

MORTGAGES BY
shining a **light** on your financial future

Candice



Your Calgary Mortgage: **Purchasing A Home in 5 Simple Steps**



As a an Accredited Mortgage Professional with a specialty in mortgage planning, Candice Light provides more than just brokering services and borrowing advice. Mortgage planning processes are where you and your mortgage broker sort through your assets and debts together and then discuss your home buying objectives in order to completely clarify how you would like your mortgage to fit in to your lifestyle. Your mortgage broker then assists you in designing a personal financial plan that will work for you for the long run.

Buying a home can be daunting, but Candice Light can show you how home ownership actually is a possibility, and how your mortgage can be an integral ingredient for achieving your life's aspirations.

Step 1: The Mortgage Plan

Your first meeting with your mortgage broker to begin the planning procedure will establish the size of mortgage you can afford, as well as its [type and terms](#). Obviously, your finances will be the main topic to start off. Expect to be asked to provide the following details:

- Social Insurance Number.
- Current address. If less than three years, a previous address will also be required.
- Current employment information. If less than three years, previous employment information will also be required.
- Proof of income such as a pay stub or bank statement.
- Estimated value of all assets not including the home (vehicles, RRSPs and savings accounts).
- Recent mortgage statements.
- Recent credit card statements.
- Recent loan statements (lines of credit, car loans and student loans).
- Market value of your home.
- Usual housing expenses (utilities, property taxes etc.).
- Total amount of your down payment.



Your mortgage broker will also talk with you about your intentions for home buying as well as your career objectives and family plans. If you anticipate changing jobs or perhaps going back to school down the road, then perhaps a fixed-rate mortgage with a longer term is your best choice for easy budgeting (and saving). For those who want to pay off their mortgage as quickly as they possibly can, an open mortgage provides the option to make pre-payments at any time with no penalty.

To figure out the amount of loan that you can afford to take on, brokers and lenders use two common calculations. Your Gross Debt Service (GDS) ratio is the amount of all property-related bills divided by your monthly income and then multiplied by 100 for the percentage. If your GDS is less than 32 per cent, you are in good shape.

A second way to look at your resources is to calculate your Total Debt Service (TDS) ratio. If your current monthly debt – including credit cards, lines of credit and automobile loans, utilities and property taxes – amounts to more than 40 per cent of your income, then you should begin to explore ways to reduce your debt before house hunting. Perhaps [consolidation](#) could be an option for you.

Step 2: The Pre-Approval Process

Before you begin searching your favourite neighbourhoods for your forever home, you will need to [apply for pre-approval](#). Mortgage pre-approval is a provisional agreement between you and a lender that has been arranged through your broker. You will have already figured out (with your broker) the specific conditions of your mortgage – such as whether or not you'd like a fixed rate or variable mortgage and the length of your initial term.

At this stage of the home-buying process, mortgage brokers are able to approach and cooperate with numerous institutional lenders. Traditional lenders are only able to provide the rates offered by their individual companies at that particular point in time. Brokers can research and compare several rates and agreements to ensure you receive the very best offer available.



Real estate professionals use pre-approvals as their guidelines for house hunting, and may not start your search without one. Your pre-approval will outline your short- and long-term payments, how your payments will be applied to your loan's interest and principle, and dates for terms and amortization.

For those who may be hesitant to begin the pre-approval process, a Rate Hold Agreement is an option where you and a lender agree upon a fixed rate, or the spread on a variable rate, to be held for up to 120 days. If you provide the down payment within the settled-upon length of time, you will receive the offered rate. Mortgage brokers are able to provide clients several different rate holds at one time.

Step 3: The Purchasing Process

After a lot of searching and more than a little compromising, you and your family are eagerly looking forward to taking up occupancy in your new house. Since you've already been pre-approved, at this point your lender is going to want to learn more about the property in order to protect their investment. They will need to ensure that the property meets certain condition standards and will also evaluate the market value of your home before final approval is made.

Your lender will likely ask you to provide the following

- A property appraisal.
- Information on the property's condition and market in the area.

After all the paperwork has been submitted you and your mortgage broker will then receive your approval and "prior to funding" conditions. Documents you can expect to see are:

- Your monthly and yearly payment details.
- Details on the length of your term and amortization.
- Mortgage terms and conditions.
- Unresolved "pre-funding" conditions

At some point after your mortgage is approved, you'll need to meet with your lawyer to provide proof of identification, sign any necessary documents and review your closing costs.



Step 4: Closing Costs

Your current home has sold and you're in the midst of packing up your old life to get started on your new one. At this point it's more critical than ever to ensure you are organized and have a good handle on where all your documentation is. Make sure you continue to have access to the full amount of your down payment and your lender can also access it on the day of closing. Closing costs can include additional expenses such as land transfer taxes, appraisal fees, legal fees, utility connections, property taxes and interest adjustments. Do your best to predict these amounts in advance so that you are not caught in an unexpected bind.

Step 5: Move In!

That’s it! On closing day the funds provided by your lender will be sent to your lawyer, who will perform the property exchange. At this point your biggest stress should be about where to put all your furniture!

Document Checklist

Go over this checklist with your mortgage broker to figure out what documentation you will be required to present for your individual buying position, and fill in any additional information your broker may suggest.

	Are you:			
	Salaried?		Self-employed?	
	Purchase	Refinance	Purchase	Refinance
Offer to Purchase (incl. waivers if applicable)				
Firm sale on current home				
MLS (Multiple Listing)				
Gift letter				
Loan balances				
Mortgage statement				
Credit card statements				
Letter of employment				
Pay stub				
Notice of assessment (NOA)*				
T1 General				
T4(s)				
Verification of business**				
Bank statements				
Investment statements				
Additional documents that may be required:				
Making a downpayment? How much?				

* NOA is what CCRA sends you to confirm your income tax assessment.

** Includes financial statements, articles of incorporation, GST statements showing you’ve been in business (generally a minimum 3 years). Each lender may have different requirements.

Candice Light Mortgages

After you've brokered your initial mortgage, Candice Light Mortgages will stay in touch to keep you apprised of changes in the market that may be applicable to you and to remind you where you are in your current term. Renewal time can be a very good opportunity to save! Your mortgage is a long-term commitment, and Candice Light is dedicated maintaining client partnerships for the long-term as well.

Other mortgage services provided by Candice Light include [Home Equity Loans](#), [Mortgage Renewals](#), [Mortgage Refinancing](#), [Debt Consolidation](#), [Reverse Mortgages](#), [Commercial Mortgages](#), [Construction Loans](#) and specialized advice on [Rental Property Purchasing](#) for those who may be interested in investing in real estate. Candice Light began her career as a rental property owner with her husband, and by planning financial strategies around investing in multiple properties she gained tremendous knowledge about the ins and outs of mortgages. She obtained her certification as an Accredited Mortgage Professional (AMP) seven years ago.

Working with a number of different lenders at once allows Candice Light Mortgages to offer convenience and impartial advice, and assist you in understanding how different rates, terms and conditions can affect the overall cost of your home, your monthly payments and your lifetime financial flexibility.

“Shopping for mortgages can be intimidating, but my goal is to remove the mystery and make the process as transparent as possible — shining the light on your financial future.”

Sincerely,

Candice Light