# Home and Commercial Energy Loan Programs

# WHAT DOES IT MEAN TO HAVE AN INTEREST REGISTERED ON YOUR PROPERTY?

## What is a miscellaneous interest?

- A miscellaneous interest is a type of interest that the City of Saskatoon will attach to your property when you borrow money from the City through the Commercial or Home Energy Loan Program.

> A mortgage is also an interest on your property. If you default on your mortgage payments, the bank has the authority to claim ownership of your property.

- If you stop paying property taxes or making loan payments, the City then has the ability, through *The Tax Enforcement Act*, to register a tax lien against the title of your property and take ownership. Because of this, it is important to repay your loan with the same diligence that you make mortgage payments.
- If you make your loan payments and property tax payments on time, no legal claims will be made.

## When will the miscellaneous interest be applied to my property?

- The miscellaneous interest will be applied to your property title after signing the Deferral Agreement.
- Once all requirements of your project are complete and your loan is repaid the miscellaneous interest will be removed.

## What are the impacts of having a miscellaneous interest registered against my property?

- A miscellaneous interest is not reported in your credit rating and it does not affect your credit rating or your individual credit score.
- A miscellaneous interest will show up on a title search for your property if someone is looking to purchase that property.
- The interest registered on title ensures that the property cannot be sold or otherwise transferred without the debts owing to the City first being addressed, whether through full repayment at the time ownership of the property is transferred or through a subsequent owner agreeing to take on the ongoing payment obligations through the signing of a new deferral agreement.
- A miscellaneous interest may affect your ability to get additional credit which is tied to your property.

### Potential impacts on mortgage renewal:

- Please contact the Program Coach at betterbuildings@saskatoon.ca in the event your mortgage provider has concerns about the City's interest on title. The City will work with you and your mortgage provider to ensure the interest does not affect your ability to renew your mortgage.

- There are no penalties or fees for paying off your loan early