

# mortgagematters

Compliments of Rein Weber

TMG The Mortgage Group



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*My objective is to ensure you get the optimum in mortgage value.*

*Whether you are considering moving, refinancing, consolidating or investing, I can make certain that all your options are explored and your questions answered.*

All the best,  
**Rein**



## Prepay Your Way To Huge Savings!

Most mortgages come with prepayment privileges (e.g. up to 20% of the principal in any 12-month period). Many times these privileges are negotiable and, as your mortgage representative, we have the ability to find a product that fits your intended prepayment pattern. Once we know how and when you make your income, we can tailor a prepayment plan to fit your unique scenario, giving you peace of mind and certainty with regards to your largest asset.

Since mortgage interest is not tax deductible in Canada, making a prepayment is a very smart move, especially in the early years of a mortgage. When a prepayment is made, it immediately reduces the principal balance on the mortgage. The interest portion of future payments also decreases. That's why simply increasing the frequency of your payments from monthly to biweekly or weekly will save you thousands of dollars over the life of your mortgage and reduce the number of years it takes to pay off the loan. It is

equivalent to getting a tax-free, guaranteed return on your money.

Let us assume a \$150,000, 5% mortgage, amortized over 25 years. Let us also assume that we pay an extra \$150 every month. Over the life of the mortgage, we can save more than \$30,000 and become mortgage-free six years earlier.

Feel free to give us a call to discuss your options and we will gladly produce multiple scenarios for you to consider with regards to paying your mortgage off quickly and efficiently.

CNMB



# STYLE SAVVY

Formal, minimalist, warm, or all of the above – what's your style? Once you know how to define your décor style, the task of interior decorating will be much easier.

## TRADITIONAL

If your tastes run towards the elegant, luxurious and formal, a Traditional style is for you. Colonial, Victorian and French Provincial décors are examples of this style, of which symmetric configurations and ornate details are hallmarks.

Traditional furniture is characterized by dark, rich woods (mahogany, cherry, rosewood, walnut) and features detailed carvings and exposed legs. Demonstrative of quality workmanship, Traditional furniture is typically durable and pricey.

Jewel tones dominate the Traditional palette: deep red, bottle green, sapphire blue. Fabrics are equally rich: damask, jacquard, chintz, brocade, tapestry, velvet, silk, satin. Fitting accessories, which should be minimal and symmetrically balanced, include oil paintings, china or silver collections, gilt mirrors and Oriental rugs.

## CONTEMPORARY

Traditional too conservative for you? Consider a Contemporary look. Referring to a variety of styles developed in the last half of the 20th century, a Contemporary décor is defined by open, minimally furnished, efficient spaces.

More comfortable and affordable than Traditional furniture, Contemporary pieces are simple and sleek: low profiles, clean lines, smooth surfaces, exposed legs. Shapes are geometric and materials include light woods like birch and maple, stainless steel, chrome and glass.

Vinyl and leather are characteristic upholstering choices. Palettes are typically monochromatic, often with bursts of vivid color found in accessories like boldly patterned rugs. When looking for accessories to complement your Contemporary décor, you'll want to lean to less rather than more.

## CASUAL

If you feel that Contemporary décors are too cold and impersonal for your taste, you may feel more at home with a Casual décor. Casual spaces are all about warmth and comfort.

To best facilitate that comfort, Casual furniture is generally overstuffed for softness, and thus of a larger scale. Slipcovers on sofas and chairs are typical. Woods common to Casual pieces include oak, maple and pine.

Earthy tones – olive, terra cotta, wine – comprise the Casual color palette, as do neutrals like tan, gray and beige. Fabrics are appropriately soft, like cotton and linen. Asymmetrically balanced accessories, which suggest informality, are typically very personal to the user(s) of the space.

## ECLECTIC

Not a style unto itself, an Eclectic décor is a blending of distinct styles. Creating an Eclectic décor that works isn't easy – it takes planning and an understanding of design principles. But the result – an utterly unique space – is worth the effort.

The key to pulling off Eclectic style lies in finding a common denominator – color, pattern, shape, texture – that serves to unite seemingly disparate pieces. The result is a room where all the pieces feel like they belong, though they may be from different styles or eras.

The amateur trying their hand at creating an Eclectic look might want to establish a décor that's predominantly characterized by one style, then introduce a second style by way of just one key item.



# SECOND THOUGHTS



There are many valid reasons to reject a potential home: a poor location, too few bedrooms, too many repairs. But there are other reasons that may make you initially overlook a property, which you may want to think twice about.

- It's overpriced. Perhaps you fear making a lower, more reasonable offer on an overpriced home will insult the seller, or you think their high price means they're unwilling to negotiate. Whatever the reason you might be dissuaded from making an offer on an overpriced home, reconsider. You have nothing to lose by doing so, and the seller, whose overpriced listing likely isn't generating many offers, may just be motivated enough to hear you out.
- It's lingered on the market. The assumption about a property that isn't selling is that there must be something inherently wrong with it, such as its condition or neighborhood. The reality is that there are several reasons why a quality home – one that might meet all the criteria on your list of must-haves – isn't selling. Some of these reasons might be that it's overpriced, it's being poorly marketed, it's for sale by the owner or it simply doesn't perform well during showings.
- It has cosmetic flaws. Walking into a home to find vertigo-inducing wallpaper, paint choices only the owners could love, or carpeting that looks like it's been trod upon by several generations is instantly off-putting and can make it difficult for you to picture living in that space. But such cosmetic issues are fixed with relatively little effort and expense. If you can see past them, you might just find yourself looking at a home that ideally suits your needs.

## On the Move

With spring on our doorstep, many homeowners will put their homes on the market. Below are some of the most common reasons behind their decision to move. Perhaps you can relate.

- Family-related issues. Getting married or having children is often a catalyst for upsizing to a larger home, while those with family members moving out may look to downsize. Others choose to relocate in order to be closer to – or farther from – relatives.
- Changes in lifestyle. For the retiree who wants to take up golfing full-time, the would-be globe-trotter who wants a home requiring less maintenance, or the suburbanite who craves the hustle and bustle of city living, selling a home can be the first step towards a new way of life.
- Job-related issues. Job transfers leave homeowners with little choice but to move. For some, a shorter commute is incentive enough. For others, starting a home-based business may mean needing more space or the opportunity to live where they want to instead of where they have to.
- The surroundings have changed. Neighborhoods can decline over the years, leaving residents feeling less secure. On the other hand, a neighborhood's growth can signal to a homeowner that their sleepy suburb has become too congested, and it's time to sell.
- Correcting a mistake. Many homeowners purchase a property only to discover after living in it for a short time that they've made a mistake. Perhaps they really do need that dining area they thought they could manage without, or maybe they've found that the neighborhood really doesn't suit them.



# Rates Aren't Everything...

We live in a very "rate conscious" world when it comes to mortgages. The average person's main concern when looking for a mortgage is "getting the best rate" ... but is that really the best financial strategy for you in the long run?

We won't deny the importance of a good mortgage rate, but our job is to ensure you are also fully informed about all of the other aspects of your mortgage. Here's a look at some of the key options that can save you a lot of money, but that may not get as much attention as the mortgage rate.

- Flexible prepayment options
- Minimal prepayment penalties
- Cash back
- Cash-back clawbacks
- Free home warranties
- Professional mortgage planning
- Low lender fees (if applicable)
- Portability and assumability
- Missed payment flexibility

Some mortgage shoppers are attracted by even a 0.1% savings in mortgage rates. However, before you jump at the lowest rate, do the math: Did you know that 0.1% savings on the typical 5-year \$250,000 mortgage equates to savings of only \$14 a month?

A dedicated mortgage representative who pays attention to the options above can save you thousands of dollars over the long haul. Call us to have a look at your current agreement and make sure you are set up properly for your next renewal.



## Terminology Tip

### **Pending, or Sold Conditionally**

These terms commonly refer to the status of a home sale, when an offer has been made and accepted, but the transaction hasn't yet closed. While a closing is almost assured, deals can fall through at this stage. Once closing occurs (typically within a month or two of signing a contract) the listing is then officially *Sold*.

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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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