

All-In-One™ line of credit Guide

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Glossary

Account	<i>Account</i> linked to the All-In-One line of credit, enabling you to obtain <i>Advances</i> under your All-In-One line of credit.
Advance	Enables you to use the All-In-One line of credit up to the amount of the <i>Credit limit</i> .
Available credit	Amount available for <i>Advances</i> from the All-In-One line of credit without exceeding the <i>Credit limit</i> .
Available revolving credit	Amount available for <i>Advances</i> from the All-In-One line of credit without exceeding the <i>Maximum revolving credit limit</i> .
Credit limit	Maximum authorized amount available under the All-In-One line of credit. The <i>Credit limit</i> can be split across various <i>Accounts</i> by way of a <i>Fixed sub-limit</i> linked to an <i>Account</i> . Also known as the initial credit limit.
Fixed sub-limit	Portion of the <i>Credit limit</i> assigned to a specific <i>Account</i> . This reduces the amount of the <i>Credit limit</i> available in other <i>Accounts</i> .
Integrated loan	<i>Advance</i> in the form of a term loan (mortgage loan).
Loan-to-value (LTV) ratio	The ratio between the amount of a loan and the value of the mortgaged property, as a percentage.
Main account	<i>Account</i> from which the applicable fees are collected.
Maximum revolving credit limit	Maximum amount that can be used as <i>Revolving credit</i> , excluding <i>Advances</i> as term loans (<i>Integrated loans</i>).
Minimum payment	The total interest accrued on your All-In-One line of credit, which must be paid each month. This amount is the <i>Minimum payment</i> due indicated on your account statement.
National Bank All-In-One Banking line of credit	Mortgage line of credit enabling you to borrow funds through <i>Advances</i> from one or more <i>Accounts</i> .
Revolving credit	Allows you to withdraw funds (<i>Advances</i>), repay them and withdraw them again up to the amount of the <i>Credit limit</i> . The credit can be used from time to time, in full or in part. The <i>Revolving credit</i> excludes credit granted as an <i>Integrated loan</i> , which is repaid in set amounts according to a repayment schedule.

The data used in the various examples presented in this Guide are assumptions only and do not create any legal or contractual obligation for National Bank.

Purpose and Structure of the All-In-One Line of Credit

The All-In-One line of credit enables you to obtain financing, carry out your banking transactions and manage your savings.

It consists of a line of credit to which you can link one or more *Accounts*.

Using several *Accounts* lets you separate your different projects, so you can better track your finances. Here's an example:

All-In-One		
Account 1	Account 2	Account 3
Account for your day-to-day transactions	Account for buying a car	Account for managing your household expenses

Features of the All-In-One line of credit

- › Possibility of having multiple *Accounts*
- › Possibility of linking your existing National Bank accounts
- › Option of integrating a National Bank term loan (*Integrated loan*)
- › Minimum *Credit limit* of \$25,000
- › Line of credit secured by a first mortgage on your main residence
- › Access to our Automated Services and Digital Banking Solutions
- › *Fixed sub-limit* not available for the *Main account*
- › Possibility of assigning a *Fixed sub-limit* to any other *Account*

Refer to your cost of borrowing disclosure statement and the Guide to Personal Banking Solutions, available at branches or on our website at nbc.ca, for the fees applicable to the All-In-One line of credit and *Accounts*.

Manage Your All-In-One Line of Credit Based on Your Needs

A. Credit limit

Your *Credit limit* may be set at up to 80% of the value of your home¹. However, the *Revolving credit* portion of your All-In-One line of credit may not exceed 65% of the value of your home. Any excess amounts must be borrowed in the form of an *Integrated loan*. The principal repaid on your *Integrated loan* will not become available as *Revolving credit* if the *Maximum revolving credit limit* has been reached.

Example 1

You buy a home with a value of \$200,000 and you have a down payment of \$40,000. You therefore have to borrow \$160,000 to buy your new home (\$200,000 – \$40,000).

The *Maximum revolving credit limit* is \$130,000 (\$200,000 x 65%).

The minimum amount needed to be borrowed in the form of an *Integrated loan* is \$30,000 ((80% – 65%) x \$200,000).

Property value: \$200,000 Down payment: \$40,000 Credit limit: \$160,000 (80% of LTV ratio)	
Account 1	Account 2
Line of credit account Balance: \$130,000 (65% of the LTV ratio)	<i>Integrated loan</i> Balance: \$30,000

Example 2

You buy a home with a value of \$200,000 and you have a down payment of \$70,000. You therefore have to borrow \$130,000 to buy your new home (\$200,000 – \$70,000).

In this example, it is not necessary to take out an *Integrated loan* since the *Credit limit* does not exceed 65% of the value of the home. A term loan

in the amount of \$50,000 is still integrated into the All-In-One line of credit. The principal repaid on the *Integrated loan* is automatically available as *Revolving credit* since the *Loan-to-value ratio* does not exceed 65%.

Property value: \$200,000 Down payment: \$70,000 All-In-One: \$130,000 (65%)	
Account 1	Account 2
Line of credit account Balance: \$80,000	<i>Integrated loan</i> Balance: \$50,000

Refer to your monthly account statement for the various limits applicable to your All-In-One line of credit. You'll find a sample account statement at the end of this Guide.

B. Accounts linked to the All-In-One line of credit

You can choose to link an existing National Bank account to your All-In-One line of credit at any time. This will allow you to carry out an unlimited number of certain transactions via our Automated Services and Digital Banking Solutions while saving on fees. Your National Bank advisor can help you choose the best solution. Please refer to the *Guide to Personal Banking Solutions* brochure for further details.

You can have multiple *Accounts* linked to your All-In-One line of credit in order to make managing your different projects easier.

C. Main account²

One of your *Accounts* is designated as the *Main account*. It is used to collect the following:

- › Insurance premiums (life, disability and critical illness)
- › Bank fees
- › Overdraft protection fees
- › Fixed monthly transaction fees for each of your *Accounts**

* These fees do not apply to *Integrated loan accounts*.

D. Integrated loan

If you would like a portion of your financing to be at a fixed rate with periodic principal and interest payments, you can integrate a term loan into your All-in-One line of credit. This *Integrated loan* may also have a variable rate.

In addition, you can choose to integrate an existing National Bank term loan into your All-In-One line of credit structure³. If your existing *Integrated loan* is currently covered by loan insurance (life, disability or critical illness), you have to complete a Notice of Termination for that insurance. Your current insurance coverage will end when your loan is integrated into the All-In-One line of credit. If you would like to keep your insurance coverage, please contact your National Bank advisor.

Example 1

You want to integrate an existing term loan into an All-In-One line of credit and maintain your borrowing capacity.

- › You have a \$100,000 All-In-One line of credit and a term loan with a principal balance of \$50,000.
- › You want to integrate the existing loan into the All-In-One line of credit to be able to access the repaid principal on your term loan (see the example below).
- › If you want to maintain a constant borrowing capacity, the *Credit limit* must be raised by an amount equal to the balance of the term loan you are integrating (subject to credit approval by National Bank).

Situation before the existing term loan is integrated into the All-In-One line of credit		
All-In-One Credit limit: \$100,000 Amount used: \$40,000 Available credit: \$60,000		Existing term loan: \$50,000
Account 1	Account 2	
Amount used: \$25,000	Amount used: \$15,000	
Available credit for these two Accounts: \$60,000		

Situation after the existing term loan is integrated into the All-In-One line of credit

All-In-One
Credit limit: \$150,000
Amount used: \$90,000
Available credit: \$60,000

Account 1	Account 2	Account 3
Amount used: \$25,000	Amount used: \$15,000	<i>Integrated loan</i> Principal balance: \$50,000
Available credit for these two Accounts: \$60,000		

Example 2

You want to integrate an existing term loan without increasing the *Credit limit* of your All-In-One line of credit (reducing your borrowing capacity).

Situation before the existing term loan is integrated into the All-In-One line of credit

All-In-One
Credit limit: \$100,000
Amount used: \$40,000
Available credit: \$60,000

Existing term loan:
\$50,000

Account 1	Account 2
Amount used: \$25,000	Amount used: \$15,000
Available credit for these two Accounts: \$60,000	

Situation after the existing term loan is integrated into the All-In-One line of credit

All-In-One
Credit limit: \$100,000
Amount used: \$90,000
Available credit: \$10,000

Account 1	Account 2	Account 3
Amount used: \$25,000	Amount used: \$15,000	<i>Integrated loan</i> Principal balance: \$50,000
Available credit for these two Accounts: \$10,000		

E. Fixed sub-limit

If you want to allow a third party to use an *Account* while limiting their access to credit, you can assign a *Fixed sub-limit* to one or more *Accounts*. You can also use the *Fixed sub-limit* to limit the *Available credit* on an *Account* dedicated to a specific project.

In the following example, three *Accounts* are linked to a *Credit limit*. Two of them have a variable limit and the third has a *Fixed sub-limit*.

All-In-One Credit limit: \$100,000		
Account 1	Account 2	Account 3
Variable limit	Variable limit	<i>Fixed sub-limit</i> of \$10,000
Available credit for these two <i>Accounts</i> : \$90,000		

The *Fixed sub-limit* assigned to Account 3 limits the *Available credit* on this *Account* to \$10,000. This *Fixed sub-limit* reduces the credit available in Accounts 1 and 2 by the same amount. Accounts 1 and 2 therefore share a limit of \$90,000.

The *Main account* cannot have a *Fixed sub-limit*. Some restrictions apply based on *Account type*⁴.

F. Access the repaid principal on your Integrated loan

When you integrate a loan into an All-In-One line of credit, the available amount of your line of credit increases as you repay the principal on your *Integrated loan*⁵. The payments on principal that you make under the prepayment privileges in your mortgage loan agreement also become available through the All-In-One line of credit.

Partial prepayment

The amount of principal prepaid (payment on principal) becomes available under the All-In-One line of credit within 24 to 48 hours after the transaction request date.

Regular mortgage payment

The amount of principal repaid becomes available under the All-In-One line of credit the day after the regular mortgage payment is withdrawn from an account held at National Bank. For regular mortgage payments withdrawn from an account held with another financial institution, the principal repaid becomes available under the All-In-One line of credit within 24 to 72 hours after the transaction request date.

Here's an example:

Situation before \$5,000 payment on principal		
All-In-One Credit limit: \$150,000 Amount used: \$90,000 Available credit: \$60,000		
Account 1	Account 2	Account 3
Amount used: \$33,000	Amount used: \$25,000	<i>Integrated loan</i> Principal balance: \$32,000
Available credit for these two Accounts: \$60,000		

You prepay \$5,000 on your *Integrated loan*.

Situation after a \$5,000 payment on principal		
All-In-One Credit limit: \$150,000 Amount used: \$85,000 Available credit: \$65,000		
Account 1	Account 2	Account 3
Amount used: \$33,000	Amount used: \$25,000	<i>Integrated loan</i> Principal balance: \$27,000
Available credit for these two Accounts: \$65,000		

Assign a Fixed sub-limit to your Integrated loan account

If you'd rather repay your *Integrated loan* without increasing the amount available through your All-In-One line of credit, a *Fixed sub-limit* can be assigned to the *Integrated loan* account. In this way, you can repay your All-In-One line of credit and gradually increase the equity in your home.

G. Repaying your All-In-One line of credit

Paying down the principal on your line of credit is not mandatory. The only requirement is to repay the interest.

If you have an *Advance* as an *Integrated loan*, you must also make the principal and interest payments as provided for in your mortgage loan agreement.

H. Calculating interest earned and paid

Interest earned and paid on your All-In-One line of credit is calculated separately on the daily balance in each *Account* and billed monthly. Interest is earned on all amounts over \$5,000.

Here's an example:

All-In-One Credit limit: \$200,000		
Balance of Account 1 \$100,000	Balance of Account 2 \$50,000	Balance of Account 3 +\$20,000
Interest rate: 4.00%	Interest rate: 4.00%	Interest rate: 0.25%
Interest payable: \$328.77	Interest payable: \$164.38	Interest receivable: \$3.08

Total monthly interest payable

Calculated on a total amount of \$150,000 from Accounts 1 and 2: \$493.15. This amount is your *Minimum payment*.

Total monthly interest receivable

Calculated on an amount of \$15,000 from Account 3: \$3.08. Interest is not calculated on the first \$5,000, but rather on the remaining \$15,000 at 0.25%.

As shown in the example, the different *Accounts* do not offset each other when calculating the interest payable and receivable.

I. Minimum payment and account statement

You receive a single monthly account statement from National Bank for your All-In-One line of credit, even if you have several *Accounts*. Regardless of the number of *Accounts* you have, only one *Minimum payment* is required, calculated on the debit balance of each of your *Accounts*. Be sure to make the *Minimum payment* within 21 days of your account statement being issued. If the *Minimum payment* is not made during this period, a late payment notice may be added to your credit file.

How can you be sure to meet the deadline?

- › By depositing your paycheque into one of the *Accounts*
- › By making deposits into one or more *Accounts*
- › By arranging preauthorized payments or fund transfers from an account with a credit balance
- › By arranging preauthorized payments or fund transfers from bank accounts that are not linked to the All-In-One line of credit

Stay Within Your Limit

J. Avoid exceeding your Credit limit

Going over your *Credit limit* or *Fixed sub-limit* accrues interest at the rate indicated in your line of credit agreement and your cost of borrowing disclosure statement. For example, the annual rate was two times the variable rate applicable to your line of credit on April 6, 2020. If you exceed a *Fixed sub-limit*, the same rate applies even if you have not gone over your *Credit limit*.

A *Fixed sub-limit* is exceeded when the debit balance on a *Fixed sub-limit* account is over the *Fixed sub-limit*.

K. Amount available in your All-In-One line of credit

Pay special attention to the *Available credit* in your All-In-One line of credit for all your *Accounts*.

Here are some examples:

All-In-One Credit limit: \$100,000		
Account 1	Account 2	Account 3
Variable limit Amount used: \$30,000	Variable limit Amount used: \$20,000	Fixed sub-limit: \$10,000 Amount used: \$0
<p><i>Available credit</i> for these two <i>Accounts</i> (\$90,000) less the amounts used (\$50,000) = \$40,000 available in Accounts 1 and 2</p>		<p><i>Available credit</i> for this <i>Account</i> (\$10,000) less the amount used (\$0) = \$10,000 available in Account 3</p>

All-In-One Credit limit: \$100,000	
Calculations	
Credit limit available for Accounts 1 and 2:	\$90,000
Amounts used for Accounts 1 and 2:	\$50,000
<i>Available credit</i> for Accounts 1 and 2:	\$40,000
<i>Available credit</i> for Account 3:	\$10,000

All-In-One Credit limit: \$100,000		
Account 1	Account 2	Account 3
Variable limit Amount used: \$30,000	Variable limit Amount used: \$20,000	Fixed sub-limit: \$10,000 Credit balance: +\$5,000
<p><i>Available credit</i> for these two <i>Accounts</i> (\$90,000) less the amounts used (\$50,000) = \$40,000 available in Accounts 1 and 2</p>		<p><i>Available credit</i> for this <i>Account</i> (\$10,000) plus the \$5,000 credit balance = \$15,000 available in Account 3</p>

Sample Account Statement

With the National Bank All-In-One, you will receive a single account statement, either online or by mail.

You can easily monitor your transactions at a glance.

- A.** Maximum authorized amount of the All-In-One line of credit
- B.** *Credit limit* – total *Advances* (\$80,000 – \$802.63 – \$1,005.79 – \$19,000 = \$59,191.58)
- C.** Maximum amount that can be used as *Revolving credit*, excluding *Advances* as term loans (mortgage loan)
- D.** *Available revolving credit* = *Maximum revolving credit limit* – (*Total Integrated loans* – Amount not available as *Revolving credit**) – *Total Advances as Revolving credit* (\$65,000 – (\$19,000 – \$15,000) – \$802.63 – \$1,005.79 = \$59,191.58)
- E.** Portion of the *Credit limit* assigned to a specific *Account*. This portion reduces the *Credit limit* available in the other *Accounts*.

* *Credit limit* – *Maximum revolving credit limit* = (\$80,000 – \$65,000 = \$15,000).

All-In-One Banking

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Account No.	Transit No.	Type of account / Line of credit	Financial institution	Account holder(s)			
00-000-00	00000	ALL-IN-ONE	NATIONAL BANK OF CANADA	JOHN SAMPLE			
Line of credit	Credit limit (\$)	Available credit (\$)	Maximum revolving credit limit (\$)	Available revolving credit (\$)	Overdue amount (\$)	Minimum payment due (\$)	Payment due date
	80,000.00	59,182.08	65,000.00	59,182.08	0.00	5.92	2019-02-14
	Information for period DECEMBER 25, 2018 TO JANUARY 24, 2019		Average balance (\$)	Average interest rate (%)			
			-1,802.53	4.00			
Mortgage loan	Information for period DECEMBER 25, 2018 TO JANUARY 24, 2019		Loan balances (\$)	Overdue amount (\$)			
			-19,000.00	0.00			
REFER TO YOUR ANNUAL MORTGAGE LOAN STATEMENT PRODUCED IN DECEMBER OR YOUR MORTGAGE LOAN PAYMENT SCHEDULE FOR MORE INFORMATION.							

All-In-One Banking › Line of credit section

Account No.	Transit No.	Type of account / Package or program	Financial institution	Account holder(s)	
00-000-00	00000	CHEQUING	NATIONAL BANK OF CANADA	JOHN SAMPLE	
	Fixed sub-limit (\$)	Available credit (\$)	Overdue amount (\$)	Minimum payment due (\$)	Payment due date
	2,000.00	1,197.37	0.00	2.63	2019-02-14
	Information for period DECEMBER 25, 2018 TO JANUARY 24, 2019		Average balance (\$)	Average interest rate (%)	
			-801.09	4.00	
Date	Description	Withdrawal (\$)	Deposit (\$)	Rate change (%)	Balance (\$)
DEC 25	PREVIOUS BALANCE				0.00
DEC 25	RATE IN EFFECT			4.00	
DEC 25	G/WITHDRAW 0010000 DAY/NIGHT	800.00			-800.00
JAN 23	INT. TO BE PAID	2.63			-802.63
Total					-802.63
Interest collected					Amount (\$)
In 2018					0.00

Account No.	Transit No.	Type of account / Package or program	Financial institution	Account holder(s)	
00-000-00	00000	PERSONAL LINE OF CREDIT	NATIONAL BANK OF CANADA	JOHN SAMPLE	
	Available credit (\$)	Overdue amount (\$)	Minimum payment due (\$)	Payment due date	
	57,984.71	0.00	3.29	2019-02-14	
	Information for period DECEMBER 25, 2018 TO JANUARY 24, 2019		Average balance (\$)	Average interest rate (%)	
			-1,001.43	4.00	
Date	Description	Withdrawal (\$)	Deposit (\$)	Rate change (%)	Balance (\$)
DEC 25	PREVIOUS BALANCE				0.00
DEC 25	RATE IN EFFECT			4.00	
DEC 25	G/WITHDRAW 0010000 DAY/NIGHT	1,000.00			-1,000.00
JAN 23	FIXED FEES	12.00			-1,012.00
JAN 23	INT. TO BE PAID	3.29			-1,015.29
Total					-1,015.29
Interest collected					Amount (\$)
In 2018					0.00

Cont'd on page 3



Your statement as at 2019-01-24

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Cont'd › All-In-One Banking

All-In-One Banking › Mortgage loan section

Account No.	Type of account	Financial institution		Account holder(s)		
0000000	MORTGAGE LOAN	NATIONAL BANK OF CANADA		JOHN SAMPLE		
Information for period		Instst rate (%)*	Term (month)	Term maturity date	Amortization (month)	Overdue amount (\$)
DECEMBER 25, 2018 TO JANUARY 24, 2019		3.14	12	2019-12-25	120	0.00
*INTEREST RATE IN EFFECT ON 2019-01-24						
Date	Description	Withdrawal (\$)		Deposit (\$)		Balance (\$)
DEC 25	PREVIOUS BALANCE					-20,000.00
JAN 23	VARIATION IN PRINCIPAL			1,000.00		-19,000.00
Total						-19,000.00

Recap › All-In-One Banking

Date	Description	Withdrawal (\$)		Deposit (\$)		Balance (\$)
DEC 25	PREVIOUS BALANCE					0.00
DEC 25	ADJUSTMENT DUE TO CHANGE IN AIO					-20,000.00
DEC 25		1,800.00				-21,800.00
JAN 23		17.92		1,000.00		-20,817.92

Total value › All-In-One Banking **-20,817.92**

- 1 Subject to credit approval by National Bank. This percentage may be lower. Please refer to your line of credit agreement and cost of borrowing disclosure statement for your authorized *Credit limit*.
- 2 A *Fixed sub-limit* cannot be applied to this *Account*.
- 3 Note that integrating an existing term loan may be conditional on obtaining new collateral.
- 4 The minimum and maximum amounts of the *Fixed sub-limit* depend on the type of *Account*. The maximum *Fixed sub-limit* for a chequing account is \$5,000, whereas the minimum *Fixed sub-limits* for The Strategist Account and Personal Flex Line are \$5,000 and \$10,000, respectively.

Type of account	Maximum <i>Fixed sub-limit</i>	Minimum <i>Fixed sub-limit</i>
Chequing account	\$5,000	–
The Strategist Account	–	\$10,000
Personal Flex Line	–	\$5,000

- 5 Subject to not exceeding the maximum amount of *Revolving credit* available, i.e., 65% of the value of the mortgaged property.

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Should you have any questions, do not hesitate to contact us.

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