

The Complete Communicator

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Verico Complete Mortgage Services

Tips to Consider Before Buying a Home

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You are about to invest in your most valuable asset. Below are our top 8 recommendations to make you more confident as you start your home buying journey.

1. Your Credit Rating

Getting your finances in order is probably the most important step you should take. You must know exactly what your credit reports say about your financial history before you apply for a mortgage, because the reports play an important role in the mortgage approval process and in determining the interest rate and other loan terms that a lender offers you.

2. Understanding How Mortgages Work

Get familiar with the mortgage laws, structure and options. That way, you will be able to decide on the right loan and lender – crucial to your home buying success.

It is up to you to determine which lender is best for your needs, and it is always a good idea to have at least a bit of background about the loan process before you make your final decision.

3. Getting a Mortgage Pre-Approval

Do you know how much house you can afford? Probably not, unless you have talked to a mortgage broker. Pre-approval helps you in other ways. Consider this scenario. A home seller gets two similar offers. One is accompanied by a letter that states the buyer is pre-approved for a mortgage in the amount of the offer. The other has no supporting documents. Which offer do you think the seller will consider first?

4. Sorting Out Your Needs and Wants

Buying a home isn't as difficult as you might think, even if you're short on funds. But the process will go a lot smoother if you get familiar with your real estate market and narrow down your wants and needs before you start looking at houses.

5. Preparing to Work with Real Estate Agents

Real estate agents represent buyers, sellers, or both. It's essential to understand agent duties and loyalties before you make that first phone call.

6. The Great Home Search

The Internet is a great tool – you can spend endless hours searching the public version of the Multiple Listing Service website. You can also pick up House For Sale magazines and read classified ads in your local newspapers. You might even plan an afternoon drive to preview neighbourhoods. These are all excellent ways to see what is available out there.



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7. Home Inspection

Deciding whether or not you want to buy a house involves a look at its structure and its features, but there are many other topics that are every bit as important to your purchase. Appoint a professional to conduct the home inspection. Study what kind of house it is and consider its market value.

8. Making the Offer

There is no one set of instructions that can cover all the differences in real estate laws and customs that exist throughout, so it is important to meet with your agent, attorney or advisor to fine-tune your offer and take care of all the contractual considerations.

(Source: hgtv.ca)

Take Charge of Your Debt

Ways to reduce your Debt

Make a budget and get budget counselling

A basic first step for debt reduction is to prepare a budget and plan your spending. Once you have a budget, you must stick to it. When you follow a budget, you can take any extra money you have each month and put it toward your debts. This will lower your total debt and save you money on interest fees.

Don't spend money on items that are not in your budget. Eventually, if nothing else changes, you will be able to pay off your debts. If you find this hard to do, see a professional budget counsellor for advice on planning a budget.

Combine your debts

A debt consolidation loan is a loan (usually from a bank) that lets you repay your debts to all your creditors at once. This means that you only have one monthly payment, often at a lower interest rate than you are paying now. This saves you money on interest fees and lets you pay off your loan faster.

Contact your creditors

One way to lower your debt is make new arrangements with your creditors. Make a list of your creditors and contact each one with a proposal for one or more of the following:

- Lower monthly payments
- Longer time period to make your payments
- Lower rate of interest

You can also ask a debt management advisor, such as a credit counsellor, to do this for you.

Work with your mortgage lender

The Canada Mortgage and Housing Corporation (CMHC) suggests contact your mortgage lender right away when you run into mortgage problems. You can then work with your lender to find a solution

Sell a possession

A personal possession is something that you own and do not owe money on. Selling a personal possession can get rid of some of your debt. If you cannot earn more money or cut down your expenses, selling a personal possession can be a good idea.

(Source: http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/h_ca02144.html)

Dealing with Mortgage Payment Difficulties

When unforeseen financial circumstances impact your ability to make regular mortgage payments, it's important for you to take quick action. With early intervention, cooperation, and a well executed plan, you can work together with your mortgage professional to find a solution to your financial difficulties.

What Can I Do to Help?

If you find yourself facing financial difficulties, as a result of job loss, family income reductions, or for other reasons, it can be an overwhelming experience leaving you feeling uncomfortable and unsure of what to do. By following these three simple steps, you can make a big difference in resolving your financial difficulties.

1. Talk to your mortgage professional:

- * To increase the chance of successfully managing your financial situation through early intervention, call your mortgage professional at the first sign of financial difficulty.
- * Ask the mortgage professional about information on the options available for managing your financial situation; and
- * Keep the mortgage professional informed as circumstances evolve.



2. Clarify the financial picture

To help your mortgage professional fully understand your financial situation, before meeting with them, prepare a detailed list of financial obligations including any credit cards, loans, household bills with the amounts owing and their due dates. Be sure to include information about your current income, savings accounts, investments, and any other assets.

3. Stay informed

The more information you have at your disposal on managing your finances, the easier it will be to make the right decisions. Take Charge of Your Debts is an online tool from the Government of Canada that is designed to help borrowers like you understand debt problems, and includes information on making a budget, budget counseling, credit repair, etc.

Log onto www.igc.ca (Industry Canada) and search for "Take Charge of Your Debts".

Call your Mortgage Professional at the first sign of financial difficulty.

How Can Mortgage Professionals Help?

Your mortgage professional wants to establish and maintain a positive relationship with you over the long term, and is fully trained and equipped with the tools to help you deal with the temporary financial setbacks you may be facing.

(Source: CMHC)