

# 5 Steps to Home Ownership



**Cindy Faulkner, AMP\***

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\* Accredited Mortgage Professional

# 10 Reasons

## to Work with a Mortgage Broker

### *Mortgage Brokers...*

1. work and shop for you, so you don't have to.
2. charge no fees to you, the client, on first mortgages.
3. will hold your pre-approval rate for 120 days, protecting you from market fluctuations.
4. have access to over 45 banks, credit unions and private lenders to ensure you get the mortgage best-suited to your financial needs and goals regardless of your situation.
5. will use their wealth of knowledge to educate you about mortgage products and terms.
6. follow rates and product options until completion, streamlining the process, saving you much time, money and frustration.
7. show you how to save money on your mortgage.
8. pull only one credit bureau, which protects your credit rating.
9. have access to discounted rates and products to save you money.
10. work flexible days and times to fit your schedule.

*The Meridian Coastal Mortgages' team offers clients more than 25 years combined experience in mortgage lending and real estate.*

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## A Message from Cindy & Michael

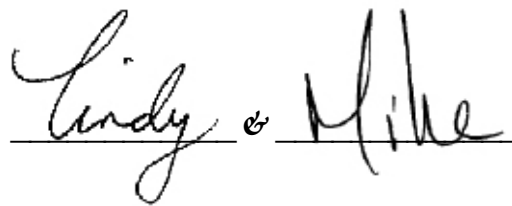
***To our valued clients;***

***Our team has created this industry guide to help you on the road to home ownership.***

***We sincerely hope that the information, suggestions, and worksheets provided help smooth your path.***

***On behalf of the team at Meridian Coastal Mortgages, we look forward to helping you achieve your mortgage goals.***

***All the best,***



***Cindy Faulkner & Michael Donovan  
Meridian Coastal Mortgages***

## Who We Are

**Cindy Faulkner** offers more than 15 years of industry experience in mortgage brokering and real estate. As President and co-owner of Meridian Coastal Mortgages, Cindy has been a business owner for more than 17 years. She also holds an Accredited Mortgage Professional designation and is a member of the Mortgage Brokers Association of British Columbia (MBABC) and the Canadian Association of Accredited Mortgage Professionals (CAAMP). As one of Canada's top brokers, Cindy brings a wealth of knowledge and experience to her clients.

**Meridian Coastal Mortgages** is "Your Mortgage Manager For Life!"

**Michael Donovan** is co-owner and Vice President of Sales for Meridian Coastal Mortgages. He offers his clients almost a decade of industry experience in Commodities and Lending. Michael holds a commerce degree from the University of Western Ontario. As a mortgage expert Michael has helped hundreds of clients meet their home equity needs.

### Our Mission Statement:

*Meridian Coastal Mortgages is "Your Mortgage Manager For Life", embracing individual clients with our personalized service and fundamental education.*

# 5 Steps to Home Ownership

The following pages are a simplified step-by-step approach to buying real estate.

*You've decided to make the jump and get into the real estate market, but aren't sure what you need to do? The following is a very simplified step-by-step approach to buying real estate. The next few pages will give you an easy-to-use guideline showing who is responsible for each step of your mortgage transaction and property purchase.*

## **STEP ONE: Contact Mortgage Broker**

- A. Contact a mortgage broker (Meridian Coastal Mortgages) and inform them of your situation. Brokers have a very good grasp of the market and can determine what mortgage amount you can afford. They take your application and send it to mortgage lenders for pre-approvals to ensure you qualify for a mortgage with the information provided.  
(For a more detailed explanation of pre-approvals, please turn to page 16 of the following section titled: Mortgages Made Simple.)
- B. Submit your supporting documents (job letter, pay stub, Notice of Assessments, etc.) to your mortgage broker.

## **STEP TWO: Contact Realtor**

- A. Meet with a realtor, inform them of the amount you can afford indicated by your mortgage broker and start looking for a home.
- B. Make an offer on a property.
- C. Satisfy and remove subjects (financing, inspection, etc.).

## **STEP THREE: Review Mortgage Options**

- A. You can now review your mortgage options (rate, term, etc.) with your mortgage broker.
- B. Choose the mortgage you want.

## 5 Steps to Home Ownership Cont'd

### **STEP FOUR: Choosing and Dealing with your Solicitor**

- A. Choose a solicitor (you can use either a lawyer or a notary to do your paperwork.)
- B. Your mortgage broker will have instructions sent to your solicitor for your mortgage.
- C. You will sign the documents at your solicitor's office.
- D. Your solicitor will now register your property at the Land Titles office which makes you a ... Home Owner!

If you don't know a **realtor or a solicitor**, we can refer one to you!

### **STEP FIVE: Get your keys for your new property and move in!**

- A. Meet with your realtor on the possession date of your property purchase to obtain your keys.

*The above is a very basic illustration of what a typical First Time Home Buyer will encounter. The following information expands on the previous 5 steps.*

## Details of STEP ONE

Contact a mortgage broker - our contact information is:

Cindy Faulkner & Michael Donovan

**Meridian Coastal Mortgages**

Office: (604) 588-4466

Fax: (604) 588-4483

Web: [www.coastalmortgages.ca](http://www.coastalmortgages.ca)

For clients to receive the best mortgage rates, a credit score of 680+ is necessary.

During the first contact with us, we will walk you through an application process. Details you'll need to provide are:

- Full legal name
- Current address
- Date of birth
- Social Insurance Number (SIN)
- Employment details and income amount

This information will allow us to pull your credit bureau/score. Your credit bureau and credit score are vital to the rate that can be obtained for a mortgage, as it gives an assessment of how well you pay back credit. Scores range from a poor score of 400 to a perfect score of 900.

Typically, clients with good credit will have a score of 680+ and clients with blemished credit will range from 550-680. For clients to receive the best mortgage rates, a credit score of 680+ is necessary. (For a more detailed explanation of your credit bureau, please turn to page 25 of the following section titled: Mortgages Made Simple).

## Details of STEP ONE Cont'd

You must also provide information about the source of your down payment.

Your down payment can come from the following sources:

- Savings (lenders require 3 months of bank statements to show the accumulation of the funds).
- GIC's, RRSP's, stocks, bonds, mutual funds.
- Gifted funds from an immediate family member (lenders require a gift letter and confirmation of the deposited funds in your bank account).
- Borrowed funds from existing credit line (lenders require a statement balance and borrowing rate).

*\* It is MANDATORY that the lender can prove where your down payment is coming from.*

You will also need to provide information about any current assets and other sources of income you may have. This information gathering usually takes about 15-20 minutes, and once completed, the broker will then send the information to various lenders for pre-approvals of the specified mortgage amount and the best interest rates possible.

A pre-approval is very important for two reasons:

1. It holds the requested mortgage amount at the current rate/term for a period of up to 120 days, after which the pre-approval will expire.
2. Having a pre-approval will also allow you to work with a realtor, as many will not work with clients who have not yet found the amount they can qualify for. It will take approximately 2-3 business days from the date of application for us to receive your pre-approval from the lender. We can send you a copy via email or you can log into the **Mortgage Manager** at [www.mymortgagemanager.ca](http://www.mymortgagemanager.ca) for a summary of your pre-approval and important dates.

Pre-approvals hold the requested mortgage amount at the current rate and term for a period of up to 120 days.

## Details of STEP TWO

**Tip:**

Write down the five most important things you want in your new home. Make some decisions about price, location, age, garage, square footage, number of bedrooms, direction the property faces, etc. This will help you and your realtor define your ideal property.

Meet with a realtor, inform them of your pre-approved amount and start looking for a home. Consider interviewing a potential realtor so that you can assess how they view your goals, and how well you work together before you make a commitment to them. It is important that you inform your realtor who your mortgage broker is and vice versa. Having these two parties communicate throughout this process will greatly reduce the amount of work and stress you experience.

It is essential to work with a realtor because they represent you, the client, when entering into a purchase contract. Through their Real Estate Board, they cover you with Errors & Omissions insurance. This is important if anything goes wrong between the parties involved. Please discuss this point with your realtor.

The realtor will go through a similar application process, asking you various questions about the type of property you are looking for and will narrow down your search to details such as: number of bedrooms, bathrooms, square footage, etc.

Once you have created your property profile, the realtor will begin a search. When certain properties that meet your criteria are identified, the realtor will set up appointments to view the property at your convenience.

When you have found a property you wish to purchase, your realtor will inform the seller's realtor that an offer is being written. Your realtor will set up a time to present the offer to the seller.

## Details of STEP TWO Cont'd

The Offer or Contract of Purchase and Sale contains information such as:

- Name of the owner(s)
- Civic and legal address of the subject property
- Name of the listing realtor and the company they work for
- Legal jargon pertaining to entering into a real estate contract

STEP TWO is one of the most important in the whole process as it will be time sensitive.

Details you will need to provide to enter into the Contract of Purchase:

Legal name(s) of who will be purchasing

- Purchase price amount
- Deposit amount
- Completion, Possession and Adjustment dates
- Conditions requested and the Subject Removal date
- Acceptance date and time
- Signatures

Your realtor will then take this contract to the listing realtor and they will present it to the sellers for acceptance of all conditions.

This step is one of the most important in the whole process as it will be time sensitive. It means that most contracts will come with conditions that you, the buyer, will request to be met, before you make the contract binding.

Clients usually request to satisfy these conditions in 5 business days from the date of when the contract was accepted. If possible, the Subject Removal date should fall on a business day, not on a weekend. During the Subject Removal period, you may be required to do the following:

- Get an appraisal on the subject property (the mortgage broker can order the appraisal).
- Order an inspection of the subject property (you will need to order this).
- Read any strata minutes or Annual General Meeting minutes (if you are buying a condo or townhouse - you should receive these from your realtor).
- Obtain a Strata Form B (you should receive this from your realtor).

## Details of STEP THREE

All of the preceding details can take time, especially during a busy real estate market, so an adequate Subject Removal period is critical.

Provide and sign all necessary documents requested by your mortgage broker. During this period, the mortgage broker may request:

If you are a salaried employee:

- Current job letter (required by lender) on your employer's letterhead. It must contain your full name, annual salary amount, length of employment with the company, what position you hold, and be dated and signed by a supervisor, employer or Human Resources.
- Most recent pay stub.
- 3 months of statements (required by lender) which show accumulation of down payment in the form of bank, RRSP, mutual fund statements, or as gifted funds from a family member (gift letter required by lender).
- Line of credit statement showing minimum payment per month.

If you are self-employed:

- 3 years of personal income tax Notice of Assessments.
- Proof of business ownership through Articles of Incorporation, List of Directors, website etc.
- 3 months of statements (required by lender) which show accumulation of down payment in the form of bank, RRSP, mutual fund statements, or as gifted funds from a family member (gift letter required by lender).

Log on to the **Mortgage Manager** [mymortgagemanager.ca](http://mymortgagemanager.ca) to confirm that documentation you sent in was received and if anything further is required.

## Details of STEP THREE Cont'd

Log on to the **Mortgage Manager** at [www.mymortgagemanager.ca](http://www.mymortgagemanager.ca) to confirm that the documentation you sent in was received and if anything further is required.

Once you have provided the requested documentation, the information will be sent to the chosen lender. This is where:

- Income documents will be reviewed and confirmed.
- Appraisal (if needed) will be reviewed and confirmed.
- Down payment history will be checked.

When the documents have been approved by the lender and you have satisfied the remaining conditions on the Contract of Purchase and Sale, it will now be up to you to remove subjects and make the contract binding.

Once the documents have been approved by the lender it will be up to you to remove subjects and make the contract binding.



## Details of STEP THREE Cont'd

There are three main types of mortgages:

1. Fixed rate mortgage
2. Variable rate mortgage (closed)
3. Variable rate mortgage (open)

**Fixed,  
Variable Closed,  
and Variable Open.**  
The three main  
mortgage types.

1. With a fixed rate mortgage, your payments stay the same throughout the term because they are based on a fixed interest rate. If you pay out your mortgage before the term expires, you will incur a penalty.
2. With a variable rate mortgage (closed), your payments fluctuate with the movements of the prime rate, which is determined by the Bank of Canada, 8 times during the year. Again, if you paid out your mortgage before the term expired, you would incur a penalty (unless otherwise specified).
3. With a variable rate mortgage (open), your payments fluctuate with the movements of the prime rate, but you would not incur a penalty if you paid out your mortgage before the term expired. An open mortgage generally has higher interest rates.



## Details of STEP THREE Cont'd

The fundamentals of a mortgage can be explained in this acronym:

### **TRAPP CAPP**

**Term** of the mortgage can range from 6 months to 25 years.

**Rate** of the mortgage is either a fixed percentage or relates to the prime rate.

**Amortization** is the length of time your payments have been stretched to repay the total amount borrowed. Traditional amortizations are 25 years, but can be as high as 40.

**Payment** is the frequency you choose to repay your mortgage. Payments can range from weekly to monthly.

**Penalty** is what you incur if you pay out your closed mortgage before the term expires. Your typical penalty would be 3 months interest or the interest rate differential (the difference between your current mortgage rate and what rates the bank can get at that date).

**Compounding Periods** is the number of times your mortgage principal and the interest is compounded during the year. When borrowing money, you want the least number of compounding periods. Most closed mortgages are compounded semi-annually.

**Assumable** is a mortgage feature that allows someone purchasing your home to take over your mortgage upon qualification. This can be a selling feature when rates are rising.

**Pre-payment** is the amount that you can pre-pay during the year without incurring a penalty. Making extra payments reduces that amount of interest you pay and reduces your outstanding mortgage balance.

**Portable** is a mortgage feature that allows you to take your existing mortgage and transfer it to another property you have purchased upon qualification.

Meet with us to review all your options. Compare the different options and figure out what will get you what you want.

See the Appendix for samples of the forms we will go through with you.

### **TRAPP CAPP**

- The acronym that explains mortgage fundamentals

## Details of STEP FOUR

Within two weeks of the completion date of your purchase, the solicitor will receive all the necessary documents to complete your mortgage.

Choose a solicitor (lawyer or notary) who does real estate conveyancing and is easily accessible during daytime hours. Within two weeks of the completion date of your purchase, and assuming all of the lender's conditions have been met, the solicitor will receive all the necessary documents to complete your mortgage. The solicitor's office will call to set up an appointment for you to come in and sign the final documents anywhere from 1-10 days before your purchase completes; however, if you have not heard from your solicitor 5 days before completion, call them! The solicitor will also inform you of the amount of money that you will need to bring in to complete this transaction, i.e. the remaining down payment, taxes, lawyers/notary fees, strata fees, title insurance, etc. The amount payable will need to be in the form of a certified cheque (personal cheques are not acceptable) and must be made out to the firm "In Trust". Make sure you bring in two pieces of government-issued identification – one must have a picture.

## Details of STEP FIVE

Pick up the keys to your new home!



# Mortgages Made Simple

## **This Section Covers ...**

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## Pre-approvals

The amount you will be pre-approved for will depend on your credit bureau, your income amount and your monthly debts.

When a mortgage broker takes your application, you will be offered a pre-approval. A pre-approval is an approved mortgage amount held for the approved client at a specific rate for normally 90-120 days. There is a difference between a rate hold, and a firm pre-approval. Although a rate hold, or rate guarantee, is very important especially during times of increasing rates, it is only holding a rate, rather than fully pre-approving the client and their required documents. Once you are pre-approved, the only thing left to approve is the property. We strongly encourage our clients to get pre-approved because not only is it extremely important to hold rates, it is imperative that you understand your maximum mortgage amount.

The amount you will be pre-approved for will depend on your credit bureau, your income amount and your monthly debts. The criteria is normally that your monthly mortgage payments and housing costs can not be more than 32% of your total qualifying monthly income (Gross Debt Servicing Ratio, or GDS). In addition, your monthly mortgage payments, housing costs, credit card and loan payments combined, can not be more than 40% of your total qualifying monthly income (Total Debt Servicing Ratio or TDS).

What is a co-signer?  
A person who signs a loan agreement with the borrower and assumes equal responsibility for repayment.

The documents required from you to have a firm pre-approval include:

- Signed application
- Credit bureau report
- Income confirmation
- Down payment confirmation

Preparing yourself with a pre-approval well ahead of the buying process allows you the time to review, in detail, the mortgage approval, and the lender's terms and conditions of the mortgage. A well-informed client makes better decisions.

When do you need a co-signer?

- **Age.** Individuals under 18 who are granted credit can't legally be held responsible for unpaid debt. Since the lender can't prosecute minors, they're extremely cautious about approving credit.
- **Income.** Salary or self-employed income not sufficient to qualify for mortgage amount requested.
- **No credit history/poor credit.** Lenders require repayment history to build confidence that the borrower will repay the loan.

## Understanding Variable vs. Fixed Mortgages

<b>Variable</b> - Quick Reference: <i>Tied to prime rate set by the Federal Government</i>	<b>Fixed</b> - Quick Reference: <i>Tied closely to 5 year Bond Yield and the Cdn. dollar</i>
Prime lending rate (derived from prime rate) is set by the Bank of Canada 8 times a year. May increase, decrease, or stay the same.	Bond yields are set by the forces of supply and demand (investors and borrowers). As more funds become available from investors, the yield from bonds decreases and vice versa.
Prime fluctuation is NOT wild or volatile; generally the change up or down is between .25% and 1.00% (historically).	Banks use 5 year bond yield and the Cdn. dollar as benchmarks for determining cost of funds for 5 year fixed mortgages. Banks will adjust their fixed term rates up or down with changing cost of funds. An increase in bond yields and the Cdn. dollar correlates with an increase in the cost of a fixed term mortgage loan, hence an increase in the rate for the borrower.
Many lenders have variable mortgage products where there is a low introductory rate (e.g. Prime minus a certain percentage) for a period of time (3,6,9 or 12 months) and then a slightly higher rate, for the remainder of that term. Or a fully discounted rate for the full 3-5 year term.	The terms offered will vary by lender (6 months - 25 years).
This means the interest rate you are paying on your mortgage will change, up or down, with Prime. Payment amounts are determined in one of several ways, according to the lender.	Upon expiry (at the end of the term) you can renew, renegotiate or refinance (switch/transfer) the mortgage loan.
Most lenders will allow you to convert to one of their discounted fixed term rates when you choose to, without penalty or fees.	If you break your mortgage term before it expires, you will pay a 3 month interest penalty or an Interest Rate Differential, whichever is greater.
Benefits – variable products (called Variable or Adjustable Rate Mortgages (VRMs or ARMs) have a larger discount for the first several months, when more of your payment is going towards the interest portion – this gives you a head start. On average, variable rates ensure you are paying market rate – which means the cost of borrowing is less expensive overall.	Benefits – fixed products protect you from rising rates – effectively locking you in at the rate you took from the lender, at the time you received your loan, for the length of the term. You have more control over your cash flow as payments remain the same.
Caveat – as the name implies, a variable rate can change upwards with Prime, meaning you'll be charged a higher rate. This will affect your cash flow negatively. If the rate continues upward, you may experience "payment shock" where the payment is more than you planned for in your budget. Overall, taking a variable is more risky which may or may not suit you. However, history states that if you take a variable, over time you will pay a lower interest rate when compared to fixed term rates.	Caveat – taking short fixed terms (1-5 yr) only protects a small portion of your mortgage. The amount paid on your mortgage principal during the first five years is quite small (assuming you're not taking advantage of pre-payment options) which means short-term protection. If rates rise significantly during your term, you'll end up renewing the large remainder of your mortgage at a higher rate. In this case, you may prefer a 7-10 yr term. As with the variable – it really depends on your comfort level with the risk and your belief of how the economy will shape up over the life of your mortgage.

## Costs

*Once you have been pre-approved for a mortgage amount, you will need to calculate all the associated costs of the transaction to make sure you are financially ready.*

You will need to plan ahead to cover the many up-front costs of buying a home.

### **Up-front Costs:**

You will need to plan ahead to cover the many up-front costs of buying a home. Timing is important to help make sure things go smoothly.

Mortgage Loan Insurance Application Fee and Premium: If yours is a high-ratio mortgage (less than 20% down payment), you will need mortgage loan insurance. To get this insurance, you may be asked to pay the required application fee (\$165-\$200). Your lender may add the mortgage insurance premium to your mortgage or ask you to pay it in full upon closing.

Appraisal Fee: Your mortgage lender may require that the property be appraised at your expense. An appraisal is an estimate of the market value of the home. The cost is usually between \$250 and \$650, depending on the complexity of the property (ie. square footage, lot size, region).

Deposit: This will become part of your down payment and must be paid upon subject removal (at the time of offer), or if there are no subjects to be removed, at the time of the acceptance of the Offer to Purchase. The cost varies depending on the seller and may be up to 5% of the purchase price. If you wish to make a down payment of 5% and you give a deposit of 5%, then your down payment is considered made.

Down Payment: At least 5% of the purchase price is usually required for a high-ratio mortgage and at least 20% of the purchase price is required for a conventional mortgage.

Estoppel Certificate Fee: (not applicable in Quebec). This applies if you are buying a condominium or strata unit and can cost between \$75 and \$125.

## Costs Cont'd

Home Inspection Fee: This may be a condition of your Offer to Purchase. A home inspection is a report on the condition of the home and will cost in the range of \$350 - \$650, depending on the complexities of the inspection. For example, it may be more costly to inspect a home that has high square footage or acreage.

Land Transfer Tax: (sometimes called a Land Registration Fee, Deed Registration Fee, Tariff or Property Purchase Tax). You may have to pay this provincial charge in some provinces. The cost is a percentage of the property's purchase price (in BC, 1% of first \$200,000 and 2% of balance of purchase price).

Prepaid Property Taxes and/or Utility Bills: Reimbursements to the seller for pre-paid costs such as property taxes, water, sewer, etc.

Property Insurance: The lender requires this because the home is security for the mortgage. It covers the cost of replacing the structure of your home and its contents. Property insurance must be in place on the completion date. It is mandatory only on single family homes.

Survey or Certificate of Title Insurance: Your lender or solicitor may suggest title insurance to cover loss caused by defects of title to the property. The lender may ask for an up-to-date Survey Certificate prior to finalizing the mortgage loan. If the seller does not have a Survey Certificate you will have to pay for it yourself. The costs range from \$450 - \$1100, approximately. In some cases, City Hall will provide it to you for free.

Water Quality Inspection: If the home has a well, you should have the quality of the water tested to ensure the supply is adequate and potable. You can negotiate these costs with the seller and list them in your Offer to Purchase.

It may be more costly to inspect a home that has high square footage or one where contaminants such as urea formaldehyde, pyrite, or radon gas are

## Costs Cont'd

Legal Fees and Disbursements: Must be paid upon completion and the cost normally ranges from \$750 - \$1500, approximately (plus GST/HST). Your solicitor will also bill you direct costs to check on the legal status of your property.

See the Appendix for worksheets you can use. Fill them in to keep track of all your costs.

## Other Costs

See the **Appendix** beginning on Page 38 for worksheets you can use to keep track of all your costs.

Besides up-front costs, there are other expenses to consider:

- Appliances (check to see what comes with the house)
- Gardening equipment
- Snow-clearing equipment
- Window treatments (check to see what comes with the house)
- Decorating materials (paint, wallpaper, flooring, etc.)
- Tools
- Dehumidifier (may be required to control moisture levels especially in older homes)
- Moving expenses
- Renovations or repairs
- Service hook-up fees (often charged for utilities, also may have to pay a deposit for utilities)
- Condominium fees (you may have to make the initial payment for these monthly fees)

## Mortgage Insurance

Shown below is a mortgage insurance table that outlines the insurance fees charged to borrowers with less than a 20% down payment. These fees can be paid up front or added to the mortgage amount. Mortgage loan insurance premiums vary according to the loan-to-value ratio. CMHC, GE, and AIG are the mortgage insurance providers. The premiums will be different for refinances.

### CMHC/GE/AIG Mortgage Insurance Fees Purchases:

Loan-to Value Ratio	Premium on Net Loan
Up to and including 65%	0.50%
Up to and including 75%	0.65%
Up to and including 80%	1.00%
Up to and including 85%	1.75%
Up to and including 90%	2.00%
Up to and including 95%	2.75%
Up to and including 100%	3.10%

Insurance fees charged to borrowers with less than 20% down can be paid up front or added to the mortgage amount.

With rising house prices, many clients find it difficult to qualify for mortgage financing because of the high cost of mortgage payments. To help provide Canadians with greater access to home ownership, CMHC and GE are now offering amortizations longer than the standard 25 years.

## Mortgage Insurance Cont'd

By making available 30, 35 and 40-year amortizations, clients have the option of having a lower monthly mortgage payment for a small insurance premium.

By making available 30, 35 and 40 year amortizations, clients have the option of having a lower monthly mortgage payment for a small insurance premium.

<b>Surcharges to be added to Insurance Premiums</b>	
Extended Amortization	
Greater that 25 years, up to and including 30 years	0.20%
Greater that 30 years, up to and including 35 years	0.40%
Greater that 35 years, up to and including 40 years	0.60%

By reducing the monthly mortgage payments, qualifying clients have more homes to choose from because they can afford a higher mortgage amount.

<b>Mortgage of \$300,000 at a Rate of 6% Compounded Semi-Annually</b>				
Amortization Length	25 Years	30 Years	35 Years	40 Years
Monthly Payment	\$1,919.42	\$1,784.47	\$1,695.76	\$1,635.26

\* Payment is comprised of principal and interest (property tax/maintenance fees are not included).

\* Note: Mortgage Insurance and Mortgage "Life" Insurance are completely different products.

**Mortgage Insurance** protects the lender in the event that a consumer defaults on their mortgage payments and is required on all mortgages that have less than a 20 percent down payment.

**Mortgage Life Insurance** is purchased by a consumer who wants to insure his/her life. Often referred to as Creditors Insurance, your mortgage would be paid in full on your death. This insurance is optional.

## Mortgage Insurance Programs

Five CMHC programs that could be helpful to you and your situation are:

- **Home Buyers Plan**
- **Refinance to 95% of Home's Value**
- **Purchase Plus Improvements**
- **100% Financing**
- **Self-Employed & 100% Commissioned**

### **Home Buyers Plan:**

The Home Buyers Plan has enabled many Canadians to buy a home much faster by allowing them to withdraw up to \$20,000 from their RRSP account.

Here are a few of the many rules for this plan:

- The funds must have been in the RRSP account for a minimum of 91 days.
- The funds can be used for things such as: furniture, moving expenses and legal costs - not just for the down payment.
- You must replenish your RRSP over a 15-year time period or sooner if you wish.
- You can add the amount ( $\$20,000 \div 15 = \$1,333$ ) to your income each year and be taxed on it and not replenish your RRSP.
- You can use the program again after 5 years of the RRSPs being repaid.
- Both spouses are eligible to withdraw up to \$20,000 each at the same time.
- If you marry someone who has used the plan and you move into their home, you are no longer eligible to use the program. One family - one principle residence.

The Home Buyers Plan has enabled many Canadians to buy a home much faster by allowing them to withdraw up to \$20,000 from their RRSP account.

### **Refinance to 95% of Your Home's Value:**

With the significant appreciation in British Columbia's house prices over the past five years, many consumers have taken advantage of the refinance program offered through CMHC. No one likes to refinance their home to pay off personal debt, but sometimes it may be the best option.

## Mortgage Insurance Programs Cont'd

The Purchase Plus Improvements program is likely CMHC's best hidden secret. This is a great program but a little tricky.

Here is a quick checklist to determine whether refinancing will help your situation:

1. *Are you tired of making four or five different payments each month?*
2. *Do you find yourself making minimum payments each month?*
3. *Are the other creditors charging interest rates, which are higher than today's mortgage rates?*

Again, it helps to have a mortgage broker explain this program and review your individual needs in detail. If your original mortgage was insured, you only pay the insurance premium on the new money borrowed.

### **Purchase Plus Improvements:**

This is likely CMHC's best hidden secret, including with many of the banks. The concept is simple: You decide to buy a house, but the home needs work - new kitchen, furnace, etc. You provide the lender with a quotation for the improvements and the amount may be eligible to be added to the mortgage. Other parameters are:

- You are required to pay a slightly higher premium (.5%).
- The improvement funds will be sent to your lawyer "In Trust" on closing, and will not be released until the work is completed and inspected.
- Your bank may limit the Purchase Plus Improvement amount to 10% of the purchase price.

This is a great program, but a little tricky. We do have a few lenders who participate in this program, but it has not been widely accepted by all lenders.

### **100% Financing on Purchases:**

CMHC has a program that offers financing up to 100% of a home's value on purchase transactions (including portability) to borrowers with a proven track record of managing their debt and the financial capability to repay this mortgage. CMHC also gives the option with this program to take an extended amortization up to 40 years, to lessen payment shock.

## Mortgage Insurance Programs Cont'd

### **Self-employed & 100% Commissioned:**

CMHC initiated a program making it easier for self-employed borrowers who have difficulty providing typical income confirmation, to realize their dreams of homeownership. Self-employed borrowers and commissioned sales persons who have a proven track record of managing their debt, and who have worked (either as an employee or been self-employed) a minimum of two years in the same type of profession will be eligible to obtain a CMHC-insured mortgage.

Mortgage insurers initiated a program making it easier for self-employed borrowers, who have difficulty providing typical income confirmation, to realize their dreams of homeownership.

## Credit Reporting

**A credit report is the main indicator of your ability to repay debt.** If you do not handle credit well, you will either be charged a higher interest rate or your application will be declined. We are trained to review and counsel clients on their credit bureau when they apply for a mortgage. We routinely find mortgages for clients who have lower credit scores and we can also assist clients in increasing their score over a short period of time. Most banks have now embraced a credit scoring system, referred to as a FICO score or a BEACON score. Most "A" lenders require a score over 600.

Credit bureaus are extremely important to individuals getting a mortgage and must be carefully monitored due to the high number of identity theft cases reported. For approximately \$20, Equifax Canada will provide you access to your personal credit bureau online. It is imperative that people review this information every 12-18 months to ensure that the information is accurate. Please refer to Meridian Coastal Mortgages' website for Equifax's information.

We are trained to review and counsel clients on their credit bureau when they apply for a mortgage.

The biggest misconception relates to the number of inquiries an individual is permitted each year. There is no set threshold of the number of inquiries allowed on a credit bureau before it hurts the Beacon score, but less is certainly better.

## Credit Reporting Cont'd

### **Here is a list of factors that contribute to the Beacon scoring:**

How recent the credit is: New credit can be a problem if there is a lack of old credit. CMHC usually likes to see at least two trade lines older than two years. (i.e. credit cards, personal lines of credit, etc.)

Balances vs. Limits: Balances that are near or over limits will affect the Beacon as well. Any card or loan that is over limit will probably have to be brought back under before your purchase's closing date. Too many cards at or over limits can affect where you can get the mortgage approved, even if the payments are made on time.

Payment History: Payment history is one of the most important parts of the bureau. Anytime a client misses a payment it shows up on their bureau and registers as an R or I rating. One missed payment doesn't show up, but two will register as a R2 or I2, and three will show up as a R3 or I3. An R4 means it will likely go to collections and R9 is as bad as it gets. Payment history will greatly affect the Beacon and will stay on the bureau for 7 years.

Lack of Credit: Bad credit is better than no credit? That's true to a point. No credit can make getting a mortgage extremely difficult, especially if it is a high-ratio mortgage and there is no co-applicant with credit.

Collections/Judgments: Collections and Judgments can seriously hurt a Beacon score. In most cases they will have to be cleared up prior to getting a mortgage. You will also have to provide a satisfactory reason for why they exist.

Bankruptcy: Bankruptcy is a serious problem when qualifying for a mortgage. Getting qualified for a mortgage after being discharged from a bankruptcy will depend on what the reason for bankruptcy was, as well as how long the client has been discharged. Credit will also have to be re-established to qualify with most lenders.

***We cannot over-emphasize the importance of knowing and understanding your credit history.***

We cannot over - emphasize the importance of knowing and understanding your credit history.

# Fraud

## What is identity theft?

Identity theft occurs when an individual steals another person's identity and impersonates that individual. By using basic personal information like name, address and social insurance number, identity thieves open credit card accounts, lease or buy cars, rent apartments or even engage in criminal activity using the stolen name.

## How can I avoid being a victim of identity theft?

You can limit the potential for fraud by remembering a few key tips:

### When using your credit cards:

- Carry only the identification and credit cards you need when traveling, whether locally or abroad.
- Do not carry your cards in your cheque book.
- If your cheque book is lost or stolen, call your bank and inform them of the cheque numbers missing.
- Sign your credit cards in permanent ink as soon as you receive them.
- When making a purchase, keep your cards in view at all times; ensure you take your card back as soon as a transaction swipe has been completed with your card.
- Do not sign a blank charge slip.
- Always save your receipts, never leave them behind.
- Avoid saying your account number aloud so that others can hear.
- Only provide your ID and credit card information over the phone to reputable companies when you have initiated the call.
- If you receive a call from someone claiming to represent your credit card issuer and the caller asks for your account number, do not provide it. If the caller is employed by the issuer, they will already know your account information.
- If your Social Insurance Card is lost or stolen, contact your employer or your local Human Resources Development (HRDC) office immediately.
- If your Driver's License is lost or stolen, contact your local driver and vehicle licensing office and report it to your local police station.

You can limit the potential for fraud by carrying only the identification and credit cards you need when traveling, whether locally or abroad.

## Fraud Cont'd

- Safeguard personal information until you know who you are dealing with, how it will be used, and if it will be shared with anyone.
- Protect the integrity of your mail. Check your mail daily. If you fail to receive bills or other mail, follow-up with your creditors.
- Destroy any financial or personal information including unsolicited credit card applications, rather than just throwing them away.

### How to manage your credit and debit card statements:

Keep a list of the names, account numbers and expiration dates of all your cards in a safe place (separate from your cards)

- Check your statements as soon as they arrive to ensure all charges gathered are correct.
- Keep statements in a safe place - they contain sensitive, personal information. By accessing your Equifax credit report on a regular basis, you can check to see if there have been changes to your report you are unaware of.

### **What can I do if I suspect I am a victim of identity theft?**

Check your Equifax credit report on a regular basis to determine if there are any changes.

### When your credit or bank cards are lost or stolen:

- Keep a list of the names, account numbers and expiration dates of all your cards in safe place (separate from your cards) to be used when alerting credit grantors about a lost or stolen card.
- Call all your credit grantors immediately upon discovering your cards are missing. Most have 24-hour service numbers for this purpose. If you re-open the account, ensure they have your correct personal information.
- Additionally, you need to call Equifax (see the Meridian Coastal Mortgages' website for their contact information). Equifax will add a statement to your file to alert credit grantors that you may be a victim of fraudulent activity. This may mean that the next time you apply for credit you will be questioned more thoroughly as a precautionary measure. The credit grantor wants to make sure that you are the person you say you are.

# Title Insurance

## **Title Insurance Protects Against Losses From:**

- Defects in title
- Invalidity or unenforceability of the insured mortgage
- Priority of certain construction liens
- Fraud or forgery
- Defects that would have been revealed by an up-to-date survey/property report or building location certificate
- Illegibility or errors in the survey
- Problems revealed by off-title searches that the solicitor was not required to conduct
- Problems that may arise during the registration “gap”

## **First Canadian Title Insurance:**

First Canadian Title Insurance is Canada’s leading provider of title insurance for residential and commercial real estate transactions and other related products and services. Established in 1991, First Canadian Title pioneered the concept of title insurance in Canada, and now issues hundreds of thousands of new policies each year. As a member of the First American Family of Companies, First Canadian Title’s financial strength, stability and commitment to service excellence are second-to-none in the industry. Based in Oakville, Ontario, First Canadian Title’s customers include more than 15,000 solicitors nationwide, every major Canadian chartered bank and credit union, other lending institutions, real estate professionals, mortgage brokers, and builders.

Many Canadians remain unaware of the possibility of fraud against the single largest purchase they are ever likely to make – a home.

## **Real Estate Title Fraud:**

Canadian consumers are increasingly alert to the dangers associated with credit card fraud. Yet, many remain unaware of the possibility of fraud against the single largest purchase they are ever likely to make – a home.

Real Estate title fraud is quite easy to commit. Fraudsters pose as the legitimate owners of a home, they mortgage it, and disappear with the money. The real owners can be on the hook for the mortgage payments of a falsified mortgage.

## Title Insurance Cont'd

Currently, title insurance is the only way to protect against real estate title fraud.

Real estate industry insiders now peg the average case of real estate fraud at \$300,000. In comparison, the RCMP estimates the average credit card fraud case in Canada to average \$1,200. Real estate fraud costs Canadians between \$300 million and \$1.5 billion each year. Even though major cities are hotbeds for this criminal activity, all Canadian homeowners are at risk.

Currently, title insurance is the only way to protect against real estate title fraud.



# Taxes

## Property Tax:

At the time of a sale, the solicitor for the buyer must confirm that local taxes have been paid up to date. The full year's payment is expected to have been paid by July 1<sup>st</sup>. If payments are up to date, a Tax Certificate is issued, from which any adjustments can be made. These adjustments usually require the buyer to compensate the seller for any prepaid taxes.

***Example:** If your possession date is December 1<sup>st</sup>, and the seller has paid the taxes on the property for that entire year, you will be expected to pay back to the seller one month-1/12th of the taxes. If the taxes on the property were \$2400 per year, you would pay back to the seller \$200.00*

Many buyers run into difficulty if their possession date falls anywhere from May to July. At this point, the seller may not have paid that year's property tax yet, as it isn't due until July 1<sup>st</sup>. The seller would then be responsible for their portion of that year's taxes for the time period they had possession of the property. The buyer will be responsible for the remainder of the year - this can be an unexpected expenditure!

## Property Transfer Tax:

The Property Transfer Tax is payable to the BC provincial government by buyers of real estate. The tax applies to all types of real estate, whether residential, commercial or industrial. The amount of the Property Transfer Tax is 1% on the first \$200,000 of the property's fair market value and 2% on the remaining fair market value.

***Example:** If the fair market value of the property is \$150,000 the tax payable would be \$1,500.00 (1% of \$150,000). If the fair market value of the property is \$250,000 the tax payable would be \$3,000 (1% on the first \$200,000 = \$2,000 and 2% on the remaining \$50,000 = \$1,000).*

Many buyers run into difficulty if their possession date falls anywhere from May to July when the seller may not have paid that year's property tax yet.

## Taxes Cont'd

“Fair Market Value” is best described as the price that would be paid for a property on the open market (which is usually the actual purchase price paid for the property). If the transfer of property is taking place without the exchange of money, the fair market value must be the fair value of the property if it was sold on the open market. In some situations, the fair market value is determined by the recent assessment received from the BC Tax Assessment Office.

There are a number of exemptions available to buyers so that the tax is not payable. The most common is the exemption for “First Time Home Buyers”.

If the transfer of property is taking place without the exchange of money, the fair market value must be the fair value of the property if it was sold on the open market.

To calculate the amount of tax payable on homes between \$425,000 and \$450,000 use the following formula:

**Amount of PPT multiplied by (\$450,000 minus Purchase Price) divided by \$25,000**

***Example:** Assume a house is being purchased for \$445,000. Normal Property Transfer Tax would be \$6,900 (1% on the first \$200,000 and 2% on remainder).*

*Using the formula:*

*\$6,900 multiplied by (\$450,000 minus \$445,000) divided by \$25,000 = \$1,380.00.*

*Subtract \$1,380 from \$6,900 leaving \$5,520 as the amount owing for the Property Transfer Tax.*

Other exemptions exist as well, such as a transfer of a principal residence between family members. For details or updates go to Meridian Coastal Mortgages’ website.

Property Transfer Tax should not be confused with Property Tax. Property Transfer Tax is a one-time tax paid to the provincial government by buyers of real estate. Property Tax is the tax paid on an annual basis to the local city/ municipality for the upkeep of electrical lines, roads, sidewalks, etc.

## Taxes Cont'd

### **First Time Home Buyers Transfer Tax Rebate:**

To qualify for an exemption of the Property Transfer Tax as a First Time Home Buyer, the following criteria must be met:

- The buyer must never have owned an interest in a principal residence anywhere in the world at any time.
- The buyer must be a citizen or a permanent resident of Canada and have resided in B.C. for at least one year prior to the purchase or have filed two income tax returns as a British Columbia resident within the last 6 years.
- To obtain full exemption, the purchase price must not exceed \$425,000. A pro-rated amount applies between \$425,000 and \$450,000 in the Greater Vancouver, Fraser Valley and Capital Region Districts (\$265,000 in Whistler and elsewhere).
- The buyer must move into the property within ninety-two days after registration of the purchase of the property and reside in the property for at least one year.
- Pro rata exemption where property exceeds .5 hectares, or a portion of the property is not residential (i.e. commercial lofts). Purchase price of entire property must not exceed the price limitations.

To qualify for an exemption of the Property Transfer Tax as a First Time Home Buyer, the buyer must never have owned an interest in a principal residence anywhere in the world at any time.

## Taxes Cont'd

### **Property Transfer Tax: Mortgage Pay-Down Limits:**

*British Columbia's 2005 Provincial Budget  
Property Transfer Tax Act Amendments  
Changes are Effective February 16, 2005*

The pay-down limit is increased to \$13,000 or the amount that would reduce the mortgage to 70% of the fair market value of the property, whichever is greater.

The mortgage pay-down limits have been increased for applications for registration of transfers received by the Land Title Office **on or after February 16, 2005**. In the Capital Regional District, Greater Vancouver Regional District and Fraser Valley Regional District, the pay-down limit is increased to \$13,000 or the amount that would reduce the mortgage to 70% of the fair market value of the property, whichever is greater. For properties located outside these regional districts, the pay-down limit is increased to \$10,600 or the amount that would reduce the mortgage to 70% of the fair market value of the property, whichever is greater.

Mortgage pay-down limits for applications for registration of transfers received by the Land Title Office **prior to February 16, 2005** are unchanged, at 70% of the fair market value of the property or \$11,000 or \$9,000, whichever is greater, depending on the area of the province where property is located.

This is subject to change without notice. Changes are made by the provincial government.



## Glossary

Amortization: The length of time it would take to pay off the mortgage, assuming the interest rate never changed, all payments were made on time, and no additional payments were made.

Assets: These are all the things you own - i.e.: bonds, cash, GIC's, mutual funds, RRSP's, stocks, vehicles, other real estate, etc.

Assumable: This is the ability to "give" your mortgage to the buyer of your home if you sell it. This is another option your lender may provide, if the buyer qualifies.

Conventional Mortgage: If you put at least 20% of the purchase price as a down payment, you can apply for a conventional mortgage.

Credit Rating/Beacon Score: Your credit bureau will show previous and current credit ratings. A Credit Rating/Beacon Score is the main criteria the lender will look at to determine how well you handle credit.

Down payment: This is the amount of money that you are paying towards the purchase of your home. The deposit that you give your realtor on signing the Offer to Purchase contract will be part of this total down payment.

High-Ratio Mortgage: If you have between 5% and 20% of the purchase price as your down payment, you can apply for a high-ratio mortgage. These have to be insured through CMHC, GE or AIG. The mortgage insurance premium is usually added to the mortgage amount.

Liabilities: These are all your outstanding debts – i.e.: credit card balances, credit lines, loans, other mortgages, etc.

## Glossary Cont'd

Open Mortgages: An open mortgage allows you to pay off part or the entire mortgage at any time without penalties. The interest rates are usually higher than those for closed mortgages with similar terms.

Portability: This is the ability to take your mortgage with you if you should ever sell your existing property and buy a new property. This is a great option your lender may provide with some of their mortgages.

### **Servicing Ratios:**

GDS (Gross Debt Servicing Ratio): Takes into consideration all shelter payments. Normally lenders will not allow this ratio to exceed 32%. The calculation is as follows:

$$\frac{\text{Monthly Mortgage Payments} + \text{Property Taxes} + \text{Heat}}{\text{Monthly Income}} = \text{GDS}$$

TDS (Total Debt Servicing Ratio): Takes into consideration all shelter payments as well as all other monthly payments on car loans, credit cards, lines of credit, etc. For most lenders, this ratio cannot exceed 40%. The calculation is as follows:

$$\frac{\text{Monthly Mortgage Payments} + \text{All Other Monthly Payments on Debt}}{\text{Monthly Income}} = \text{TDS}$$

Term: The small time periods of a mortgage amortization that you will pay a set interest rate. At the end of the term, you will renew your mortgage for a new term at the prevailing rates of interest.

## Creation of the Mortgage Manager

We have developed an innovative internet database, the **Mortgage Manager**, which allows us to fully manage all our clients' mortgages with ease and precision. It is totally unique and allows you to communicate with us and access your mortgage history, outstanding mortgage documents, pre-approval status, and even view your own documents by request.

The **Mortgage Manager** has been constructed with much thought and care over several years. We have made it user-friendly, and easy to access without compromising the confidentiality of your personal information.

We will continue to make updates and changes as the market and our clients change, always striving to better serve our clients and industry.

We hope you find the **Mortgage Manager** as useful as we do. We want everyone who uses our wonderful service to become well-informed and empowered.

[www.mymortgagemanager.ca](http://www.mymortgagemanager.ca)

Check it out! Call us for a log-in and password and you will be ready to go! We will keep you up-to-date every step of the way, as we strive to be...

***"Your Mortgage Manager for Life!"***

**The Mortgage Manager**  
will keep you up-to-date every step of the way

## Appendix

The following worksheets are included to simplify your task as you progress along the road to home ownership.

Please don't hesitate to contact us if you require help or further information.

## Worksheet - Costs to Purchase a Home

DEPOSIT AT TIME OF OFFER .....\$ \_\_\_\_\_  
*(forms part of down payment)*

BALANCE OF DOWN PAYMENT .....\$ \_\_\_\_\_

INSPECTION OF PROPERTY .....\$ \_\_\_\_\_  
*(if desired)*

LEGAL FEES & DISBURSEMENTS .....\$ \_\_\_\_\_

PROPERTY SURVEY CERTIFICATE OR TITLE INSURANCE .....\$ \_\_\_\_\_  
*(if required)*

STRATA DOCUMENTS / MOVE IN FEES.....\$ \_\_\_\_\_  
*(Strata Form B etc.)*

ADJUST'S FOR TAXES, WATER ETC. ....\$ \_\_\_\_\_

G.S.T .....\$ \_\_\_\_\_  
*(newly constructed properties only)*

APPRAISAL FEE .....\$ \_\_\_\_\_  
*(if required)*

CMHC APPLICATION FEE & PREMIUM.....\$ \_\_\_\_\_  
*(if required)*

HOUSE INSURANCE / INSURANCE BINDER.....\$ \_\_\_\_\_  
*(if a single family house)*

PROPERTY PURCHASE TAX 1% UP TO \$200,000.....\$ \_\_\_\_\_

2% OVER & ABOVE \$200,000 .....\$ \_\_\_\_\_

REALTOR COMMISSION .....\$ \_\_\_\_\_  
*(if you are selling your existing property, consult your realtor on costs of commission)*

**TOTAL.....\$ \_\_\_\_\_**

## Worksheet - Cost to Refinance a Home

LEGAL FEES & DISBURSEMENTS .....\$ \_\_\_\_\_

PROPERTY SURVEY CERTIFICATE OR TITLE INSURANCE .....\$ \_\_\_\_\_  
*(if required)*

APPRAISAL FEE .....\$ \_\_\_\_\_  
*(if required)*

CMHC APPLICATION FEE & PREMIUM .....\$ \_\_\_\_\_  
*(if required)*

HOUSE INSURANCE / INSURANCE BINDER .....\$ \_\_\_\_\_  
*(if a single family house)*

INCREASE IN MORTGAGE OR PAY CMHC TOP UP .....\$ \_\_\_\_\_  
*(if required)*

RESET AMORTIZATION .....\$ \_\_\_\_\_  
*(if required)*

**TOTAL** .....\$ \_\_\_\_\_

## Worksheet - Costs to Transfer a Mortgage

PROPERTY SURVEY CERTIFICATE OR TITLE INSURANCE .....\$ \_\_\_\_\_  
*(if required)*

APPRAISAL FEE .....\$ \_\_\_\_\_  
*(if required)*

CMHC APPLICATION FEE & PREMIUM .....\$ \_\_\_\_\_  
*(if required)*

HOUSE INSURANCE .....\$ \_\_\_\_\_  
*(if a single family house)*

LAWYER .....\$ \_\_\_\_\_  
*(if required)*

**TOTAL** .....\$ \_\_\_\_\_

## Worksheet - Fundamentals of a Mortgage

A

B

	<p><b>LENDER</b> The company that will provide the mortgage.</p>	
	<p><b>INTEREST RATE</b> Annual interest rate that will be charged.</p>	
	<p><b>TERM OF MORTGAGE</b> The short time periods of a mortgage amortization that you will pay a set interest rate.</p>	
	<p><b>AMORTIZATION PERIOD</b> The timeline over which your Principal and Interest payments are stretched.</p>	
	<p><b>PAYMENT FREQUENCY</b> How often your payments are made.</p>	
	<p><b>PRE-PAYMENT OPTIONS</b> The allowable amount that can be pre-paid off the mortgage balance without incurring a penalty.</p>	
	<p><b>PAY OUT PENALTY</b> If the mortgage is paid out before the term expires, the way your penalty is calculated.</p>	
	<p><b>PORTABLE</b> This feature allows you to move your mortgage from your existing property to a new property.</p>	
	<p><b>ASSUMABLE</b> This feature allows the mortgage to be taken over by a new qualifying client rather than be paid off.</p>	
	<p><b>INTEREST COMPOUNDING PERIOD</b> The number of times your mortgage principal and interest is compounded during the year.</p>	

## Sample Gift Letter

To whom it may concern;

With reference to the mortgage application of *(name of applicant(s))* \_\_\_\_\_

\_\_\_\_\_, the undersigned are giving the above mentioned named, a gift of

\$ \_\_\_\_\_ to assist with the purchase of the property located at *(full address)* \_\_\_\_\_

\_\_\_\_\_ of which no repayment is expected or to be negotiated.

We further certify that this gift is being provided from our own resources and is not being borrowed in any way.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
*Signature of witness*

\_\_\_\_\_  
*Signature of Donor*

*Donor's Name* \_\_\_\_\_

*Phone #* \_\_\_\_\_

*Relationship to Applicant(s)* \_\_\_\_\_

\_\_\_\_\_  
*Signature of witness*

\_\_\_\_\_  
*Signature of Donor*

*Donor's Name* \_\_\_\_\_

*Phone #* \_\_\_\_\_

*Relationship to Applicant(s)* \_\_\_\_\_







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# 5 Steps to Home Ownership



**Cindy Faulkner** offers more than 15 years of industry experience in mortgage brokering and real estate. As President and co-owner of Meridian Coastal Mortgages, Cindy has been a business owner for more than 17 years. She also holds an Accredited Mortgage Professional designation and is a member of the Mortgage Brokers Association of British Columbia (MBABC) and the Canadian Association of Accredited Mortgage Professionals (CAAMP). As one of Canada's top brokers, Cindy brings a wealth of knowledge and experience to her clients.

**Michael Donovan** is co-owner and Vice President of Sales for Meridian Coastal Mortgages. He offers his clients almost a decade of industry experience in Commodities and Lending. Michael holds a Commerce degree from the University of Western Ontario. As a mortgage expert, Michael has helped hundreds of clients meet their home equity needs.



*Meridian Coastal Mortgages is "Your Mortgage Manager For Life", embracing individual clients with our personalized service and fundamental education.*

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