

FOR IMMEDIATE RELEASE

The Mortgage Brokers Association of BC supports new government mortgage policy

July 11, 2008 (Vancouver) – The Mortgage Brokers Association of British Columbia (MBABC) notes that the proposed changes to federally insured mortgage portfolio requirements will affect some borrowers, primarily first time home buyers in markets with high entry costs, and will delay the buying decision for some consumers. The proposed changes will not affect all lenders nor all lending programs.

Although the changes appear dramatic, a detailed review shows the proposed policies are still less stringent than they have been in the eighties and early nineties. The MBABC believes the market will adjust with minimal impact.

Brian Peterson, President of MBABC, supports the new changes and says "These changes will, overtime, reduce borrowing costs for homeowners and enhance confidence in Canada's mortgage market."

The amortization period for government insured mortgages is limited to a maximum of 35 years. On a 300,000 dollar, five year fixed rate mortgage this will increase the payment by about 65 dollars per month. It will retire the mortgage 5 years sooner, and save the borrower about 66,000 dollars over the life of the loan, all things being constant.

Members of the MBABC still have access to a wide variety of products not affected by this initiative and the consumer is encouraged to contact an MBABC mortgage broker to determine the best choice for their particular circumstance.

The Mortgage Brokers Association of British Columbia supports any government policy that encourages homeownership and provides the consumer access to a competitive mortgage market.

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Brian Peterson is available for interviews and can be contacted through:

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