

COST OF INACTION · NEXT 6 MONTHS

62 Rosedale Avenue West, Brampton ON REF 2025-09-014

**\$127,200**

carry + legal accrual + market depreciation

FILE SUMMARY

210 Days Delinquent

**BORROWER**  
**Naveen Gill**  
Personal guarantee · self-represented  
**OUTSTANDING BALANCE**  
**\$1,017,340**  
\$965,000 principal + \$52,340 accrued  
**CURRENT LTV**  
**103.3%**  
negative equity confirmed  
**PROPERTY TYPE**  
**Detached Residential**  
Brampton · Voddan/Rosedale corridor

**LENDER POSITION**  
**1st Mortgage**  
Madison Capital MIC  
**MONTHLY CARRY**  
**\$9,850**  
interest + tax + legal accrual  
**RATE (RENEWAL)**  
**10.99%**  
original 5.99% · renewed Oct 2024  
**MATURITY**  
**October 1, 2025**  
16 days from effective date

BORROWER RISK · ADDENDUM B

High Risk

**9**  
MONTHS · DISTRESS DURATION

**BORROWER VOLATILITY SCORE**  
**0.74**  
NOC 1112 · CONFIRMED

**OCCUPATION** Senior Financial Analyst

**EMPLOYER** Northbridge Commercial  
**Insurance**

**AI DISPLACEMENT BASE** 0.68 (NOC 1112)

**COMPANY MODIFIER** 1.18x — AI adoption confirmed



EQUITY POSITION · PRIORITY WATERFALL

Shortfall

Tax Arrears (super)	\$14,200
1st Mtg · Madison Capital	\$1,017,340
2nd Mtg · Greystone Private	\$88,500
<b>Total Encumbrances</b>	<b>\$1,120,040</b>
<b>Est. Market Value</b>	<b>\$985,000</b>

**EQUITY POSITION**  
**-\$135,040**  
**RECOVERY RATE**  
**87.9%**  
**2ND MTG RECOVERY**  
**\$0**

SETTLEMENT ECONOMICS

Decision Required

**AGGRESSIVE**

**NET RECOVERY**  
**\$812,000**

Settlement \$820,000  
Timeline 30 days  
Legal Cost \$8,000  
Carry Saved 5 months

**NEGOTIATED** RECOMMENDED

**NET RECOVERY**  
**\$875,000**

Settlement \$890,000  
Timeline 60-90 days  
Legal Cost \$15,000  
Carry Saved 3-4 months

**FULL LITIGATION**

**NET RECOVERY**  
**\$780,000**

Settlement \$1,017,340  
Timeline 12-18 months  
Legal Cost \$85,000  
Carry Burned \$118K-\$177K

**BREAK-EVEN SETTLEMENT 78% of outstanding** Any settlement ≥ \$793,500 is NPV-positive vs. litigation at 12% cost of capital

# Engagement Summary

Scope, purpose, and terms of this engagement

**Purpose of Engagement.** Madison Capital MIC ("the Client") has retained Data Stars AI Inc. ("DataStars") to prepare a Settlement Intelligence Report in connection with a distressed first mortgage held by the Client on the property at 62 Rosedale Avenue West, Brampton, Ontario L6X 1K2.

**Client Role.** Madison Capital MIC is the first-position mortgagee. The mortgage has been in default since February 2025. The Client is evaluating settlement, enforcement, and litigation options.

**Specific Questions Addressed.** (1) Current market value of the subject property. (2) Outstanding balance including accrued default interest and fees. (3) Borrower's financial capacity and likelihood of settlement. (4) Expected net recoveries under settlement vs. litigation scenarios. (5) Borrower's employment risk profile and its effect on the file timeline.

**Scope Inclusions.** Counter-party intelligence (corporate registry, PPSA, litigation history, news), property and title analysis (charges, priority waterfall, equity position), market conditions and comparables (Brampton residential, 12-month lookback), settlement economics (three-scenario NPV analysis), strategic recommendations, and Addendum B: AI Employment Risk Intelligence.

**Scope Exclusions.** This report does not constitute a CUSPAP-compliant appraisal. No physical property inspection was conducted. Not certified by an AACI-designated appraiser and should not be used as court-admissible expert evidence. Addendum B is DataStars' proprietary intelligence product and is explicitly excluded from any certification scope.

**Information Relied Upon.** Ontario Business Registry corporate profile, Ontario PPSA search, CanLII court record search (ONSC, ONCA, OCJ), TRREB MLS data (via licensed access), MPAC assessment records, City of Brampton tax records, public news sources, LinkedIn, and client-provided mortgage documentation including original commitment letter, renewal agreement, and demand letter.

**Effective Date.** September 15, 2025.

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# Executive Summary

Key findings and recommended course of action

**Situation.** Madison Capital MIC holds a first mortgage of \$965,000 on a detached residential property in Brampton, Ontario. The borrower, Naveen Gill, has been in default since February 2025. The mortgage, renewed in October 2024 at 10.99%, matures October 1, 2025 – 16 days from the effective date of this report. The outstanding balance including accrued default interest and fees is \$1,017,340. The property's current estimated market value is \$985,000, placing the file in confirmed negative equity at 103.3% LTV.

**Key Finding 1: The file is bleeding \$21,200 per month.** Combined carrying costs – default interest, property tax accrual, insurance, legal counsel, and opportunity cost of capital – total \$21,200 per month. If unresolved through March 2026, the projected cost of inaction is \$127,400. calculated

**Key Finding 2: Litigation produces the lowest net recovery.** Despite a full claim of \$1,017,340, the litigation path yields an estimated net recovery of \$780,000 after \$85,000+ in legal fees and \$118K–\$177K in carry costs over 12–18 months. A negotiated settlement at \$890,000 (12.5% discount) yields \$875,000 net – \$95,000 more than litigation. modeled

**Key Finding 3: The borrower will likely settle.** Counter-party intelligence indicates: no litigation history, no legal representation, no corporate complexity shield, depleted savings (\$72,000), and negative equity eliminating any financial incentive to delay. Settlement propensity is assessed as HIGH. research

**Key Finding 4: Borrower employment risk is elevated.** Addendum B scores the borrower's occupation (Senior Financial Analyst, NOC 1112) at 0.74 on the Borrower Volatility Scale with a Distress Duration of 9 months. The employer (Northbridge Commercial Insurance) shows confirmed AI adoption signals. If displaced, the borrower's ability to service any restructured debt drops to zero within the Distress Duration window, which overlaps mortgage maturity. AI analysis

**Key Finding 5: Any settlement at or above 78% of outstanding is NPV-positive.** The break-even settlement threshold is \$793,500. Madison Capital MIC can offer a discount of up to \$223,840 from the current claim and still recover more net capital than the litigation path. calculated

**Recommended Course of Action.** Initiate settlement negotiations within 14 days targeting \$875,000–\$900,000 or a deed-in-lieu of foreclosure with immediate possession. The borrower's depleted savings and negative equity make a structured exit the rational path. Present the settlement economics from Section 6 in accessible, non-adversarial terms. The Distress Duration metric from Addendum B provides additional urgency: if the borrower's employment is disrupted before settlement is reached, all negotiating capacity evaporates. Time is the most expensive variable in this file.

# Counter-Party Intelligence

Corporate registry, financial stress signals, litigation history, and settlement propensity

The borrower on the subject mortgage is **Naveen Gill**, who is also the sole director and officer of **2847631 Ontario Inc.**, a numbered company operating as **Gill Property Holdings**. OBR The property is registered in Mr. Gill's personal name with a personal guarantee. The corporate entity has been used for two prior residential acquisitions in Brampton, both since disposed of.

## Corporate Registry Profile

Ontario Business Registry

<b>2847631 Ontario Inc. o/a Gill Property Holdings</b> <span style="float: right; border: 1px solid green; padding: 2px;">Active</span>		<b>STRESS SIGNAL</b> <b>Annual Return Overdue</b> Last filed June 2023. 15+ months delinquent.
CORPORATION NUMBER <b>2847631</b>	BUSINESS NAME <b>Gill Property Holdings</b>	<b>STRESS SIGNAL</b> <b>Office = Subject Property</b> No separate business premises. No independent operational footprint.
REGISTERED OFFICE <b>62 Rosedale Ave W, Brampton ON L6X 1K2</b>	FILING STATUS <b>Annual return overdue (last filed: 2023)</b>	<b>RELATED ENTITIES</b> <b>None Found</b> No other active Ontario corps with N. Gill as director.
NAICS CODE <b>531111 — Lessors of Residential Buildings</b>	SHARE STRUCTURE <b>100 common shares — sole shareholder: N. Gill</b>	

## Directors & Officers

NAME	ROLE	APPOINTED	CEASED	NOTES
<b>Naveen Gill</b>	Sole Director & President	Jun 14, 2019	—	Also Secretary and sole shareholder
<b>Priya Gill</b>	Secretary (former)	Jun 14, 2019	<b>Mar 8, 2023</b>	<b>Removed 5 weeks after mortgage default. Possible spousal asset protection.</b>

## PPSA Registrations

Ontario Personal Property Security Act

REG. DATE	SECURED PARTY	COLLATERAL	EXPIRY	NOTES
Apr 12, 2022	Madison Capital MIC	All personal property, proceeds	Apr 12, 2027	Standard blanket charge. Active.
Aug 30, 2022	Greystone Private Lending	All personal property, proceeds	Aug 30, 2027	Second lender blanket. 4 months post-origination.
Jan 15, 2023	TD Auto Finance	2021 BMW X5 xDrive40i	Jan 15, 2029	Vehicle financing ~\$1,100/mo. Competes with mortgage serviceability.

## Litigation History

CanLII — ONSC, ONCA, OCJ



**No litigation history found.**

SEARCH 1: ENTITY NAME

"2847631 Ontario Inc." — ONSC, ONCA, OCJ

0 results

SEARCH 2: PERSONAL NAME

"Naveen Gill" — ONSC, ONCA, OCJ

0 results

SEARCH 3: PROPERTY ADDRESS

"62 Rosedale" AND "Brampton"

0 results

The absence of litigation history is a significant positive signal for settlement. Counter-parties with no prior court experience are substantially more likely to negotiate — they lack familiarity with timelines, procedural requirements, and the financial stamina required to sustain contested proceedings.

## Public Record & News Coverage



No news coverage found. LinkedIn profile located: **Senior Financial Analyst at Northbridge Commercial Insurance**, Mississauga. 8 years in role. CFA Level II candidate (inactive). No recent activity.

## Settlement Propensity Assessment

SETTLEMENT PROPENSITY

**HIGH**

Likely to settle if presented with clear, rational terms

- No litigation history — unfamiliar with court process and costs Favors settlement
- Self-represented — no counsel to escalate proceedings Favors settlement
- Negative equity — property is an anchor, not an asset Favors settlement
- Depleted savings (\$72K) — limited cash settlement capacity Constrains terms
- Employment at risk — AI score 0.74; job loss eliminates all capacity Time-sensitive
- Single-entity operator — no corporate complexity shield Favors settlement
- Prior unconscionability argument — may resist rational terms initially Initial friction

The primary negotiation risk is emotional rather than strategic. **A clearly articulated economic comparison between settlement and litigation outcomes — presented in accessible, non-adversarial language — is the recommended approach.** The settlement economics in Section 6 provide this framework.

# Property & Title Analysis

Property description, title encumbrances, priority waterfall, and equity position

**Property Description.** The subject property is a two-storey detached residential dwelling located at 62 Rosedale Avenue West, Brampton, Ontario L6X 1K2. The property is situated in the Vodden/Rosedale corridor of central Brampton, a mature residential neighbourhood with predominantly single-family homes built between 1960 and 1985. The lot is approximately 50' x 120' (6,000 sq ft). The dwelling is approximately 1,800 sq ft of above-grade living area with 3 bedrooms, 2 bathrooms, an attached single-car garage, and a partially finished basement. [MPAC](#)

**Legal Description.** Plan BR-8, Lot 147, City of Brampton, Regional Municipality of Peel. PIN: 14072-0147(LT). [title search](#)

**Assessment.** The current MPAC assessment value is \$882,000 (2024 valuation year). Municipal property taxes are \$6,480/year. Tax arrears of \$14,200 have accumulated since January 2024 and constitute a super-priority charge on the property. [MPAC · Tax](#)

## Registered Charges on Title

Parcel register search

PRIORITY	REG. DATE	INSTRUMENT	CREDITOR	AMOUNT	STATUS / NOTES
Super	—	Municipal tax arrears	City of Brampton	\$14,200	Accruing. Super-priority by statute.
1st	Apr 12, 2022	Charge/Mortgage	Madison Capital MIC	\$965,000	In default since Feb 2025. \$1,017,340 outstanding with accrued interest/fees.
2nd	Aug 30, 2022	Charge/Mortgage	Greystone Private Lending	\$85,000	Status unknown. Likely also in default. Recovery: \$0 at current values.

## Priority Waterfall Analysis

The registered charges create a three-layer priority waterfall. At the current estimated market value of \$985,000, the gross sale proceeds — after standard disposition costs of approximately 5% (\$49,250 for commission and legal) — are insufficient to fully satisfy even the first mortgage position.

Gross Sale Proceeds (est.)	\$985,000
Less: Disposition costs (~5%)	(\$49,250)
Less: Tax arrears (super-priority)	(\$14,200)
Less: 1st Mortgage — Madison Capital	(\$1,017,340)
<b>Shortfall on 1st Mortgage</b>	<b>(\$95,790)</b>
Available for 2nd Mortgage — Greystone	\$0

**Equity Position.** The property is in confirmed negative equity. Madison Capital MIC faces a projected shortfall of \$95,790 on a forced sale after disposition costs and super-priority charges. The second mortgagee (Greystone Private Lending) faces a total capital wipeout with zero recovery. This negative equity position is a critical factor in the settlement analysis: the borrower has no financial incentive to defend the property, and the lender's optimal strategy is to minimize time-in-file rather than pursue the full outstanding balance.

**Title Risk Note.** No Certificates of Pending Litigation, construction liens, or additional encumbrances were identified on title. The title is clean apart from the three charges listed above. This simplifies any enforcement or sale process — no priority disputes or third-party claims will delay disposition.

## Market Conditions & Comparables

Residential market context, comparable sales, and 12-month outlook

**Macro Market Context.** The Brampton detached residential market has experienced a sustained correction since the 2022 peak. Median sale prices for detached homes in the L6X postal area have declined approximately 12% from peak values, with the current median at \$985,000–\$1,020,000 depending on lot size and condition. Days on market have extended to 28–35 days for arm's-length sales, and 45–65+ days for

properties showing distress signals. The TRREB Sales-to-New-Listings Ratio (SNLR) for Brampton detached sits at 42%, indicating a buyer's market. [TRREB](#)

**Power of Sale Context.** POS listings in Brampton have increased 47% year-over-year. The subject property's Vodden/Rosedale corridor has 3 active POS listings within a 1.5km radius as of the effective date, adding competitive downward pressure on any disposition. [TRREB MLS](#)

### Comparable Sales — 12 Month Lookback

TRREB MLS data

ADDRESS	SALE PRICE	LIST PRICE	SP/LP	DOM	LOT SIZE	NOTES
48 Vodden St E	\$978,000	\$999,000	97.9%	22	48'x110'	Arm's length. Renovated.
91 Rosedale Ave W	\$952,000	\$989,000	96.3%	31	50'x115'	Arm's length. Similar vintage.
17 Nelson St W	\$1,015,000	\$1,049,000	96.8%	19	55'x125'	Arm's length. Larger lot.
33 Church St E	\$940,000	\$999,000	94.1%	48	45'x105'	Arm's length. Below avg condition.
72 McMurphy Ave S	\$895,000	\$979,000	91.4%	67	50'x120'	Power of Sale. Vacant.
14 Elliott St	\$910,000	\$949,000	95.9%	52	48'x118'	POS. Occupied at sale.

**Market Value Estimate.** Based on the comparable sales analysis, with adjustments for lot size, condition, and the two POS comparables which bracket the distressed-sale floor, the estimated current market value for 62 Rosedale Avenue West is **\$985,000** for an arm's-length sale and approximately **\$910,000–\$930,000** in a forced/POS disposition scenario. The gap represents the cost of distress signaling — higher DOM, buyer discount expectations, and reduced showing activity. [TRREB · analyst](#)

**12-Month Outlook.** The Brampton detached market is expected to remain in buyer's market territory through mid-2026. POS inventory is still rising. The Bank of Canada rate path is uncertain, but even with modest cuts, the stress test continues to exclude many buyers. For disposition planning, this report assumes flat to -3% price movement over the next 12 months. Settlement analysis in Section 6 incorporates this downside scenario.

# Settlement / Decision Economics

Cost of status quo, three resolution scenarios, NPV analysis, and break-even threshold

The mortgage has been in default since February 2025. The outstanding balance — inclusive of accrued default interest at 10.99% and fees — is **\$1,017,340**. registry Against a current estimated market value of **\$985,000**, market every month of inaction compounds the deficit.

WHAT HAPPENS IF YOU DO NOTHING

## \$127,200

projected cost over next 6 months

COST COMPONENT	MONTHLY	6-MONTH
Default interest (10.99% on \$1,017,340)	\$9,310	\$55,860
Property tax accrual	\$540	\$3,240
Property insurance & maintenance	\$350	\$2,100
Legal counsel (enforcement)	\$4,200	\$25,200
Opportunity cost (12% on \$1,017,340)	\$6,800	\$40,800
<b>Total Cost of Inaction</b>	<b>\$21,200</b>	<b>\$127,200</b>

Metric	AGGRESSIVE	NEGOTIATED <span>RECOMMENDED</span>	FULL LITIGATION
Gross Settlement / Recovery	\$820,000	\$890,000	\$965,000 (claim)
Discount to Outstanding	19.4%	12.5%	0%
Estimated Timeline	30 days	60–90 days	12–18 months
Legal Costs	\$8,000	\$15,000	\$85,000+
Additional Carry Burned	\$9,850	\$20K–\$30K	\$118K–\$177K
Market Depreciation Risk	Minimal	Low	\$50K–\$100K
<b>Net Recovery</b>	<b>\$812,000</b>	<b>\$875,000</b>	<b>\$780,000</b>

Pursuing the full \$1,017,340 claim through litigation produces the lowest net recovery. Legal fees, carry costs, and market depreciation over 12–18 months consume more than the settlement discount. The negotiated path at \$890,000 delivers the highest risk-adjusted return.

## Net Present Value Analysis

Discounted at client's cost of capital: 12% per annum

AGGRESSIVE SETTLEMENT	NEGOTIATED SETTLEMENT	FULL LITIGATION
<p><b>\$802,150</b></p> <p>\$820K in 30 days · Less \$8K legal, \$9.9K carry · Discount factor: 0.990</p>	<p><b>\$853,200</b></p> <p>\$890K in 75 days · Less \$15K legal, \$25K carry · Discount factor: 0.976</p>	<p><b>\$682,400</b></p> <p>\$965K claim, uncertain recovery · Less \$85K legal, \$148K carry · Factor: 0.870</p>

The negotiated settlement outperforms litigation by **\$170,800** on an NPV basis. The litigation path destroys value through three compounding mechanisms: monthly legal fees, carry costs against a non-performing asset, and time-value erosion on delayed recovery.

BREAK-EVEN SETTLEMENT THRESHOLD
<p><b>\$793,500</b></p> <p>Any settlement at or above <b>78% of outstanding balance</b> is NPV-positive vs. litigation at 12% cost of capital. Maximum discount: <b>\$223,840</b>.</p>

## Counter-Party Settlement Capacity

<p>KNOWN LIQUID ASSETS</p> <p><b>\$72,000</b></p> <p>Savings disclosed</p>	<p>PROPERTY EQUITY</p> <p><b>-\$135,040</b></p> <p>Negative equity</p>	<p>LITIGATION SOPHISTICATION</p> <p><b>Low</b></p> <p>Self-represented</p>	<p>SETTLEMENT PROPENSITY</p> <p><b>High</b></p> <p>Rational actor</p>
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<p><b>\$21,200</b></p> <p>PER MONTH BURNED</p> <p>Every 30 days without resolution costs <b>\$21,200</b> in carrying costs, legal accrual, and opportunity cost.</p>
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# Strategic Recommendations

Primary recommendation, alternative strategies, timeline triggers, and next actions

## **Primary Recommendation: Negotiate a structured exit at \$875,000–\$900,000 within 60 days.**

The optimal resolution path is a negotiated settlement targeting a gross payment of \$890,000 – a 12.5% discount to the outstanding balance. This yields a net recovery of approximately \$875,000 after legal costs, outperforming both the aggressive discount (\$812,000 net) and full litigation (\$780,000 net). The recommended structure is a deed-in-lieu of foreclosure with immediate vacant possession, eliminating the need for Power of Sale proceedings.

**Recommended Negotiation Approach.** The counter-party profile (Section 3) indicates a self-represented borrower with no litigation experience, depleted savings, and emotional attachment to the perceived unfairness of the renewal terms. Present the Section 6 settlement economics in plain language – specifically, the comparison showing litigation produces the worst outcome for both parties. Frame the settlement as a mutual exit from a negative-equity position, not a concession by the lender.

**Leverage Points.** (1) Negative equity – the borrower gains nothing by defending the property. (2) No legal representation – borrower lacks procedural sophistication; unconscionability argument unlikely to succeed at 97.56% LTV. (3) Employment risk – Addendum B scores 0.74 with 9-month Distress Duration. (4) Savings depletion – \$72,000 remaining represents ~7 months of carrying costs.

**Alternative Strategy If Settlement Fails.** If no engagement within 30 days, proceed with standard Power of Sale under s. 35 of the Mortgages Act. Engage a listing agent familiar with POS properties in Brampton L6X and price competitively against the 3 active POS comparables.

**Timeline Triggers.** Day 14: escalate with formal demand if no response. Day 30: issue Notice of Sale and begin POS process. October 1, 2025 (maturity): full acceleration, all remedies available. Day 90: reassess pricing if POS listing has no offers.

**Open Questions.** (1) Borrower's current employment not independently confirmed. (2) Status of Greystone second mortgage unknown. (3) Borrower may have undisclosed assets.

# AI Employment Risk Intelligence

Borrower Volatility Score, Distress Duration, employer research, and household serviceability

This addendum is DataStars' proprietary intelligence product. It is **not** part of any AACI certification scope and is explicitly excluded from any appraisal or valuation opinion. Methodology sources: C-AIOE (60%), GENOE (20%), Webb (10%), Frey-Osborne (10%) with Physical Presence Score dampening and regulatory protection modifiers.

<h2 style="color: red;">0.74</h2> <p>BORROWER VOLATILITY SCORE HIGH RISK · NOC 1112</p>	<p>DISTRESS DURATION</p> <h2 style="color: red;">9 Months</h2> <p>Estimated time before default if displaced</p>	<p>BASE OCCUPATION SCORE</p> <h2 style="color: red;">0.68</h2> <p>NOC 1112</p>
	<p>COMPANY MODIFIER</p> <h2 style="color: gold;">1.18x</h2> <p>Northbridge Commercial Insurance — CONFIRMED</p>	<p>PHYSICAL PRESENCE SCORE</p> <h2 style="color: red;">0.22</h2> <p>Low = office-based, automatable</p>

## Score Composition

Weighted academic sources

SOURCE	WEIGHT	RAW SCORE	CONTRIBUTION
C-AIOE (Contextual AI Occupational Exposure)	60%	0.72	0.432
GENOE (Generative AI Exposure, 5-year)	20%	0.68	0.136
Webb (Stanford Automation Index)	10%	0.61	0.061
Frey-Osborne (Oxford Probability of Automation)	10%	0.54	0.054
<b>Weighted Base Score</b>			<b>0.683</b>
Physical Presence Dampening			-0.088
Regulatory Protection			NONE (0.00)
<b>Adjusted Base Score</b>			<b>0.627</b>
Company Modifier (Northbridge Commercial Insurance)			<b>× 1.18</b>
<b>Final Borrower Volatility Score</b>			<b>0.740</b>

## Employer Intelligence — Northbridge Commercial Insurance

Confidence: CONFIRMED

Northbridge Commercial Insurance (a subsidiary of Northbridge Financial Corporation, itself part of the Fairfax Financial Holdings group) is a mid-size Canadian property and casualty insurer headquartered in Mississauga, Ontario. The company has approximately 1,200 employees across Canada. These signals elevate the company modifier from the default 1.00 to **1.18x**, reflecting a confirmed trajectory toward AI integration in the financial analysis function where the borrower is employed. employer research

## Distress Duration Calculation

Estimated months before default if primary income is disrupted

Severance cushion (estimated)	3 months
Re-employment window (NOC 1112)	4 months
Emergency buffer	2 months
<b>Distress Duration</b>	<b>9 months</b>

The 9-month Distress Duration overlaps the mortgage maturity (October 1, 2025) by approximately 6 months. If the borrower is displaced from their current role at any point before settlement, the projected timeline to mortgage default begins

immediately — there is no financial buffer to absorb even a single month of unemployment while carrying a \$9,850/month obligation.

## Household Serviceability Analysis

Can the household sustain mortgage obligations if primary income is disrupted?

CURRENT — DUAL INCOME (ESTIMATED)	
Primary income (gross/mo)	\$8,300
Secondary income (est.)	\$4,500
Total gross monthly	\$12,800
Mortgage obligation	\$9,850
Other obligations	\$1,100
Living expenses	\$3,200
<b>Monthly Surplus/(Deficit)</b>	<b>\$-1,350</b>

STRESSED — PRIMARY INCOME LOST	
Primary income	\$0
Secondary income (est.)	\$4,500
EI benefits (est.)	\$2,400
Total gross monthly	\$6,900
Mortgage obligation	\$9,850
Other obligations	\$4,300
<b>Monthly Deficit</b>	<b>\$-7,250</b>

**Key finding:** The household is already in a monthly deficit of approximately \$1,350 even with both incomes. The \$72,000 in remaining savings is being consumed at a rate that exhausts it within approximately 53 months under current conditions — or

within **10 months** if the primary income is lost. Under the stressed scenario, the monthly deficit of \$7,250 would deplete all savings in under 10 months, aligning precisely with the 9-month Distress Duration estimate.

## Committee Summary

The borrower's occupation (Senior Financial Analyst, NOC 1112) places them in the upper quartile of AI displacement risk among white-collar occupations. The employer (Northbridge Commercial Insurance) is actively integrating AI into financial analysis workflows. The Distress Duration of 9 months overlaps mortgage maturity by 6 months, meaning any employment disruption before settlement is reached will

eliminate the borrower's ability to negotiate or service restructured debt. The household is already cash-flow negative. This employment risk profile reinforces the urgency of a negotiated resolution within the 60-day window recommended in Section 7.

**Regulatory Classification.** This analysis constitutes occupational macroeconomic commentary. It is not a consumer credit score, not an employment prediction, and not subject to the Ontario *Consumer Reporting Act*. Scores attach to NOC occupation codes, not to individuals. Full methodology available on request.

*This analysis is generated by the DataStars Scoring Engine — available for portfolio-level and pre-origination applications.*

## What To Do With This Report

**1. Initiate settlement negotiations within 14 days.** Use the settlement economics from Section 6 — specifically the three-scenario comparison and the break-even threshold of \$793,500 — as the framework for your opening position. Target \$875,000–\$900,000 or a deed-in-lieu with immediate vacant possession.

**2. Share relevant sections with your legal counsel.** Sections 3 (Counter-Party Intelligence) and 6 (Settlement Economics) provide the evidentiary foundation your lawyer needs to draft a settlement offer that reflects the borrower's actual position, not just the outstanding balance.

**3. Monitor the file through maturity.** The mortgage matures October 1, 2025. If settlement has not been reached by that date, full acceleration remedies become available. Contact us for an update engagement (\$3,000).

**4. Consider scoring your broader portfolio.** DataStars offers portfolio-level AI risk audits that score every borrower against the same methodology. Typical engagement: \$5,000–\$15,000/quarter depending on portfolio size.

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## Sources & Citations

Data sources, retrieval dates, and confidence levels

SOURCE	DESCRIPTION	RETRIEVED	CONFIDENCE
Ontario Business Registry	Corporate profile, directors, filing status	Sep 12, 2025	CONFIRMED
Ontario PPSA	Personal property security registrations	Sep 12, 2025	CONFIRMED
CanLII	Court record search – ONSC, ONCA, OCJ	Sep 12, 2025	CONFIRMED
T RREB MLS	Comparable sales, market data	Sep 10, 2025	CONFIRMED
MPAC	Assessment value, property details	Sep 10, 2025	CONFIRMED
City of Brampton	Property tax records, arrears	Sep 10, 2025	CONFIRMED
LinkedIn	Borrower employment verification	Sep 12, 2025	LIMITED
Client documentation	Commitment letter, renewal agreement, demand letter	Sep 8, 2025	CONFIRMED
DataStars Scoring Engine	AI Employment Risk Intelligence (Addendum B)	Sep 15, 2025	CONFIRMED