

Mortgage News Brought to You by Shanna Gottfried, Mortgage Broker

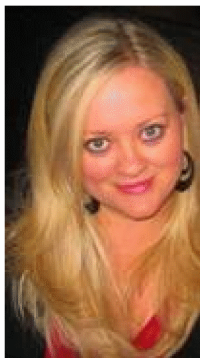


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Shanna Gottfried, MBA

MORTGAGE NEWS

The Bank of Canada announced on October 19, 2010, that it is maintaining its overnight rate at 1%, which will keep the prime interest rate at 3.00%.

If you have a variable rate mortgage, this means that your payments will remain as is. The next interest rate announcement is scheduled for December 19th, 2010.

Interest rates still remain at record lows, with 5 yr fixed rates as low as 3.45% & 5 yr variable rates as low as 2.25% (prime - .75%). If you are even thinking about refinancing or buying a property, it would be wise to contact me soon to get your rate holds in place to ensure you don't miss out on these excellent rates. (Rates subject to change without notice, OAC)

If you aren't sure if renewing your mortgage early or refinancing now makes sense, contact me for a free consultation and I will analyze your individual situation for you.

Verico Complete Mortgage Services

Mortgage Broker

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Fax: 1.866.860.1638

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How can I help you meet your real estate and financial goals? I can offer you:

- ***Simplicity*** – I make getting your mortgage easy. You can leave your financial needs with me, and trust that I will find you the best financing options.
- ***Free Counsel*** - I can help you to determine which type of mortgage product and lender is best for you based on your individual needs. I can often get you approved for a larger purchase price and lower payments, which can make your financial goals a reality. All at no charge to you.

You may be able to save thousands by refinancing now, especially when you are paying off higher interest debts.

Do you know anyone with a variable mortgage with a surplus over prime rate or mortgage over 4.45%? Please introduce us over an email at shanna@telus.net. I will give them a free mortgage check and see how much money they could be saving. I can help clients across Canada.

DOWN PAYMENTS AND PRE-APPROVALS



As a first-time home buyer, you probably have many questions, including the right down payment amount and whether you'll be approved for a mortgage.

An important first step before purchasing your new home is to obtain a pre-approved mortgage. A pre-approval will demonstrate to sellers and realtors that you are a serious buyer, which can help in your negotiations.

Another advantage of having a preapproval is that you will know how much you can realistically afford and what your payments will be before you start looking at homes. It also allows you to lock in your

- **Savings** - Lower interest rates means lower monthly payments for you and more money back in your pocket. I represent multiple major banks and lenders and negotiate with them on your behalf to get excellent interest rate discounts that you normally can't get on your own.
- **Time** - I shop around for the best mortgage for you, saving your valuable time and energy.
- **Experience & Knowledge** - I know how to best package your mortgage application to get the approval you are looking for.
- **Relief** – I can help to relieve your financial stress by refinancing and consolidating higher interest debts.
- **Hope** – I can advise you on what steps to take in order to

interest rate with a 90 day guarantee which is a great feature in the event that interest rates rise.

Homebuyers will generally need to have an appraisal of the property they are purchasing in order to obtain a firm approval of their purchase. Make sure to contact your mortgage broker as they'll be able to assist you with this pre-approval process.

When it comes to deciding on the right down payment amount, there are a number of options to consider:

Conventional Mortgage – A conventional mortgage requires a down payment of at least 20% and is offered on both a fixed or variable interest rate mortgage. Conventional mortgages have the lowest carrying costs because they do not have to be insured against default. So, while it may take long to accumulate this type of down payment, it will also save on mortgage costs over the long run.

Low Down Payment Insured Mortgage – Most lenders now offered insured mortgages for both new and resale homes with lower down payment requirements than conventional mortgages-as low as 5%. Low down payment mortgages must be insured to cover potential default of payment; as a result, their carrying costs are higher than a conventional mortgage because they include the insurance premium.

Using Your RRSP as a Down Payment – Under the federal government's Home Buyer's Plan, first-time home buyers are eligible to use up to \$25,000 in RRSP savings per person (\$50,000 for couples) for a down payment on a home. The withdrawal is not taxable as long as you repay it within a 15-year period. To qualify, the RRSP funds you plan to use must have been in your RRSP for at least 90 days.

When you are ready to search for your new home, contact your mortgage broker for assistance. Your mortgage broker will be able to help you get pre-approved and will be able to assist you in

achieve your real estate goals

- **Accessibility**- *I'm available when you need me.*
- **Personalized service** – *Every client is very important to me and will receive my best service.*
- **Satisfaction** - *You can rest assured knowing that with my guidance you were able to choose the right mortgage product for you at the best possible rate. Best of all-my services are free for you!*

Contact me at
shanna@telus.net or
604.543.9595 /
1.877.816.4848 and
find out how I can
save you money.

determining which of the above down payment options are right for you.

TIPS ON KEEPING MORE OF YOUR MONEY

According to a recent survey released by the Canadian Payroll Association, 59% of us don't have enough saved up to pay for next month's necessities if we suddenly got laid off. If you find yourself living paycheque to paycheque where you are finding it difficult to save because you're either spending too much, don't have a financial strategy and/or your investment choices haven't been doing as well as you'd hoped, here are some tips on how you can keep more of your money.

SAVING

Basic first steps – Before making any decisions about what to do with your money, you have to make sure that you have enough of it on hand.

DO pay yourself first. That's the most important rule. Take an amount from each paycheque and set up an automatic savings or investment plan. Putting 10% of your gross is a good start but whatever amount, make sure you don't spread yourself too thin. After awhile, you won't even notice this amount disappearing.

DO pay off your consumer debt before investing. It's like earning a return that equals the interest charged on your debt. For instance if you're carrying a credit card balance of \$1,000 with 18% simple annual interest, that's \$180 a year in charges. Pay off that debt and you've saved \$180. That's the same as investing \$1,000 in something that earns an 18 % return after tax. In fact, if you're in a 50% tax bracket, you would have to earn 36% to emerge with the same \$180 in your pocket.

REFERRALS

Do you know someone who could benefit from my service? If so, please introduce us.

They will receive excellent service, fantastic rates, and I will be sure to thank you too!



THE TRUTH ABOUT MORTGAGES

While your home's value may have greatly increased, you may also be paying more than necessary on the mortgage.

DO refinance your mortgage if your rate is more than 2% higher than current rates, and you have less than 2 years until maturity. Check with your mortgage holder to determine the penalty for getting out of your deal.

DO consider a variable or floating rate mortgage if you have built up equity in your house and are able to tolerate the risk that your monthly payments will fluctuate. Speak with your mortgage broker to determine if this is an option for you.

INVESTING

Expect ups and downs. Too much risk can hurt your portfolio's growth rate but so can hiding in ultra-safe investments paying one percent or less. Ideally, your portfolio should be able to keep its head above water during prolonged market downturns and be positioned to grow when the economy and market soar.

DO look at staying invested for the long haul. Don't chase every fad as studies have shown that it's long-term discipline that provides above-average returns.

DO diversify. But don't overdo it. To start, you need the right mix of stocks and bonds. A general rule of thumb is that the percentage of your investment portfolio consisting of fixed-income holdings should equal your age. The thinking is, you become more conservative as you get older.

DO know when to sell. The toughest thing for any investor is to sell. One suggestion is that no holding should make up more than 5-6% of your portfolio.

(Source: Reader's Digest)