



# Homebuyers Guide

Scott Dawson Mortgage Specialist

# Getting Started

It's an exciting time when you decide to purchase a home. We also understand it can be a very stressful time. At Verico Paragon Pacific Mortgages it's our goal to make the process as stress free as possible. This homebuyers guide will educate you through the process of purchasing your home so you'll be prepared every step of the way.

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# Mortgage Application

Applying for a mortgage is easy and completing an application is the first step.

## Completing Your Application

You can complete your application in one of two ways either by the paper application or through our secure online application on our website. Full applications can be found on our website: [www.scottdawson.ca/apply](http://www.scottdawson.ca/apply)

## What information do I need to provide?

The information we ask for is standard for when applying for a mortgage. We'll ask for information on your work, down payment, liabilities and what type of property you are looking to purchase.

## How long does it take to receive my pre-approval?

Once we receive your mortgage application at our office we can typically have you pre-approved the very same day. There may be times we will need to contact you to clarify information so filling out the application fully helps us get your pre-approval faster.

## Will you be checking my credit?

Yes, at Verico Paragon Pacific Mortgages we will not do a pre-approval for a client without performing a credit check. By checking your credit this gives us and you a much clearer picture of your purchasing power. Lenders rates are also based on what shows up on your credit bureau. So by checking your credit we won't be misleading you with rates and products you might not qualify for.

## Doesn't checking my credit affect my score?

Checking your credit multiple times at multiple banks can have a negative impact on your score. By working with us however we just need to check your credit once and we can use this to submit your application to any lender we work with.

# The Pre-Approval

Getting pre-approved is easy. Once your application is completed we'll be able to lock in your rate for up to 120 days.

## How is a Pre-Approval at Verico Different?

### Mortgage Terms

During the pre-approval stage your Mortgage Specialist will discuss the various mortgage products available to you. Our discussion isn't only based on rates. We will educate you all of your options to find a suitable mortgage based on your personal situation.

### Credit Rating

During the application process your Mortgage Specialist will preform a credit check. Your credit rating is based on a "beacon score" established by credit agencies and by preforming this check up front we can give you a more accurate idea of your purchasing power.

### Document Verification

Your Mortgage Specialist will also ask you to provide as much documentation up front as possible. This helps us by allowing us to complete your pre-application more accurately but also helps you by saving you time when you ultimately make an offer to purchase a new home.

## Things to keep in mind about your Pre-Approval

### Rate Holds

A pre-approval is a rate hold only and once your application is submitted for final approval will be subject to current underwriting guidelines.

### Final Approvals

Final approval is dependent on satisfactory review of property, appraisal, credit report, confirmation of down payment and verification of income by the lender.

### Extending Your Rate Hold

Should your rate hold expire we'll be happy to lock you into another 120 day rate hold.

# Document Checklist

This is a guide for the types of documents we may require to complete your mortgage application. Your Mortgage Specialist will work with you to collect the documentation and answer any of your questions. There are often fewer documentation requirements but, there are times when we may require any of the following.

## Income Tax Notice of Assessments (NOA)

This is the form the government provides you when you file your income taxes. Lenders may require a 2 year average of line 150 of your NOA

## Proof of Down Payment

Three months worth of statements confirming any assets. Please ensure these statements contain your name, account information, and current balances.

## Current Pay Stubs

Two most recent pay stubs dated within 30 days.

## Employment Letter

Confirming Your Position, Start Date, Salary Information, and it must be signed and dated on Company Letterhead

## Void Cheque

Pre Printed Void Cheque for the Account you would like your mortgage payments to be withdrawn from.

## Solicitor Information

Firm name, Solicitor name, and full contact Information. If you currently do not have a solicitor, one can be recommended to you.

## Self Employed

Self employed borrowers may be required to show additional documentation to confirm business activities. Your mortgage specialist will clarify for your specific requirements.

# Costs to Consider

When purchasing a home, over and above the down payment you must budget for closing costs. If you have a high ratio mortgage you will need to show your lender you have 1.5% of the purchase price to cover these costs.

## Property Transfer Tax

In British Columbia the tax is 1% on the first \$200,000, plus 2% on the remainder. First time buyers may qualify for a rebate. Information: [http://www.sbr.gov.bc.ca/business/property\\_taxes/property\\_transfer\\_tax/first\\_Time\\_home\\_buyer.htm](http://www.sbr.gov.bc.ca/business/property_taxes/property_transfer_tax/first_Time_home_buyer.htm)

## Appraisal

Lenders may require an appraisal to confirm property value. A typical appraisal cost is \$300.

## Legal Fees

A solicitor will help protect your interests by reviewing your purchase agreement, searching the property title and ensuring that all documents are completed property. Legal fees are typically between \$800-\$1000.

## Home/Fire Insurance

Your lender will require proof that the property is insured in case of fire & other damage. Insurance costs vary depending on coverage but budget for \$500 a year.

## HST

Newly constructed or substantially renovated houses British Columbia will be subject to Harmonized Sales Tax (HST). The HST New Housing Rebate program provides a partial rebate on part of HST. The cost of HST can be included in your mortgage amount. Information: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/nwhsng-eng.html>

## Home Inspection

An inspection can help make you aware of issues related to a homes structure and systems, such as plumbing and electrical, and recommended or necessary repairs. Fees range from \$400 to \$600.

## Prepaid Costs

If the seller has paid property taxes, water bills, or utilities in advance, you'll need to reimburse these at closing. This can add hundreds to your upfront costs, but means these bills will already be prepaid when you take possession of your new home.

## Title Insurance

Title insurance can safeguard you against fraud and problems with your property title of survey. Cost is around \$300.

# The Approval

Once you have found your new home the next step is submitting your mortgage application for final approval

## Accepted Offer

Once you have an accepted offer of purchase contact your Mortgage Specialist so we can update your application with the property details.

## Approval Documentation

While the majority of the documentation required to obtain a mortgage would have already been collected by us, there may be times when further documentation will be required to finalize your mortgage. Your Mortgage Specialist will work with you to collect the information and answer any of your questions.

## Subject Removal

Your Realtor will include a subject removal date in your purchase contract. This is typically 5-10 business days. This time allows us to get your mortgage financing approved and also gives you time to schedule a home inspection go over the property disclosure and/or strata minutes etc. with your Realtor.

## Finalizing Your Mortgage

This is when you will meet with your Mortgage Specialist to sign your mortgage commitment. We will go over all the terms and conditions of your mortgage, finalize your solicitor information and answer any questions you still have.

## Completion Date

This is the date that money exchanges hands in real estate transactions. You will have to go to your solicitor 3-5 days before this date to sign the final documents for your purchase. All that's left to do after the completion date is to get your keys from your Realtor and move into your new home.

# Going Forward

Our service doesn't stop after you sign your mortgage documents.

## Common Questions

### What if I want to change my mortgage payment?

Most lenders provide online access or a toll free number so you can easily make these changes yourself. If you want us to make these changes for you just ask.

### How do I lock in my Variable Rate Mortgage?

You can contact your lender directly but we recommend that you contact us first to discuss if locking in is your best option.

### What if I want to refinance?

Refinancing is like applying for a new mortgage. Contact your Mortgage Specialist directly and we can help.

### What if I want to move again?

When the time comes and you either want to move up into a new property or downsize into a smaller one contact us and discuss your options. Chances are your mortgage is portable and you can move your mortgage to your new property. Terms and conditions do apply so contact us to see if this is your best option.

## Contact Us

Scott Dawson

Phone: 778.668.9320

Toll Free: 1.888.759.0190

[scott.dawson@verico.ca](mailto:scott.dawson@verico.ca)

# Get expert advice to find the right mortgage for you.

Whether you're a first time homebuyer or you own a home and are thinking about moving, buying a new home is a major decision. From personal to financial to market considerations, you'll need to weigh a lot of factors and information along the way.

## Bringing you expert, independent advice

As a Mortgage Specialist I'm here to help you make the choices that suit you best. I simplify the process of finding the right mortgage for you by tracking down the best mortgage terms, rates, and options – saving you time and money. Through my professional network, I have access to numerous lenders, but remember, as a mortgage broker, I work for you, not the lenders. And because I'm independent, my advice is truly unbiased. Best of all, my service is absolutely free to you, the homebuyer.

## An accredited professional

Now that you know what a broker can do for you, let me tell you a bit more about myself. I'm a licensed mortgage professional which is your assurance that I provide the highest standard of proficiency and ethics. In today's rapidly changing economy and real estate market, it's crucial to keep up-to-date with industry standards and best practices. As part of my commitment to continuing education I am continually updating my education with courses mandated by our provincial licensing body.

## A full team to help you

Verico Paragon Pacific Mortgage Inc. is proud to have become a trusted mortgage brokerage, with many homeowners who we're proud to have helped choose the right mortgage to buy the home of their dreams.

## Contact

**Scott Dawson**

**Phone: 778.668.9320**

**Toll Free: 1.888.759.0190**

**scott.dawson@verico.ca**

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



Verico Paragon Pacific Mortgages Inc. phone: 778.668.9320 toll free:1.888.759.0190