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Caryn Welcome to the September issue of my monthly newsletter!

This month's edition lists five questions and answers that will help you dig a little deeper into the mortgage financing process, as well as explains the value of a rate hold. Please let me know if you have any questions or feedback regarding anything outlined below.

Thanks again for your continued support and referrals!



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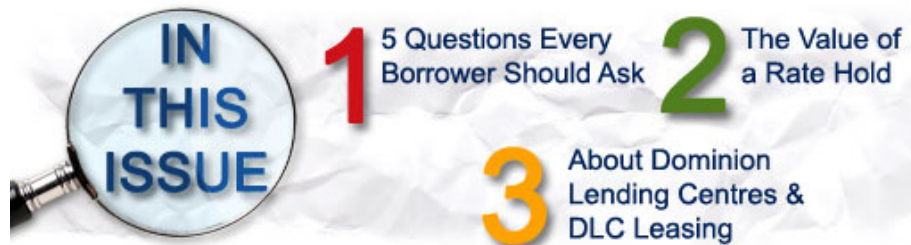
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DID YOU KNOW...

It's a great idea to purchase a home when rates are low, but pay your mortgage as if the rate was as high as you can afford. This means that you'll be better prepared when rates increase.

HOMEOWNER TIPS



5 Questions Every Borrower Should Ask

As a mortgage borrower – particularly if this is your first time embarking upon homeownership – there's no doubt you have a load of questions related to the mortgage process. Aside from the most common questions, such as those relating to mortgage rate, the maximum mortgage amount you'll be able to receive, as well as how much money you'll need to provide for a down payment, the following five questions and answers will help you dig a little deeper into the mortgage financing process.

1. Can I make lump-sum or other prepayments on my mortgage without being penalized? Most lenders enable lump-sum payments and increased mortgage payments to a maximum amount per year. But, since each lender and product is different, it's important to check stipulations on prepayments prior to signing your mortgage papers. Most "no frills"

a penalty. This charge may or may not be reimbursed with your new mortgage. Some lenders allow you to port your mortgage, but your sale and purchase have to happen on the same day, while others offer extended periods.

4. What amortization will work best for me?

The lending industry's benchmark amortization period is 25 years, and this is also the standard used by lenders when discussing mortgage offers, as well as the basis for mortgage calculators and payment tables. Shorter or longer timeframes are also available – up to 30 years. The main reason to opt for a shorter amortization period is that you'll become mortgage-free sooner. And since you're agreeing to pay off your mortgage in a shorter period of time, the interest you pay over the life of the mortgage is, therefore, greatly reduced. A shorter amortization also affords the luxury of building up equity in your home sooner. While it pays to opt for a shorter amortization period,

Sales of the Season:

The best time to prepare for a project is when the season is over. An example of this is decking materials. In late summer and early fall, pressure-treated deck supplies can sell for up to 60% off their regular price. Landscaping supplies will go on sale at this time too. For bathrooms and kitchens, the busy season is the fall so look for sales early in the New Year. This is because building supply stores need the room for the next season's materials and would rather get rid of the stock on hand than have to waste the space on old stock and spend money on labour for storage. Watching the flyers at this time of the year will yield great results, especially for the homeowner who has done the planning and knows the bottom line on prices. Another place to get great deals is at a home show. Tons of stock is brought in and no company wants to ship it back to the store. Many blow-out deals occur on the last day of the show. Just bring a truck and cart it away.

About DLC Leasing Inc

* DLC Leasing is the leasing division within Dominion Lending Centres Inc.

* Our leasing programs provide up to 100% financing on business-related equipment.

* Leasing options include new equipment leasing; used equipment and vehicle leasing; customized solutions through vendor finance programs; and lease-backs – where the lender buys equipment from a business owner and the owner leases it back.

* Technology, heavy

mortgage products offering the lowest rates often do not allow for prepayments.

2. What mortgage term is best for me? Terms typically range from six months up to 10 years. The first consideration when comparing various mortgage terms is to understand that a longer term generally means a higher corresponding interest rate and a shorter term generally means a lower corresponding interest rate. While this generalization may lead you to believe that a shorter term is always the preferred option, this isn't always the case. Sometimes there are other factors – either in the financial markets or in your own life – you'll also have to take into consideration. If paying your mortgage each month places you close to the financial edge of your comfort zone, you may want to opt for a longer mortgage term, such as five or 10 years, so that you can ensure that you'll be able to afford your mortgage payments should interest rates increase.

3. Is my mortgage portable? Fixed-rate products usually have a portability option. Lenders often use a "blended" system where your current mortgage rate stays the same on the mortgage amount ported over to the new property and the new balance is calculated using the current rate. With variable-rate mortgages, however, porting is usually not available. This means that when breaking your existing mortgage, you will face

other considerations must be made before selecting your amortization. Because you're reducing the actual number of mortgage payments you make to pay off your mortgage, your regular payments will be higher. So if your income is irregular because you're paid commission or if you're buying a home for the first time and will be carrying a large mortgage, a shorter amortization period that increases your regular payment amount and ties up your cash flow may not be your best option.

5. How do I ensure my credit score enables me to qualify for the best possible rate?

There are several things you can do to ensure your credit remains in good standing. Following are five steps you can follow: **1) Pay down credit cards.** This the #1 way to increase your credit score. **2) Limit the use of credit cards.** If there's a balance at the end of the month, this affects your score – credit formulas don't take into account the fact that you may have paid the balance off the next month. **3) Check credit limits.** Ensure everything's up to date as old bills that have been paid can come back to haunt you. **4) Keep old cards.** Older credit is better credit. Use older cards periodically and then pay them off. **5) Don't let mistakes build up.** Always dispute any mistakes or situations that may harm your score by making the credit bureau aware of each situation.

As always, if you have any questions about the information above or your mortgage in general, I'm here to help!



The Value of a Rate Hold

Securing a rate hold is like having insurance on your mortgage rate – you no longer have to worry about mortgage rates increasing while you find your new home over the next 90-120 days. And if rates drop within that same period, so too will your preapproved rate.

For instance, if you obtain a 3.39% rate hold and then global risks subside and the economy strongly recovers over the next three to four months, that 3.39% could easily jump to 4% or higher. In this case, your rate hold for 3.39% would have saved you more than half of a percentage point, which would translate to a savings of a significant amount of money over the term of your mortgage.

But a rate hold means nothing if you don't meet the lender's qualifications. By obtaining a preapproval and a rate hold, you can be confident you have access to mortgage financing and you'll know how much you can spend before you head out shopping for a property.

It's important to note, however, that there is a significant difference between being *preapproved* and *prequalified*. In order to obtain a preapproval, the lender fully underwrites the deal, whereas with a prequalification only the most basic details are considered. Remember that many banks will only issue a prequalification, while mortgage brokers will ensure you're preapproved.

equipment and trailers, furniture and hospitality equipment, and manufacturing and industrial equipment are just a few examples of available leasing options.

* With access to multiple lending sources, Dominion Lending Centres' Lease Professionals can cater to leasing deals for a variety of credit scenarios ranging from A to C credit quality.

* Because many of our Lease Professionals are also licensed mortgage agents, we can offer standard equipment leases and creatively structured solutions for seasonal, new or growing companies.

* Working with someone who is both a lease and mortgage expert enables you to even use commercial and residential mortgage and property credit line products, alone or in combination with lease financing, to help achieve the best solutions for your equipment acquisition needs.

* Our Lease Professionals can even break up large-dollar transactions into multiple leases across a number of funders to ease and simplify the approval process.

About Dominion Lending Centres

Canada's National Mortgage Company

- We are Canada's largest and fastest-growing mortgage brokerage!
- We have more than 2,000 Mortgage Professionals from more than 350 locations across the country!
- Our Mortgage Professionals are Experts in their field and many are ranked among the best nationally.
- We work for you, not the lenders, so your best interests will always be our number one priority.
- We have more than 100 mortgage programs, making it easy to choose the best fit for your unique situation.
- We close loans in all 10 provinces and 3 territories.
- We can process your mortgage in as few as 7 days.
- We are the preferred mortgage lender for several of Canada's top companies.
- Dominion Lending Centres' Mortgage Professionals are available anytime, anywhere, evenings and weekends – and we'll even come to you!

Dominion Lending Centres, they're a beauty! Check 'em out!

DOMINION LENDING CENTRES
Canada's National Mortgage Company

WINNER OF 5 AWARDS AT THE **CMP** Canadian Mortgage Awards 2010

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