MORTGAGE GUIDE

ROADMAP TO YOUR DREAM HOME

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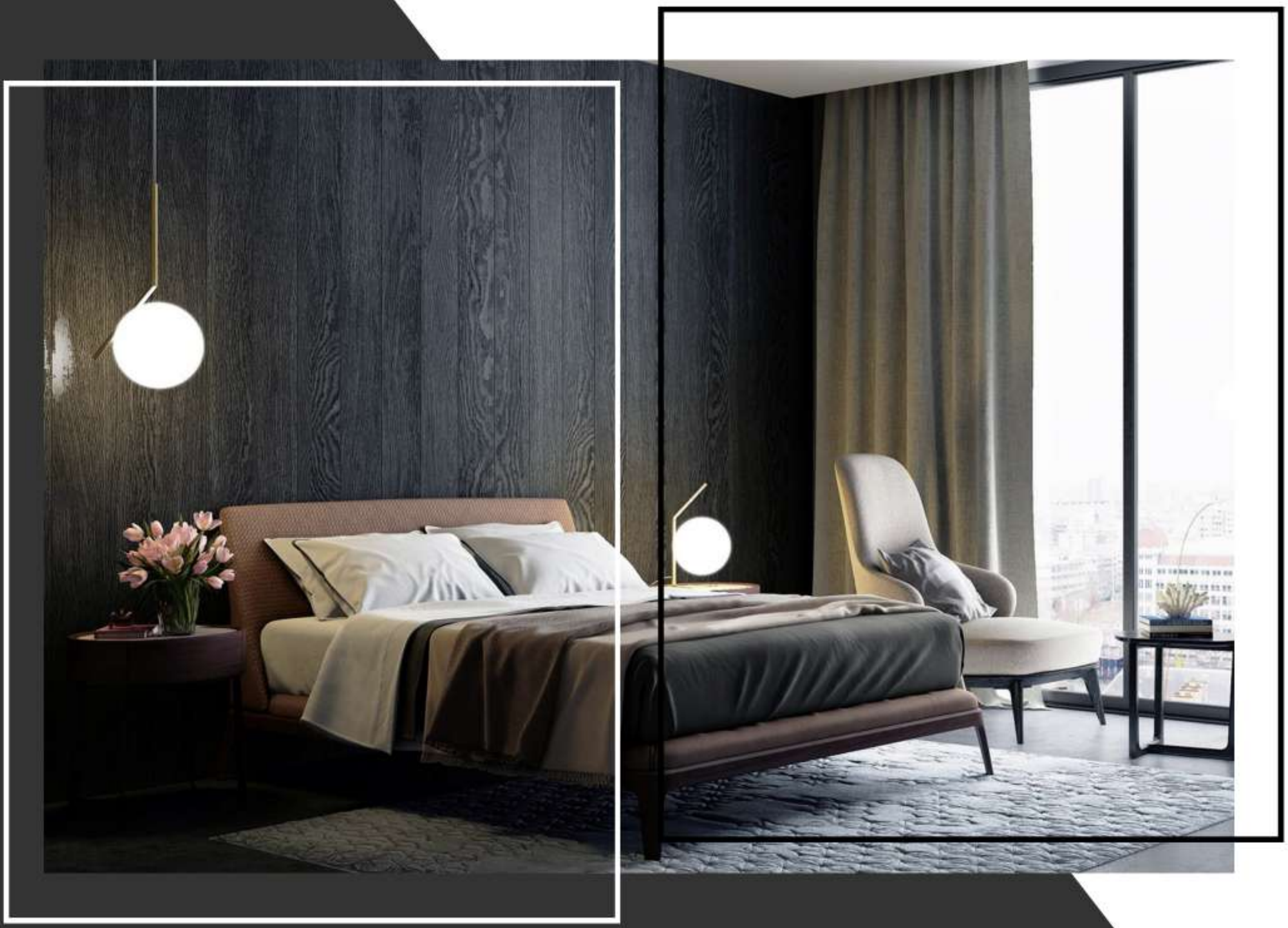
Dominion Lending Centres
A Better Way



Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.

- Franklin D. Roosevelt

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A Better Way

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Mortgage Smarter
Dream Home Reality

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Welcome!

Our core values is a straightforward philosophy, "Mortgage Smarter, Dream Home Reality."

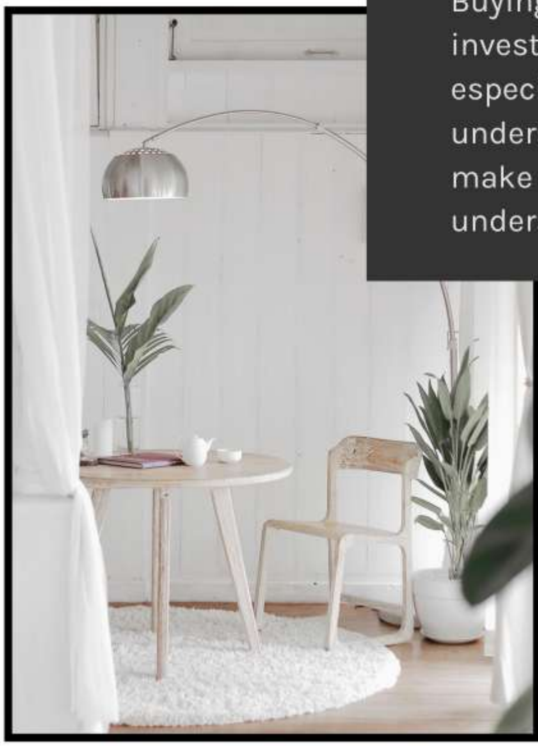
We believe in collaboration, working together to make a difference in a home buyers life by providing quality mortgage lending solutions. Our culture is built on integrity, and we pride ourselves on being extraordinary people who enjoy serving our clients. We create a healthy professional environment where clients get connected to quality advice and mortgage solutions. Our greatest aspiration is serving you and creating a simple experience navigating the mortgage landscape.

Getting a mortgage today isn't easy. There are so many options and solutions. Our unique mortgage planning approach teaches our clients the ins and outs of the mortgage process. Our purpose, to turn our clients into advocates by providing a great experience before, during and after funding your mortgage. We strive to make you a client for life. We'll work hard to be your first choice each and every time you need a mortgage. Our goal is to go above and beyond for you so that you will always feel confident in referring your family, friends and colleagues to us for their mortgage financing needs.

Michael Cameron

Mortgage Professional

Mortgage Process



Buying a home is one of the biggest, most important investments you'll make in your life. It could also be stressful, especially if you're a first time home buyer or if you don't quite understand the process. Before you start shopping for a home, make sure you're ready and that you have at least the basic understanding to make it as smooth as possible.

1 Organize Your Finances

The first step is to fully understand your finances. It is important and necessary to help you know your monthly budget and how much home you can afford.

2 Get Pre-Approved

It's important to talk with us first before talking with a realtor. A crucial step in the mortgage process is to know how much you can afford to spend before you start shopping for a home.

3 Build Your Team

Having the right people to help you is key. You will need a mortgage professional, realtor, lawyer, home inspector, home insurance broker.

4 Start House Hunting

With your pre-approval in hand, it's time to start looking for a home. A pre-approval lets your realtor know you're a serious home buyer!

5 Make An Offer To Purchase

You've found the house of your dreams! Congratulations, it's now time to make an "Offer to Purchase." Your realtor will assist you in negotiating your best deal..

6 Mortgage Submission

A final mortgage submission along with all of your documents will be sent to one of our lending partners for a final review. An approval is typically issued within 36 hours.

7 Satisfy All Lender Conditions

Lenders may request additional information from you. It's important that we satisfy all lender conditions prior to removing your financing conditions. It's important not to remove your financing conditions before talking with us.

8 Final Walk Through And CLOSING DAY!

The day you get the keys to your new home and move in.

01

Organize Your Finances

CREATE A REALISTIC BUDGET

Purchasing a home is a huge financial responsibility, and before you start the process, it's essential to assess your finances and make sure you're financially ready. Creating a budget is a great way to know how much you can afford. A mortgage is a big commitment, and you must be sure you can afford the new monthly payment. Our mortgage app calculator can be a great tool to help you determine how much house you can afford, so you can focus your search on homes that are within your budget.

REVIEW YOUR CREDIT REPORT AND KNOW YOUR CREDIT SCORE

Taking the time to review your credit report before applying for a mortgage is an essential step in the process of homeownership. It is crucial to know exactly where you stand before making this large financial commitment, and lenders typically have minimum requirements that must be met. There may be errors on your credit report, which can take time to correct, so plan ahead and ensure everything is up to date before applying. Reviewing and becoming familiar with your finances will prevent any surprises further down the line.

SAVE FOR DOWNPAYMENT AND CLOSING COSTS

Saving for a downpayment can be intimidating for first-time home buyers and long-time homeowners alike. But with a few small tweaks, it can become simpler than you imagined. Start by taking a hard look at your budget - what can you cut back on to save more? Are there other downpayment options available that could help reduce the amount of financing you need? Every dollar you put down will influence which property you can afford.

Expect to pay approximately 1.5% of the purchase price for closing costs. These costs are incurred to facilitate the purchase transaction, including legal fees, appraisal costs, title insurance, property tax adjustments or any other miscellaneous expenses.

02 Get Pre-Approved

Your Credit Report

This is a record of money borrowed, history of repayment, and how much open credit is available to you. Lenders rely heavily on this information as it signifies your creditworthiness and the likelihood that you'll repay your mortgage. Your credit report details:

- A list of debts and a history of how you've paid them, including credit cards, car loans, and student loans.
- Any bills referred to a collection agency
- Public-record information such as tax liens and bankruptcies
- Inquiries made and if you were given credit based on your inquiry.

Far too often, canadians mistakenly believe that the first step in the home-buying process is to connect with a realtor and view potential homes. However, this isn't accurate - acquiring a pre-approval should be your first step. Knowing exactly what you can afford before shopping for a home is invaluable; it prevents any emotional distress around finding a place that's simply out of reach financially.

A mortgage pre-approval is an important step in the home-buying process. Before you even start your search for the perfect property, securing pre-approval should be your priority if you're a serious homebuyer. Not only does this give you an exact understanding of the amount of mortgage you may be eligible for, but it will also give you insight into your monthly mortgage payment for budget planning purposes.

The "5 Cs" refers to the lending criteria lenders use to evaluate the strength of a loan:

- Capacity - Your current and future ability to make your payments. (Income)
- Capital - Your overall net worth can have an impact on your application.
- Collateral - The home that you would like to purchase and use as security for the loan.
- Credit - Your history of paying bills and other debts on time.
- Character - Overall view of how you have handled your finances.

After reviewing your mortgage application and the documents you provided us, we'll issue a pre-approval letter outlining your maximum purchase price and the mortgage amount you qualify for. Remember, it's a maximum and not necessarily the amount you should borrow. You'll want to stay within your budget and comfort level.

03 Build Your Team

“

The best teamwork comes when people work independently toward a common goal.

Purchasing a property is an exhilarating experience, yet it requires several specialists' expertise to ensure everything goes as planned from beginning to end. Homebuyers cannot do this alone! It's essential that you assemble your own personal team of professionals to help guide you through the home-buying process. With their knowledge and assistance, they will ensure that everything runs smoothly so that you can easily realize your dream of owning a new home.

Your home-buying team consists of a mortgage professional, real estate agent, lawyer, and home inspector. Depending on the nature of your purchase, other professionals may be required. With their specialized knowledge, they can provide invaluable assistance when navigating the complex process of purchasing a new home.

04 Start House Hunting

Before you begin looking for a home, talk with your real estate agent. Let them know what's important to you in a home, why you want to buy and where you'd like to live.

You and your agent should discuss the first rule of real estate - Location, Location, Location!

It's a key factor in what you can afford, how long your daily commute will be and your designated school district. Ask yourself: Where do I want to live?

House Hunting Tips and Tricks

- Bring your house hunting checklist with you and ask questions.
- Know where you want to live, scope out the neighborhood and evaluate the school district.
- Bring a camera and take pictures.
- Keep an open mind - rely on the knowledge of your real estate agent.
- Focus on the things you can't change such as square footage or windows. Don't focus on the things you can change such as the paint color and fixtures.

Where do you want to live?

Urban or Suburban:

Do you want the convenience and walkability of city life? Or do you want a larger home with a yard, away from the hustle and bustle of urban living?

Proximity to your Work:

Are you willing to make an hour-long drive to work or do you want a short commute? Consider your current job and future opportunities.

Access to Other Amenities:

Do you need access to public transportation, churches, schools, shopping, health care provider?

Your Home Wishlist

Determine your "must-haves" and your deal breakers. Think about your household now and how your needs may change in the future. It is easy to get overwhelmed with so many possibilities so consider creating a homebuying wish list to narrow down your choices.

05 Make an Offer

Through this phase, you'll work closely with your real estate agent. They'll help determine a fair offer while making sure you stay within range of what you can afford. They'll also handle all contract negotiations with the seller's agent.

Determine the Price

You've found the perfect home, have your pre-approval letter, and are ready to make an offer. Now what? Your real estate agent will be by your side, helping you negotiate a fair offer based on their experience and the following market and budget considerations:

- Recent sale prices of similar homes in the same neighbourhood.
- The condition of the home.
- The competition (seller's vs. buyer's market).
- Important to decide on possession date along with other inclusions or exclusions.

Agree on Conditions

Conditions are clauses within the purchase contract that would allow the buyer or seller to void or amend the contract if certain specific conditions are not met. Typical conditions may include but are not limited to; "subject to financing", "subject to home inspection", title review, property disclosure, sale of an existing property and purchase of a new property (for the seller).

Submit the Offer

Next, your agent will draw up the purchase agreement to submit to the seller's agent. The offer will include the purchase price and terms and conditions of the purchase, including:

- Condition of financing date
- Closing date
- Provisions for certain fee
- A deadline for the sellers to accept or counter your offer
- Any conditions (e.g. home inspection)

Negotiate the Offer

The seller often will counter the offer, asking for a higher purchase price or adjusting the closing date. In these cases, the seller's agent will submit a counter-offer detailing the desired changes to your real estate agent.

Following the counter-offer, you can accept, reject, or counter again. Your real estate agent will play a large role during this part of the process, communicating all changes with the seller's agent.

Finalize Your Purchase Contract

The contract is considered final when both parties sign the written offer and agree on it's terms and the meeting of conditions.

In your written offer, it is highly recommended that you make the home purchase conditional on a home inspection and/or appraisal should your lender require one.

Buyer Tip

06 Mortgage Underwriting

Mortgage underwriters will assess you and the subject property's risk to the lender.

They assess this in multiple ways - by looking at your income, investment/down payment and identity documents. They will also review your credit report to see your character in paying your past debts, as well as your credit score's integrity, based on various factors.

These factors can include the length of time you have had your credit facilities and the amount you have utilized over time - to assess your capacity to repay them fully over time. These assessments are better known as underwriting due diligence. When the mortgage underwriter is completing their due diligence on your financial situation, they are looking for any red flags that might show up on your credit bureau, income and down payments.

Mortgage underwriters can take 5 to 10 business days to underwrite your mortgage; however, due to any additional conditions attached to the mortgage approval, the entire process can take up to 25 days. It is advisable to ensure that you have enough time available to complete all due diligence in your mortgage approval.

Tips for a Smooth Underwriting Process

- Have your documents organized - the best way to keep the mortgage underwriting process on track is to organize all your financial documents.
- Do not apply for other loans or credit during the underwriting process.
- Do change employment or employment status.
- Be completely honest in the information you reveal.
- Respond quickly to inquiries from our underwriter.
- Always err in favor of providing too much information.

07 Satisfy Conditions

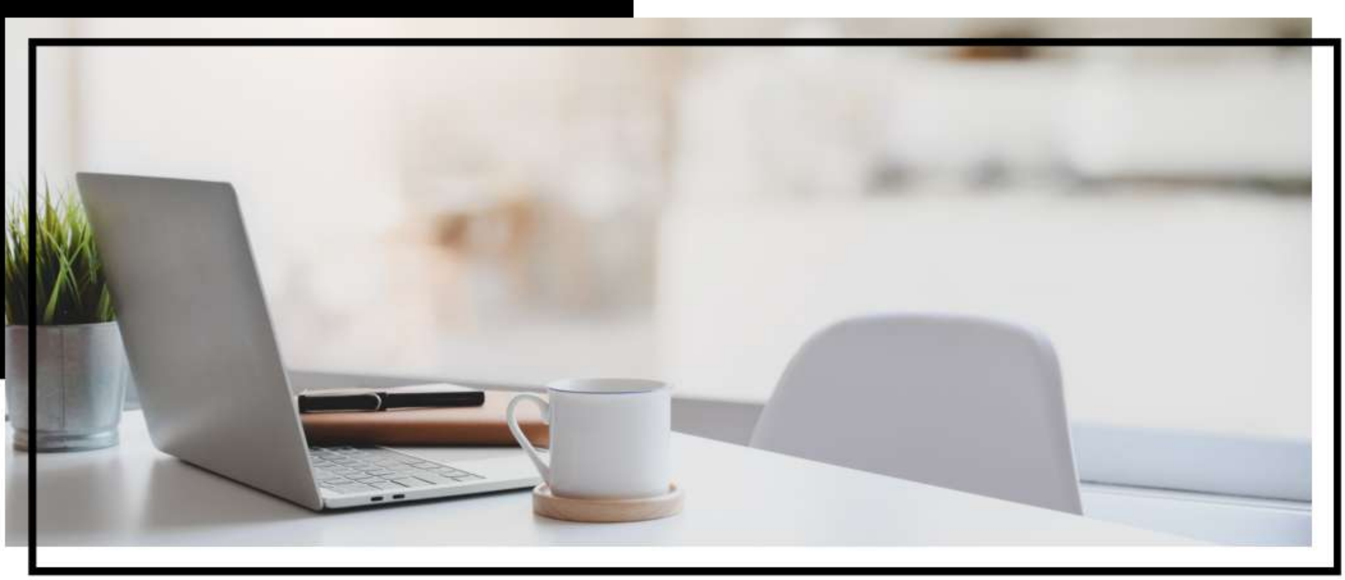
Lender Conditions

In short, this potential step is somewhat of a task list for you, outlining what conditions you need to still meet before you are fully approved — for example, clearing a debt, proof of insurance, etc.

If you remove your financing condition prior to being completely satisfied that you are able to meet the requirements of the lender, or before the home is approved by the lender, you risk being unable to obtain satisfactory financing for the purchase and you will be responsible.

What Not To Do After Approval

1. *Don't Ignore your mortgage professional requests.*
2. *Don't quit or change jobs.*
3. *Don't make major purchases.*
4. *Don't open new bank accounts*
5. *Don't make unexplained large bank deposits.*
6. *Don't apply for new credit.*
7. *Don't payoff large sums of debt or close credit cards.*
8. *Don't get behind on your bills or debt payments.*
9. *Don't co-sign anyone else's loans or leases.*
10. *Don't spend your down payment or closing costs.*



In your written offer, it is highly recommended that you make the home purchase conditional on a home inspection and/or appraisal should your lender require one.

Home Inspection

Once your offer is accepted, the next step is to get the home inspected. The inspection is not a requirement but is highly advised as it protects you from underlying issues with the home that you can't detect.

Home inspections give you the opportunity to have the home thoroughly examined by a professional home inspector before you spend your hard-earned money buying it. It can be well worth it for both peace of mind and the potential cost of trouble avoided. You can choose your own inspector and we will be able to recommend several well-qualified home inspectors if you need help.

What can you expect from the inspection?

Your home inspector will climb atop the roof and crawl deep into the attic. Their job is to protect your investment and find any issues with the home, including:

- The roof
- Plumbing
- Electrical components
- Appliances
- Heating and air conditioning systems
- Ventilation
- Windows
- The fireplace and chimney
- The foundation

After inspection, your home inspector will provide you with a detailed report on the overall condition of the house, including outlining any issues and necessary or recommended repairs.

Having a home inspection contingency in your purchase contract is important because if any major issues are noted in the inspection report, you can renegotiate the sales price, require the seller to make repairs, or back out of the offer altogether.

Appraisal

A home appraisal is an impartial, professional opinion of a home's value. To determine fair market value, a property appraiser will consider the condition of the home, its location, square footage, age, amenities, upgrades, and recent sale prices of comparable properties.

Once an appraisal has been completed, the appraiser will prepare a report with their findings.

Typically, an appraiser's report will include the following:

- A street map of the property that was appraised and the comparable properties used in the appraisal
- Square footage calculation
- Photos of the home's interior
- Photos of the building's exterior, including the street views
- Photos of the exterior of the homes used for comparison
- Recent sales data, land and tax records
- Any other details considered when determining the value of the property

Appraised Value?

If the appraisal matches your offer price: You should be clear to close.

If the appraisal comes in above your offer price: Even better! This means not only are you clear to close, but you're purchasing the home for a price below market value, giving you instant equity.

If the appraisal comes in low: Your lender won't approve the full loan amount, as in their eyes, you're overpaying for the property. You'll need to either make up the difference between the appraised value and the offer price in cash or try to re-negotiate the offer price with the seller. If you believe the appraisal was incorrect, you can try to request a new appraisal from your lender.

08 Final Walk-Through

You should do a final walkthrough with your realtor in your new home before you close, even if you're 100% committed to the property. This time allows you to ensure that the seller has made any agreed-upon repairs and has cleared out the property. You should also double-check the home's systems one last time to ensure they are in working order. If everything looks good, it's time for you to confidently move toward closing.

Closing Day

Approximately ten business days before closing, you will meet with your real estate lawyer to sign all your mortgage documents. This is where your lawyer will review your mortgage documents in detail. They will also go over the lender's "Cost of Borrowing" document with you. Bring your valid ID, a copy of your home owners insurance policy, the remainder of your downpayment and any closing costs.

After the closing finishes, you're officially a homeowner.

Congratulations!

Packing & Moving

You're officially a homeowner! Now what? It's time to settle into your new home but do you hire movers or do it yourself? As you weigh your options, you'll want to consider both budget and logistics such as distance and time.

Estimate your costs

Professional moving companies have different prices so be sure to get at least three estimates from recommendations by friends, family or trustworthy consumer sites. You'll want to make sure the company is licensed and insured.

If you're thinking of moving yourself, consider the following costs:

- Rental truck (fees typically include the hours used and miles driven)
- Boxes and other moving materials
- Dolly, hand truck and moving straps
- Food, drinks, money or other things of value when asking friends to help

Sort and clear belongings

You'll want to begin this new journey with a fresh start. Go through your belongings and purge what you don't need. This will lighten your load and cost you less when you move. You can donate your things and maybe get a tax deduction or sell them. Either way, it's less things to pack.

Pack and move

Start acquiring boxes way before your move so you don't have to pay for them at the last minute. Check out neighbourhood online chat rooms for free packing material. Here's what you'll need:

- Boxes
- Packing paper
- Bubble wrap / plastic wrap
- Packing tape
- Moving blankets
- Tools/ screwdriver set
- Markers
- Paper towels
- Ziploc bags (to house furniture hardware)
- Scissors

Buyer Tips

Now that you understand the steps to buying your home from beginning to end, you're on your way to homeownership. Let's add to this an understanding of best practices. Learning from other people's experiences will help you make wise decisions and ensure you're doing everything in your power to see it through to closing.

Do's

- DO organize your team
- DO set a realistic budget
- DO get pre-approved for a mortgage
- DO maintain your credit
- DO research the neighbourhoods
- DO expect a final credit check before closing

Don'ts

- DON'T go house shopping without getting a pre-approval first
- DON'T write a "no condition" offer
- DON'T start the mortgage approval process late
- DON'T go outside of your monthly budget
- DON'T make emotional decisions.

Mortgage Terms

Mortgages are full of jargon; chances are that you will come across terminology unfamiliar to you. This is understandable, especially if you're a first-time homebuyer. Nevertheless, a list of common mortgage terms and easy-to-understand definitions have been outlined here for your reference as you purchase your home.

Adjustable Rate Mortgage

With an adjustable-rate mortgage, the interest rate changes when the prime rate changes. If the interest rate goes up or down, so does the payment amount. The original amortization is maintained.

Agreement of Purchase and Sale

A legal agreement between the buyer and a seller of a property. The offer may be firm, meaning there are no conditions attached, or it may be conditional, which means specified conditions must be met before the deal closes.

Amortization

Typically expressed in years or months, amortization is the length of time it takes to pay off the mortgage balance in full, if all payments are made on time and the terms of the mortgage stay the same. You can pay down your mortgage faster by reducing your amortization period and making higher mortgage payments.

Amortization period differs from mortgage term, which is the length of the contract with your lender. When a term ends, you can either pay off your mortgage or renew it if your lender offers a renewal.

Applicant

The individual(s) applying for mortgage financing.

Appraisal

A valuation of real estate is conducted by a real estate appraiser, who is specifically trained to estimate the market value of real estate and is licensed to do so.

Appraised Value

A property's value as determined at a specified time. A real estate appraiser determines the appraised value during the mortgage origination process.

Bridge Financing

An interim financing option used in the short-term until a long-term financing solution is in place. If a homeowner sells a property and plans to use the proceeds to purchase a new one, bridge financing may be used if the closing date for the newly purchased property occurs before the closing date for the sold property.

Charge

A charge, or mortgage, is security interest registered on title to secure a loan. A collateral charge allows a borrower to use their home as security for one or more loans, including mortgages or lines of credit.

Closed Mortgage
A closed mortgage cannot be prepaid during the mortgage term by any amount greater than the allowable prepayment charge. Any prepayment in excess of the prepayment charges will be subject to a penalty for breaking the terms of the mortgage contract.

Co-Borrower / Co-Applicant
A co-borrower is any additional named borrower whose income and credit history are used to qualify for the loan. All co-borrowers/co-applicants have the obligation to repay the loan.

Conditional Offer
An offer to buy or sell property that remains subject to specific conditions being met before the sale is concluded (e.g. purchase financing, home inspection, survey, etc.).

Conventional Mortgage
A mortgage loan for 80% or less of the property's market value.

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Credit Report
A summary of how an individual has handled credit accounts, including the types of accounts and their payment history.

Creditor Insurance
Creditor insurance is an insurance product that pays a financial benefit in the amount of your regular mortgage payment (or a portion of your regular mortgage payment) in the event of death or disability.

Debt Consolidation
Taking out a new loan to pay off other debts. Multiple debts are combined into a single, larger debt, usually with more favourable terms.

Debt Ratios
A measurement of your ability to repay a mortgage by calculating whether debt exceeds a specified percentage of your income. Lenders and mortgage insurers use two debt-service ratios as part of the process to determine if you qualify for a mortgage: gross debt service ratio (GDS) and total debt service ratio (TDS).

Default
A mortgage is in default when the borrower breaches an obligation of the mortgage.

Deposit
Money from a purchaser that is held in trust by the seller's agent, broker, lawyer, or notary until the transaction closes.

Deposit
A document that outlines the costs of paying out (i.e., discharging) an existing mortgage. The discharge statement usually includes the balance, discharge fee, interest since the last payment, per diem and penalties.

Down Payment

A payment made at the beginning of a mortgage that represents a percentage of the full purchase price of the property.

Firm Offer

An offer to buy a property with no conditions attached.

Fixed Rate Mortgage

A mortgage where the interest rate and monthly payments remain the same for the entire mortgage term.

Foreclosure

The process in which a lender takes ownership of a property and sells it to recover losses on a defaulted loan.

Gross Debt Service Ratio (GDS)

The portion of a borrower's gross household income used for monthly payments of principal, interest, taxes, heating, municipal utilities, and condo or common fees.

Gross Household Income

The total income, including salary, hourly wages, commissions, and any other income, before taxes and deductions, of every borrower listed on the mortgage.

Guarantors

A person who promises to pay a borrower's debt if the borrower defaults on their loan obligation. Guarantors pledge their own assets as collateral against the loan(s).

High Ratio Mortgage

A mortgage in which the loaned amount exceeds 80% of the value of the property.

Holdback

An amount withheld by the lender during construction or renovation of a house to ensure the construction or renovation is completed in an acceptable manner.

Home Buyers Plan (HBP)

A Government of Canada program that lets borrowers withdraw from registered retirement savings plans (RRSPs) to buy or build a qualifying home.

Home Equity

The difference between the current market value of the property and any outstanding mortgages or debts secured by the property.

Home Equity Line of Credit (HELOC)

A secured form of credit that uses the borrower's home as a guarantee that they will pay back a loan. HELOCs are revolving credit, which means that users can borrow money, pay it back, and borrow it again, up to the available credit limit.

Home Inspection

An inspection by a trained professional who examines the condition of a property.

but first...

Get Pre-Approved

Insured Mortgage

A mortgage with borrower-paid Default Insurance.

Interest Adjustment Date (IAD)

The date the term of the mortgage starts, usually the first of the month. The interest adjustment date is the date from which your lender starts calculating the normal ongoing interest that you will pay.

Interest Rate

The rate charged for the use of borrowed money, calculated as a percentage of the amount of the loan.

Interest Rate Differential (IRD)

Generally applicable to fixed mortgages, IRD applies if you pay off your mortgage prior to the maturity date or pay more towards the mortgage principal than permitted by any prepayment privileges. The calculation of the IRD depends on the interest rate in your mortgage contract and the prevailing rate of interest for a similar loan at the time of prepayment.

Legal Fees and Disbursements

Charges payable to your real estate lawyer to complete the sale or purchase of a property, including costs for title searches and the preparation/registration of mortgage documents.

Letter of Direction

Sometimes referred to as Letter of Instruction. This letter gives instruction or guidance to the recipient, usually a solicitor, and must be signed by all mortgage holders.

Loan to Value (LTV)

A ratio (expressed as a percentage) representing the mortgage loan amount relative to the assessed market value of the subject property. It is one of the measurements used to assess the credit risk lenders will assume before approving a mortgage. The LTV may change during the term of the loan.

Low Ratio Mortgage

A mortgage loan of up to 80% of the property's appraised value, with a down payment of 20% or more. A low ratio mortgage may also be referred to as a conventional mortgage.

Maturity Date

The date when a mortgage term ends. Borrowers are generally given an option to renew, refinance or pay out their mortgage in full.

home

a place where your wifi connects automatically

Mortgage

A type of loan often used to buy a home or other real property.

Mortgage Broker

A licenced professional intermediary who brings borrowers and lenders together and looks for the best fit in terms of the borrower's financial situation and mortgage needs. The mortgage broker acts on behalf of the borrower.

Mortgage Discharge

The process of a lender giving up the rights to a property once the mortgage has been repaid in full.

Mortgage Payout

The amount a borrower is required to pay towards the principal and interest on a mortgage, on an agreed-upon schedule. Usually, mortgage payments are made monthly, semi-monthly, bi-weekly, or weekly.

Mortgage Principal

The amount borrowed, not including interest, that is to be repaid over the amortization period of the mortgage.

Mortgage Statement

A document showing your balance, payment history, and what portion of each mortgage payment goes towards the mortgage principal, and what goes to interest.

Mortgage Term

The period in which a mortgage agreement is in effect.

Mortgagee

Lender of funds to a borrower for the purpose of purchasing real property and is typically a financial institution.

Mortgagor

Borrower of funds from a lender for the purpose of purchasing real estate and is typically a home owner.

Open Mortgage

A mortgage that permits the borrower to prepay any amount at any time during the term of the mortgage without penalty.

Porting / Portable Mortgage

The process where a borrower transfers or "ports" the remainder of their existing mortgage from one property to another one.

Prepayment

An unscheduled payment on a mortgage that goes directly to the principal, reducing the amount of interest paid over the term of the mortgage.

home

[hom] noun

a gathering place for a family to join together in laughter. the place you will always be surrounded by those who love you. a place or feeling of belonging

Prepayment Charges

The amount to be paid if the borrower repays more principal than allowed under defined prepayment privilege or pays off the mortgage before the end of the term.

Prepayment Privilege

The right to pay all or part of a debt prior to the maturity date, usually without the risk of incurring any penalties.

Prime Rate

A lender's interest rate, usually based on an interest rate set nightly by the Bank of Canada. Lenders usually base the interest charge for their adjustable rate mortgages on their prime rate, and it can change at any time.

Property Insurance

A series of policies that provide protection for property damage or liability coverage for property owners.

Property Survey

A document that shows the legal boundaries and measurements of property, specifies the location of any buildings, and identifies restrictions and conditions that may apply to the property.

Qualifying Rate

A rate, usually higher than a typical mortgage rate, used to ensure borrowers can continue to afford their payments if interest rates increase.

Refinance (Refi)

The process of revising or replacing the terms of an existing loan arrangement to make changes to the interest rate, principal amount, payment schedule, or other terms outlined in the mortgage contract.

Renewal

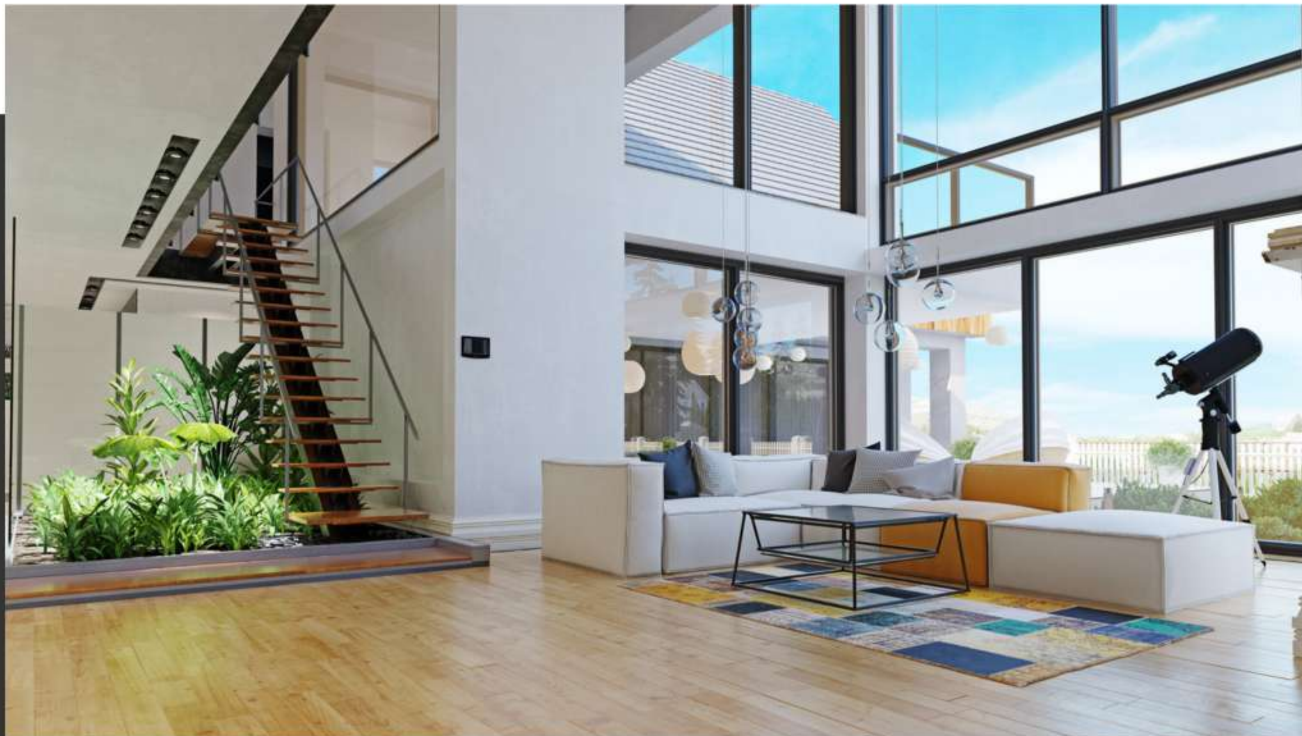
Extending the mortgage agreement with the same lender at the maturity date. If the mortgage is not renewed, it must be paid out on or by the maturity date.

Second Mortgage

An additional mortgage, taken out on a property that is already mortgaged.

Statement of Adjustment

A statement that outlines the various credits and debits against the purchase price of a property and specifies the exact amount to be paid on closing.



Mortgage Smarter Dream Home Reality

Registered Title

Legal ownership of a property or asset.

Title Insurance

An insurance product that protects property owners and their lenders from losses related to ownership of the property.

Total Debt Service Ratio (TDS)

A debt service measurement that lenders use to determine the proportion of total income spent on housing and other expenses, such as property taxes, credit card balances, and other monthly debt payment obligations.

Variable Rate Mortgage

A mortgage with a variable interest rate that changes over the term of the loan based on changes to the prime interest rate set by the Bank of Canada. With a variable rate mortgage, the payment amount remains the same, while the portion of the payment that goes toward principal and interest may change. If the interest rate increases, the amount applied to the principal will decrease. If the interest rate decreases, the amount applied to the principal will increase. This could result in an increase or decrease in the remaining amortization of the mortgage.

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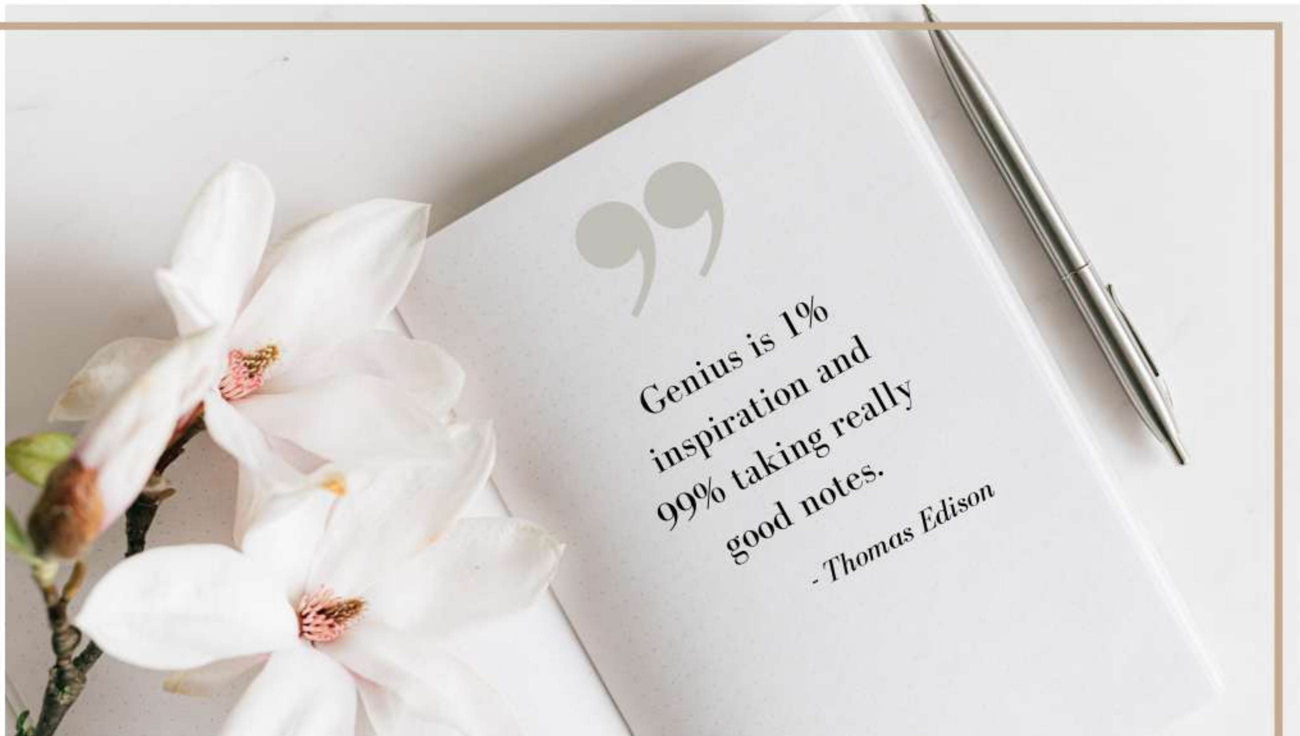
Genius is 1%
inspiration and
99% taking really
good notes.
- Thomas Edison

Notes: