



mortgage strategies for every stage of your life

March 2008

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Property Transfer Tax Changes

The BC government changed the PPT rules so that home ownership would be more affordable:

The price threshold for First Time Home Buyers is now \$425,000.00, and a partial exemption applies to properties with a fair market value between \$425,000 and \$450,000. Furthermore, there is no longer a requirement for purchasers to obtain financing of 70% or greater of the purchase price.

Porting Your Mortgage

Most mortgages will have a "port clause" which states that the borrower can move their mortgage to their next home. The clause has always been very vague – outlining that the port is allowed with approval from the lender. Recently we have noticed that lenders have been less flexible with the rules around porting a mortgage. Some lenders are only porting the mortgage if the sale date and the date of taking ownership on the new home match. Other lenders are allowing a 5 day allowance.

Some lenders have not made any changes and will allow the port to occur within 90 days. If you are looking at making a move and porting the mortgage please give us a call so that we can look into your lender's current policy and provide you with your best mortgage options.

Siemens Group provides mortgage strategies for every stage of your life

our mortgage rates

as at March 17/08

closed rates

6 mo	5.94%
1 yr	4.99%
2 yr	5.50%
3 yr	5.45%
4 yr	5.50%
5 yr	5.39%*
7 yr	6.00%
10 yr	6.15%
variable	4.50%

*quick close special 5.39% with conditions

MORTGAGES :: FINANCING

Buying Rental Properties

CMHC came out with a new rental program that allows a consumer to purchase a rental property with 0% down. This may be a good idea for some of you to take advantage of. For example: if you are self employed or do not have a pension to rely on for retirement, you may choose to supplement your income by owning rental properties to provide an income during your retirement years.

If your income is high enough to cover any shortfall in rental income, but you do not have a lot of spare cash available for down payment, this may be a good program for you to look at. Give us a call, and we will go over the program in detail with you to see if it is a good fit for you.



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Recipe Lentil Shepherd's Pie

I was at a function in December where John Bishop was cooking for us. He made this recipe in little individual sized ramekins. I was skeptical about liking the dish, but it was really good!!! If you are a Vegan you would just omit the Worcestershire Sauce.

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| 1 Tbsp butter | 1Tbsp Olive Oil |
| 1 onion, finely chopped | 1 clove garlic, finely chopped |
| 1 celery stalk, finely chopped | 1 carrot peeled and finely chopped |
| 6 mushrooms ½'d and chopped | ¼ yellow bell pepper, finely chopped |
| 1 tsp fresh thyme | 1 1/2 tsp ground cumin |
| 1/2 tsp ground cardamom | 1 cup dried brown lentils, rinsed |
| 1 large tomato cored and finely chopped | 2 cups vegetable stock |
| 1 Tbsp tomato paste | 1/2 Tbsp honey (or sugar) |
| 4 dashes Worcestershire sauce | 1 Tbsp Balsamic Vinegar |
| 1Tbsp Lemon juice | 1 tsp Lemon Zest |
| 2 Tbsp basil leaves, chopped | |

- 1) Preheat the oven to 375 and grease a 9 inch baking dish
- 2) Cook Rutabaga or Potatoes (chopped into small chunks) in a pot of boiling salted water, drain and mash to put on top.
- 3) Melt butter with olive oil in large saucepan. Add onion, garlic, celery, carrots, mushrooms and peppers. Sauté 3-5 min. Add thyme, cumin, cardamom and cook 2-3 minutes. Add lentils, tomatoes, stock and tomato paste, honey (sugar), Worcestershire, balsamic vinegar, lemon, lemon zest and basil, season with salt and pepper. Bring to a boil and the reduce heat to low and cook covered for 40 min.
- 4) Put mixture into baking dish (¾ full), allow to cool. Then put Rutabaga or Potatoes over top. Brush with Olive Oil and bake for 45 - 50 min uncovered. Serve on warmed plates with your favorite salad!!!

Outlook for 2008

March 2008

2008 will be a year to remember in the mortgage market. With the continuous challenges arising out of the US, lenders continue to hold on to any profit they are realizing. As mentioned before, lenders package up the mortgages they lend and sell the packaged mortgages on the investment market. Since the fall out of the sub prime crisis, lenders have been only getting approximately 40 - 55 cents in the market for every \$1 of mortgage money lent. Essentially the cost of money to lenders has gone up significantly.

The good news is that many of the funds containing questionable US mortgage paper are expected to come to maturity within the next 12 -16 months. Lenders in the US have been very tight with how and to whom they lend money in recent months. This means that any series released since the Sub Prime crisis should be of much better value and they should fetch a greater return as they were prior to mid 2007. We see this as the timeline to watch, we feel that the prime rate will have downward pressure for the next 12+ months. The fixed rates will likely change little until we approach the maturity of these funds and we start to see lenders realizing a greater return on their funds (\$1 to \$1). Once we start to see this stabilization we are likely to see some decreases in the fixed rates and increases in the prime rate.

During this next 12- 16 months we are in a very good climate for lower rates in the variable rate market. We believe that in 9 months onward we will likely see the fixed rates fall, giving an opportunity to lock in your variable rate into an attractive fixed rate.

We have been sending our variable rate clients market updates through email. If you have not been receiving these updates please contact our office @ 604-351-7438 ext 5, so that we can get your updated email information.

