



MORTGAGE POST

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Your Home Value. CMHC

Whether you are purchasing a home or looking to refinance, determining a property's value is an essential step in the mortgage application process. You can help by providing precise and accurate information about your property to your Mortgage Professional.

How the Current Value of Your Home or Property is Assessed

The value of a property is determined by a number of different criteria, each of which can influence how much your home is currently worth. These criteria range from the square footage and the age of your home, to its location, construction quality, architectural features and even the number of bathrooms.

It is important to remember that a **property valuation** is not a fixed or permanent number. It is simply a snapshot of what your home is worth today, in relation to current market conditions and what other, similar properties are selling for. This value can change over time based on improvements to the property, as well as changes in your neighbourhood and the overall housing market.

Property Valuation and Mortgages

When applying for a mortgage, your Mortgage Professional will ask you a series of questions about your property. This information will help establish the property value, a critical element for determining the amount of your mortgage loan.

If you are **buying a home**, for example, your mortgage application will include the purchase price along with a detailed description of the property. For **refinancing**, the lending value will be established after considering recent sales in your area, the latest municipal value assessment and any significant improvements you have made to the property. If you want to add the cost of any planned improvements to your mortgage application, be sure to provide all of your plans and cost estimates.

To help the process go as quickly and smoothly as possible, use the attached **worksheet** to identify and collect the information you will need to complete your mortgage application.

A Professional Appraisal

A professional appraisal may be required if a more in-depth assessment of the value of your property is needed.

This process includes a professional assessment of the property's physical and functional characteristics, a detailed comparison of the home to recent comparable sales in nearby areas, and an assessment of current market conditions affecting the property. It is important to allow the appraiser access to the property in a timely manner, in order to minimize the time required to obtain financing. From time to time, the property value assessment will not support the loan amount requested. Should this happen, talk to your Mortgage Professional, realtor or other members of your team of homebuying professionals to explore the options that are available to you.

Property Information Worksheet

Your Mortgage Professional will require the following property-related information to complete your mortgage or refinance application.

If you are purchasing a property, simply provide your Mortgage Professional with the following documents where this information can be found:

- *Realtor description sheets
- *Municipal property assessment
- *MLS Listing®
- *Former appraisal, if available
- *Purchase Agreement

If applicable, identify planned or recent improvements in the Improvements to Property section.

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The Mortgage Post is a newsletter for your information and enjoyment. Receive the latest in mortgage news and advice. Add some quick recipes to your cookbook.

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Your Mortgage is my focus! Serving all GTA.

Are you Financially Ready for a Mortgage? CMHC

Buying a home is one of the biggest financial decisions you will make, so it is important to know your current financial situation to be sure that you buy a home that you can afford.

Get Your Mortgage Pre-Approved

Getting your mortgage pre-approved will let you know what kind of house you can afford. It will make the search for your home easier and less time-consuming.

To get your mortgage pre-approved, you will need:

- *your personal information, including identification such as your driver's license;
- *details on your job and proof of your salary;
- *information about your bank accounts, financial assets, current loans and other debts;
- *how much your down payment will be and where the money is coming from; and
- *Proof that you have enough money to cover the costs of closing the sale — usually between 1.5- 4 per cent of the cost of the house.

Trouble Qualifying for a Mortgage?

Sometimes, after everything has been taken into account, you may find that you can't afford the house you want.

If that happens, you may want to:

- *Pay off some loans first.
- *Save up a larger down payment.
- *Revise your target house price.

The Importance of Your Credit Rating

Your credit history gives mortgage providers information on your financial past and how well you have paid your debts and bills.

If you have no credit history, it is important to start building one. This can be done, for example, by applying for a credit card.

If you have a bad credit history, you can still qualify for a mortgage as long as you have a guarantor — a person who meets the bank's or credit union's requirements, has a good credit history, and can guarantee your loan.

Income, Home Price and Down Payment

The table below gives you an idea of how much money you might be able to spend on a house, depending on your income and expenses.

Household Income	5% Down Payment	Maximum Home Price	10%Down Payment	Maximum Home Price	25% Down Payment	Maximum Home Price
\$30,000	\$3,900	\$78,000	\$8,200	\$82,000	\$24,700	\$98,800
\$50,000	\$7,500	\$150,000	\$15,800	\$158,000	\$47,400	\$189,600
\$70,000	\$11,050	\$221,000	\$23,400	\$234,000	\$70,100	\$280,400
\$90,000	\$14,400	\$288,000	\$31,000	\$310,000	\$92,800	\$371,200

This table assumes a mortgage interest rate of 8%, average tax and heating costs in Canada, and the mortgage and average Canadian would qualify for based on a 32% debt service ratio.

If you don't like how things are, change it! You're not a tree. ~**Jim Rohn**

Enjoy when you can, and endure when you must. ~**Johann Wolfgang von Goethe**

If you surrender to the wind, you can ride it. ~**Toni Morrison**

Never miss an opportunity to make others happy, even if you have to leave them alone in order to do it. ~ **Unknown**

You can tell more about a person by what he says about others than you can by what others say about him. ~**Leo Aikman**

Do what you can, with what you have, where you are. ~**Theodore Roosevelt**

Be pleasant until ten o'clock in the morning and the rest of the day will take care of itself. ~**Elbert Hubbard**

Just remember, there's a right way and a wrong way to do everything and the wrong way is to keep trying to make everybody else do it the right way. ~**M*A*S*H, Colonel Potter**

COOKING CORNER



Ultimate Grilled Cheese Sandwich



4 tbsp. unsalted butter, softened
4 1/2"-thick slices sourdough bread
1 8-oz. piece comté cheese, grated

1. Spread butter evenly on both sides of each slice of bread. Put half the cheese on one slice and half on another. Top each with remaining bread slices. Heat a 12" cast-iron skillet over medium-low heat.

2. Add sandwiches to skillet and cook, flipping once with a metal spatula, until golden brown and crusty on both sides, 18–20 minutes. Transfer sandwiches to a cutting board and slice in half with a knife. Serve warm.

Serves 2