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Many people look forward to the NEW YEAR FOR A NEW START ON old habits

~ Author Unknown

All the very best for a 2011 that is all you hope for,
Rein



It's Payback Time!

The holiday festivities are finally over, and for many of us the financial hangover is just starting to creep in. The black and white reality of January credit card statements can be a shock, especially after realizing what the annual interest rate is for this type of debt. Before you panic, please call to discuss payment options that may help ease the pain of your buyer's remorse.



You may think that your relationship with a mortgage broker is exclusively mortgage-centered, but, in fact, mortgage brokers help clients with all types of financing. For example, you may want to hear more about debt consolidation to help you deal not only with your holiday bills, but with your other debts as well.

If you're like most people, you probably have credit card balances on one or more cards, and one or two consumer loans (e.g., car or student). What mortgage brokers often point out to people is that their mortgage, even though it's usually their largest debt, is also the one with the lowest interest

rate. By consolidating your higher-interest loans into your mortgage loan, you can enjoy not only the convenience of one simple payment each month, but also the advantage of saving interest on higher interest credit cards and other loans.

To see if you qualify for a loan consolidation, home equity loan, reverse mortgage or any other type of refinancing, simply call today. In fact, if the new year is bringing plans for new adventures – moving, buying a new vehicle or sending a child off to college, for example – you'll likely want to discuss financing for these endeavors as soon as possible.

LET'S ENSURE YOU BEGIN THE NEW YEAR WITH A HEALTHY FINANCIAL PLAN, STARTING WITH A SIMPLIFIED LOAN STRATEGY.

CNMB

Turn the Page

For many, January marks not just the start of a new year, but a chance to make a change for the better. If you don't already have a New Year's resolution in mind, why not commit to making your home's décor more environmentally friendly in 2011? Here's how:



- Ease up on the accessories. So many of us impulse-buy little odds and ends so often that, before we know it, the room's cluttered. Then, when our tastes change, such knick-knacks end up in a landfill. Remember, less is often more. If you need to buy accessories, buy used – garage sales and flea markets are great for finding those little finishing touches. Or buy green alternatives – soy candles instead of petroleum-based paraffin ones, for example.
- Whether you're redoing your walls or breathing new life into an old bookcase, avoid traditional paints, which

are chock full of volatile organic chemicals (VOC) that continue to off-gas even years after application. Instead, use low- or zero-VOC paints, which are getting easier to find and increasing in quality. Or, if you can afford to spend more, try natural paints, which can be identified by ingredient lists that include substances like milk protein (casein), chalk, starch, linseed oil, clay and limestone.

- Choose natural fibers. There's a lot of fabric in your décor, from your rugs to your bedding to your drapes – that's a lot of opportunity to make more eco-friendly buying decisions. Time to replace that threadbare rug in your foyer? Buy one made from wool, sisal or jute. New sheets? Opt for organic cotton or linen instead of a chemically treated "wrinkle-free" set. Drapes? Treat yourself to silk instead of stain-resistant synthetics.
- Look for the Forest Stewardship Council's (FSC) logo, which you'll find on this very newsletter, on just about anything you buy that's made of wood, including your flooring and your furniture. When you see the FSC's logo, you know that the product you're buying is made from wood that's been harvested in a manner that's environmentally, socially and economically responsible. For more information, visit www.fsc.org.
- From time-release sprays to plug-ins, there's been an explosion of decorative air fresheners on the market recently. Unfortunately, most of them are full of chemicals like formaldehyde intended to mask odor, making them terrible for the environment and your health. Neutralize odor with baking soda or vinegar. Give rooms a pleasant scent with essential oils, a homemade potpourri of your favorite flowers, or a simmering pot of cinnamon or lemon slices.
- Like air fresheners, most store-bought cleaning products are loaded with chemicals harmful to both the environment and your body. So, ditch the toxic stuff in 2011. Reach instead for the plant-based, non-aerosol alternatives that are getting easier to find on shelves. Or make your own cleaners using products you probably already have in your cupboards, like lemon juice, salt, vinegar, baking soda, Borax, and olive oil.



Closing Time

A lot can happen between the time you make an offer on a home and when you get your new keys. What you do before your closing can create problems for you, slow down the home-buying process, or even stop it all together. As you count down the days to your closing, there are a few things you should avoid doing.

First, don't make major purchases. Your credit may be in great shape, but if you make any major purchases, you'll increase your debt-to-income ratio and reduce that portion of your monthly income that's meant for mortgage payments. As a result, your lender might decide you can't afford to carry the home. Using cash for large purchases isn't a good idea either, as lenders take your cash reserves into account when processing your mortgage approval.

It's also best to avoid changing jobs until the property is officially yours. Changing employers can create uncertainty about your future earnings, particularly if a substantial portion of your income will come from commissions or bonuses, or you work part-time. For those considering self-employment, know that most lenders like to see a two- or three-year track record of self-employment income before approving a loan.

Finally, don't shift your money around. When approving your loan, your lender may ask to see statements on your liquid assets (checking and savings accounts, stocks, mutual funds, retirement accounts) for the last two or three years, including a complete record of all deposits and withdrawals. If you've been moving your money around, you could make it difficult for your lender to properly document the paper trail, so leave your money where it is and don't change banks for now.



Finding Motivation

Generally speaking, sellers come in two types: motivated and unmotivated. As a buyer, knowing the difference is important, as it will help determine how you should proceed in making an offer — or if you should make one at all.

- Motivated sellers are those who need to sell within a certain timeframe. Perhaps they need the equity in their home to pay off debts, they have accepted a new job in a different city, or they have already committed to buying a new property. Whatever the reason for the urgency, the more motivated sellers are, the more likely they are to price the property at or under market prices and to accept lower offers.
- On the other hand, unmotivated sellers are those who are under no such pressure. They don't need to sell their home, but might under the right circumstances — the right circumstances usually being buyers willing to pay the sellers' asking prices, which are often above market. Looking to profit from their home sale, unmotivated sellers often keep their property on the market for long periods of time.

This is not to say you should never make an offer on a property owned by an unmotivated seller — after all, an unmotivated seller can become a motivated one. However, some unmotivated sellers will do nothing more than waste your time; this is one of the many reasons why it's important to team with a professional real estate sales representative. It's part of the real estate sales representative's job to help you avoid wasting time on sellers who aren't serious about selling and to help you focus your efforts where they're more likely to pay off.

Coming to Terms With Your Mortgage

Mortgage holders are sometimes confused between the words "term" and "amortization" in their mortgages.

The **amortization** of your mortgage refers to the total number of years it would take you to pay off your housing loan. The average Canadian mortgage is amortized over 25 years, although if you can afford higher monthly payments, you can shorten your amortization period and pay off your mortgage earlier. You may also choose an amortization period longer than 25 years – just be aware that you will accumulate higher interest costs over the long run.

Because your financial circumstances can change substantially over the years, it's important to recognize that you may change your amortization period – to longer or shorter – throughout the life of your mortgage.

The **term** of your mortgage is the period for which your current payment arrangement is valid.

As an example, if you chose a 25-year amortization period for your home, the total mortgage amount you owed, plus interest, would be fully paid off after 25 years. During that 25-year period, if you chose to renew the terms of your mortgage every five years, your interest rate and your payments, and any pre-payment options, would be set for each five-year period. At the end of the first five-year term, your amortization would be 20 years, and you could re-negotiate both the term and the amortization at that point, depending on your current financial situation.

Need clarification on the details of your mortgage? Please, never hesitate to call with your questions!



Terminology Tip

Clear Title — A clear title is a title that is free of encumbrances, such as liens, mortgages and other interests that affect the title. In other words, the property is owned outright and no other ownership claims exist against it. A clear title is a necessary requirement in any real estate transaction, and mortgage lenders require proof of clear title before they will approve a mortgage loan. Also referred to as good title.

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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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