

# Mortgage Architects helps distressed homeowners stay in their homes



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*Ask your local mortgage planner*

The headlines tell us that the recession is behind us, but for many Canadian homeowners, it certainly doesn't feel that way right now.

For some, it's the loss of a job. For others, an unexpected large expense – or even a small reduction in income – has made the difference in whether the cheque book balances at the end of the month. And when cashflow starts to go the wrong direction, financial problems can quickly escalate out of control. The stress of trying to meet too many debt obligations may mean that some payments are missed.

The moment that a homeowner begins to

struggle with debt, they should get themselves in to see an experienced mortgage planner. If there is equity in the home, there is often a solution. And catching a debt situation early is still the best way to protect your financial future.

But in the worst cases, there will be homeowners who will find themselves in that most difficult situation: facing the possible loss of their home. Generally, these homeowners have had a combination of unlucky strikes: a reduction in income, an increase in expenses, and little or no equity in their home. The absence of equity tends to be the tipping point for homeowners under financial strain. Many homeowners are able to refinance to consolidate their debts; but with no equity buffer, the homeowner will not have that option.

Banks and traditional lenders have begun to turn away some homeowners for a variety of reasons: tarnished credit, no home equity, or the inability to support mortgage payments. We call these "distressed homeowners": those facing the unhappy

choice of selling their home, or having the lender dispose of the property through power of sale.

Many of these homeowners really want to stay in their homes – especially if the children are happy in the neighbourhood and in their schools. Losing a home is not just a financial setback, it is also a tremendous disruption to the family who may need to adjust to a new community and a much smaller rented living space, for example. The professional mortgage planners at Mortgage Architects are seeing this trend in communities across Canada.

The good news is that, often, our planners are able to access help for distressed homeowners who have been discarded by the banks and traditional lenders. Over their years in the industry, most of our planners have established a network of private investors who are willing to look at these situations.

These private lenders offer a few different options. Some will buy the house outright and then allow the family to stay in the home

as renters or in a rent-to-own scenario. So while the family does give up ownership, their family life can often continue without much interruption and the acute stress of moving in such a difficult situation. Instead, the family can focus on rebuilding their finances – often with the goal of re-purchasing the place they call home. Many rent-to-own programs are three years – which is the perfect timeframe to rebuild credit and establish a sound financial footing. By contrast, bankruptcy means a power of sale, the property is gone, and worst of all – a credit report that clearly reflects this outcome.

While they help distressed homeowners look at their options, these planners also help these clients take back control of their financial destiny – by providing credit and debt counseling during the rental or rent-to-own transition period.

If you're worried about your debt situation – or you may be facing the loss of your home – it's time to talk to a mortgage planner. If there's a way to a better future, we'll help you find it.

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.stressfreemortgage.ca. Contact John today about your stressfree mortgage opportunities.

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## Decorating rules you'll be happy to break

(NC)—Lots of helpful decorating hints, tips and rules have been published over the years. But for every rule written, someone has invariably decided against it and has had fantastic results. Gone are the days of holding true to the line. You can wear white after Labour Day and you can break the rules of decorating. Today's interior design should be a personal statement. It should reflect who you are, what you love and how you want to live.

Here are a few decorating rules from the past that can be ignored.

**Old Rule: Don't mix interior design themes (Traditional, Country or Modern). Focus on one theme.**

Wrong. Today the gloves are off. You can mix elements of the three design categories with wonderful results. Mixing modern pieces into country or formal, traditional rooms can add drama and make a unique personal statement. Richly textured cork or distressed, finished hardwood flooring, normally suited to a country home, will bring easy comfort to a traditional interior.

**Old Rule: Small spaces demand light colours, while large spaces are best suited to a dark palette.**

Wrong. While a light colour does make a space appear larger, and darker colour will warm up a large room, it may not support the final decorating effect you're after. A colour scheme should be selected based on the look and feel you want, regardless of the room size. Cozy, dramatic or strong décor statements can be attained with deep, rich colours. Light, airy and easy-living atmospheres are created from soft pastels or neutrals.

**Old Rule: Wide-plank flooring is best suited for a larger open space.**

Wrong. Wide-plank flooring looks great in a large space, but it can also make a small-



Cheryl Grant,  
Trends Consultant

er room appear larger. Plank width should be selected according to the effect you want. Narrow plank (2" to 3") offers a retro feel, adding significant texture to a décor. Wide plank (5" to 7" and up) adds large-scale drama, while providing a cleaner look through minimal texture.

**Old Rule: Never paint over natural wood.**

Wrong. Often old wood paneling, wood trim or furniture pieces

can look dated. No amount of stripping and refinishing will lend a clean, modern edge. If you love your wood trim or moldings, but the wood stain depresses the overall décor, paint it white and watch the room come alive. Don't tear down that paneling or throw out that old dresser. Refinish with a soft, matte, neutral paint. Add new hardware and voilà – you have a brand new look. Natural wood baseboards and door jams can break up the overall look of a room. Paint the wall trim to blend with the interior walls for better balance and flow.

**Old Rule: Stick to one type of flooring for consistency.**

Wrong. You can mix different types of flooring to add character and texture to a room. Just ensure the colour matches to maintain a consistent flow and keep your space open. Cork, hardwood, leather, laminate, tile and broadloom combinations work well within the same space. Often extra large spaces (Great Rooms) need to be "cozied up". You can add that warmth and even define the use of the room by inlaying different types of flooring. Take a look at a Canadian flooring company, Torlys for flooring ideas.

So go ahead and break a few rules. Create your own interior design statement. The results can often add that special wow you've been looking for.

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## Add a spike of red for garden contrast

(NC)—The Red Star Spike plant, with its rich colour and grand foliage, is a gardener's favourite. In garden beds or containers, the dark red leaves that never fade create a focal point or backdrop for bright flowers. Red Star Spike can also create colour variations when planted with other green plants. In addition, the palm-like leaves produce an ornamental contrast for softer shaped flowers.

This plant is easy to care for, responds in full sun

or shady light, and grows to a height of 24" to 36". Because of its hardiness and colour, it has become a preferred alternative to the traditional dracaena spike.

You can find the nearest retailer or garden centre in your region selling this and additional plant ideas are online at [www.fernlea.com](http://www.fernlea.com). This gardening site also offers tips on how to care for a Red Star Spike, and pictures to suggest what you might plant with it.