Montreal, November 21, 2019

**Subject: Signing of the credit agreement and replacement of Transfer**

**The Bank withdraws your instruction to sign the credit agreement:**

As part of various initiatives to improve the customer experience, including that of legal professional, we are pleased to announce that as of December 8, 2019, the Bank will be responsible for having the credit agreement signed.

The following is an overview of the changes:

* For all new mandates received on or after December 8, 2019, we have withdrawn the instruction to have the credit agreement signed on the *General instructions for lawyers* and *Opinion, Undertaking and Request for Disbursement (Preliminary Report)* forms.

* For a mandate received and disbursed prior to December 8, 2019, please continue to use the current procedure of returning the signed credit agreement to us:

o For legal professionals using Stewart Assyst, The Conveyancer and econveyance, please use the functionality of the platform. The current features will remain in place for a few weeks to allow you to return the signed agreement to us. This feature will then be removed.

o For legal professionals not using those platform, please continue to use the fax transmission form.

* For a mandate received before December 8, 2019 and with funds to be disbursed after that date, despite the fact that you are mandated to have the credit agreement signed and despite your undertaking mentioned in the *Opinion, Undertaking and Request for Disbursement (Preliminary Report)* form, the Bank hereby confirms that you are not required to do so. You will not receive an amended instruction to that effect, however soul you require one for your records, a modified instruction will be available on our website [www.nbc.ca/legal-documentation](http://www.nbc.ca/legal-documentation).

This initiative serves to provide you with a better experience with the National Bank by simplifying your instructions. It will also allow us to provide our clients with an enhanced experience through the involvement of advisors, who will now accompany clients through the process of explaining the financial products and the terms of the contract with the Bank.

**Replacement of Transfer by External Refinancing - Transfer of insured loan**:

In keeping our mission to simplify the process and to provide you with a better experience with the Bank, we will replace Transfer with External refinancing - Transfer of insured loan (for CMHC/Genworth insured loans). The following is an overview of the changes:

* For these files, you will be instructed to register a new mortgage, according to the amount indicated on your *Specific instructions*, and to proceed with the discharge of the old mortgage of the creditor to be paid out, in the same way as a standard refinancing mandate. Our forms will be changed to clearly identify this new product.
* The monetary transaction of these files will be similar to a Transfer. You will therefore have to order the mortgage statement from the financial institution to be paid out and indicate in the *Opinion, Undertaking and Request for Disbursement (Preliminary Report)* form if there is a difference with the amounts provided to you. In the event of a difference, an amended instruction will be sent to you reflecting these new amounts.
* We will pay the principal and interest on the loan to be paid out. In addition, we will be able to lend an additional maximum amount of $3,000 to cover transfer costs, including notably the penalty for early payment and the negative balance of the property tax reserve. However, this additional loan cannot be used to pay professional fees.

This change will allow you to simplify the registration and discharge process for the mortgage, all the while standardizing your approach with our Bank forms.

Feel free to send us your comments to help us offer an optimal experience to our clients, by calling the number dedicated to legal professional at 1 888 849-1422, Monday to Friday, between 8 a.m. and 6 p.m. (Eastern Time). We thank you for your valuable collaboration.

David Lamothe, Notary and Senior Advisor

National Bank, Legal Expertise