

mortgagematters

Compliments of Rein Weber

TMG The Mortgage Group



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**"Cheers to a New Year
and another chance to
get it right."**

- Oprah Winfrey

**All the best for a 2010 that
is all you hope for!**

Rein



MOVING UP IN THE WORLD

The housing market in Canada is on a positive upswing, causing many homeowners to take stock of their current living situation and wonder if their 2010 plans should include a move to a larger home, a better neighborhood or a more suitable home for their families. Before you start home hunting, let's make some time to review your current financial situation, and give you a good idea of how much more you can comfortably afford.

The Canada Mortgage and Housing Corporation (CMHC) offers the following tips on how to assess your current financial status:

1. First, calculate your net worth. Your net worth is the total of all your assets (including any investments, savings, properties, vehicles and other assets you own), minus your liabilities (such as any mortgages, car loans, personal or student loans, credit cards or other debts). It's always helpful to see this figure in black and white, as it gives you a quick snapshot of your current financial situation.
2. Next, calculate your current monthly expenses to determine what kind of monthly mortgage payment would comfortably fit into your budget.

3. Together, we can figure out how much more you can afford in monthly housing costs. The CMHC suggests that, as a general rule, your total monthly costs (including mortgage principal and interest, taxes and heating) shouldn't exceed 32 percent of your gross household monthly income.

In addition, your entire monthly debt load (including mortgage payments, car or student loans, and credit cards) shouldn't be more than 40 percent of your gross household monthly income.

Remember that mortgage brokers do more than just find mortgages for homeowners – they also help with your pre-mortgage calculations and the steps leading up to any kind of financing. Please call at any time with your questions.

CNMB



STAY IN, WORK OUT

With a new year come New Year's resolutions. Many will resolve to make physical fitness a priority in the coming year, a goal more easily achieved at the gym or when you have a home gym — which you can have, no matter where you live or how little space is available.

Those living in condominiums are fortunate, as many condos offer fitness facilities just an elevator-ride away. But condo gym-goers and regular gym-goers still share an all-too-common problem: lacking the energy to actually go. Here are some tips to help get those suffering from inertia into the gym:

- Overcome the intimidation factor by familiarizing yourself with the equipment. The gym staff may help by providing equipment orientations. At the very least, written instructions on how to use each piece should be available.
- Keep your workout gear in your car so you can head straight to the gym from work or your condo's parking garage. Try to avoid going home first — once you're at home, finding the motivation to leave again can be difficult.
- Find a workout buddy who can help motivate you, and make your workout more enjoyable. If you don't already know someone, consider approaching a regular gym-goer, or post a notice in your condo building or a bulletin board at the gym.
- Hire a personal trainer. A trainer will motivate you and push you to do your best. Ask your gym or condo's recreation staff — they will be able to put you in touch with a personal trainer.

But what if you're not in the position to join a gym, or your condo doesn't have a gym or you prefer to exercise in private? No problem! You can set up a home gym, whether you have a whole room to spare or just the corner of one.

The largest piece of equipment in your gym will be your cardio component: treadmill, stationary bike, elliptical trainer, or rowing machine, for example. If you're starved for square footage, take note: elliptical trainers have relatively small footprints; there are folding treadmills that collapse for storage; upright stationary bikes consume less space than recumbent bikes. If you're really squeezed for space, jump ropes are great for cardio, but a poor choice where impact noise is an issue. Alternatively, stationary bikes are a great option where impact noise is a concern.

For strength training, invest in a set of free weights, an exercise ball (aka a stability ball), a set of resistance bands, and a mat, all of which take up little space and can be easily stored out of sight — and are relatively inexpensive, to boot!

A few cautionary words: Before undertaking any fitness program, consider consulting your doctor, especially if you have a history of any medical condition. And be sure to spend 10 minutes warming up and cooling down before and after your workout, incorporating a stretching routine, in order to help prevent injuries.





New Year, New Home?

The year just changed — are you ready for a change of address as well? Below are five signs the answer to that question is “yes!”

- Your current home's flaws are affecting your daily life. Maybe your floor plan doesn't work, you don't have enough space, or your commute's too long. Whatever the issues, when you start thinking a move would improve your daily life, you're probably ready to move.
- You've been investigating your options. Have you been eyeing listings? Scouting areas you might like to live in? Attending open houses? Checking out the competition to see what other homes in your area are fetching? If so, it's likely time to call a real estate sales representative.
- You're able to view your property as a product. A large part of preparing to sell your home has to do with preparing yourself emotionally. Once you stop thinking of it as your home and start thinking of it as someone else's future home, you are ready to sell.
- You're prepared to put in the effort it takes to get and keep your home in show-worthy condition. That means doing repairs, making improvements (like a new paint job), decluttering, and keeping your home sparkling clean until it's sold.
- You're motivated. Perhaps you've been offered a new job, have kids starting a new school, have already purchased a new home, or need to sell for financial reasons.

Whatever the reason, sometimes you're ready to sell because — you have to. Local real estate sales representatives can tell you what your current home is worth and help you find your next dream home!

Relocating Responsibly

Whether you're relocating across town, across the country or across the world, you can make your move a little easier on the planet. Follow these tips to make your next move a more environmentally friendly one.

- One of the main tenets of green living is, “reduce.” So get rid of as much of your stuff as you can *pre-move*. The fewer things you have to move, the less packing material and fuel you will require. But purge the eco-friendly way: offer items that don't make the cut to friends and family, hold a garage sale, or sell, donate, or recycle them.
- Don't buy boxes; scavenge them from local retailers or friends and family, and recycle them post-move or pass them on to someone else. Alternatively, you can rent storage containers, either from a regular moving company or one of the increasing number of green moving companies that offer containers made from recycled materials.
- Bubble wrap and Styrofoam peanuts are made in an eco-unfriendly way and linger in landfills. Don't buy packing material — collect it from the products you buy and reuse it for your move; use your clothing, bedding, towels and kitchen cloths to pad your belongings; or pack with paper products like newspaper and cardboard, which can be recycled when you're finished with them.
- Hire an eco-friendly mover. They provide the reusable, recycled and/or recyclable storage containers and packing materials for you, take them away when your move is over, and, in some cases, they use trucks that run on biodiesel fuel to transport your belongings.



Second Mortgage: Second Chance

The beginning of a new year is a good time to take stock of your finances, review your assets and your debts, and make plans to take charge of your financial situation for the coming year.

Whether you find yourself worried about making payments for existing debts – auto loans, credit cards, medical bills, tuition fees, etc. – or you need money to repair or renovate your existing property, or are even considering a new business venture this year, you will want to learn about obtaining a second mortgage as a financing option.

If you have equity in your home (calculated as being the difference between the current value of your home and the amount already paid towards the first mortgage), you can apply for a second mortgage. When you do, you'll notice that the interest rate is likely higher than that of your primary mortgage interest rate. The reason for this difference is that, in the event a borrower defaults, the first mortgage will be paid off first, therefore putting the second mortgage in a somewhat higher risk category to the lender.

Applying for a second mortgage is similar to the process you went through when you applied for your first mortgage. There is still paperwork to complete, options to compare and rates to negotiate. Alternatively, you may want to ask about the possibility of refinancing, in order to obtain the money you need. Direction on what's best for you, plus dedicated service and individual advice, are included in the support that mortgage brokers provide to their clients.

Let's take some time to discuss the benefits and risks of all your options, to ensure you make the right decision for your own personal needs.



Terminology Tip

Acceleration Clause — Included to protect the lender, an acceleration clause is a common provision within a mortgage loan contract. The clause grants the lender the right to demand full and immediate payment of the remaining balance of the loan in the event the borrower violates any of the conditions of the mortgage agreement. Such violations can include the sale or destruction of the property, refinancing of the mortgage loan, or failure to make a payment, or payments, in a timely manner.

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My commitment is to deliver the highest level of service to earn the deepest level of trust. I want you to be so satisfied with my services you feel compelled to refer your friends, family, neighbours and co-workers to me. Not by obligation, but because you truly believe they will benefit from my services.

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