



Myth: rate is everything when you're talking mortgages

Everybody knows that for most people, buying a home will be the single largest investment they'll make during their lifetime. And everybody knows that the sooner they pay off the mortgage on their home, the more money they'll save. And it only makes sense that the lower the rate of interest they pay on their mortgage, the sooner they can pay it off. But what if we told you that a good interest rate might not be the only thing worth considering?

What if that great mortgage rate you're looking for isn't the only key to saving money? What if, by making better use of all your money, you could pay off your mortgage years earlier ... without paying more or more often?

THE TRADITIONAL APPROACH

If you are like many Canadians, you have a good job, more than 25% equity in your home, and you've earned a good credit rating. You probably also have a credit card, a car loan and a line of credit. Your paycheque likely goes into your chequing account twice a month, only to come out again to pay your bills. And, while it's in your chequing account you get virtually nothing for it due to fees and low interest rates.

If you have a savings account, you know that you earn a very low interest rate unless you lock your money in for a long time. And that probably means you can't access your money when you need it. Your traditional mortgage is inflexible and expensive. The only way you can pay it down in a shorter time is to make extra payments each month or a lump sum payment once a year...something all Canadians would like to do, but 95% of us never get around to doing.





WHAT IF YOU COULD CHANGE THE WAY YOU MANAGE YOUR MONEY FOREVER?

Imagine having only one account: one account that consolidates all your debts at one low rate of interest. This account would combine your mortgage, credit cards and other loans with your short-term savings and chequing accounts into one multi-purpose "borrowing and chequing" account. Because your monthly income flows through the same account, your money is immediately put to work to lower your borrowed amount. And by calculating interest daily, you'd only pay interest on what you owed each day, so every additional dollar 'on deposit' is saving you interest.

Sound far-fetched? This concept is already a proven success in the United Kingdom where the popularity of similar mortgage accounts is on the rise. And in Australia, fully one-third of homeowners are paying off their mortgages in accounts just like the one described above.

IN CANADA WE'RE ONE-OF-A-KIND

That account is available for you too, and it's called Manulife One - the first and only flexible mortgage account available in Canada.

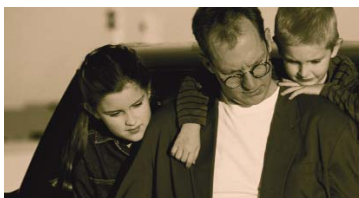
Manulife Bank will lend qualified individuals up to 75% of the current market value of their home as a secured line of credit. This cash is then used to consolidate all debts – existing mortgage, credit card balances, loans and lines of credit.

EVERY DOLLAR YOU EARN INSTANTLY REDUCES YOUR MORTGAGE

When you open a Manulife One account, your mortgage becomes your chequing account. Just depositing your regular paycheque instantly takes care of your monthly payments and saves you money on interest costs. You won't have to fuss with fixed mortgage payments ever again. And any additional income that is deposited automatically reduces your overall debt. Of course, the amount you owe will fluctuate as you pay bills or take money out for other expenses. But over the long run, as long as the money going into the account exceeds the amount going out, your debt is gradually being paid.

WHAT MAKES MANULIFE ONE UNIQUE IS WHAT MAKES MANULIFE ONE WORK.

What's so unique about Manulife One is that you run all your day-to-day finances with a single account. You can: write cheques, set up pre-authorized payments, use your





debit card to pay for purchases or withdraw cash from Automated Bank Machines (ABM). The account lets you borrow money when you need to. As long as your debt is below your borrowing limit, you can get extra money instantly with no questions, no interviews and no waiting. And as with the other major Canadian banks, you can bank over the phone or on the Internet. It even offers you free on-line account aggregation that is totally secure. What's more, every month you will receive one easy to understand statement that gives you a clear picture of where you stand.

MUCH MORE THAN A MORTGAGE!

While Manulife One can be the ideal vehicle for paying off a mortgage years sooner, and potentially save thousands in interest while doing so, it is also an effective tool for Canadians to augment their investment and retirement savings programs. And it does this in two ways.

1. By consolidating all debt at one low rate of interest (credit cards, personal loans, mortgages), it immediately frees up money on a monthly basis – in some cases it has reduced debt servicing costs by as much as \$300 per month – money that could be re-directed to an investment program like an RRSP.

2. As equity in the account builds, the account holder is free to tap into that equity as investment opportunities present themselves. Borrowing to invest in this manner typically results in a tax-deductible interest cost. Therefore, within one account, it is possible to systematically convert non-deductible debt (mortgage, car loan, etc.) into deductible debt (income earning investments).

Manulife One was designed with investment sub-accounts built-in to support exactly this sort of investment activity. All loan activity can be segmented into as many as five variable rate investment sub-accounts, allowing you to track specific investment borrowing and interest costs separately. All actual year-to-date interest costs are captured on monthly statements, so at year-end, you can refer to the December statement to determine the total interest that can be deducted for tax purposes.

Compliments of:

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www.manulife.ca/investments