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More banks lower residential mortgage rates

TORONTO (CP) — More Canadian banks lowered their mortgage rates on Monday following a historic rate cut last week by the Bank of Canada.

TD Canada Trust dropped its residential mortgage rates between 0.1 and 0.6 percentage points, bringing the signpost five-year closed mortgage rate down 0.2 points to 5.25 per cent.

Among the changes to the bank's posted rates, a one-year open rate fell 0.15 points to 6.55 per cent, a three-year closed mortgage was reduced 0.75 to 4.15 per cent and the seven-year closed rate dropped 0.1 to 6.6 per cent.

The 10-year closed rate was unchanged at 6.7 per cent.

Scotiabank lowered its rates by between 0.3 and 0.2 per cent. Its five-year closed mortgage rate is now also 5.25 per cent.

Laurentian Bank dropped its rates by between 0.25 and 0.4 per cent. Its five-year closed rate is also 5.25 per cent, a drop of 0.2 per cent.

The moves are in line with those of Bank of Montreal and Royal Bank, both of whom lowered fixed rates last week on the heels of a Bank of Canada overnight rate cut.

Royal and BMO's five-year closed rates were also dropped 0.2 points to 5.25 per cent.

Last Tuesday the central bank took the overnight target rate to 0.25 per cent, the lowest level practical and committed to keep it there for a year.

The commercial banks quickly cut their prime lending rates in step with the Bank of Canada, moving the benchmark for variable-rate mortgages and other loans by a quarter-point to 2.25 per cent.

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