

The Complete Communicator

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THIS NEWSLETTER IS
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Happy Canada Day!

Canada Day is Canada's national day, a federal statutory holiday celebrating the anniversary of the July 1, 1867, enactment of the British North America Act (today called the Constitution Act, 1867), which united two British colonies and a province of the British Empire into a single country called Canada.

Frequently referred to as "Canada's birthday", particularly by the popular press, the occasion marks the joining of the British North American colonies of Nova Scotia, New Brunswick, and the Province of Canada into a federation of four provinces (the Province of Canada being divided, in the process, into Ontario and Quebec) on July 1, 1897.

Although Canada is regarded as having become a kingdom in its own right on that date, the British Parliament kept limited rights of political control over the new country that were shed by stages over the years until the last vestiges were surrendered in 1982 when the Constitution Act patriated the Canada constitution.

Most communities across the country will host organized celebration for Canada Day, usually outdoor public events, such as parades, carnivals, festivals, barbecues, air and maritime shows, fireworks and free musical concerts, as well as citizenship ceremonies for new citizens.

Here's a list of some of the Canada Day Celebrations occurring across the country:

- Canada Day in the Capital (Ottawa, ON)
<http://www.canadacapital.qc.ca/canadaday/?m=0>
- Canada Day at Canada Place (Vancouver, BC)
<http://www.canadaday.canadaplace.ca/>
- Canada Day at Mel Lastman Square (Toronto, ON)
http://www.toronto.ca/special_events/canada/2010/index.htm
- Canada Day in Halifax (Halifax, NS)
<http://www.hrmcanadaday.ca/>
- Celebrate Canada in Edmonton (Edmonton, AB)
<http://www.edmontoncelebratecanada.ca/canadadayschedule.html>
- Celebrate Canada in Calgary (Calgary, AB)
<http://www.calgarycanadaday.ca/>
- Canada Day at Diefenbaker Park (Saskatoon, SK)
<http://www.tourismsaskatoon.com/events/view/1356/>

If you need money for a one-time expense then a fixed rate second mortgage would be best. But, if you have a recurring need for extra money then you may prefer a HELOC.



When deciding whether or not to go with a second mortgage or HELOC, we recommend that you speak with an independent mortgage broker with experience in this sector to help you make the best decision that is right for you.

Second Mortgage Loans vs. Home Equity Loans

It's not surprising that some homeowners confuse the terms "second mortgage" and "home equity loan." After all, a second mortgage is a type of home equity loan. But more often than not, home equity loan is used to describe a *home equity line of credit*, or HELOC. If you want to take advantage of the equity that you have built up in your home, you will need to decide if a HELOC or a true second mortgage is best for you.

Before discussing which might be better for your purposes, let's look at some of the basics of each. A second mortgage pays out a fixed sum of money to be repaid on a set schedule, like your initial mortgage. Unlike refinancing, the second mortgage does not supersede the first mortgage. Second mortgages are usually 15 to 30 year loans with a fixed rate of interest. Like the initial loan, the rate of interest and points (if any) will be based on your credit history, the price of the home, and the current interest rate. While the interest rate on a second mortgage may be a little higher, the fees are generally lower.

HELOC, however, is similar to a credit card, and it may even include a credit card to make purchases. Like credit cards, interest is charged, and the amount you can borrow is based on your credit worthiness.

To determine the limit of your HELOC, lenders will look at the appraised value of your home, you may have access to up to 80% of the appraised value or purchase price of your home (whichever is lower), less any prior outstanding mortgage charges. As your mortgage balance decreases, your available rate increases.

Your current financial needs will help to determine which type of loan is right for you. If you need money for a one-time expense, such as building a new deck or paying for a wedding, you would probably opt for the fixed-rate second mortgage.

But if you forecast a recurring need for extra money, such as tuition payments, you may prefer a HELOC. A line of credit allows you to borrow when you need the money and, if you pay back the amounts quickly, you can save money over a second mortgage. You also need to consider your spending habits. If having another credit card in your wallet would tempt you to spend more often, then you are not a good candidate for a HELOC.

Once you make an initial determination about which loan might be right for you, you will need to discuss the details with a professional. We recommend that you speak with an independent mortgage broker with experience in this sector to help you make the most effective decision among the products available.

Why work with an independent broker?

- Because they are not loyal to any one financial institution (i.e. like a bank consultant), the options presented will be greater.
- Independent mortgage brokers scour the market for the best mortgage products – not just those being pushed by a particular company. As the mortgage broker fee is paid by the lending institution, it's a decision that doesn't cost you anything.

(Source: AllBusiness.com)

The Benefits of Using a Mortgage Broker

Trying to find the best mortgage for your needs and your budget can be a difficult and often frustrating task. The wide selection of mortgage products available today means that consumers can enjoy a variety of options, and these options increase the chances of getting a great value loan. However, the downside is that you could end up spending hours scouring through the mortgage deals from various companies, and while you are busy trying to interpret the financial jargon that many lenders may throw at you, another buyer could snatch the house of your dreams from under your nose.

Going it alone when looking for a suitable mortgage is a time consuming process. With the pace of life as it is today, many of us barely have time to sit down and enjoy a little quality time as it is. Spending hours glued to the computer or ringing around various lenders is something that most of us can do without. If you go directly from lender to lender to get your mortgage, you will end up having to complete a new application for each lender, which can waste a great deal of time. Additional time will be taken up with browsing and comparing all the different deals with each lender, and then comparing the lenders against one another.

That is why you need someone that is not only up on all of the latest information, but knows the ins and outs of the mortgage industry. This person will know how to locate the best program for your needs while keeping your new mortgage payment affordable for your budget. This is true of independent mortgage brokers.

Using a mortgage broker is an effective way of getting a mortgage package to suit your needs without having to commit hours of your time to searching and browsing. When you use a mortgage broker service, you will simply be cutting out all of the time and work involved in finding a mortgage to suit your circumstances. Another great benefit is that the mortgage broker works for you, the customer, and normally don't charge a fee (unless you have an extraordinary financial situation), as they are compensated by the lenders once they close the mortgage deal. A good mortgage broker will be able to source a wide range of mortgage deals on your behalf, and will then put forward the ones that offer the best value in terms of interest rates and monthly repayments. All you have to do is complete one simple application form, which saves you the hassle of having to complete a form for each lender in which you are interested.

An established mortgage broker will already have formed links, contacts, and relationships with a wide range of mortgage lenders. He or she will therefore know which lenders may cater for your particular needs. For instance, if you have a poor credit rating and you are looking for an affordable mortgage, the broker will most likely know which lenders offer affordable finance to those with a tarnished credit history and can therefore approach the right lenders straight away. If you were looking for a bad credit mortgage without the help of a broker, you could end up going through one application after another with a range of unsuitable lenders, and you could end up with a long line of refusals, which could make your credit rating even worse.

Using a mortgage broker is a great way to get a good value, affordable mortgage that is tailored to meet your needs. It is also an excellent solution to getting a good mortgage deal without having to put in the hard work and time.

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Did You Know? Submitting one application after another with a range of lenders could worsen your credit rating.

One of the greatest benefits of working with a mortgage broker as oppose to a banker is that they work for you, the customer, and not a company.
