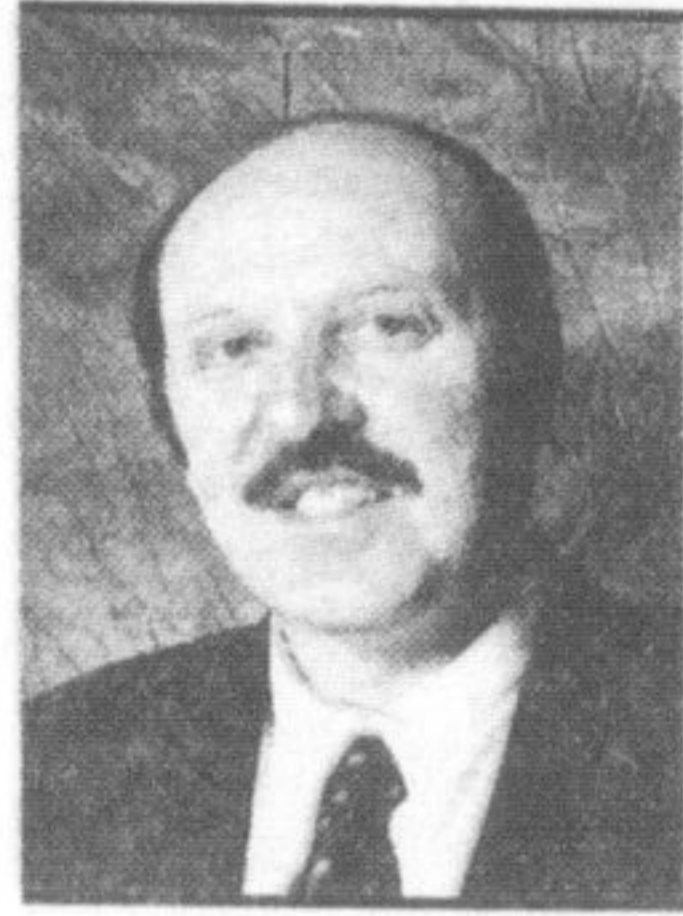


# Mortgage insurance a boost for many Canadian homebuyers and owners



**John Cavan,**  
AMP  
Mortgage Planner

*Ask your local mortgage planner*

Are you a first-time or trade-up buyer? Do you want to take equity out of your home? Whatever your situation, if you are borrowing more than 80% of your home's value, you will be required to pay mortgage default insurance directly to the lender. This insurance is a win-win situation, benefiting both the lender and the borrower. Lenders get protected from financial losses in case the loan is not repaid, while borrowers can enjoy the benefits of home ownership sooner rather than later. Mortgage default insurance is not the same thing as mortgage life or disability insurance, which

is optional, and protection for you and your loved ones.

Mortgage insurance premiums are paid up front, at the time of closing, and can either be added to your mortgage or paid separately. The premium rate varies from 0.50% to 3.70% - or higher for specialty situations like business-for-self- and depends on the size of your down payment and the length of your amortization. If you have a 10% down payment, your premium will be 2%. Dropping your down payment to zero increases your premium to 3.1% with a 25-year amortized mortgage, or 3.7% with a 40-year mortgage. There is also PST to be paid, which cannot be added to the mortgage.

Some buyers may prefer to save for a longer period of time so they can by pass paying mortgage insurance. That may be a solid long-term strategy for some, but may not be a wise trade off when home prices are rising. Say you're considering a \$250,000

home and currently have a 5% downpayment. Your mortgage insurance would be about \$6,531 (assuming a 2.75% insurance fee). Perhaps you decide to wait a year and save for a larger down payment, figuring you'd rather not pay the insurance fee. But what if that same house increased in value by 5%? Your home now costs \$12,500 more, greatly exceeding that insurance premium!

What about interest rates? More good news. Since mortgage insurance protects the lenders against default, the lender's risk is greatly minimized. As a result, many insured mortgages receive the same low interest rates that are offered to buyers with 20% or more down payment. Certain situations like investment properties or not-so-perfect credit situations may require a slightly higher rate. Ask your mortgage planner for details.

Many Canadians today are choosing a high ratio mortgage even if they can make a larger down payment. Why? Because of the

flexibility to use the extra cash for renovations, business needs or for an investment in a retirement fund or investment property. Some people prefer to not leave equity in their homes so they can benefit from other opportunities and tax deductions.

There are several mortgage insurers (Genworth, CMHC, AIG to name a few) and many types of mortgage default insurance products. Your mortgage planner is very familiar with all of these options, and can ensure you get the best insured mortgage to meet your dreams of homeownership and long-term financial goals.

John Cavan is an Approved Mortgage Planner with Mortgage Architects. Mortgage questions and concerns can be directed to John Cavan's office, located at 14 Martin St., Milton. John can be reached by phone: 905-878-7213 or by email: john.cavan@mtgarc.ca. John Cavan's website is www.stressfreemortgages.ca. Contact John today about your stressfree mortgage opportunities.

**FINISHED BASEMENT!**

**SHIRLEY MATHEWS**  
Salesperson  
416-487-4311

**\$386,900**

**3 + 1 BEDROOM**

Bright Spacious (1734) Sq.Ft. Has Double Car Garage Accessed From Front Foyer. Landscaped, Fenced Yard With Aggragate Patio & Large Eat-In Kitchen Has Breakfast Bar. Hardwood Floors & Bay Window On Main Level. Separate Dining Room. Elfs, Window Coverings, Ceiling Fans, B/I Dishwasher, Electric Garage Door Opener & Remotes.

**ROYAL LEPAGE**  
Real Estate Services Ltd., Brokerage

**NEW PRICE \$344,900**

**STEFANO SPIZZIRRI**  
Salesperson  
Direct: 905-951-0797  
Office: 416-636-6800  
sspizzirri@trebnet.com

**ELEGANT TOWN HOME!**

End Unit Elegantly Decorated With 20K Of Upgrades. 2 Car Garage, Direct Entry to Finished Basement. Large Family Room Open To Large Kitchen with Walkout to Deck!

**WEISS**  
REALTY LTD.  
REAL ESTATE BROKERAGE

**New Price**

**PETER BYERS**  
Sales Representative  
Direct: 647-232-7355  
www.peterbyers.ca  
peter@peterbyers.ca

**\$344,900**

**DETACHED BACKSPLIT IN DORSET PARK**

with huge yard, mature trees & large deck. 3 bedrooms, 2 full baths, living/dining combination, eat-in kit. English pub rec room with wood burning F/P, Tudor beams, stucco walls & dry bar. All windows replaced & newer high efficiency furnace, copper wiring & flexible closing.

View [www.peterbyers.ca](http://www.peterbyers.ca)  
or call Peter today 647-232-7355.

**OPEN HOUSE!** SAT, April 5, 2-4PM  
879 Maple Ave.

**RIGHT AT HOME**  
REAL ESTATE BROKERAGE

You have dreams to fulfill.

Mortgage financing. Simple and convenient.

- A wide selection of financing options
- Competitive rates
- Flexible payment options

For Mortgage Expertise at your doorstep 24/7, contact:

**Marta Ostrowska**  
Mobile Mortgage Specialist  
Tel: 905-878-8248  
Cell: 416-254-4187  
marta.ostrowska@bmo.com

**BMO Bank of Montreal**

What's next\* for you?

© Registered trade-mark of Bank of Montreal  
® Trademark of AIR MILES International Trading, B.V. Used under license by  
loyalty Management Group Canada Inc. and Bank of Montreal.

**www. BARNETTEAM .com**

**\*SALES REPRESENTATIVE**

**RE/MAX** Direct Line 416-566-1300 Office 905-270-2000

PERFORMANCE REALTY INC., BROKERAGE

SERVING MILTON'S REAL ESTATE NEEDS.

**LOOKING TO BUY?  
LOOKING TO SELL?  
LOOKING TO DOWNSIZE?**

The BARNETTEAM is pleased to assist with all your REAL ESTATE NEEDS

from an independent study of units sales by IMS Incorporated. **mls** NOT INTENDED TO SOLICIT BUYERS OR SELLERS CURRENTLY UNDER CONTRACT WITH ANOTHER BROKERAGE.

**Participated in Over 400 Sales - 2002 through 2007†**

**LOOKING TO EXPAND?**

**VERNA ROBSON**  
Broker

**\$699,900**

**SPECTACULAR VIEWS**

Bell School Line for this 3 BR, 1 floor home on over 7 acres overlooking Milton with views to Toronto Skyline. Spotless home with a pond, stream and an amazing property just north of Derry Road.

**JEFF ROBSON**  
Sales Representative

Office: 905-336-7300 **RE/MAX** Garden City Realty Inc. Brokerage

**BONUS!** Real Estate Ads [www.miltoncanadianchampion.com](http://www.miltoncanadianchampion.com)

Looking to buy a home? Check this section out for the best deals!

**Best Homes** The Canadian Champion