

Update on the Mortgage Market Guideline and Reference Rate

February 29, 2024

- The Residential Real Estate Mortgage Market Guideline was issued in September 2011 (and [updated in October 2017](#)) and sets the framework for transparency in mortgage loans' terms and conditions by commercial banks in Trinidad and Tobago.
- The Guideline also incorporates a [Mortgage Market Reference Rate \(MMRR\)](#) that commercial banks may choose to utilize as a base rate for setting their adjustable mortgage rates.
- In September 2021, in the context of the financial situation brought about by the COVID-19 pandemic, the Central Bank and commercial banks agreed to maintain the MMRR at the then-existing level (3.00 per cent) for a 2-year period.
- From March 2024, publication of the MMRR will resume along the following lines:
 - The Central Bank of Trinidad and Tobago will collate and publish the components of the MMRR (the banking system cost of funds and the 15-year Treasury rate) and the calculated rate consistent with the current 50 per cent weighting for each of these components; (see [Summary of Results of Review of Residential Real Estate Mortgage Market Guideline](#))
 - This information will be available at the Data Centre on the Central Bank's website at <https://www.central-bank.org.tt/statistics/data-centre>
 - In light of the suspension of the MMRR since September 2021, the MMRR for December 2023 will reflect the rate as at September 2021 (3.00 percent).
 - As a result, changes in the components (banking system cost of funds and 15-year Treasury rate) which occurred during the period of suspension shall not be reflected in the determination of the MMRR for December 2023 and thereafter.
- It should be noted that the MMRR is not a policy rate of the Central Bank of Trinidad and Tobago. Commercial banks may choose to use a different base rate for their adjustable mortgage rates and banks' actual mortgage rates may reflect the specific add-ons that the institutions use.
- Customers should review carefully their mortgage contracts to understand fully the details of the loan terms and all charges.