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OSFI to eliminate stress test for uninsured mortgage switches starting November 21



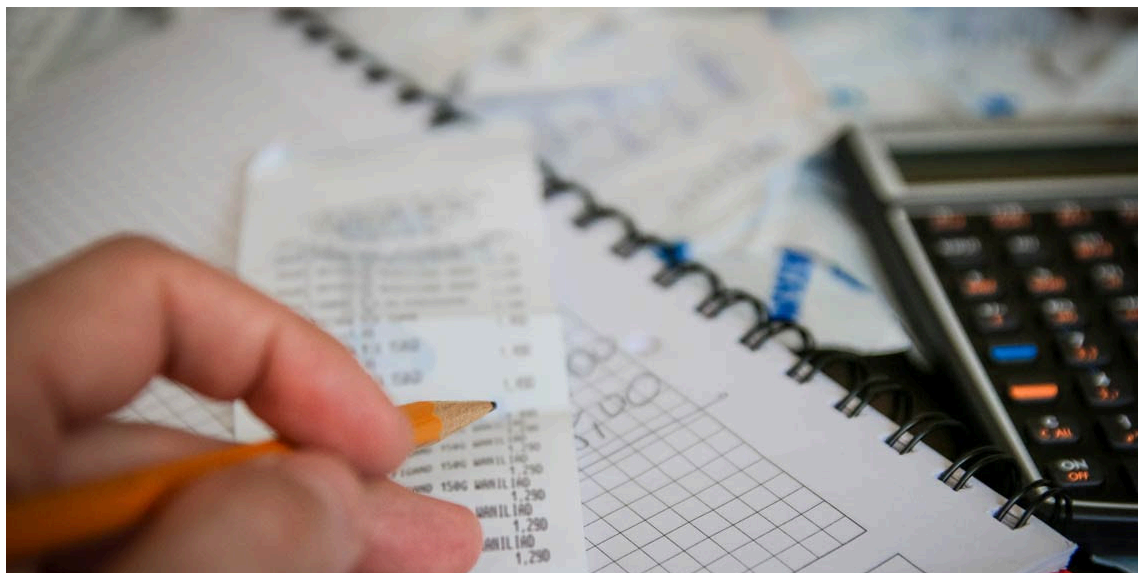
OSFI has confirmed that it will remove the requirement for lenders to apply the Minimum Qualifying Rate (MQR) to straight switches of uninsured mortgages.

Superintendent Peter Routledge confirmed that OSFI will formally announce this change on November 21, 2024, as part of the regulator's quarterly release pilot, with the change coming into effect that same day.

This change will make it easier for borrowers to switch lenders at renewal without having to prove they can afford their mortgage at a higher rate.

[Click to read the full article](#) from Canadian mortgage trends and contact me to see how this change could impact you at renewal.

Economic growth during uncertain times



From the Bank of Canada

In June, we began lowering our policy interest rate. We cut the policy rate at our last three decisions, for a cumulative decline of 75 basis points to 4.25%.

Our most recent decision on September 4th reflected two main considerations.

First, we noted that headline and core inflation had continued to ease as expected. Second, we said that as inflation gets closer to target, we want to see economic growth pick up to absorb the slack in the economy.

Since then, we've been pleased to see inflation come all the way back to the 2% target. It has been a long journey. Now we want to keep inflation close to the centre of the 1%–3% inflation-control band. We need to stick the landing.

What does this mean for interest rates? With the continued progress we've seen on inflation, it is reasonable to expect further cuts in our policy rate. The timing and pace will be determined by incoming data and our assessment of what those data mean for future inflation.

As always, we try to be as clear as we can about what we are watching as we chart the course for monetary policy.

Economic growth picked up in the first half of this year, and we want to see it strengthen further so that inflation stays close to the 2% target. Some recent indicators suggest growth may not be as strong as we expected. We will be closely watching consumer spending, as well as business hiring and investment.

We will also be looking for continued easing in core inflation, which is still a little above 2%. Shelter cost inflation remains elevated but has started to come down, and we are looking for it to moderate further.

Our next decision is October 23rd. And we will have a revised economic outlook at that time.

Source: <https://www.bankofcanada.ca/2024/09/economic-growth-during-uncertain-times/>

Have mortgage questions? I'm here to help you!

Please feel free to contact me with any questions you may have. It would be a pleasure to assist you or any one of your friends or family members!

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