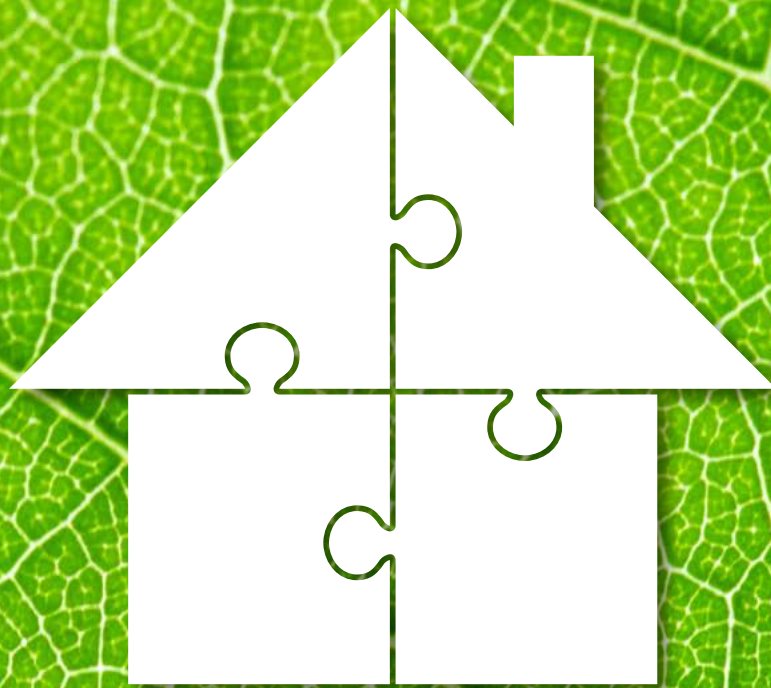




Your **KEY** To Homeownership Guide



Buying a new home?

For most people, buying a home is one of the most exciting and invigorating times in our lives! It means a new beginning- memories yet to be made, perhaps a new neighbourhood- maybe even a new city or country. The change of scenery and routine can really put a hop in your step as you embark on a “new normal”, full of exploring unfamiliar neighbourhoods and forging relationships with different friends and neighbours. We would be remiss to leave stress out of the equation, as surveys show that moving ranks as one of life’s most stressful events.

Here at mortgagetree, we have published this Homebuyer’s Guide to help you become familiar with each step involved in buying a home, from getting pre-qualified to understanding processes that should take place along the way (ie home inspections, legal counsel, closing fees to be aware of, etc). Our intent is to answer things you may be wondering about in an upfront, transparent way that will help ease some of the uncertainty you may be experiencing as you embark on the home buying journey. We want to instill a sense of confidence and expectations when factoring in budget planning and other important points of consideration before you delve into your next adventure!

Let’s get started!





Our Home Buyer's Guide: A Resource for Canadians Buying a Home

Buying a home is a big deal. There is no arguing that. It creates an interesting and at times, exhausting mix of emotions: happiness, eagerness, fear, stress, excitement and uncertainty, to name a few. We completely understand what you are experiencing and we can absolutely ease your mind when it comes to any part of the home buying process, from financing, to home inspection, to moving day and everything in between.

There is no doubt that you will have a lot of questions- what kind of mortgage will you qualify for and what kind of rate? Should you go with variable or closed? When do you need to get a lawyer involved? How do you make an offer? What kind of conditions should you put in the offer? What do you need to worry about as moving day approaches? Should you hire professional movers and what does that entail?

We hear you and we are here for you. You will find answers to all of these questions and more in our comprehensive home buyer's guide- we have got you covered!

What We'll Cover:

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Home Buyer's Basics From A to Z

Step 1: Pre-Approval

A pre-approval is one of the very first steps to take once you have decided you are in the market to buy a home, whether it is a condo, apartment, townhouse or freehold. It is not only recommended to get pre-approved, it should be viewed as a mandatory requirement so that you know precisely what your maximum budget is when searching for a home. Getting pre-approved also locks in a guaranteed interest rate for a certain amount of time, normally 120 days, which can ease your mind during the search period. All pre-approvals are subject to the property of interest meeting the lender's criteria and other conditions.

Step 2: Looking For Your Next Home!

This is the fun part! Whether you prefer to research over mls.ca for hours on end, or enlist the help of a Realtor to help you find the home of your dreams, you're guaranteed to have some fun during this exciting part of the home buying process! So many options, so many potential places to choose from and shortlist! Knowing your price range will really help, as you will know which options are viable and which ones are off the table right from the start. Don't forget it is hard to find a home that has everything on your checklist - there is a give and take during the house hunting stage. If you do not come to terms with this fact, you may be searching for a very long time!

Step 3: Your Offer To Purchase

You have found a home that you really, really like. It is important not to get emotionally tied to a property so that you can make sound decisions about it, its "likability" factor plays a significant role. You find yourself very interested in a house and it's in the right price range that you have been pre-approved for (or below), so you are ready to take it to the next level and officially make an offer.

Your Realtor will be able to handle this part of the process for you, which involves including any conditions you would like satisfied before it becomes legally binding. The most common conditions submitted in an offer include financing, home inspection and at times, the sale of your current residence so that you do not find yourself on the hook for two properties. It is important to keep in mind that in some areas of heightened interest, bidding wars can occur and the fewer conditions you have on your offer, the more desirable it may be in the seller's eyes. However, putting an offer on a house is never a time to be reckless and waive conditions that you may regret afterwards, so always take time to do your due diligence and move forward with confidence, knowing the facts and do not let your emotions rule your decision.

If your offer is accepted, you will provide a copy of the purchase and sale agreement to your mortgage broker. If you need help finding a Realtor that will meet your needs, we can help.

Step 4: Finalizing The Financing

Your mortgage broker will liaise with the lender, insurer and appraiser to get you final approval on the financing. Further documentation may be required at this stage. You will be responsible for gathering and submitting any requested paperwork in a timely manner.

Step 5: Finalizing The Purchase

Once you have met all of your financing conditions, they can be waived from the purchase agreement through your Realtor. If any other conditions included on your offer have also been satisfied at this time, for example your home inspection (typically done within 7 days of the offer), your Realtor will also remove them. Once all of the conditions have been satisfied, the sale is firmed up and the house is yours!

Step 6: Planning Your Move

At this stage your lawyer has received and is preparing the final touches on your mortgage documents. Some closings are further out, but most fall within 60-90 days, which goes by faster than you may realize! You should use this time to start preparing physically and mentally for your move. Be sure to check out our "All About Moving - Tips and Recommendations" section of the document for tips and recommendations to make your move as seamless as possible.

Step 7: Signing With Your Lawyer

This part of the process means closing day is soon approaching-how exciting! Your new home is becoming a reality as each day passes! Your lawyer will typically invite you to come in and sign closing documents approximately a week prior to the closing date. The closing date is the day money is given to the sellers and the property is transferred into your name.

Step 8: Taking Possession

As with the closing date mentioned above, the possession date also falls on the same day. You will receive keys so that you can legally enter the premises. The house is finally YOURS! Congratulations!

Step 9: Your First Mortgage Payment

The reality of owning a home is setting in, whether you are a first time home owner or you ported your existing mortgage over from your previously owned a home. Regardless of which category you fall into, your first mortgage payment will be due at the end of each payment cycle.

If you were a renter before the home purchase, this payment schedule will be the opposite to what you were used to where your rent was due upfront, typically on the first of each month. Your mortgage payment will be set up how you have decided, either monthly, semi-monthly, bi-weekly or weekly. If the purchase of your home was completed on October 15th and you chose the monthly payment option, your first mortgage payment would be due November 15th. If you have set up a weekly payment option, the payments would come out at the end of every week. Your mortgage broker will review payment frequency options with you and set up your personal preference on your behalf.





Required Mortgage Documentation

You will be required to provide standard documentation to enable your lender to verify the information in your application. It is very important to be as accurate as possible when completing your mortgage application to avoid discrepancies between the information you have provided versus documented verification. In addition to the below checklist, there may be additional documentation required that is not listed below:

Proof of Income

The documents vary based on employment status: “Employee” or “Commissioned/Self-Employed”:

Employee

1. Current employment confirmation letter on company letterhead, generally provided from your Human Resources or Payroll department
 - a) The letter should include your annual salary (if you are on a salary), position at the company and tenure of employment with the organization
 - b) If you are paid hourly, the letter should confirm your pay per hour, number of guaranteed hours worked per week, position at the company and tenure of employment with the organization
2. Copies of two of your most recent pay stubs from within the last 60 days.
3. Two years of T1 Generals and Notice of Assessments* (if using bonus or overtime income)

Commissioned Or Self-Employed

1. Two years of business financial statements
2. Two years of Notice of Assessments
3. Two years of T1 Generals

**Notice of Assessment is the summary form Revenue Canada sends after your income tax has been filed. It specifies what you claimed on your taxes last year and indicates balance owing. If you do not have a copy of your Notice of Assessment, you can call Revenue Canada at 1-800-959-8281 to obtain a copy.*

Down Payment Verification

1. The source of your down payment must be verified with the following documents:
2. If using savings from your bank account as your down payment, you will need to provide three months of bank statements. The statements must state your account number and name.
3. If your down payment is from investments (RSP, GIC, stocks, bonds), you will need to provide a copy of a recent quarterly account statement or a 90 day history.
4. If you have been “gifted” with a down payment from an immediate family member- lucky you! They will need to provide you with a “gift letter” (available from your mortgage broker), along with proof that the funds have been deposited into your bank account.
5. If your down payment is from the sale of an existing property, a purchase and sale agreement and current mortgage statement are required.

Additional Required Documentation:

The following documents will also be required:

1. Purchase and Sale Agreement and MLS listing for the new property
2. Copies of any waivers and amendments
3. Copy of deposit cheque(s)
4. Void cheque for the account from which mortgage payments will be withdrawn
5. The name of your lawyer handling the transaction



Calculating The Value of Home You Can Afford, Other Mortgage Calculators & Payment Options

Calculating Monthly Mortgage Payments



You can get an estimate of how much house you can afford and get a handle on your estimated monthly mortgage payments based on your down payment, interest rate and amortization period by clicking here.



To help determine the price range or budget you should be sticking to based on your overall financial scenario, click here.



To calculate any penalty you may incur should you wish to pre-pay your mortgage outside of your allowed pre-payments options, click here.



For more mortgage calculators, please visit:

<http://mortgagetree.megawatts.ca/mortgage-tools/mortgage-calculators>



Payment Options

There are various payment options available that offer more flexibility than you might have realized. By using an increased payment frequency, you can pay off your mortgage faster and pay a lot less interest over the term. This can save thousands and even tens of thousands in interest!

Monthly

A monthly mortgage payment is when your mortgage payment is withdrawn from your bank account on the same day of every month (i.e. on the 1st). With a monthly mortgage payment, you make 12 payments per year.

Bi-Weekly

A bi-weekly mortgage payment is when your monthly mortgage payment is multiplied by 12 months and divided by the 26 pay periods in a year. With a bi-weekly mortgage payment, you make 26 payments per year.

Accelerated Bi-Weekly

An accelerated bi-weekly mortgage payment is when your monthly mortgage payment is divided by two and the amount is withdrawn from your bank account every two weeks. With an accelerated bi-weekly mortgage payment, you still make 26 payments per year but the payment amount is slightly more than a regular bi-weekly mortgage payment.

Weekly

A weekly mortgage payment is when your monthly mortgage payment is multiplied by 12 months and divided by the 52 weeks in a year. With a weekly mortgage payment, you make 52 payments per year.

Accelerated Weekly

An accelerated weekly mortgage payment is when your monthly mortgage payment is divided by four and the amount is withdrawn from your bank account every week. With an accelerated weekly mortgage payment, you still make 52 payments per year but the payment amount is slightly more than a regular weekly mortgage payment.



Closing Costs & Other Fees

When budgeting for a new home, it is extremely important to factor in all of the “extra” costs associated with the home buying process from inception to completion. Below is a helpful checklist of fees directly associated with the purchase and closing of a new home:

Legal Fees

It is a necessity to have a lawyer or notary involved in the home buying process. Your lawyer will prepare the mortgage documents, have you sign the documents and transfer the property to your name. Legal fees can vary depending on your purchase price and mortgage amount, but generally range from \$1,000 to \$2,500, depending on your property and needs. We can help connect you with a preferred lawyer through our Mortgage Tree Rewards program.

Appraisal Fees

An accredited appraiser will look at your home to verify the market value of your purchase. The appraiser will compare recent sales of similar properties to determine the estimated value of your home and provide a report to your lender that confirms the value.

Property Tax Adjustment

If you are closing your home anytime after the start of a new calendar year, chances are you might have to pay a portion of your annual property tax. This will be done when you sign closing documents at the lawyer’s office and will be deducted directly from the proceeds from the sale of your home. Because every situation is different, it is best to confirm with your lawyer what you will owe.

Interest Adjustment

An interest adjustment is a closing cost that only some homebuyers have to pay, which makes it a little confusing for those who find themselves in a situation where they need to do so. The interest adjustment is simply the amount of interest accrued between your closing day and the day your first mortgage payment comes out.

Title Insurance

Title insurance is an insurance policy that protects residential or commercial property owners and their lenders against losses related to the property’s title or ownership.

Fire Insurance

Fire insurance ensures you have adequate coverage to pay off your mortgage in the case of a fire. Your lawyer will require proof that you have fire insurance in place with first loss payable to the lender when you go in to sign closing papers.

High Ratio Insurance Premium

A high-ratio insurance premium applies to those who have less than 20% of a down payment to put towards the purchase of a home. In these cases, you must qualify for mortgage insurance through one of three insurers – Genworth, CMHC or Canada Guaranty.

You can qualify for up to 95% of your home's value based on the following criteria:

- **Employment**
- **Credit score**
- **Amortization (25 years)**

The cost of the insurance premium is incorporated into your mortgage payments and varies based on your down payment.

The insurance premium is also subject to PST (depending on the province) and must be paid at time of closing. First time home buyers are the more typical consumer that fall into the "High Ratio Mortgage" category. High-Ratio mortgages allow first-time home buyers the opportunity to own a home, assuming they have good credit and steady income, but do not have a big down payment unavailable.

Home Inspection

A home inspection is a comprehensive visual examination of the home's overall structure, major systems and components. A trained and qualified home inspector will review your house as a system, looking at how one component of the house might affect the operability or lifespan of another. Components that are not performing properly should be identified, as well as items that are beyond their useful life or are unsafe. The purpose of the home inspection is to provide the client with a better understanding of the property conditions, as observed

at the time of the inspection. We can help connect you with a preferred Home Inspector through our Mortgage Tree Rewards program.

Survey/Real Property Report

Most financial institutions require Real Property Reports. Real Property Reports confirm where the home is sitting on the lot, and make the lender aware of anything unusual about the property. You may be able to get an acceptable copy of the Real Property Report from the previous owners. In most situations and pursuant to the terms of the Real Estate Purchase Contract, the Real Property Report is to be provided to the purchaser/buyer by the vendor/seller at the seller's cost.

Utilities Connection Charges

There may be a utility hook-up or connection fee upon moving into a new residence. Your lawyer may put a cap on these charges in your purchase agreement documents, which will protect you in that the utility company can only charge up to a certain amount for these fees.





The Team of Experts You Will Encounter

Your Support Team

Purchasing a new home is a momentous event with lots of professional and legal support along the way. Below is a recap of the experts you will likely encounter throughout your home buying journey and what role they will play. We can refer you to any and all of the below, from home inspectors, lawyers, Realtors right down to movers and everything in between, through our Mortgage Tree Rewards program, which will bring you significant savings.

If you choose to embark on recruiting a team of experts on your own, it is recommended that you do your homework, including referrals, online searches, reviews and trusted recommendations from friends and family members who have had positive experiences with each category below, as you embark on assembling a reliable, knowledgeable and trustworthy team with your best interests at heart during every stage of the home buying process.

Your Mortgage Advisor

Your Mortgage Broker is perhaps the biggest factor in saving you money when it comes to finding a product right for you. They have access to multiple lenders and have readily available comparables to the best rates in the market and multiple mortgage options. They streamline the process and keep things simple and easy.

With a fundamental understanding of your financial needs, they will use their experience to research the market to find the best mortgage for you. They will represent you to the lender or act as an intermediary, seeking to match the needs of borrowers and lenders.

As they navigate the lender marketplace on your behalf, they will be your point of contact with the bank when negotiating your financing. Brokers are paid on commission and have access to a number of rates offered by various lenders, so they can likely secure a better deal for you.

Your Real Estate Agent

A Realtor's role is to help you find a home that meets your criteria, from location, size, price and all of the other variables in between. Your Realtor will sit with you to better understand what type of home you are looking for and begin researching the market on your behalf. They will review all of the available properties for sale in your price range and will show you the ones that best match what you are looking for. Once you have found the home that resonates with you and you would like to take the next step, your Realtor will draw up an offer and represent you in the negotiation process.

Normally, as the buyer's agent, you do not incur a fee for this side of the transaction. The seller of the home typically pays both sides- the buying and selling agent.

The Canadian Real Estate Association (CREA), is one of Canada's largest single-industry trade Associations, with a membership which includes more than 100,000 real estate brokers, agents and salespeople, working through 100 real estate Boards and Associations across Canada . A real estate professional who is a member of "CREA" is referred to as a Realtor® . These professionals are well-informed about the housing market conditions and guide buyers through the entire process.

Home Inspector

One of the common conditions in a real estate purchase agreement is a home inspection. Hired by the buyer, a home inspector examines the house thoroughly for non-functioning systems, damages, and repairs that may be needed. This detailed report forms the basis for continuing with the purchase, re-negotiating the sale price, allowing the seller to make repairs or for pulling out of the sale.

Real Estate Lawyer

Your real estate lawyer (or notary) plays an important role and instills confidence that any legal aspects of the home buying process has been covered. They handle many aspects, some of which include:

- » **The Status Certificate** - your lawyer reviews all the documents and goes through the points you need to know before you sign off on this condition. Once you sign all the waivers with your realtor the deal becomes firm.
- » **The Property Search** - this step involves your lawyer doing searches on the property. In some cases tax certificates and compliance searches are conducted to check whether there are any arrears or work orders outstanding on the property. The title will also be searched by your lawyer to ensure certain aspects are removed by the vendor prior to closing, such as old mortgages from prior owners to be removed, any liens that have to be paid out or any easements affecting the property.
- » **Drafting the Mortgage** - your lender will have your lawyer draft and prepare your mortgage before closing and will send your mortgage money directly to



your lawyer when that happens. If your mortgage is CMHC-insured then that payment, including PST, is taken off the top and your lawyer gets the balance from your lender.

- » **Take Advantage of Rebates** - if you are a first time home owner, you might be entitled to an instant land transfer tax rebate. First timers might also be entitled to various other rebates, which your lawyer will advise you about.
- » **Arranging For Insurance** - prior to closing, your lawyer will likely arrange a title insurance policy on your behalf and behalf of your lender.
- » **Pre-Closing Paperwork** - this is when you visit your lawyer's office to sign all of the closing documents.
- » **Keys!** - Your lawyer will typically give you a set of keys

All About Moving - Tips and Recommendations

Should You Move Yourself or Hire a Professional Moving Company?

When planning a move, you are probably considering whether or not you should hire movers or do it yourself. Renting a truck can seem less expensive than hiring movers, but is it worth the time, effort, and potential injuries? Let's discuss some of the things you will need to take into account as you decide whether you should move yourself or hire a professional moving company.

How Much are You Moving?

Are you moving out of your one-bedroom apartment where you lived alone for only a short time? Or are you moving a full house of belongings that have accumulated over several years? Smaller moves are sometimes doable on your own, but they can still present their own issues, which we will get to shortly.

If you are thinking of moving your possessions on your own, remember that the space you have in your moving truck is going to be limited. If you are moving more than just a few miles, you will need to carefully consider how much space you need and whether or not you will require more than one trip. Moving trucks are sized by length, usually from 10 feet to 26 feet. According to About.com, these are the dimensions that moving trucks of different sizes can usually fit:

10-foot	1-bedroom apartment
14-foot	1-2 bedrooms
17-foot	2-3 bedrooms
24-foot	3-4 bedrooms
26-foot	4-5 bedrooms

Again, these are just estimates, and you could find yourself in need of extra room in the truck that you just do not have. This can force you to waste a lot of time reorganizing everything and/or making hard decisions about belongings that you really do not want to get rid of.

How Heavy are the Things You Are Moving?

Next, consider whether or not you and anyone helping you will be able to lift and carry everything you own. Can you disassemble your bed and any heavy shelves? Do you have workout equipment that you needed professionals to bring in for you when you purchased it? Saving money on your move is not worth the cost of medical bills due to an injury from lifting heavy objects, not to mention time you might have to take off of work for rest and/or rehabilitation.

Do You Have Time to Do the Packing?

While we are on the subject of time, how much free time do you have? If you are busy with work, projects, and/or family, you might actually save yourself a lot of stress without spending a lot of extra money by hiring a moving company that provides packing services. This way you will know that your belongings are packed appropriately and efficiently, and you will save time that you can better spend on work, your family, etc.

How Far are You Moving?

Finally, are you moving across town or across the country? Are you ready to drive a big moving truck several hundred (or thousand) miles? Most people do not have a lot of experience with vehicles of that size, and the trip alone – without even considering the rest of the hassles involved with moving yourself – can be incredibly stressful and even dangerous. If you want to save time, effort, and stress, hire a qualified moving company to take care of your move for you.

Things We Forget to Do When Moving

Moving involves a long to-do list, and it is very easy to leave essentials off of that list. If you do, though, you can create a lot of unnecessary stress and wasted time. If you are moving, you will make the whole experience less stressful and more efficient if you implement the below recommendations.

Clearly Label All Boxes

This might seem obvious, but it is a very common mistake. People tend to pack up each room of their home and leave the boxes in their respective rooms until the very last minute. They often forget to clearly label which boxes belong in the kitchen, which in the kids' bedrooms, etc.

If you do this, on moving day, all of the boxes will get put on the moving truck in the most space-saving way possible. When they arrive at the new house, the movers will not know where to put anything, and you will not know where any of your belongings are, either. Unpacking immediately can turn into a nightmare.

To avoid this common moving mistake, be sure to label and/or color code each box you pack so that you can tell at a glance where it belongs.



All About Moving – Tips and Recommendations

Make Mid-Move Accommodations

Are you going to be able to sleep in your new house on the first night you arrive? For many people moving, that will not be the case. You are going to have everything packed and in piles, and you won't even have your beds put together in time to get a good night's sleep.

Many people forget about this and fail to make accommodations for the time in which they will not be able to properly live at their new homes. Book a hotel in advance, and you will have a much better moving experience when you can unpack at your leisure and know that you will have somewhere to sleep at night.

Mail Forwarding

Though we conduct more and more of our important affairs online, we still depend on postal mail for some bills, legal notifications, etc. If you want to avoid missing an important letter or document, do not forget to forward your mail to your new address.

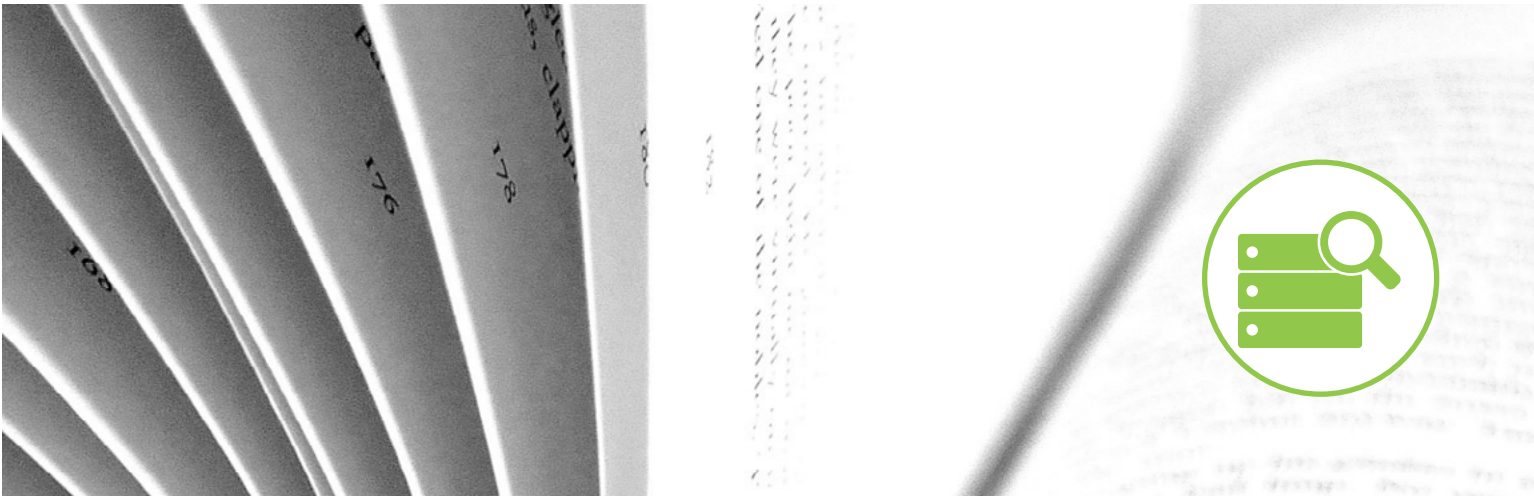
Cancel or Relocate Local Memberships

If you are moving to a nearby neighborhood, this is not as important. However, if you are moving a fair distance, you are going to want to cancel your old gym membership and find a new one nearer to your new home. You will want to make sure to cancel or transfer memberships in clubs and other organizations to your new home. This will save you money and help you get more settled into your new location.

Cleaning Up After the Move

Finally, people often forget to clean up after the movers at their old homes. Why is this important? If you are selling your old home, you will want to get it in great shape to show potential buyers. If you were renting this property, you will want to make sure that you get as much of your deposit back as possible, and that might not happen with a dirty house.

Keep these commonly forgotten details in mind, and you will have a much smoother move into your new home.



Glossary of Mortgage Terms You Should Become Familiar With

Agreement of Purchase And Sale

Often referred to as the Offer to Purchase, this is a written contract setting out the terms under which the buyer agrees to buy the home.

Amortization Period

A mortgage amortization is the amount of time it takes you to pay off your entire mortgage. Before 2011, it was possible to receive a mortgage amortization of up to 35 years and still be CMHC insured. However, currently the maximum amortization period to be CMHC insured is 25 years.

Appraiser

An appraiser determines the market value of a house based on its condition, and the selling price of comparable houses recently sold in the area.

Canada Mortgage And Housing Corporation (CMHC)

A Crown corporation that was initially created to administer the National Housing Act and is Canada's only public sector mortgage insurer. CMHC is charged with administering government housing initiatives and works with community organizations, the private sector, non-profit agencies and all levels of government to help create innovative solutions to today's housing challenges. As Canada's authority on housing, CMHC contributes to the stability of the housing market and financial system, and provides support for Canadians in housing need, by offering objective housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of CMHC's operations.

Closing Date

The date on which a sale becomes final, funds are transferred from the purchaser to the vendor and the new owner takes possession of a property.

Commitment

A letter / document is issued by a lender reciting the basic terms of a loan which, when accepted by the borrower, forms a binding contract. The commitment may have conditions attached to it that must be met before the contract can be finalized.

Conveyance

The transfer of an interest in property from one person to another.

Debt Service Ratios

Ratios that are used to compare borrowers' debts to their incomes to determine if they can afford loans. With a Mortgage loan, we review Gross Debt Service Ratio and Total Debt Service Ratio.

Home Equity Line of Credit (HELOC)

A home equity line of credit which is secured by property collateral—a type of loan in which the lender agrees to lend a maximum amount within an agreed period (called a term). This might also be referred to as a “second mortgage”.

Home Inspection

A limited, non-invasive examination of the condition of a home. Home inspections are usually conducted by a home inspector who has the training and certifications to perform such inspections. It will cover the present condition of the home's major systems, based on a visual inspection of accessible features. It focuses on the performance of the home, rather than cosmetic, code or design issues.

Interest Adjustment Date

The date from which interest is calculated at the rate, and compounded at the frequency, set out in the mortgage contract. It is normally the first day of the month following the closing of the mortgage transaction.

Interim Financing (Bridge Loans)

Interim loans are used to provide means of a down payment until the sale of your existing house is complete. In order to obtain interim

financing, a firm sale must be in place prior to possession of your new home.

Maturity Date

The final day of the term of the mortgage, on which the balance of the mortgage owing becomes due.

Mortgage – Fixed Rate

A mortgage for which the interest rate is fixed for the term.

Mortgage – Adjustable Rate (Arm) Or Variable Rate

A mortgage for which the interest rate fluctuates based on changes in the prime rate.

Mortgage – Open

A mortgage with no interest penalty for pre-payments.

Mortgagee

The lender.

Mortgage Default Insurance

A type of insurance that protects the mortgage lender in case the borrower defaults on the mortgage payments.

Mortgage Term

The length of time the interest rate is guaranteed for a mortgage. In a mortgage, the term is the actual length of time for which the money is loaned. The term is usually shorter than the amortization period. Mortgage terms normally range

from 6 months to 5 years or more, after which time the borrower can either repay the balance of the principal owing or re-negotiate the mortgage at current rates.

Mortgagor

The borrower.

Prepayment Clause

A loan provision allowing the borrower to pay the loan in full before the maturity date without penalty, or to make principal reductions faster than originally envisioned by the parties. Consumer mortgages all have prepayment clauses. Large, commercial loans typically prohibit prepayment.

Prepayment Penalty

A prepayment penalty is an agreement between a borrower and a bank or mortgage lender that regulates what the borrower is allowed to pay off and when. Most mortgage lenders allow borrowers to pay off up to 20 percent of the loan balance each year. The sum is usually equal to an amount of interest and a lender may require from a borrower to repay all or part of any outstanding principal in advance.

Prime Rate

The rate at which financial institutions lend to their customers.

Progress Draw (Advance) Mortgage

A mortgage loan occurs when the funds are advanced in intervals as the house is being built.

Real Property Report (RPR) Or Surveyor's Certificate

A formal statement signed, certified and dated by a surveyor, giving the pertinent facts about a particular property and any easements or encroachments affecting it. Such certificates are no longer available in certain provinces (ie. Ontario).

Second Mortgage

A mortgage placed on real property that is already encumbered

with one mortgage. Determination of first, second or third mortgage is by priority or registration (time and date).

Title

The legal evidence that shows the rightful owner of land.

Title Insurance Policy

A contract by which the insurer, usually a title insurance company, agrees to pay the insured a specific amount for any loss caused by defects of title to real estate, wherein the insured has an interest as purchaser, mortgagee (lender) or otherwise.





Overview of mortgagetree.ca & How To Get Started

Looking For A Mortgage Broker?

There are a lot of companies to choose from, but we are better.

We completely understand that for most people, purchasing real estate is the largest investment they will ever make. As such, there are many questions and many unknowns, especially for first time homebuyers.

At mortgagetree , we know that financing real estate is not just about securing a mortgage, it is about what happens between the time you decide to make a purchase and when you close on the property.

As the mortgage landscape evolves at an ever increasing pace, you can have full confidence that your mortgagetree advisor is with you every step of the way, working on your behalf to secure a mortgage that meets your unique needs.

Knowledge

Mortgagetree believes that homeownership brings pride to the communities we live, work and play in. We consult one-on-one with our clients to turn your dream of homeownership into a reality, and ensure the financial terms of their mortgage reflect your unique situation. Our experts have the know how, experience, up to date industry knowledge and insight to guide you to the best mortgage product for you, whether it is a traditional mortgage or something a little more off the beaten path.

Customer Service

At mortgagetree , we do not just facilitate mortgages. We nurture long-term relationships with our clients to ensure that you are taken care of through the entire mortgage journey. We work hard for your referrals and ensure that our first rate customer service is a constant priority, which keeps our clients coming back time and again.



Experience

For over two decades we have worked with residential and commercial clients, helping secure more than one billion dollars in mortgage loans.

There are so many new regulations, products and players constantly changing the Canadian mortgage landscape. Working with a mortgagetree advisor will substantially ease the stress of the entire process. Our clients have security in the knowledge that your hard earned money is working as efficiently as possible for you, with the right mortgage product, terms and competitive rates. Our attention to detail is next to none and it pays off in dividends for our customers.

Mortgagetree Values


We pride ourselves on the transparency and respect we treat each of our clients with. We understand that the mortgage process can be daunting, with a lot of information to absorb and the uncertainty that your best interests are at heart. Mortgagetree has built its foundation on the core values we stand behind every day- integrity, one on one transparent service with a full explanation of our products, advice based on over 60 collective years of experience from our experts, up to date and educated advisors who offer clarity and knowledge of all current products in the market and our passion in delivering the best mortgage service to each and every one of our clients.

How Much Does Mortgagetree Charge?

One of the most common questions we get at mortgagetree is how much do our services cost? We are happy to say that our services are absolutely free, from the beginning of the process right through to end and every step in between. The only exceptions apply to certain scenarios of secondary lending or commercial products. We will let you know up front if either of these categories applies to you, but chances are we will deliver a superior product and experience to you, guiding you through the entire mortgage cycle, entirely free of charge.

Contact Us

All of our consultations are free, with absolutely no obligation. We deal with numbers all day long, but you will never be treated like one! We invite you to discover the service you deserve- the mortgagetree difference. Call us to schedule a consultation today!





Lenders we work with:

First National Financial	National Bank
Street Capital Financial	B2B
Scotiabank	Equitable Bank
TD Bank	Radius
ATB Financial	ICICI
MCAP	Manulife
RMG	Canadiana
CFF Bank	Bridgewater Bank
Optimum	Home Trust
CMLS	Private Lenders
Merix	



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