

Home & MORTGAGE

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Michele Ellis, BA, AMP
Mortgage Professional



global
mortgage corp.

Global Mortgage Corp.

P.O. Box 2631

Garibaldi Highlands, BC V0N 1T0

Vancouver: (604) 612-7772

Whistler: (604) 905-9063

Squamish: (604) 892-4647

Fax: (604) 898-5732

Email: me@michelellis.com

Website: www.michelellis.com

We have access to the widest variety of lenders — to find the right solution for you. We are experts at helping you achieve your home ownership dreams. Access your best options!
REFERRALS WELCOME!

Should you lock in your mortgage?

Interest rates are still low, but they've been steadily increasing. Here are some points to help you make the right mortgage decision.

If you're buying a home, you may be wondering whether it's better to lock in a fixed rate in case rates continue to go up, or to choose a variable rate that floats with the prime rate. Similarly, if your existing mortgage is variable, you may be wondering whether now is the time to lock in.

Mortgage rates are difficult to predict. It's best to base your decision on your personal situation and comfort level, rather than on economic expectations.

Going variable

Variable-rate mortgages can be attractive — the interest rate is lower than for a fixed mortgage of similar size and duration.

With some mortgages, as rates fluctuate, so does the amount of your mortgage payments. Or, with set payment amounts, the portion of the payment that covers your mortgage principal will fluctuate. In an environment of falling rates, you'll pay down more principal and pay less interest. But if rates go up, your principal payments will shrink and it may take you longer to fully pay for your home.

Should you choose a variable-rate mortgage? If you can tolerate the

uncertainty, the variable rate could save you money over the long term.

Locking in

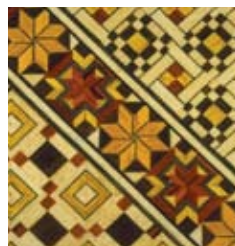
When you lock in to a fixed-rate mortgage, the interest rate will be higher than for comparable variable-rate products. The benefit, however, is that your rate is fixed for the term of the mortgage.

Even if rates in general rise substantially, your rate is guaranteed not to change. From the moment you lock in, you'll know exactly what your payments will be and how much of the principal will remain at the end of the term.

Should you choose a fixed-rate mortgage? If fluctuating rates are going to keep you awake at night, then a fixed-rate mortgage may be worth the peace of mind it can give you.

Your decision

Ultimately, the decision to choose a variable or a fixed-rate mortgage is as personal as choosing the right home. It should always be made with informed advice from a professional, who can help you evaluate the options based on your unique circumstances. 🏠



INSIDE

2 The payoff for paying down

2 Yes, you can get a mortgage

3 Purchasing home insurance



Yes, you can get a mortgage

Some people believe that their chances of qualifying for a mortgage for a new property or being accepted for refinancing are slim because of their current situation — for example, newcomers to Canada, those who are self-employed or work on commission, or those who have a poor credit history. But there's a good chance that they're wrong.

The 5 Cs of borrowing

When considering a mortgage application, lenders generally look at five key criteria:

- **Capacity:** whether your income is sufficient to repay the mortgage once all your other debts are factored in.
- **Capital:** whether the size of your

down payment indicates a serious commitment to the property on your part, and sufficient minimization of risk on the part of the lender.

- **Collateral:** whether the property is of sufficient value and marketability to cover the amount borrowed.

- **Character:** your reputation and reliability, usually based on factors such as your education, employment history, and residence.

- **Credit:** your history of meeting credit obligations, which is based on credit bureau records from the past six years.

If your qualifications are less than stellar in any of these areas, a traditional lender may not accept you. But that doesn't necessarily mean you can't get a mortgage.

Finding the right lender

Many other lenders may be perfectly willing to accept you as long as they view you as a reasonable credit risk overall. For example, if you are new to Canada, lenders may consider you based on the steady nature of your employment or the size of your down payment.

Similarly, if you are newly self-employed and can't prove a regular income, the lender may instead look at your debt load, credit history, and business plan. If these are all very positive, the fact that you don't have an earnings history may not be so important. And if you've had a poor credit history, but have taken discernable steps to improve your rating and your debts are under control, your current income and down payment may be sufficient to compensate.

Getting professional help

Each mortgage lender has its own particular requirements. Professional advice can help you find the right lender to match your unique situation — so that you can get the mortgage that meets your needs. 🏡

The payoff for paying down

What you do

Make a lump sum prepayment of \$2,000 every year

What you get

save time
4 years

You will own your home in 21 years instead of 25.

save money
\$60,456

You'll reduce your total interest costs by more than \$60,000.

Based on a 5-year fixed \$300,000 mortgage at 6.5% amortized over 25 years, with the prepayments beginning in the first year of the mortgage.

What to look for when purchasing home insurance

When shopping around for a homeowner's insurance policy, remember that not all policies are the same. Insurance companies offer varied coverage plans and special features.



It's important to take stock of what you need before you buy and to begin your search early, before you actually need the policy. It's recommended that you have a policy in place as soon as you become a legal homeowner — even if your home is still under construction.

Your first step is to find a well-informed insurance professional who can provide you with ongoing service support and advice. It's essential to have someone you can trust, confide in, and rely on — someone you feel comfortable with.

Select the right policy for you

When buying a home insurance policy, you're well advised to keep the following tips in mind:

■ **Type of policy.** Determine the differences between insurance policies. A standard policy offers protection against several "named perils" that might cause damage to your dwelling and contents. A broad policy covers all risks to a dwelling, but contents are only covered by named perils. A comprehensive policy offers complete coverage for dwelling and contents, with the exception of specific exclusions.

■ **Additional property.** Consider coverage for separate buildings or property. You'll need more than the standard 10% of the total value to cover buildings such as your garage, storage shed, and greenhouse. Additional insurance is also needed for a swimming pool or patio.

■ **Floater policy.** Find out if you need a floater policy to cover specific articles against accidental loss or damage, such as a computer system or works of art.



■ **Discounts.** Many insurers offer discounts if you have smoke alarms, sprinklers, and intruder alarms — ask about them. Others reduce premiums for seniors, non-smokers, club or alumni members, or long-term policyholders.

■ **Deductibles.** Raise deductibles to save money. Your premiums will often go down if you increase deductibles for claims relating to your home and its contents.

■ **Special coverage.** Look into special insurance coverage, such as market-value, replacement-cost, or optional medical coverage. Liability insurance, for example, covers your

premises and protects you from a lawsuit if you or a family member causes an injury to someone outside your home. It's a must if you have a swimming pool.

■ **Other property.** Consider whether your recreational property should be covered by a separate policy or as an addition to your home policy.

■ **Extra coverage.** Check for coverage extensions, referred to as riders, forms, or endorsements. Some are automatic; others are optional or conditional.

■ **The insurer.** Research the insuring company. Find out if the insurer can meet policyholder obligations.

Review your coverage

Look over your home coverage policies regularly. Estimate the value of your possessions and update your inventory. Know what you own each year so that you'll never under-insure or over-insure. 🏠

Mortgage ABCs

Helping you be an educated homeowner

■ Amortization

The amount of time needed to pay off your mortgage. Most mortgages are amortized over 20 or 25 years, but some 40-year mortgages are now being offered.

■ Mortgage term

The length of time that your mortgage contract remains valid. For example, with a five-year term, you will renegotiate your mortgage at the end of five years.

■ Mortgage terms

The specific details relating to your mortgage — these may include the term, amortization, payment schedule, prepayment options, and so on.

Fall Almanac

Bundle up your garden before winter arrives

Your garden has kept you busy and provided you with a pleasant place to relax all summer long. Proper preparation will help keep it healthy through the winter months and give you a head start in the spring. Here's a checklist of some fall gardening maintenance activities.

- 1 Plant new shrubs and trees.
- 2 Plant tulip, iris, and other bulbs now so that they'll come up in the spring.
- 3 Prune hedges, trees, and roses.
- 4 Provide long, deep waterings to help perennials, shrubs, and trees to build strength for the long winter ahead.



- 5 Rake leaves and layer mulch over beds to protect plants from frost.
- 6 Bundle exposed young or delicate trees and shrubs in burlap to guard against sharp winds.
- 7 Drain and disconnect hose and shut off outside water.

Turn up the heat with these fireplace options

Nothing adds warmth, in every sense, to your home like a fireplace. Today's options are broader than ever, with fireplaces, inserts, and stoves available in gas, wood-burning, and electric models:

Gas. Clean, economical to operate and convenient, gas units are the most popular. Most models come with remote controls and thermostatic shut-offs.

Wood-burning. Traditional wood-burning fireplaces require more effort and are less energy efficient, but provide incomparable charm. To improve heat distribution, add an insert or go with a wood stove.

Electric fires. Today's electric fireplaces are an attractive and inexpensive way to provide some supplemental heat to a room without a lot of fuss or maintenance.

Decorative flames. The newest way to add the glow of a fire to your house or condo, these units burn denatured alcohol in modular open fireplaces that require no special ventilation.

Whatever type you choose, be sure to have it installed by a qualified professional and to obtain any necessary municipal permits beforehand. For wood-burning and gas units, you'll need a chimney that vents to the outside and has an appropriate liner. Always follow the manufacturer's recommended maintenance and cleaning instructions, and have the unit inspected annually. 🏠



Plan now for spring renovations

If you're planning to do significant renovations next year, you'd better start now — or risk putting them off until 2008. There are many steps and people involved before the real work can even begin. Depending on the project, these may include:



- Finding a **designer** to render your ideas into drawings of the planned renovation.
- Hiring an **architect** to draw up blueprints for both the permit and for the contractor.
- Obtaining municipal **permits** for demolition, construction, or wiring.
- Finding and booking a good **contractor**.
- Establishing **financing** options, including using your home equity. 🏠

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