Montreal, November 21, 2019

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

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

As part of various initiatives to improve the customer experience, including that of notaries, 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* For all new mandates received on or after December 8, 2019, we have withdrawn the instruction to have the credit agreement signed on the *Mandate to Notary* and *Opinion, Commitment and Request for Disbursement (Preliminary Report)* forms. For these mandates, we have also removed the "update request" from the TELUS Assyst Real Estate platform.
* 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 notaries using the TELUS Assyst Real Estate platform, please use the features of the platform. This currents 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 notaries not using the platform, please continue to use the fax transmission form. This form will remain in place for a few weeks to allow you to return the signed agreement to us. It will then be removed.

* 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 sign the credit agreement and despite your commitment mentioned in the *Opinion, Commitment 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 mandate to that effect, however should you requires one for your records, a modified mandate will be available on our website [www.nbc.ca/legal-documentation](http://www.bnc.ca/documentation-juridique).

This initiative serves provide you with a better experience with the National Bank by simplifying the instructions set out in your mandate. 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 Subrogation - 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 Subrogation 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 mandated to register a new mortgage, according to the amount indicated on your *Specific Mandate*, 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 Subrogation. You will therefore have to order the mortgage statement from the financial institution to be paid out and indicate in the *Opinion, Commitment 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 mandate 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 using 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 notaries at 1 888 849-1422, Monday to Friday, between 8 a.m. and 6 p.m. We thank you for your valuable collaboration.

David Lamothe, Notary and Senior Advisor

National Bank, Legal Expertise