

How is Fraction different from a traditional mortgage?

An overview for mortgage professionals

Fraction is a company dedicated to offering solutions for unmet needs within the Canadian market.

With Fraction, the **loan balance that is given grows over time** because there are **no monthly payments**. Fraction has **no age restrictions** or age considerations.

Why would a client want to do this, and when would it make sense to use Fraction?



Wait out high rates

Fraction has **no monthly payments** and there is **no cost to exiting the Fraction agreement**.

No prepayment penalty and fully open.



Temporary cash flow issues

If someone has recently lost a job, starting a new business, or paying for a university education, they can use Fraction now and then **later resume a standard amortizing mortgage**.



Transition to retirement

For many of Fraction's clients, using Fraction **enables them to retire early** and fits well within plans to downsize, move to a cottage, or transition later to a reverse mortgage.

With Fraction, **anyone over 18 can be on title**. If someone passes away, **a child can assume the mortgage if they pass all our underwriting criteria**. This is attractive in many situations where a reverse mortgage does not make sense.

If you have any questions, please feel free to reach out to us at ops@fraction.com.

Fraction's funding process is different than most lenders

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Fraction is a small startup and so we still have some limitations that you may not be used to with other lenders. We will work with you to be as flexible as possible, but we believe it's better to let you know ahead of time so that we can plan around them.

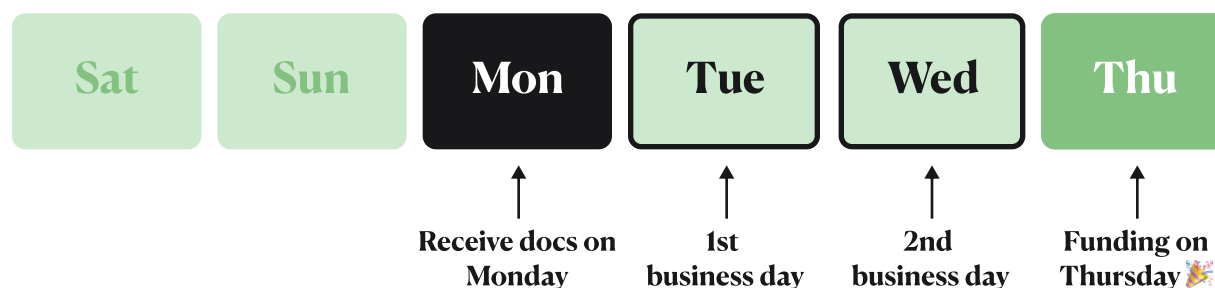
Fraction only funds on **Tuesdays** and **Thursdays**.



Fraction needs to receive a fully-completed file* at least **3 business days** before funding. For Tuesday fundings:



For Thursday fundings:



*a fully-completed file means fully-executed docs, as well as property tax certificate and proof-of-payment, private lender title insurance, proof of homeowner's insurance, payout statements for existing mortgages (if applicable). There may be additional required documents for a given file—Fraction's operations team will let you know during the process.