your family budget and future financial plans. As your Mortgage Specialist, I'd be happy to sit down with you, analyze your current situation and discuss what actions you might want to take. Please feel free to contact me anytime.

The following table gives you an idea of the range of rates currently available. Remember, all rates are subject to change without notice. Rest assured I'll update you of the next rate change as soon as it happens!

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Rates as of Thursday, April 15, 2010

Bank Prime	5 Yr Bonds	1 Yr Fixed	5 Yr Fixed	5 Yr Variable
2.25%	3.12%	2.90%	4.39%	1.95%

Please talk to me to see if these rates are still current and applicable to your specific situation.

Although we strive for accuracy, timeliness and completeness, information quoted is not guaranteed and may change at any time.

Mortgage Tip

When it comes to your mortgage, you can never have too much information. With that in mind, I'm providing you with this timely tip.

The Statistics Canada website is showing that Inflation as measured by the Consumer Price Index (CPI) has fallen to 1.6% from January's 1.9%. It's surprising this was not a hot topic in the news.

What is translating into newspapers and conversation are the rising rates. The general consensus remains that rates are going to rise because the expectations are for higher inflation in the next 6-18 months. This



expectation has 'bond purchasers' driving up the bond yields, which is in turn resulting in higher fixed-rate mortgage rates. This trend will continue as long as the economic data that economists publish is positive. Hence the 2 rate hikes on fixed rates in the last 2 weeks.

So where will the negative news stem from that will result in lower rates? Look south of the border. High unemployment and a substantial inventory of Foreclosures will hit the market in 2011. Being the world's major bond market, the USA's minimal inflationary pressure will keep bond yields down, and as a result will temper how high our rates will be able to go.

Some people argue that our Bank of Canada will have to crank up its rate, sending Prime up 1.5%-2.5% in the next 18 months, in order to stave off inflation in Canada. I believe they can't go that high given that the Federal Reserve in the USA is keeping their rate steady. Increasing our rate too high will increase the Loonie which will negatively impact exporting, employment and manufacturing. The key here is balance. It isn't so much about putting the breaks on inflation as it is about taking the feet off the gas peddle. Raising rates 1-1.5% should be seen as a return to 'normal' as the current short-term rates are abnormally low.

Our outlook is that Variable Rates will rise by 1.00%-1.25% by the end of 2010. Fixed rates, meanwhile, will likely bounce around the 4.00-4.75% range most of the year.

To view prior Rate Watch articles please visit my website at www.mortgageconcierge.ca.

Warm regards,

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