

Costs to Consider

It is wise to budget for the 'up-front' costs of buying or refinancing a home, which may include any or all of the following:

Appraisal Fee. The mortgage lender may require an appraisal at your expense to establish the value of the home. The cost is usually between \$250 and \$350 and must be paid when you contract for those services.

Deposit. This is part of your down payment and must be paid when you make an Offer to Purchase. This amount is determined by the real estate contract.

Down Payment. Lending institutions generally require a minimum of 5% of the purchase price as down payment. 100% financing or "0 down" is also an option for qualified buyers. A conventional mortgage requires a down payment of at least 20% of the purchase price.

Home Inspection Fee. This could be a condition of your Offer to Purchase. A home inspection is a report on the condition of the home and may cost over \$250, depending on the complexities of the inspection.

Land Registration Fees (sometimes called a Land Transfer Tax, Deed Registration Fee, Tariff or Property Purchases Tax). In some provinces you have to pay this provincial or municipal charge upon closing. It is a percentage of the property's purchase price and may vary. Your lawyer/notary will be able to give you the exact amount for your property.

Mortgage Loan Insurance (CMHC/ Genworth/ AIG) Application Fee and Tax Premium, if applicable.

Prepaid Property Taxes and/or Utility Bills. To reimburse the vendor for pre-paid costs such as property taxes, filling the oil tank, etc.

Property Insurance. The mortgage lender requires this as the home is security for the mortgage. It covers the cost of replacing the structure of your home due to loss by fire, disaster, etc., and must be in place on the closing day.

Water Quality Inspection. If the home has a well, you should have the water quality tested to ensure that the water supply is adequate and the water is potable.

Legal Fees and Disbursements. Must be paid upon closing.

Title Insurance. Your lender or lawyer/notary may suggest title insurance to cover loss resulting from defects of title to the property.

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Renewals & Refinances

When you renew your mortgage, you have the opportunity to reassess your needs and determine which mortgage features are right for you. That's why we provide a wide range of competitively-priced fixed and variable interest rate mortgage products with terms ranging from six months to 10 years. In addition to helping you choose the right mortgage, we can show you how to save money by consolidating high interest rate loans and credit cards into one lower payment. Refinances can be done at any time, so you don't have to wait until your mortgage term expires...you can start saving immediately.

Pre-Approvals

Rate Guarantee up to 120 days... A pre-approval is a commitment provided by the lending institution that guarantees you a rate for up to 120 days. It outlines the maximum purchase price and qualified mortgage amount based on your down payment, credit history and income. It allows you to look for a home knowing exactly how much you can borrow. The commitment is subject to a property appraisal and other conditions outlined in the document.

Your advantage over other competing buyers who are not already pre-approved is your ability to show sellers that you are a serious purchaser.

Downpayment

For most people the hardest part of buying a home, especially the first one, is saving for the down payment. A purchaser will be required to have mortgage loan insurance if they have less than 20% of the purchase price to put down. With mortgage loan insurance you can have as little as 5%, or in some cases "0 down". Mortgage loan insurance protects the lender from default. If the borrower defaults on the mortgage, the insurer reimburses the lender. The insurer will charge an insurance premium, which is either added to your mortgage or paid in a lump sum at the time of closing. Canada Mortgage and Housing Corporation (CMHC), Genworth Financial and AIG are three major providers of this type of insurance in Canada. Some companies also self-insure.



Some of our Lenders



First Time Buyers

RSP Home Buyer's Plan

The RSP Home Buyer's Plan (HBP) is a federal government program which facilitates the withdrawal of funds from your RRSP to buy or build a "qualifying home". You must repay all withdrawals to your RRSP within a period of no more than 15 years. Generally, you will have to repay a minimum of 1/15th of the withdrawn amount to your RRSP each year, until you have repaid the entire amount.

Using your RRSP within the guidelines of the HBP results in these immediate benefits which extend over the long-term:

- Decreased principal balance on the mortgage.
- Avoidance of substantial interest costs that accrue over long periods.
- Increasing the down payment to reduce/avoid mortgage insurance premiums.

Credit Rating

A credit score is a statistical formula which translates personal information from your credit report, and other sources, into a three-digit score. Credit scores are one of the primary tools used by lenders when determining the risk in lending money to you. You can improve your credit score by paying all your bills on time; by not running up the balances of your credit limits; and by minimizing your applications for new credit.

Professionals Who Can Help You

Purchasing a home is one of the biggest investments you will ever make, so you definitely want a team of professionals working with you throughout the process. We would be pleased to recommend any of the following specialists.

Real Estate Agent:

- Helps you find the ideal home.
- Writes an Offer of Purchase.
- Negotiates on your behalf to help you get the best possible deal.
- Provides you with information about the community.
- Arranges and coordinates the home inspection and essentially saves you time, trouble and money.

Lawyer/Notary (Quebec)

- Protects your legal interests by reviewing all contracts prior to signing, especially the Offer (or Agreement) to Purchase.
- Ensures the property title is transferred to you.

Home Inspector:

- Inspects the property and reports to you about its condition.

Insurance Agent/Broker:

- Helps with your insurance needs, including property insurance and mortgage life insurance.
- Lenders insist on property insurance.

