

Let's compare apples to apples

In today's competitive marketplace, it is nice to know that comparison shopping can help the consumer have the information needed to compare when shopping for a mortgage?

Banks, Trust Companies, Insurance Companies, Loan and Trust Corporations all advertise their mortgage products using one criteria...rate. But rate is not the only thing to take into consideration when arranging a mortgage.

Prepayment privileges, flexibility, convertibility are all important aspects of mortgage financing. While most mortgages appear the same on the surface, each lender has his own nuances when it comes to mortgage lending. Using a mortgage broker can help determine which mortgage is best suited to your needs. A mortgage broker is an independent professional whose sole purpose is to provide you with the best available financing for your particular needs and wants. And the mortgage broker has access to numerous sources of funds, so that he is not restricted to selling you one product over another. He is there as a guide, to help you choose the mortgage best suited for you.

In addition, the mortgage broker is the only mortgage professional that will disclose your true cost of borrowing to you. All Canadian mortgages with blended monthly payments have their interest compounded semi-annually not in advance. The effect of this compounding means your actual cost of borrowing will be higher than the

advertised rate of your mortgage. In addition, the costs incurred in arranging a mortgage (appraisal fees, application fees, legal fees, brokerage fees) will also increase the cost of borrowing. Under new regulations recently introduced by the ministry of Financial

Institutions, your mortgage broker will disclose to you the true cost of borrowing, on an annual basis, taking the above factors into consideration.

None of the other mortgage lenders or practitioners are currently required to disclose the cost of borrowing in this manner. Don't be confused. All amortized mortgages with the same Face Rate will be the same:

- the monthly payments will be the same
 - the interest will be calculated the same during the term of your mortgage
 - the balance at maturity will be the same
 - the amount of money you receive from your solicitor will be the same (subject to broker's fees).
- Only a registered mortgage bro-

ker discloses the true cost of borrowing to the consumer.

For further information about the disclosure of cost of borrowing, or mortgage brokerage activities in

general, contact the Ontario Mortgage Brokers Association at (416) 631-0320.

This article was submitted by Dave Krause, Sales Representative

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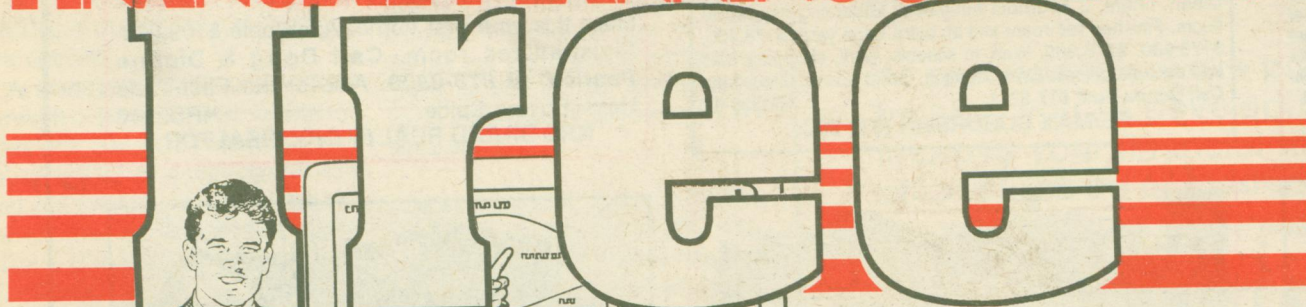
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FINANCIAL PLANNING SEMINAR



Wednesday, January 20, 1993

7:30 p.m.

John Elliott Theatre,
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For your convenience, a flyer containing this important information has been inserted in today's paper as a reminder.

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PLAN TO ATTEND

Our agenda will include simple solutions to your complex problems

- how the new RRSPs rules affect you
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- annuities - advantages - disadvantages
- ensure your RRSP funds are in the best type of investment
- how can you reduce the effect of taxes
- the strength and security of Sun Life

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