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Is it Time to Reopen the *Interest Act*? Michael Feldman Discusses

Partner [Michael Feldman](#) spoke to *Mortgagebrokernews.ca* about the possibility of reexamining the *Interest Act* and the potential benefits of nixing balloon payments. Below is an excerpt from the article.

“Right now, the *Interest Act* allows a right to pay off the mortgage every five years. If the government would be willing to consider revising that section, they might also consider extending the five years to up to 10 years; that way you’d have longer-term mortgages and lenders would offer longer-term mortgages at better rates if they didn’t have prepayment risk.”

Feldman discusses his idea at length in a report called [The Case for Longer Mortgages: Addressing the Mismatch between Term and Amortization](#).

Feldman’s report posits that long-term mortgages would abet the creation of a market for Residential Mortgage-Backed Securities for uninsured mortgages wherein institutional investors could fund uninsured mortgages.

He also says it would create more competition.

To read the full article, [click here](#).

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