



# Mortgages

Licensed mortgage professionals provide clients with access to hundreds of mortgage products from various financial institutions, unlike banks that offer only their own products.

## STEPS TO SUCCESS

### Our Guide To Mortgages

#### For First-Time Buyers

At every stage, we are committed to providing you with up-to-date information. We will guide you at each step to help you understand your credit score, determine your budget and secure your down payment.

- [Book A Call](#)
- [Pre-Qualify Check](#)

#### Our Guide To Mortgages

● **Step 1**

### Understand your credit score

A credit score of **680** is recommended for mortgage qualification, especially with a down payment under 20%. A higher down payment may allow for a lower credit score requirement.

You can improve your credit score by paying bills on time, paying off debts, staying within credit limits, and reducing credit applications. Consider Alternative (B) Lenders if credit issues persist - we can help you with that.

Check your credit score: [Equifax](#) | [TransUnion](#).

● **Step 3**

### Secure Your Down Payment

Down payment is the initial amount paid for a new home. Determine your budget to estimate the down payment and start saving.

A 20% down payment is ideal for home buying with default insurance for purchases under \$500,000. For homes over \$500,000, a 10% down payment is required for the portion exceeding \$500,000, and a 20% down payment is required for homes over \$1 million.

Down payments can come from personal savings, RRSPs (up to \$35,000 for individuals, \$70,000 for couples), or gifts from immediate relatives. Banks require 90 days of statements for TFSA or RRSP down payments, but gifted funds typically require less proof.

● **Step 5**

### Get Pre-Approved

Get pre-approved for a mortgage to find the best product for you. This will make searching for your perfect home easier.

Pre-approval helps verify your budget and enables your real estate agent to find the best home within your price range. Quick tip: Don't forget about closing costs! These typically range from 1% to 4% of the purchase price and should be factored into your budget.

It also guarantees the interest rate offered and locks it in for up to 120 days. This protects you from potential interest rate increases while you're shopping. Be sure to clarify the duration of your pre-approval.

Pre-approval also informs the seller that securing financing shouldn't be an issue, which can be advantageous in competitive markets. Protect your pre-approval by avoiding new credit, large purchases, and closing accounts. Be prepared to explain unusual deposits.

● **Step 2**

### Determine Your Budget

A budget helps determine an affordable home price range and identify potential savings opportunities, crucial for managing mortgage payments.

To help determine your budget, we suggest checking out the [My Mortgage Toolbox](#) app on Google Play and the App Store. This handy, consumer-friendly tool will help you determine your mortgage payments, affordability, income required to qualify and even the closing costs!

● **Step 4**

### Have Your Paperwork In Order

When you apply for a mortgage you will typically need to provide a standard package of documents, which almost always includes:

- Your government-issued personal identification;
- One month of recent pay stubs from any applicants who will be listed on the loan;
- Letter of employment;
- Your most recent two years' worth of personal CRA tax filings and financials (if incorporated);
- Three months of bank account statements;
- Your down payment;
- Documentation to explain any unusual (generally non-payroll) large deposits or withdrawals

● **Step 6**

### Start House-Hunting!

With a down payment and pre-approved mortgage, you can start house hunting. Your Mortgage Professional can recommend a realtor.

**Some Tips:**

- Prioritize clearing your debt and improving your credit score. These are crucial for your financial future, so it's essential to develop good habits and invest the effort now;
- Get pre-approved! It's worth the time and effort;
- Stick to your budget! You've put in a lot of work to create it, so avoid spending beyond it, even if a house has a fantastic pool;
- Don't forget about closing costs and other fees! Allocate some extra money in your purchase price for these expenses;
- Ask questions! If something is unfamiliar or uncomfortable, don't hesitate to ask. Your mortgage professional and realtor are there to help.

The More You Know...

# Insurance & Equity

## Life Insurance

Life insurance is a crucial investment for protecting your family's financial future, especially for homeowners. Despite concerns about financial security, many Canadians remain uninsured.

Mortgage Protection Insurance pays off your mortgage in the event of death, providing financial security for your family. We offer portable mortgage insurance with premiums that don't increase with age or health changes.

Our Mortgage Protection Plan includes Life Insurance and Total Disability Insurance, protecting your mortgage in case of death or serious illness.

## Home Equity

In the past, many viewed their homes as a safe haven. However, today, they're more than ever willing to borrow against their home equity to boost their investment portfolios, pay off debt, fund their children's education, renovate their homes, or increase their RRSP contributions. Home equity, once a secure asset, is now often leveraged to achieve various financial goals.

While removing equity from your home can be beneficial, it's crucial to proceed with caution and thoroughly understand the advantages and potential risks involved. Consulting a licensed mortgage professional and financial planner is highly recommended to explore opportunities that align with your financial objectives and ensure responsible use of your home equity.

Home equity loans allow borrowing up to 80% of home value, using the home as collateral. While offering lower interest rates, default can lead to foreclosure, and additional fees may apply.

[Find out more.](#)

**Find out more by [booking a call with us.](#)**

New To Canada Programs / Non-Citizens / Permanent Residents

# Newcomers to Canada

## Permanent Residents

If you are already a Permanent Resident or have received confirmation of Permanent Resident Status, you are eligible for a typical mortgage with a 5% down payment – assuming you have good credit.

Some additional criteria for qualifying includes:

- Must have immigrated or relocated to Canada within the last 60 months;
- Must have a valid work permit or obtained permanent residency;
- All debts held outside of the country must be included in the Total Debt Servicing Ratio (GDS/TDS);
- Rental income earned outside of Canada is excluded from the GDS/TDS calculation;
- Guarantors are not permitted;
- Owner-occupied properties if putting less than 20% down payment.

## New To Canada Program

To qualify for a newcomer mortgage, you must have moved to Canada within the last five years and completed at least three months of full-time employment locally. The documentation required for your application depends on the size of your down payment. If you are providing a down payment of 10% or more, you simply need to demonstrate financial stability through a reference letter from a recognized bank or six months of primary bank statements.

For those providing a smaller down payment between 5% and 9.99%, the requirements are slightly more robust to account for the higher loan amount. In this case, you must provide either an International Credit Report from Equifax or TransUnion showing a strong history in your previous country, or two alternative proofs of credit. These alternatives must show 12 months of consistent, on-time payments for your rent and one other recurring bill, such as your cell phone, utilities, or insurance.

**Find out more by [booking a call with us.](#)**