

Regular Variable-Rate Loan Contract

with Hypothecary Subrogation (Individuals)

BETWEEN: *(Name and address of Caisse)*

**hereinafter referred to as “THE CAISSE”**

AND: *(Name and address of member[s])*

**hereinafter referred to as “THE MEMBER”**

**THE PARTIES HEREBY DECLARE AND AGREE AS FOLLOWS:**

**1.** Under the terms of a deed of hypothecary subrogation signed on , the Caisse agreed to lend the Member the sum of $ , such loan being intended to pay off his/her debt owed to the creditor identified in the deed of subrogation **(the “Original Creditor”)**, under the terms of the deed or deeds described therein.

**2.** Under the terms of the deed of hypothecary subrogation, the Member agreed to subrogate the Caisse in all rights of the Original Creditor arising out of the above mentioned deed or deeds, including the hypothec on the Property provided for in such deeds, the additional hypothec, the hypothec of rents, and the hypothec of insurance rights and proceeds covering such rents.

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

**3. INTEREST:** The loan shall bear interest, from the disbursement thereof, as well before as after maturity, at the prime rate of the Fédération des caisses Desjardins du Québec (hereinafter referred to as "Desjardins") effective from time to time, plus an additional rate of interest of % per annum. The rate applicable to the loan shall vary in conformity with each change in Desjardins’ prime rate, and shall be calculated monthly and not in advance.

“Desjardins’ prime rate” is the rate of interest it determines from time to time as its prime rate. On the date hereof, this rate is % per annum, so that the rate applicable to the loan shall be % per annum calculated monthly and not in advance, which is equivalent to a rate of % per annum calculated semi-annually and not in advance. The Member may know the current prime rate of Desjardins at any time by visiting Desjardins Group’s website or inquiring at any Desjardins caisse. He/she may also refer to the Rate Equivalence Schedule in Section 9 to know the rate of interest calculated semi-annually and not in advance that corresponds to Desjardins’ prime rate in force at the time of consultation plus the additional rate of interest stated above.

The interest accrued on the thirtieth day preceding the first payment shall be paid on that date. If the frequency of payment is weekly, the accrued interest shall be paid on the seventh day preceding the first payment.

**4. REPAYMENT:** The Member agrees to repay the loan by means of regular, equal, consecutive payments of principal and interest in the amount of $  each, the first payment to be made on  and the others successively on  of each

until  inclusive, at which date the balance of the principal, interest, costs and accessories remaining unpaid shall become due;

until the end of a  term commencing on the date on which the deed of hypothecary subrogation is signed, any balance then due in principal, interest, costs and accessories becoming payable upon the expiry of such term.

All payments received by the Caisse will be first applied to the accrued interest, starting with the oldest, as well as to the cost of life and disability insurance, if the Member has such insurance, and then to the repayment of the principal.

The foregoing terms of repayment are based on an amortization period of  years, and a rate of interest of % per annum reckoned monthly and not in advance.

If, by reason of a variation in the applicable rate of interest, the amount of a payment is lower than the interest accrued on the date such payment is due, subject to Section 4.1, the unpaid interest shall be capitalized and will itself bear interest at the rate in force as from that date.

However, if the loan is secured by a hypothec of other than first ranking hypothec and is subject to the *Consumer Protection Act*, the Caisse shall not demand repayment of the balance upon maturity without notifying the Member 30 days in advance, unless the balance owing is less that the amount of the aforesaid regular payments.

**4.1 CAPITALIZATION LIMIT:** Every time the total of the principal due, of the interest accrued thereon and of the other amounts owed by the Member to the Caisse hereunder exceeds the amount mentioned in Section 1 increased by five per cent (5%) of the value of the property agreed to by the Caisse at the time the loan is granted, the Member shall, at the Caisse’s request: (a) pay the Caisse forthwith an amount equal to such excess; and (b) come to an agreement with the Caisse on the new repayment terms and conditions so that the total of the principal due, of the interest accrued thereon and of the other amounts owed by the Member no longer exceed, prior to the maturity date, the amount stated in Section 1 increased by the percentage specified above.

5. INTEREST ON ARREARS: All interest due and unpaid shall itself bear interest at the same rate as the principal. It may be capitalized but shall remain payable at all times.

**6. Increased scheduled payments:** The Member may, at any time, increase his or her scheduled payments without paying the Caisse an indemnity. The Member may later choose to decrease his or her payments to any amount, limited to no less than the amount to which he or she has agreed in this agreement.

**7. Prepayment:** The Member may, at any time and without paying the Caisse an indemnity, prepay the loan before the end of the term, either in full or in part. In the case of partial prepayments, the Member must continue to make the scheduled payments to which he or she has agreed in this agreement.

8. INDIVISIBILITY AND SOLIDARITY: The indebtedness to the Caisse shall be indivisible and may be collected in its entirety from each of the heirs, legatees or successors of the Member, from any subsequent purchaser and from any surety, as the case may be.

If the word “Member” means more than one person, each one shall be solidarily liable for the performance of the obligations stated herein, in the deed of hypothecary subrogation and in any renewal agreement, as the case may be. If the loan is secured, the obligations of the surety or sureties shall be solidary.

**9. RATE EQUIVALENCE SCHEDULE:** Column A contains the rate of interest reckoned monthly and not in advance; column B shows the rate of interest reckoned semi-annually and not in advance.

| **A** | **B** | **A** | **B** | **A** | **B** | **A** | **B** | **A** | **B** | **A** | **B** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2,000  2,125  2,250  2,375  2,500  2,625  2,750  2,875  3,000  3,125  3,250  3,375  3,500  3,625  3,750  3,875  4,000  4,125  4,250  4,375  4,500  4,625  4,750  4,875  5,000 | 2,0084  2,1344  2,2606  2,3868  2,5131  2,6394  2,7658  2,8923  3,0188  3,1454  3,2721  3,3988  3,5256  3,6525  3,7794  3,9064  4,0335  4,1606  4,2878  4,4151  4,5424  4,6698  4,7973  4,9248  5,0524 | 5,125  5,250  5,375  5,500  5,625  5,750  5,875  6,000  6,125  6,250  6,375  6,500  6,625  6,750  6,875  7,000  7,125  7,250  7,375  7,500  7,625  7,750  7,875  8,000  8,125 | 5,1800  5,3078  5,4355  5,5634  5,6913  5,8193  5,9474  6,0755  6,2037  6,3319  6,4603  6,5887  6,7171  6,8456  6,9742  7,1029  7,2316  7,3604  7,4892  7,6182  7,7472  7,8762  8,0053  8,1345  8,2638 | 8,250  8,375  8,500  8,625  8,750  8,875  9,000  9,125  9,250  9,375  9,500  9,625  9,750  9,875  10,000  10,125  10,250  10,375  10,500  10,625  10,750  10,875  11,000  11,125  11,250 | 8,3931  8,5225  8,6519  8,7815  8,9111  9,0407  9,1704  9,3002  9,4301  9,5600  9,6900  9,8201  9,9502  10,0804  10,2107  10,3410  10,4714  10,6019  10,7324  10,8630  10,9937  11,1244  11,2552  11,3861  11,5170 | 11,375  11,500  11,625  11,750  11,875  12,000  12,125  12,250  12,375  12,500  12,625  12,750  12,875  13,000  13,125  13,250  13,375  13,500  13,625  13,750  13,875  14,000  14,125  14,250  14,375 | 11,6480  11,7791  11,9102  12,0414  12,1727  12,3040  12,4354  12,5669  12,6985  12,8301  12,9618  13,0935  13,2253  13,3572  13,4892  13,6212  13,7533  13,8854  14,0177  14,1499  14,2823  14,4147  14,5472  14,6798  14,8124 | 14,500  14,625  14,750  14,875  15,000  15,125  15,250  15,375  15,500  15,625  15,750  15,875  16,000  16,125  16,250  16,375  16,500  16,625  16,750  16,875  17,000  17,125  17,250  17,375  17,500 | 14,9451  15,0779  15,2108  15,3437  15,4766  15,6097  15,7428  15,8760  16,0092  16,1425  16,2759  16,4094  16,5429  16,6765  16,8102  16,9439  17,0777  17,2116  17,3455  17,4795  17,6136  17,7477  17,8819  18,0162  18,1506 | 17,625  17,750  17,875  18,000  18,125  18,250  18,375  18,500  18,625  18,750  18,875  19,000  19,125  19,250  19,375  19,500  19,625  19,750  19,875  20,000  20,125  20,250  20,375  20,500  20,625 | 18,2850  18,4195  18,5540  18,6887  18,8233  18,9581  19,0929  19,2278  19,3628  19,4979  19,6330  19,7682  19,9034  20,0387  20,1741  20,3096  20,4451  20,5807  20,7163  20,8521  20,9879  21,1238  21,2597  21,3957  21,5318 |

10. OTHER MENTIONS:

11. SURETYSHIP: To these presents interevene(s)       *(Name and address)*, who hereby stand(s) surety, solidarily with the Member and, as the case may be, solidarily with any other sureties herein, for the performance of the obligations of the Member stated herein or arising thereof. If there is more than one surety, they also declare to bind themselves solidarily with one another.

12. LANGUAGE: The parties hereto confirm that it is their wish that this contract as well as all other documents relating hereto, including notices, have been and shall be drawn up in English only. Les parties aux présentes confirment leur volonté que ce contrat de même que tous les documents, y compris tout avis, s’y rattachant, soient rédigés en anglais seulement.

Made at  , this  .

*(Signature of Caisse’s authorized representative)*  *(Signature of Member)*

*(Signature of Member)*

*(Surety)*  *(Surety)*

*(Witness)*  *(Witness)*