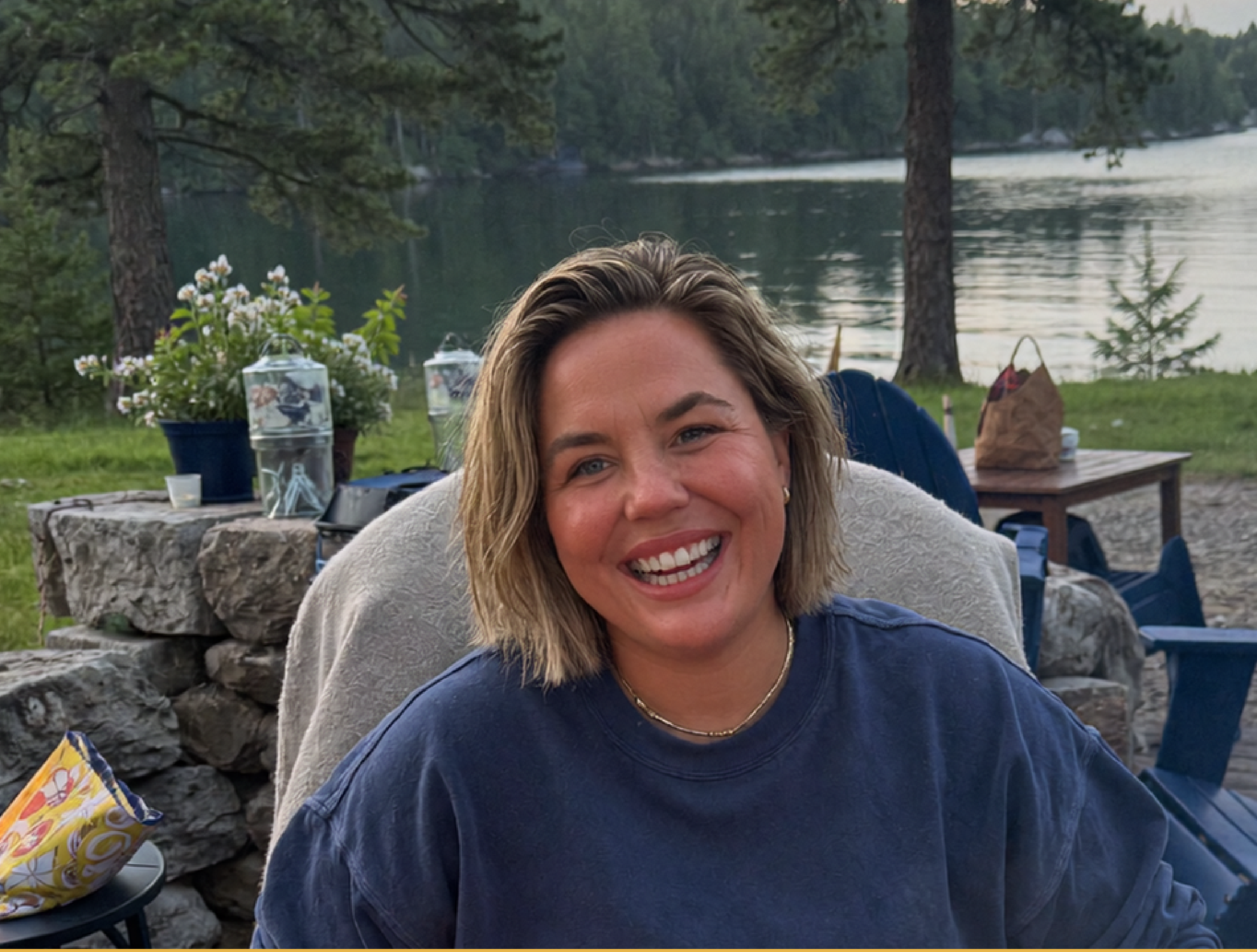

THE HOMEOWNER'S EQUITY PLAYBOOK

Unlocking Your Home's Equity

and how to use it

A practical guide for Ontario homeowners who feel stuck, and who are ready to make a smart, confident move with the equity they have already built.

Lora Fenn

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Barrie · Oro-Medonte · Simcoe County · Collingwood · Muskoka · Ontario-wide

01 What "Home Equity" Really Means

> *Your home has quietly become your largest financial asset. The real question is whether that asset is working for you, or just sitting there.*

Equity is the share of your home you actually own, the part the bank does not. Picture your home's value on one side of a scale and your remaining mortgage on the other. Whatever is left over is yours. It is real, usable wealth that has been growing in the background while you lived your life.

THE SIMPLE FORMULA

Current market value of your home, minus what you still owe, equals your equity. Example: a home worth $650,000 with a $390,000 mortgage gives you $260,000 in equity. Roughly 40% of the home is yours, free and clear.

For most Ontario homeowners, this is the single largest source of wealth they will ever build. If you have owned for even a few years, you are likely sitting on far more than you realize.

COTTAGE COUNTRY, ONTARIO

02 How Equity Builds Over Time

Your equity grows in two ways at once, and the two of them compound together.

1. You pay down the mortgage

Every monthly payment chips away at the principal. Early on, most of your payment goes to interest. As the years pass, a bigger slice goes toward what you actually owe, which steadily increases your ownership.

2. Your home changes in value

When property values rise, your equity grows even if you never make an extra payment. Values can also dip, which is exactly why knowing your real numbers matters so much right now.

> A WORD ON TODAY'S MARKET
>
> Home values in parts of Ontario have softened recently. There is no need to panic, and there is no need to rush into anything. The smart response is simply to know your real numbers. If a move, a renovation, a cottage, or paying down expensive debt is on your mind, planning it now with an accurate picture of your equity puts you in control, whatever the market does next. Guessing leaves money and options on the table.

MUSKOKA, ONTARIO

03 The Five Moves Homeowners Make

Most people do not come to me asking to "use their equity." They come with a goal, or a frustration. Here are the five most common, and how your equity makes each one possible.

1. Upsize to a Bigger Home

For the family that has outgrown its space

When you sell, your equity becomes the down payment on your next home, often a much larger one. Strong equity can mean a bigger purchase, a smaller mortgage, or both. Bridge financing can even let you buy before you sell, so you move once and never feel rushed into a bad offer.

2. Renovate Instead of Moving

For loving where you live, with more room to breathe

Sometimes the better answer is staying put and making your home work harder. Equity can fund a renovation that adds space, comfort, and function, usually with far less upheaval than buying and selling. A well-planned reno can also protect and grow your home's value, which matters even more when the market softens.

3. Buy the Cottage

For the wish list that never seems to happen

That place on the lake may be closer than you think. By tapping the equity in your primary home for the down payment, many Cottage Country buyers find a second property is within reach without draining their savings.

4. Buy a Rental or Investment Property

For building income and long-term wealth

Equity from your home can fund the down payment on an investment property. The rent can help carry the new mortgage while you build a second asset, turning value you already hold into something that grows on its own.

5. Consolidate High-Interest Debt

For freeing up monthly cash flow

Credit cards and personal loans often carry rates near 20%. Rolling that debt into your mortgage at a far lower rate can cut your monthly payments sharply and free up cash flow, one of the fastest ways to feel breathing room again.

DEBT CONSOLIDATION, BY THE NUMBERS

Imagine $60,000 in high-interest debt costing about $1,500 a month in minimum payments. Rolled into your home equity at a much lower rate, that payment might drop to roughly $350 a month. That frees up close to $1,150 every single month. Figures are illustrative, and your actual savings depend on your rates, balances, and amortization.

ROOM TO BREATHE

04 The Tools That Make It Happen

Once your goal is clear, the right tool depends on your plans, your current rate, and your timeline. These are the main ways to access the equity you have built.

Cash-Out Refinance

Best for larger, planned needs at the lowest rates

Replace your current mortgage with a new, larger one and take the difference in cash. In Canada you can typically borrow up to 80% of your home's value. Because it is a first mortgage, the rate is usually the lowest of any equity option.

Home Equity Line of Credit (HELOC)

Best for flexibility and ongoing or unknown costs

A revolving credit line secured against your home, usually up to 65% of its value. Borrow what you need, when you need it, and pay interest only on what you use. Ideal for a staged renovation, an emergency cushion, or an opportunity where timing matters.

Home Equity Loan / Second Mortgage

Best for keeping a great existing rate intact

A separate loan layered on top of your current mortgage, delivered as a lump sum. If you locked in a low rate and would rather not break your mortgage to refinance, this lets you tap equity without touching the first mortgage.

Bridge Financing

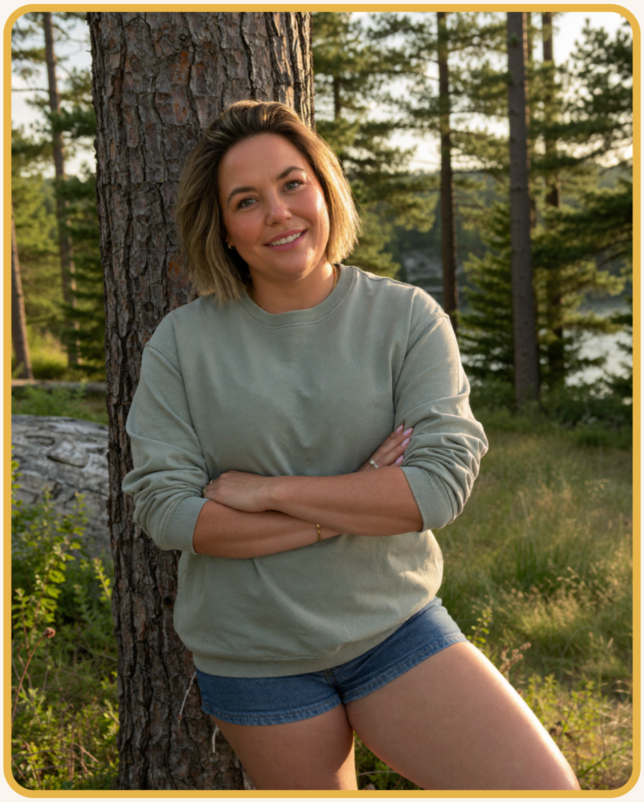
Best for buying before you sell

A short-term solution that covers the gap between buying your new home and closing the sale of your current one. It is the tool that makes a smooth, single move possible when you are upsizing.

05 Compare the Tools at a Glance

Tool	Typical Limit	How You Get It	Great For
Cash-Out Refinance	Up to 80% of value	Lump sum	Upsizing, renos, debt payoff
HELOC	Up to 65% of value	Revolving credit	Flexibility, staged renos
Home Equity Loan	Varies by lender	Lump sum	Keeping a low first-mortgage rate
Bridge Financing	Based on home sale	Short-term loan	Buying before you sell

The right fit depends on your goal, your current rate, and how soon you need the funds. This is exactly the kind of comparison we would walk through together, with your real numbers in front of us.



YOUR NEXT MOVE STARTS HERE

06 Smart Moves and Costly Mistakes

Do

- Put equity toward things that build wealth or value, such as a move up, a renovation, a second property, or consolidating high-interest debt into a far lower rate.
- Get a current, professional read on your home's value before you plan, since guessing leaves money on the table.
- Compare the total cost of each tool, including rate, fees, and any penalty, rather than only the monthly payment.

Avoid

- x Treating your home like an ATM for everyday spending or purchases that lose value.
- x Breaking a low-rate mortgage without checking the penalty, when a HELOC or second mortgage might cost you less.
- x Borrowing right to the maximum just because you can. Leave breathing room for life's surprises.

Your 5-Minute Equity Readiness Checklist

- Do you know your home's current market value, not what you paid for it?
- Do you know your exact remaining mortgage balance and renewal date?
- Have you defined the goal, whether that is upsizing, renovating, a cottage, an investment, or clearing debt?
- Do you know your mortgage's prepayment privileges and any break penalty?
- Have you had a professional map your options to the lowest total cost?

07 What Happens Next, Start to Finish

> *Most people put off using their equity because they picture a long, confusing process. Here is the whole thing in plain words, so you can see the path before you take a single step.*

Here is the part you will love. My business is digital, so almost all of this happens from home, around your life. We do it together, at your pace.

1. We gather your documents and submit to a lender

The strategy step, and the one I quietly love

I send you a simple list of what I need, you send it over, and I package it up and submit it to the lender that fits your goal best. Matching the right lender to the right person is where the real strategy lives.

2. We get your home appraised, in most cases

So the lender knows what your home is worth today

A licensed appraiser gives your home a current value. This is the one cost you pay up front in cash, and it can run up to $800. Not every file needs one, so I tell you straight up before you spend a dollar.

3. We do the paperwork together and sign with the lawyer

Fully supported, and usually right from home

Once the lender approves, I walk you through the paperwork so you understand what you are signing. The final signing happens with a lawyer, who handles the legal side. The lawyer works digitally too, so you are not booking a day off.

4. Funding day

The fun part

The lender releases the money, the lawyer pays out anything that needs paying, like an old mortgage or the debts we are clearing, and the rest lands where it should. From here, you are set up to do the thing you came to me for.

> DONE FROM YOUR KITCHEN TABLE
>
> You do not have to take time off work or drive all over town. We make this happen around your life, and once you are my client, you are my client forever, long after funding day.

08 What It Costs, With No Surprises

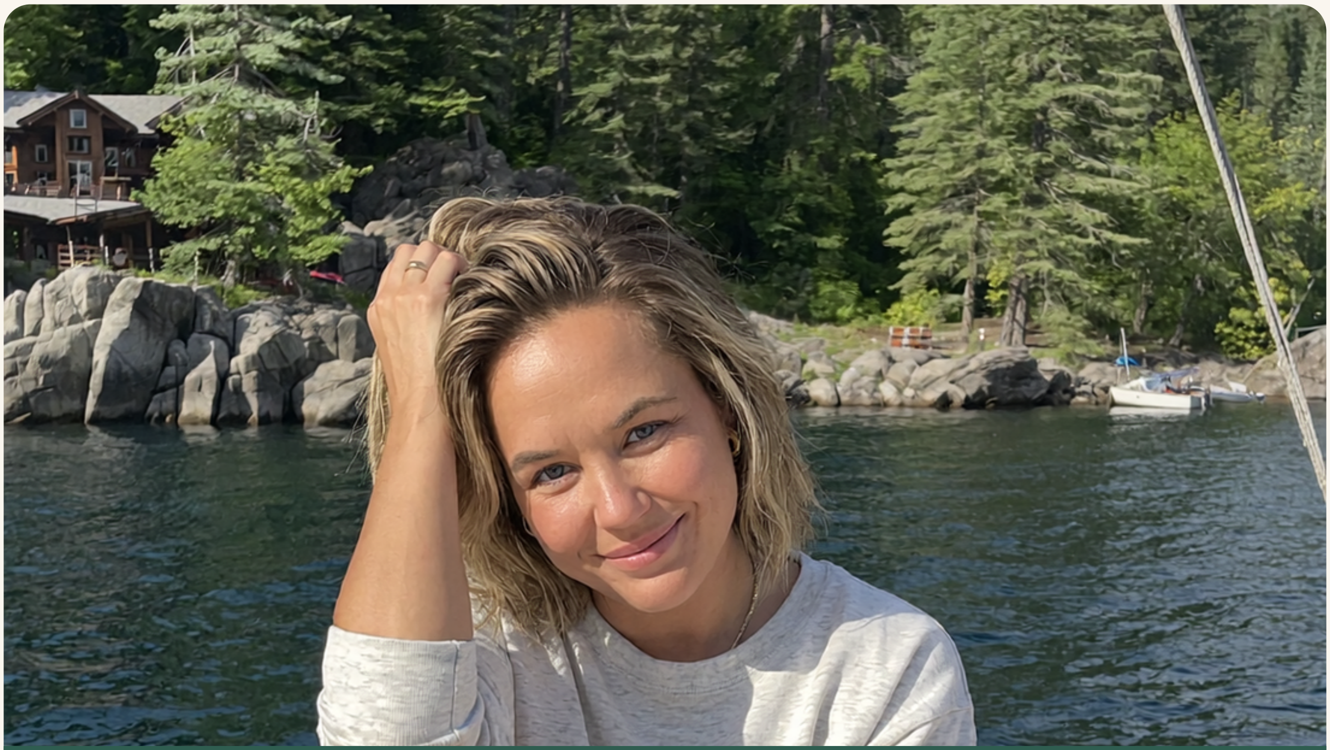
> *One of the first questions I hear is, okay, what is this going to cost me? You deserve a real answer before you decide anything.*

Every file is different, so think of these as a map to give you a feel. Your real numbers come once we look at your file together, and I always walk you through them before you commit to anything.

- Appraisal fee. Often up to $800, and the one cost you pay up front in cash. It confirms what your home is worth today. Some files do not need one.
- Legal and lawyer fees. Around $2,500. The good part is this can usually be wrapped into your loan, so it does not come out of your pocket today.
- Title insurance. This can be wrapped into your loan too. It protects you and the lender against title problems.
- Discharge or switch fee. If we move you to a new lender, your current one may charge a discharge fee, often around $200 to $400.
- A possible prepayment penalty. If you break your current mortgage before the term is up, there can be a penalty. We always calculate it before deciding anything.

> THE HONEST TAKEAWAY
>
> For a typical equity take-out or refinance, the appraisal is usually your only real out-of-pocket cost, since the legal and title pieces can be wrapped into your loan. The penalty is the one piece we never skip, so we check it every time.

Figures are illustrative only, vary by lender and situation, and are subject to lender approval (O.A.C.). This guide is general education and not financial advice.



SEE YOU AT THE LAKE

Let's Turn Your Equity Into Your Next Move

You have done the hard part by building the equity. The next step is making it work as hard as you have. I will give you a free, no-pressure look at exactly how much equity you have and the smartest way to use it for your goals.

Lora Fenn · Mortgage Maven

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