



John Cavan, LRP
Mortgage Agent
MA Mortgage Architects

Ask your local mortgage planner



House-shopping with a full wallet

Talk about high-stress shopping.

Searching for the perfect home – the place where many of the biggest dreams of your life will unfold – is not exactly like browsing for a new pair of shoes. It's a much bigger purchase, for starters, and you'll hopefully enjoy it for longer. And of course a good part of your personal and financial life will be riding on the choice you make.

Given all that, it's surprising that some people who go house-shopping have no clear idea of what they can afford. It's often a recipe for heartbreak – when the house they've fallen in love with is NOT a house they can afford.

There's nothing more disheartening than seeing a client's dream dissolve when he or she is turned down for a mortgage loan. On the other hand, many homebuyers set their sights too low, too, making a conservative guess on what they can afford, then spending time and thousands of dollars on "moving up" purchases that they might have skipped.

What you want to do is to go house-shopping with a full wallet: with an actual pre-approval from a lender. This way, you will know – to the

dollar – what you qualify for and exactly how much it will cost you to carry the mortgage. You'll also have the interest rate held for you for a specified time period, typically 90 to 120 days.

So, what exactly is involved in the pre-approval process anyway? You should expect to provide your mortgage planner with information on your employment/income, assets and liabilities, and downpayment. The planner will also obtain a report on your credit history. This diligent analysis of your information is exactly what underpins the strength of a mortgage pre-approval. Your information will then be submitted to the best lender or lenders that can meet your needs.

Most lenders will quickly prepare your pre-approval, which essentially is a conditional mortgage approval that states the mortgage amount, term, interest rate, expiration date and required documents. Of course, it's important to be aware that you'll eventually need to substantiate the information you provided for the pre-approval when you go back to the lender for the actual mortgage. That's why it's important to provide accurate information.

Even if you have a pre-approval, it's still recommended that you include in your offer a "subject to financing" clause. A pre-approval qualifies

you – the borrower – and not the property. As a result, the final mortgage approval also depends on the house you decide to buy, so it will have to meet with the lending institution's approval guidelines too. You'll need to provide the necessary information such as the offer to purchase, MLS listing, and any other documents required by the lender so they can assess the property. Once all of the lender's requirements have been met, the lender will submit the documents to your solicitor, who will set up an appointment with you prior to closing so you can sign all of the documents and review your closing costs. Then you're done; you've gone from pre-approval to getting ready to move.

Don't get a pre-approval confused with a pre-qualification. A mortgage pre-qualification is a much more informal procedure and more of a ballpark figure only, not a firm number of exactly how many dollars will be lent. A preapproval lets you know precisely how much money the lender is willing to let you access, and you'll receive proof of this offer in writing.

Before you go browsing for a home then, schedule a visit with a reputable independent mortgage planner to secure your pre-approval. Sellers will know that you are serious, agents will go that extra mile for you, and you'll know that your new home is within your budget.

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.

Be fire-prevention smart this winter

(NC)—Wherever you live in Canada, the winter months are some of the most dangerous times for residential fires. The result of one careless action can cost a family thousands sometimes millions of dollars in damage and loss. The experts at Desjardins General Insurance suggest that you can protect your home and loved-ones by just following these simple tips:

- Equip your home with smoke detectors. If they are well located and maintained, they can save your

life. Clean them regularly and replace the batteries twice a year, typically in March and November when clocks are reset. Also consider equipping your home with a fire alarm system connected to a remote monitoring center.

- Place one or more fire extinguishers in locations that all family members can access easily and be sure you know how to use them properly

- Maintain your furnace and hot water heater on a regular basis. This

should also include replacing your furnace filter every 90 days. This ensures optimal operation, but also prevents carbon monoxide from entering your home. Since this gas is colourless and odourless, make sure to install a carbon monoxide alarm.

- Clean your furnace and/or fireplace chimney regularly to prevent creosote build-up.

- Be careful when using cooking oil. Always cook french fries in a deep fryer equipped with a thermostat rather than in a saucepan. Remember that a deep fryer costs less than the deductible you would have to pay in the event of a claim.

- Keep cooking surfaces, walls,

stove and range hood clean as grease deposits can catch fire easily.

- To avoid electrical fires, carefully inspect surge protectors, extension cords, lamps and other electrical devices. Anything that rattles, looks frayed or worn should be thrown out.

- Keep an eye on candles. It's very easy to knock over candles and votive lights. So keep these covered or secured on high tables, away from children and pets.

If you do have a fire this winter, keep in mind that you may not receive full market value for your home if it's destroyed. The value of home insurance policies is typically

based on the cost to rebuild the house, not to sell it on the marketplace. Replacement costs will include the material (lumber, roofing shingles, siding material, carpet, drywall, etc), the labour costs, architectural services and so on. It is important if you do any renovations or additions to your home, that you let your insurance company know, as this could change the replacement cost of your home.

To learn more about fire prevention visit the Desjardins General Insurance Group website: www.desjardinsgeneralinsurance.com.

www.newscanada.com

Don't Get Snowballed

From getting the home of your dreams!

3 Year	5 Year	10 Year
2.89%*	2.99%*	3.89%*

Call the "i dream team" for great rates, fast friendly service & stress free mortgages

MA Mortgage Architects

(905) 878-7213

www.stressfreemortgage.ca

* Rates subject to change at any time without notice. ** O.A.C.

14 Martin St., Milton, ON
Head Office: 695 Mississauga Rd., Mississauga, ON

