

**OREA
President
Cathcart**

James A. Cathcart was recently elected President of the 40,000 member Ontario Real Estate Association (OREA).

Mr. Cathcart, 61, is President of Cathcart Real Estate Ltd. in Caledon East, a firm active in residential, commercial and industrial real estate.

Mr. Cathcart was first elected to the OREA Board of Directors in 1980

as Regional Vice-President for Region VI which incorporates Orangeville, Barrie, Collingwood, Midland-Penetang, Muskoka, Orillia, and Parry Sound. He has been a member of the Association's Executive Committee since 1984 and a Vice-President for the past two years.

Born in Northern Ireland, Mr. Cathcart moved to Canada in 1963.

In addition to his real estate activities, Mr. Cathcart is a former alderman of Chinguacousy township, former member of the Board of Governors of the Peel Memorial Hospital and a founding member of the Rotary Club of Bramalea. He was an active member of the Peel County Social Planning Council, the Commercial Registration Appeal Tribunal

(Ministry of Consumer and Commercial Relations), The Brampton Board of Trade and the Anglican Church of Canada.

In his inaugural address as President, Mr. Cathcart forecast moderate but steady economic growth for the province in 1988 and said he expected that housing costs would not increase dramatically in most areas of the province

MONEYCARE

**Understand mortgage plans
before you buy that house**

By John Switzer, CA

Getting a mortgage for a house purchase is a fairly simple and hassle-free matter these days. But you owe it to yourself to understand something about the mortgage process before getting yourself into a purchase situation.

More and more house buyers today are getting what's known as a "pre-approved" mortgage before they even start looking for a place. This way they know exactly how much mortgage they qualify for -- and therefore how much they can afford to pay for their new home. Which all makes a great deal of sense.



The first thing to realize is that you're going to need a lawyer. So you may as well get one right at the start. At this stage it's not going to cost you anything. (That comes later).

There are several reasons why you need a lawyer. First is that he or she will represent your interests in the final closing of the deal. Also, the mortgage lender will insist. Before putting up any mortgage money, the lender naturally wants to know if there are any encumbrances (such as unpaid mortgages or other liens) against the property you propose to buy. A lawyer will provide the necessary report.

This report (which ideally should show "clear title" to the property) basically assures the lender that he has first claim.

The lender may also require you to get a survey of the property before making any commitment. Where at all possible, get this survey from the vendor. (You should make this condition in your offer). If you have to get the survey yourself, you'll find it's quite a costly document -- running to \$500 or \$600 or more.

The next thing the lender will require is an appraisal of the property. The mortgage company generally arranges this itself -- charging the cost (about \$200) back to you. However, this is usually built into the overall fee structure and simply becomes part of your mortgage. So you don't have to pay up front.

Although it's unlikely, you could be asked to provide your own appraisal, in which case you'll need the services of an appraiser.

An appraisal is necessary to assure the lender that there's an adequate asset-to-loan ratio. Typically, a lender will advance up to 75 per cent of the appraised value (not the asking price) of the property. This is why it's so important.

Then there's the income qualification. Here the lender works according to a ratio -- generally about 30 per cent of your gross income. For example, if your total gross income is, say \$60,000, then you'd qualify for a mortgage that could be serviced with \$18,000 a year, or \$1,500 a month. Enough to handle a mortgage of about \$150,000.

For CA's advice on TV -- see your Wealth, available on broadcast channels in Ontario and on satellite across Canada, or see Money in the Bank, on your community cable channel.

Money care is general financial advice by Canada's chartered accountants. John Switzer is with National Trust.

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Outlook

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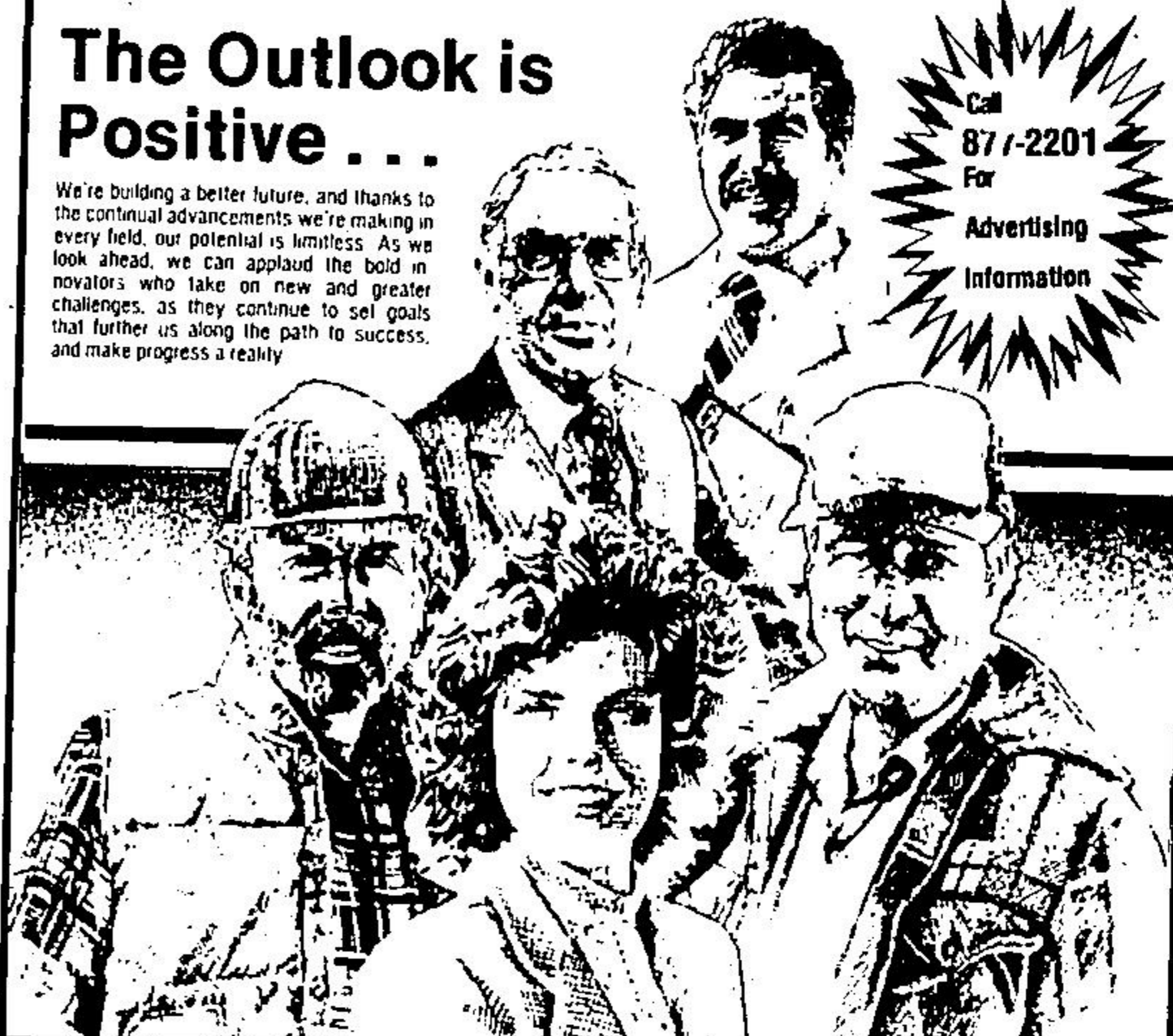
We're building a better future, and thanks to the continual advancements we're making in every field, our potential is limitless. As we look ahead, we can applaud the bold innovators who take on new and greater challenges, as they continue to set goals that further us along the path to success, and make progress a reality.

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