



Amending Agreement for RBC Approval of Mortgage and Cost of Borrowing Disclosure Statement/RBC Homeline Plan® Agreement

Borrower Names:

Date:

Mortgage Number:

Property Address:

You applied for a mortgage or a home equity line of credit at the former HSBC Bank Canada. Since the time of your application the former HSBC Bank Canada was acquired by Royal Bank of Canada (“RBC”). You will be required to sign, or have already signed, an RBC Approval of Mortgage and Cost of Borrowing Disclosure Statement (“**Disclosure Statement**”) or an RBC Homeline Plan Agreement for the Mortgage on the Property described above.

Section A of this Amending Agreement for RBC Approval of Mortgage and Cost of Borrowing Disclosure Statement/RBC Homeline Plan Agreement (“**Amending Agreement**”) amends your Disclosure Statement or your RBC Homeline Plan Agreement to incorporate some of the terms of the former HSBC Bank Canada mortgage product you applied for. In Section A of this Amending Agreement, when we say “Mortgage/Mortgage Loan”, the term “Mortgage” applies if you have signed a Disclosure Statement. The term “Mortgage Loan” applies if you have signed an RBC Homeline Plan Agreement.

Section B of this Amending Agreement applies only if you applied to the former HSBC Bank Canada for a facility for one or more mortgage loans and/or lines of credit that will be secured by a collateral mortgage or deed of hypothec on your Property. Section B sets out the terms of that arrangement at RBC and amends your RBC Homeline Plan Agreement.

Section C of this Amending Agreement applies whether you have signed or will be signing a Disclosure Statement or an RBC Homeline Plan Agreement.

Except as amended by this Amending Agreement, all the terms of your Disclosure Statement or your RBC Homeline Plan Agreement remain in full force and effect. Capitalized terms in this Amending Agreement have the same meaning as in your Approval of Mortgage and Cost of Borrowing Disclosure Agreement or your RBC Homeline Plan Agreement, as applicable.

Section A: Mortgage Prepayment

1. If you have a fixed rate Mortgage or Mortgage Loan, in the Information box for fixed rate mortgages, the text appearing to the right of the words “Prepayment Privilege” and “Prepayment Charges” is deleted and replaced with the following:

<p>Prepayment Privileges</p>	<p>For Open Mortgages/Open Mortgage Loans: If this is an Open Mortgage or an Open Mortgage Loan and your installment payments are up to date, you can pay some or all of your mortgage loan at any time, without penalty.</p> <p>For Closed Mortgages/Closed Mortgage Loans: If your installment payments are up to date, you may make three types of extra payments without a penalty:</p> <ol style="list-style-type: none"> 1. On any anniversary date of the Mortgage/Mortgage Loan, you may make a lump sum payment up to 20% of the Principal Amount. 2. Along with any installment payment, you may make an extra payment in the same amount as your installment payment. 3. Once a year, you may increase your installment payment amount up to 20% for 12 months. <p>The total extra and increased payments in a year cannot be more than 20% of the original Principal Amount.</p>
<p>Prepayment Charges</p>	<p>We charge you a Prepayment charge if you have a Closed Mortgage/Closed Mortgage Loan and you want to pay out more of your Mortgage/Mortgage Loan than the Prepayment privilege allows.</p> <p>If your Term is longer than 5 years and you pay out your Mortgage/Mortgage Loan in full after the first 5 years, the charge is 90 days' interest at the annual Interest Rate or Mortgage loan Rate on the Prepayment amount.</p> <p>In all other cases, the Prepayment charge is the higher amount of these two amounts:</p> <ul style="list-style-type: none"> • 90 days' interest on the Prepayment amount • An interest differential amount described below

2. If you have a variable rate Mortgage/Mortgage Loan, in the Information box for variable rate mortgages, the text appearing to the right of the words "Prepayment Privileges" and "Prepayment Charges" is deleted and replaced with the following:

<p>Prepayment Privileges</p>	<p>For Open Mortgages/Open Mortgage Loans: If this is an Open Mortgage/Open Mortgage Loan and your installment payments are up to date, you can pay some or all of your Mortgage/Mortgage Loan at any time, without penalty.</p> <p>For Closed Mortgages/Mortgage Loans: During the first three years of your Closed Mortgage/Closed Mortgage Loan if your installment payments are up to date, you may make three types of extra payments without a penalty:</p> <ol style="list-style-type: none"> 1. On any anniversary date of the Mortgage/Mortgage Loan, you may make a lump sum payment up to 20% of the Principal Amount.
-------------------------------------	---

	<p>2. Along with any installment payment, you may make an extra payment in the same amount as your installment payment.</p> <p>3. Once a year, you may increase your installment payment amount up to 20% for 12 months.</p> <p>The total extra and increased payments in a year cannot be more than 20% of the Principal Amount.</p> <p>After the first three years of your Closed Mortgage/Closed Mortgage Loan, your Mortgage/Mortgage Loan becomes an Open Mortgage/Open Mortgage Loan. From this time, you may pay some or all of your Mortgage/Mortgage Loan early without penalty.</p>
Prepayment Charges	<p>We charge you a Prepayment charge if you have a Closed Mortgage/Closed Mortgage Loan and you want to pay out more of your Mortgage/Mortgage Loan than the Prepayment privilege allows.</p> <p>The Prepayment charge is 90 days' interest on the Prepayment amount. We calculate this at the annual Interest Rate or Mortgage loan Rate at the time of Prepayment.</p>

3. The content under the heading "Prepayment Details" of your **Disclosure Statement** or the content under the heading "Prepayment Details for all Mortgages" of your **RBC Homeline Plan Agreement** is deleted and replaced with the following:

Prepayment Details

Limited early payment options: Mortgage cannot be in default: If you would like to pay all or part of your Mortgage/Mortgage Loan early:

- Your Mortgage/Mortgage Loan must not be in default;
- You must have complied with all of the terms of your Mortgage and, where you have entered into an RBC Homeline Plan Agreement, you have complied with all of the terms of your Agreement (as defined in your RBC Homeline Plan Agreement);
- You can only pay all or part of your Mortgage/Mortgage Loan in the ways set out in this Amending Agreement.

No rebate of cost of borrowing: We do not have to give you a rebate of any cost of borrowing when you pay your Mortgage/Mortgage Loan off early.

EARLY PAYMENT OPTIONS – OPEN MORTGAGES

Open Mortgage: If you have an Open Mortgage/Open Mortgage Loan, you can prepay any amount without penalty, as long as:

- All your installment payments are up to date.

- Any payment you make is a minimum of \$100.

When you pay off your whole Mortgage/Mortgage Loan, you must also pay all interest you owe up to that point.

EARLY PAYMENT OPTIONS – CLOSED MORTGAGES

Part I. Extra and increased payments on your Mortgage/Mortgage Loan (3 options) for Closed Mortgages/Closed Mortgage Loans

If you have a Closed Mortgage/Closed Mortgage Loan and you kept all your installment payments up to date, there are three ways you can pay off some of the Principal Amount of early, listed below as Options 1, 2, and 3. We do not charge you the Prepayment charges set out in Part II below if you choose any of these options.

Option 1 – up to 20% Prepayment: On any anniversary, you can pay up to 20% of the original Principal Amount. We will apply this against the principal left on your Mortgage/Mortgage Loan. You must make a minimum payment of \$100.

Option 2 – double-up payment: You can double any installment payment. We apply the extra payment against the principal left on your Mortgage/Mortgage Loan. For double-up payment, you can also choose to miss a future installment payment. **If you choose to miss a payment, you will notify us and we will still charge you the interest on the Outstanding Amount of your Mortgage/Mortgage Loan until the next installment payment. The interest portion of the missed payment will be added to the Outstanding Amount of your Mortgage/Mortgage Loan and will bear interest at your annual Interest Rate/Mortgage Loan Rate. You can repay the amount of any missed payment(s) at any time during the Term of your Mortgage/Mortgage Loan. There is no Prepayment charge for repaying the amount of any missed payment(s). You must continue to pay any creditor insurance premium due.**

Option 3 – increase installment payment by up to 20%: Once a year, you can increase your installment payment by up to 20%. As long as your payments are up to date, we will apply the increased amount you pay against the principal left on your Mortgage/Mortgage Loan.

When you increase your installment payment under Option 3, you must keep paying this new installment payment amount for 12 months (or until your Mortgage/Mortgage Loan is paid off, whichever is shorter).

At the end of the 12 months, you can change this new increased installment payment amount by telling us:

- a) to *increase* your payments again under this option, or
- b) to *decrease* your payment by going back to the original installment payment amount. You cannot exercise this option if it would extend the original amortization of your Mortgage/Mortgage Loan.

You must make this request to us before the 12 months is over. Otherwise, your installment payment amount will continue at the same amount.

Payment options cannot be more than 20%: For each year, your extra and increased payments under the three options must be, in total, 20% or less of the Principal Amount of your Mortgage/Mortgage Loan. Any payment above this 20% maximum will fall under Part II below.

Payment options cannot be carried forward: You can choose these three options every year of the Term of the Mortgage/Mortgage Loan. But if you do not use Options 1, 2, or 3 in one year, you cannot save them for another year.

Anniversary date: When we say anniversary date, we mean the day that is 365 days after the Interest Adjustment Date and any subsequent 365 day anniversary after that. In a leap year, this would be 366 days..

Year: When we say year, we mean the time running from your Maturity Date to the first anniversary date, and after that, running from any anniversary date to the next anniversary date.

Part II. Prepayment charges for paying Closed mortgage early

Fixed Rate Closed Mortgage

Prepayment charge: We charge you a Prepayment charge if you have a Closed Mortgage/Closed Mortgage Loan and you want to pay out more of your Mortgage/Mortgage Loan than the three options in Part I allow.

After first 5 years of term: If your Term is longer than 5 years and you pay out your Mortgage/Mortgage Loan in full after the first 5 years, the charge is 90 days' interest at your annual Interest Rate or Mortgage Loan Rate on the Prepayment amount.

During first 5 years of term: In all other cases, the Prepayment charge is the higher amount of these two options:

- 90 days' interest on the Prepayment amount, or
- An interest differential amount.

The interest differential amount is the interest differential on the Prepayment amount for the remaining Term.

The interest differential is the interest rate that is:

- The annual Interest Rate or Mortgage Loan Rate on your Mortgage/Mortgage Loan, minus
- The Posted Rate (at the time you prepay) for fixed rate Closed Mortgage/Closed Mortgage Loans based on the remaining Term, minus any discount we gave on your Mortgage/Mortgage Loan.

The remaining term is the number of days between the date of Prepayment and maturity. See "How to calculate Prepayment charge" below for more information and a sample calculation of Prepayment charges.

How to calculate Prepayment charge: Here is how you can calculate the cost of paying all or some of your Mortgage/Mortgage Loan before the Maturity Date. Please see sample calculations in the section below.

Formulas:

90 days' interest = Prepayment amount x annual Interest Rate or Mortgage Loan Rate x 90 days ÷ 365

interest differential amount = Prepayment amount x (annual Interest Rate or Mortgage Loan Rate - [Posted Rate - discount]) x remaining term ÷ 365

In the formulas, we use the stated rates for the annual Interest Rate/Mortgage Loan Rate and Posted Rate, which means we do not adjust for compounding or a leap year.

The annual Interest Rate or Mortgage Loan Rate and the discount are set out in your RBC Approval of Mortgage and Cost of Borrowing Statement of Disclosure or your RBC Homeline Plan Agreement.

The Posted Rate is the Posted Rate for new fixed rate Closed Mortgages/Closed Mortgage Loans based on the remaining term at the time you prepay. The chart below sets out the Posted Rate that applies based on the remaining term.

The remaining term (the number of days between Prepayment and the Maturity Date)	We use a Posted Rate with a term of:
1 day to 182 days	6 months fixed
183 days to 365 days 366 days to 730 days	1 year fixed 2 year fixed
731 days to 1095 days	3 year fixed
1096 days to 1460 days	4 year fixed
1461 days to 1825 days	5 year fixed
1826 days to 2555 days	7 year fixed
2556 days +	10 year fixed

The example below assumes the following:

Prepayment amount	\$100,000
annual Interest Rate/Mortgage Loan Rate (as described above)	5% or 0.05 expressed as a decimal
days between the Prepayment and maturity	366
Posted Rate for a 2-year mortgage	3.5% or 0.035 expressed as decimal
discount (as described above)	0.5% or 0.005 expressed as a decimal

Sample calculation of 90 days' interest charge

90 days' interest = $\$100,000 \times 0.05 \times 90 \div 365 = \$1,232.87$

Sample calculation of interest differential amount

Using the same example above, here is how we calculate the interest differential amount:

step one: $A = \text{Posted Rate} - \text{discount} = 0.035 - 0.005 = 0.03$

step two: $B = \text{annual Interest Rate(or Mortgage Loan Rate)} - A = 0.05 - 0.03 = 0.02$

step three: interest differential amount = $\$100,000 \times B \times 366 \div 365 = \$100,000 \times 0.02 \times 366 \div 365 = \$2,005.48$

Contact us for exact costs of making a Prepayment

We add accrued interest, fees and costs (as shown in the Information Box beside "Other Fees") to arrive at a final payout amount. Please contact us for the exact cost of paying off some or all of your Mortgage/Mortgage Loan before the Maturity Date.

Variable Rate Closed Mortgages**During first 3 years of term**

During the first three years of the Term, if you want to prepay more than the 20% maximum of the Principal Amount of your Mortgage/Mortgage Loan described in Part I above, we charge a Prepayment charge.

The Prepayment charge is 90 days of interest on the Prepayment amount. We calculate the charge using the same annual Interest Rate/Mortgage Loan Rate as your Mortgage/Mortgage Loan uses.

The annual Interest Rate/Mortgage Loan Rate is based on the stated (nominal) rate not compounded and a 365 day year. We apply the amount you prepay against the principal left on your Mortgage/Mortgage Loan.

After first 3 years of term

After the first three years of the Term, there is no Prepayment charge. This is because a variable rate Closed Mortgage/Closed Mortgage Loan automatically converts to an Open Mortgage/Open Mortgage Loan after three years. However, you must make a minimum payment of \$100.

When you pay your whole Mortgage/Mortgage Loan off in full, you must also pay all interest you owe up to that point.

Contact us for exact costs of making a Prepayment

We add accrued interest and fees to arrive at a final payout amount. Please contact us for the exact cost of paying off some or all of your Mortgage/Mortgage Loan before the Maturity Date.

Section B – Facility for one or more loans that will be secured by a collateral mortgage or deed of hypothec on your Property**Introduction**

You agree that your RBC Homeline Plan Agreement is amended to include the following:

This Section B of the Amending Agreement sets out the terms and conditions of the loans we may make to you from time to time. These loans are secured by a first Mortgage on the Property. You agree to pay back the money you borrow from us and all interest owing on the money you borrow in the way set out in this Amending Agreement. When we lend you money, we expect you to pay it back according to the terms and conditions of your RBC Homeline Plan Agreement, as amended by this Amending Agreement. You can pay all or part of the moneys you borrow early only in the ways described in your RBC Homeline Plan Agreement, as amended by this Amending Agreement.

The loans can be a Mortgage Loan or a line of credit. The line(s) of credit are referred to in your RBC Homeline Plan Agreement as "Credit Line(s)". You are currently approved for the loans shown in the RBC Homeline Plan Agreement, as amended by this Amending Agreement. You must apply and qualify to add loans, or to amend or replace your existing loans. If we approve additional loans you will be required to enter into a new RBC Homeline Plan Agreement, a Royal Credit Line Agreement, a Mortgage Loan Allocation Agreement or a Credit Line Allocation Agreement. If you apply to amend or replace an existing loan we may also require you to enter into a Mortgage Loan Allocation Agreement or a Credit Line Allocation Agreement.

The Principal Amount of the Mortgage that will be registered against your Property may be more than the total amount of the loans for which you currently approved. This is to accommodate your future borrowing requests.

When your facility is opened an RBC Homeline Plan will be set up for operational purposes only.

If you applied for Mortgage Loans only: you will receive monthly statements for an RBC Homeline Plan that disclose an RBC Homeline Credit Limit, and a Royal Credit Line with a credit limit of \$1.00. Please disregard the credit limits shown for the RBC Homeline Plan and the Royal Credit Line. Your RBC Online Banking (OLB) will also show an RBC Homeline Plan including the Royal Credit Line. You do not have an RBC Homeline Plan product and you do not have a Royal Credit Line product.

If you applied for one or more mortgage loans or lines of credit, or a line(s) of credit and one or more mortgage loans: you will receive monthly statements for an RBC Homeline Plan that disclose an RBC Homeline Credit Limit, and a Royal Credit Line showing your Credit Limit. Please disregard the RBC Homeline Plan Credit Limit. Your RBC Online Banking (OLB) will also show an RBC Homeline Plan including a Royal Credit Line. You do not have the RBC Homeline Plan product. You do not have a Royal Credit Line, but you will have a line of credit which is referred to in your RBC Homeline Plan Agreement as a "Credit Line".

The table below lists the headings and sections of your RBC Homeline Plan Agreement that apply to your mortgage and/or line of credit product(s) secured by the Mortgage on your Property. A checkmark (✓) in a box means the heading applies, subject to any comments in that box.

RBC Homeline Plan Agreement	Mortgage loans only	One or more lines of credit, or a line(s) of credit and one or more mortgage loans
Introduction to your RBC Homeline Plan Agreement	✓	✓

	With the exception that first 2 paragraphs under this heading are replaced by Section B of this Amending Agreement, under the heading "Introduction".	With the exception that first 2 paragraphs under this heading are replaced by Section B of this Amending Agreement, under the heading "Introduction"
<ul style="list-style-type: none"> • Cost of Borrowing Details for Primary Credit Line 	Not applicable	√
<ul style="list-style-type: none"> • Terms and Conditions for Credit Line(s) 	Not applicable	√ With the exception that the section under this heading titled "Credit Limit for Primary Credit Line" is replaced with the section of this Amending Agreement shown below this chart.
<ul style="list-style-type: none"> • LoanProtector[®] Insurance 	Not applicable. Speak to your advisor for HomeProtector [®] Insurance for mortgage loans.	√ For line(s) of credit only. Speak to your advisor for HomeProtector Insurance for mortgage loans.
<ul style="list-style-type: none"> • Cost of Borrowing Details for Variable Rate Mortgage (if applicable) 	√	√ If your home equity line of credit includes one or more Mortgage Loans
<ul style="list-style-type: none"> • Terms and Conditions for Variable Rate Mortgage (if applicable) 	√	√ If your home equity line of credit includes one or more Mortgage Loans
<ul style="list-style-type: none"> • Cost of Borrowing Details for Fixed Rate Mortgage (if applicable) 	√	√ If your home equity line of credit includes one or more Mortgage Loans
<ul style="list-style-type: none"> • Terms and conditions for Fixed Rate Mortgage (if applicable) 	√	√ If your home equity line of credit includes one or more Mortgage Loans

<ul style="list-style-type: none"> The Prepayment Details for All Mortgages 	<p>Not Applicable</p> <p>The content under this heading is deleted and replaced with Section A of this Amending Agreement (if applicable).</p>	<p>Not Applicable</p> <p>The content under this heading is deleted and replaced with Section A of this Amending Agreement (if applicable).</p>
<ul style="list-style-type: none"> Terms and Conditions for All Mortgages (if applicable) 	√	√ If your home equity line of credit includes one or more Mortgage Loans
<ul style="list-style-type: none"> Terms and Conditions of RBC Homeline Plan Account 	√ The following sections under this heading do NOT apply: “Your Plan Limit”; “How you can Borrow under this Agreement”; “Alerts”. The text in the section “Ending this RBC Homeline Plan Agreement” is replaced with the following: “This Agreement will be at an end when the Total Plan Debt is repaid in full.”	√ The following sections under this heading do NOT apply: “Your Plan Limit”; “How you can Borrow under this Agreement”.
<ul style="list-style-type: none"> How can we help? 	√	√
<ul style="list-style-type: none"> Client Acknowledgement 	√	√
<ul style="list-style-type: none"> RBC Homeline Plan Summary 	Not Applicable	Not Applicable
<ul style="list-style-type: none"> Additional Details 	√ The following sections under this heading do NOT apply: “Example of a Prepayment Calculation for Fixed Rate Closed Mortgage Loans”	√ The following sections under this heading do NOT apply: “Example of a Prepayment Calculation for Fixed Rate Closed Mortgage Loans”
<ul style="list-style-type: none"> Definitions 	√ The following definitions do NOT apply: “Factor”; “Plan Limit”; “Similar Term Rate”	√ The following definitions do NOT apply: “Factor”; “Plan Limit”; “Similar Term Rate”

If you have applied for or have one or more lines of credit, the section titled “Credit Limit for Primary Credit Line” under the heading “Terms and Conditions for Credit Line(s)” of your RBC Homeline Plan Agreement is deleted and replaced with the following:

Credit Limit for Primary Credit Line

Your Maximum Credit Line(s) Limit is set out on the first page of this Agreement.

The Maximum Credit Line(s) Limit is the maximum amount of revolving credit you may borrow within your Credit Line accounts under you Agreement.

The initial Credit Limit for each Credit Line is indicated in the applicable information box beside the heading “Initial Credit Limit”. The Credit Limit for a Credit Line is the maximum amount you can borrow under such Credit Line. For any Credit Line obtained at a later date, the Credit Limit will be indicated in the applicable Credit Line Allocation Agreement or other agreement.

You can always find out the Credit Limit of your Primary Credit Line and your available credit by checking your Monthly Statement, using our on-line banking service or by contacting us by telephone.

You agree that we may, without prior notice to you, change the Credit Limit where appropriate, including a decrease to the Credit Limit where your Primary Credit Line or any Credit Line is inactive for at least two years or where there is a risk of loss to us, including a deterioration to credit quality. A Credit Line is terminated if we reduce its Credit Limit to zero. Any termination of a Credit Line does not mean your obligations under that Credit Line have ended. Your obligations will remain in effect until all amounts owing under that Credit Line are paid in full.

If we reduce a Credit Limit, you will pay to us, when you get our written request, all amounts owing under the Credit Line in excess of the reduced Credit Limit. If we terminate a Credit Line, you will pay to us, when you get our written request, all amounts owing under the Credit Line. We can reduce a Credit Limit, terminate a Credit Line and request payment even if your payments are up-to-date and even if you are not otherwise in default of your obligations under this Agreement. If, for any reason, you require a credit limit increase, over and above that already provided by your RBC Homeline Plan, contact your credit specialist.

Every time you use a Credit Line, the amount of money available to you to borrow decreases. We calculate how much is available by deducting the amount you owe for a Credit Line from its Credit Limit. Each month, on your Statement, we will show the Credit Limit for each Credit Line and let you know how much money is available on the date of your Statement for each Credit Line.

We can refuse to let you borrow any amounts on any Credit Line that would cause you to exceed its Credit Limit. You must pay any amount owing that is more than a Credit Limit as soon as you are advised, that you have exceeded your Credit Limit. **At any time, if we ask you, you must pay us the total amount you owe on any Credit Line.**

Section C: Applicable to all clients

Language

This Amending Agreement and all related documents have been executed in the English language at the express wish of the parties. Cette convention et tous documents y afférents ont été rédigés en langue anglaise à la demande expresse des parties.

Client Acknowledgment

By signing below you confirm that you have consented to be provided with the mortgage described on page 1 of this Amending Agreement and that you have read, agree to the terms, and received a copy of the Approval of Mortgage and Cost of Borrowing Disclosure Statement or the RBC Homeline Plan Agreement, as applicable, and this Amending Agreement. If more than one person signs, you agree that you are individually and jointly responsible, and in Quebec, solidarily responsible, under this Addendum.

Applicant/Borrower/Account Holder Signature
Date:

Applicant/ Borrower/Account Holder Signature
Date:

Applicant/ Borrower/Account Holder Signature
Date:

Applicant/ Borrower/Account Holder Signature
Date:

Applicant/ Borrower/Account Holder Signature
Date:

Applicant/ Borrower/Account Holder Signature
Date:

Bank Representative Signature

Name:
Date:

® /TM Trademark(s) of Royal Bank of Canada.