

Re: canadian usage

Source: <http://sci.tech-archive.net/Archive/sci.lang/2005-03/2564.html>

From: Areff (*me_at_privacy.net*)

Date: 03/19/05

Date: 19 Mar 2005 21:08:41 GMT

Tony Cooper wrote:

> *On 19 Mar 2005 09:24:52 -0800, "retrosorter" <hrichler@sympatico.ca>*

> *wrote:*

>

>>*Another term that I think is distinctly Canadian is "closed mortgage."*

>>*In Canada, this refers to a mortgage that may not be paid off before*

>>*the stated term without a financial penalty. How is this term referred*

>>*to in other areas?*

>

> *Some US mortgages and loans have a "pre-payment penalty". This is a*

> *fee for paying off the note early. With a pre-payment penalty*

> *specified, the note may be paid off at any time by paying the balance*

> *owed.*

>

> *It used to be that you examined a contract to make sure this clause*

> *wasn't included. I haven't seen a pre-payment penalty clause in a*

> *note for decades, though. Of course, I haven't borrowed money that*

> *often, either.*

I think in some states prepayment penalties in mortgages are flat-out illegal, aren't they?

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I repeat: Erk, this can't be!