Have I ever told you how I became a mortgage agent? No, well, buckle up. I ran a small consulting firm almost twenty years ago that helped home-based businesses grow and go storefront and storefront businesses grow within their walls. It was deeply satisfying. I loved helping and being a part of their success and growth. I loved my hours and the team I built over the years and witnessing the development within the team. I was especially grateful for the flexibility it gave me with my kids as they were young, active, and growing. We enjoyed a balanced and complete life.

One day, to my disbelief, one of my staff members offered to buy my company. I declined, happy with the life I had carved out for myself. But she was persistent and returned with another offer a month later, and then again, each time with a little more to tempt me. This persistence sparked something in me: a seed of possibilities.

I contacted a few trusted friends and advisors for their thoughts on whether I should sell. I realized that what was really being sold was my company's goodwill, and it would be crazy not to take the offer, so I sold. We agreed to a six-month transition period, and I accepted a non-compete clause that barred me from working within a specific geographical area. Now what. It wasn't enough money to retire.

Face with the need to reinvent my professional life, I went looking for more advice. One of those friends, whom I frequently referred mortgage work, suggested I consider becoming a mortgage agent. My initial response was, "No! I don't do math." I'm more about people than numbers—they convinced me that understanding people was at the heart of mortgages.

With nothing to lose, I enrolled in mortgage school at the Real Estate Council of Alberta, spending six months learning the nuts and bolts of mortgage brokering and the fundamentals of mortgages and math.

The classroom setting highlighted the importance of mentorship. Out of thirty of us, only a handful had a mentor lined up when the course ended. This guidance was crucial; only four of us eventually built successful mortgage careers. I was fortunate to have Phil and Judy LaRue as mentors, who reinforced my understanding of the financial details and how to write a mortgage.

My passion for this work was cemented by the first mortgage I facilitated—it involved helping an older first-generation Canadian couple secure funding for their son's university education. They couldn't get traditional mortgage lending as they were self-employed, and their credit had been damaged- not understanding how the Canadian credit system worked. I finally found a lender, Home Trust, that gave them the loan, the hand-up they needed, the funds, and the foundation for their son's education. WIN! He's now a successful CPA, and I hope he has closed the circle by caring for his parents. To me, this is the definition of success. Helping others help themselves achieve their goals. I am hooked.

Reflecting on my seventeen-year journey, I realize that being a mortgage broker is about much more than financial transactions. It's about building relationships, listening to stories, and helping people realize their dreams or overcome obstacles. It's about providing foundations for families to grow, celebrate, and sometimes start over. Mortgages aren't just pieces of paper; they are documents of hope. They are the starting place for a lifetime of memories in a home. They are the beginning of building equity in your financial future, which can be accessed for investment, education, and even income to help you stay in your home.
Mortgages have given me so much more than just income; they have given me opportunities to celebrate, develop, learn, and challenge myself. And when I get to have a win, boy, do I like to celebrate.
To this day, I am grateful to Phil and Judy for the time they gave to me by allowing me to learn at their heels. Coming into the mortgage industry changed so much for me. I am grateful to all of you for joining me on this crazy journey.

p.s. I've often described being a mortgage broker as akin to being a bipolar squirrel riding a speeding roller-coaster.

Tell me your story.

Connect With Jacquie!

Walter Update

Walter's trainer has declared him "not a dog!" "A human in a fur suit." apparently he doesn't act dog like enough.

However, this is what he looks like when he's watching me work.

Now 3 year's old and 106lbs of happiness.

The Return of 30 Year Amortizations for First-Time Home Buyers

Well, sort of. Only for new builds but we are still waiting on the details.
The federal government announced it will allow 30-year amortization periods on insured mortgages for first-time homebuyers purchasing newly built homes!

We have long advocated at committees, in budget submissions, and in discussions with senior decision-makers for an expansion to 30 years for insured mortgages and today's announcement represents a strong step in the right direction.

We also appreciate the implementation of additional measures and tools such as the FHSA and the strengthening of the Canadian mortgage charter, which aims to put more money in people's pockets and reduce monthly payments.

Are Fixed Rate on the Rise?

I'm sharing this article because someone took the time to write it, Ryan Sims. I read it, and agree. Its a good read.

It seems that the Canadian bond market has a spring in its step these days.
After hitting a low around 3.26% in January, the Government of Canada 5-year bond yield—which typically leads fixed mortgage rates—finished Tuesday's session at 3.63% after reaching an intraday high of around 3.66%.
Contrary to what some pundits are telling you, I don't think the sky is falling. But it may also be a good time to get your pre-approvals in, get your rates locked in, and maybe

reach out to any variable-rate clients to see if they want to convert to a fixed rate now.

Monday and Tuesday were the two worst days we've seen in equity markets in quite some time. The Dow Jones, the S&P 500, and the tech-heavy NASDAQ all took it on the chin. Now, of course, perspective matters, and those indexes are coming off their best first-quarter returns in about six years. So, this was probably a bit of rebalancing—and that spills over to the bond market.

Yes, rates have gone up a lot in the last two or three trading sessions, but that could just be portfolio shifting, and could normalize in the coming days, and weeks.

Watch for fixed rate drops in the second half of the year

The second reason that I think fixed rates are heading up is due to current pricing. Yes, rates should come down this year, but I think it is a late Q3 or early Q4 event, and I don't think they come down as much as everyone thinks.

As we know, or should know in our business, fixed rates tend to front-run the Bank of Canada overnight rate. If the market thinks *Tiff and Co.* will drop the overnight rate in three months, then fixed rates will start moving down today. Fixed rates had a substantial discount baked into them, and now the market is thinking maybe it was too much, too fast.

BoC Governor Tiff Macklem himself has said on numerous occasions that they will hold rates until they see inflation sustained at 2.00%, or at least close to that mark. We are nowhere near that.

The Federal Reserve has also said they only see three rate cuts this year, even though 90 days ago they saw eight. By June, that could fall to three, one or even zero, which isn't out of the question.

Running the numbers on fixed vs. variable

A simple bit of math tells you something was wrong. For an insured variable-rate mortgage (VRM), you're currently looking at pricing of around prime -0.70%. That would give you a rate of roughly 6.50%. A 5-year fixed could be had for 4.99%, so that's a 151-bps difference.

In order to see a 151-bps drop on the prime rate, you would need about six quarter-point rate cuts. Now, you might get one or two cuts this year, and maybe three in 2025, and then a couple early in 2026.

But keep in mind that two years from now, even if you get six cuts to bring the VRM on par with the fixed, you still overpaid for the first six months by 151 bps, then 101 bps for another three or six months, then 76 bps, etc.

For the VRM to balance out with a fixed rate at 4.99%, you would need around 10 rate cuts (depending on the timing of said rate cuts, of course). And I really don't think we'll see 10 cuts—for a total of 250 bps—over the next 5 years.

Yes, rates will go down, but not by that much. If Uncle Tiff got 10 rate cuts in, he would re-ignite the smoldering housing market and we'd be back at square one. All that pain for nothing.

Simple math in the market is telling you that the fixed market had baked in too many rate cuts too soon, and so it is righting the ship by firming up those rates. This is bond arbitrage 101.

I am not here to say fixed rates go to the moon, but I think you could see a 5-year fixed settle at around the 5.49%-ish range before the bond market thinks we are back in balance.

The role of government spending

Another reason we are seeing fixed rates creep up is politics. The Liberals will unveil their budget on April 16, but they are already pre-announcing billions in spending. The problem is that the government doesn't have the money, so they will need to borrow by issuing government bonds.

The more they borrow, the riskier they become, and so interest rates need to go up to cover off the increased risk. Quite simply, the more the government borrows, the higher interest rates should go to compensate for the risk.

I am not saying that the federal government is in the B-lending space, nor are they putting a second mortgage on Newfoundland, but they are running some pretty large deficits, and the bond market is noticing.

Traders seeking safety in gold

To add a little more onto the pile of problems, gold has had a record run at its all-time highs (non-inflation adjusted), which is starting to worry some traders that a problem could be coming. When people think economic uncertainty is on the horizon, they buy gold and USD. They don't buy Canadian government bonds, especially when the government is spending like drunken sailors on shore leave.

Last year, I posted my concerns with rising gold prices and that it could lead to a liquidity event within 12 to 18 months or so, which would put us somewhere between September 2024 and February 2025. Gold's run has continued unabated for a while now, so something is brewing.

If we do get a liquidity problem, the BOC and many other central banks will be forced to drop rates quickly to avoid outright deflation. This is my only scenario where rates come down quickly, or by a lot, and would be referred to as a 'Black Swan event.'

Unfortunately, rates coming down won't be of much use to our industry if liquidity freezes. In that case, banks won't lend money to anyone anyway, regardless of where interest rates are at.

Jacquie Bushell AMP
Mortgage Agent Level 1

P: 613 882 3201
E: Jacquie@JacquieBushell.ca
W:JacquieBushell.ca
A: **Meet with Jacquie**

"You'll never regret being kind." *Nicole Shepherd*

A PROUD MEMBER OF Smart Debt Mortgages
110-150 Isabella Street, Ottawa, Ontario K1S 1V7
LIC# M08001278 Smart Debt Mortgages Brokerage #12236