



Down 11% – This Dividend Stock Could Make You a Millionaire

Description

There are a lot of companies right now that continue trading down on the **TSX** today. It's why many Canadian investors have started looking at finding the right dividend stock to bring in significant cash. Some of these don't tend to offer as many returns, but at least you're getting passive income through [dividends](#).

However, what if I told you there's a dividend stock you could latch onto, hold on for decades, and is also trading far below where it should be? Today, I'm going to focus in on that stock.

Atrium Mortgage

The mortgage industry isn't exactly where you want to be looking right now, thanks to interest rates. But when it comes to investing and not taking on a mortgage, it's *exactly* where you want to be looking. Especially if you find a dividend stock with a high yield.

That's why I would recommend looking at **Atrium Mortgage Investment** ([TSX:AI](#)). The dividend stock offers investors a dividend yield of 7.41%. Shares are down by about 11% year to date, as of writing. Furthermore, it trades at 12 times earnings, and can cover its total debts by using just 72.3% of its equity.

What's absolutely crazy is that it looks like investors are ignoring the stock simply because of market performance, rather than Atrium stock performance itself. The dividend stock reported a record mortgage portfolio of \$817 million in its recent second quarter. That was a 6.5% increase from December last year.

Net income rose slightly to \$10.7 million, with diluted and basic earnings per share at \$0.25. It also boasted record repayments of \$199.5 million in the quarter, ending with a record \$830.4 million in assets.

All this could make you a millionaire

Basically, the dividend stock is far below where it should be. And it's cheap in every sense of the word. Shares trade at just \$12 as of writing, and while they're down 11% year to date, have increased about 5% in the last month.

There are a few ways that this dividend stock could make you a millionaire, but the easiest is to buy it cheap, hold it long term, and reinvest dividends. Here's how that could play out.

Atrium stock trades at \$12, with a 52-week high of \$15.50. Let's say shares get back to that point by the end of 2022. If you were to invest \$20,000 today, that could turn into \$25,833 by the end of the year! Plus, you'll have \$1,500 in dividends to look forward to.

Now, let's take that cash and start investing it. Based on historical performance, Atrium stock has a compound annual growth rate (CAGR) of 7.2% over the last five years. Let's say you're going to hold the stock until you reach a million dollars, reinvesting dividends along the way as the stock's value grows.

If that's the case, the dividend stock could make you a million dollars after 36 years! And remember, that's without adding another *penny* of your own money.

Bottom line

If you find the right dividend stock right now, you could be setting yourself up for decades of growth. You can use the cash coming in from dividends to fund your [retirement](#) years from now, or even to pay for some fun things along the way. The choice is yours, and it's one you should be making right now.

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