

# mortgagematters

Compliments of Rein Weber

TMG The Mortgage Group



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**"Spring is when you feel  
like whistling even with a  
shoe full of slush."**

- Doug Larson

All the best,  
**Rein**



## Expense Check

When preparing to purchase a new property, make sure you talk to a mortgage broker about arranging your financing before you get too far in the home hunting process. In addition to the down payment on a desired property, you'll need to budget for the following expenses:

- **Home inspection fee:** Before you sign on the dotted line, it's worth having a home inspection done to make sure the home isn't hiding any expensive physical defects.
- **Mortgage loan insurance:** If you're putting less than 20 percent of the house value down, you're going to need mortgage insurance.
- **Legal fees and disbursements:** These can include the costs of drawing up the title deed, conducting a title search, and preparing and registering the mortgage.
- **Land transfer and other taxes, as applicable.**
- **Appraisal, land survey, and financing application fees, as applicable.**
- **Property insurance:** The lender will ask for proof of property insurance that is effective the day you take ownership.
- **Moving costs:** While most people will budget for the actual move, many forget to include the cost of preparing the new home pre-move, too. If the home needs repair, renovation or even just painting and freshening up before you move in, you may want to include these costs in any home loan you arrange.

The key to a stress-free move is to anticipate – and budget for – as many things as possible. A mortgage broker's goal is to make your home financing go as smoothly as possible. Please call for a no-obligation consultation, at your convenience.

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# Make an Entrance

Your entryway is the first thing you and your guests — and potential buyers — see when entering your home. To learn how to create a foyer that functions well and makes a great first impression, keep reading.

Starting from the ground up, consider your flooring. Because entryways are high-traffic areas, you'll want something durable and easy to clean, like hardwood, laminate or tile. For the "wow" factor, go for natural stone, slate, marble or granite — pricey, but a foyer is a great place to splurge since it's usually a relatively small area to cover. Consider area rugs, too; they help protect your floor, stifle noise, and lend warmth to hard surfaces.

A place to set down things like keys, mail and cell phones as soon as you walk in the door is a must. If your foyer is large enough, a table right in its middle looks impressive. For those with smaller entryways, a proportional table or even narrow wall-mounted shelving will provide enough space to stow such items.

If your entryway doesn't have a closet, where will you store coats and footwear? Larger foyers can accommodate an armoire or hall tree. Smaller spaces can be outfitted with a small mat or an attractive shoe rack so guests know where to put their footwear; items like coats, hats and umbrellas can be hung on a freestanding coat rack or attractive wall-mounted hooks.

Seating is another essential element of any fabulously functional foyer — many people like to sit when putting on or removing footwear. Where space allows, bench-style seating is great, especially when it incorporates under-seat storage, convenient for keeping things like gloves, leashes and bike helmets handy but hidden. Many hall trees incorporate bench seating with storage. In small, tight-fit entryways, a chair will do the trick — opt for an armless one with a slim profile.

A mirror is every entryway's must-have accessory. In small entryways, mirrors create the illusion of more space; in dark entryways, they help brighten things up; and in all entryways, they're handy for giving yourself a once-over before going out. Consider installing a floor-to-ceiling mirror on one wall of a small entryway to really open it up.

Last but not least, your entryway should be well lit. You don't want shadows, lest anyone trip upon entering or exiting your home, or party guests to struggle distinguishing their pair of black shoes from the half-dozen other pairs by the door. Overhead lighting with a dimmer switch is ideal, so you can switch between mood and functional lighting.



## Go Green

Swap out your incandescent bulbs for compact fluorescent light bulbs (CFLs). ENERGY STAR® qualified CFLs use 75 percent less energy and last approximately 10 times longer, saving you about \$30 over their lifetime and paying for themselves in about six months. By switching to CFLs, you'll save money buying fewer bulbs and lower your utility use.



## Get It in Writing

Spring is a popular time for home renovations. To help minimize disputes with your contractor and ensure your project goes smoothly, your contract should include the following details:

- The contractor's name, address, phone number and, where applicable, his or her professional license number.
- A description of the work to be done, including who will be doing it, what equipment will be used or installed, and a materials list specifying things like the quantity, grade, brand, size, weight, color and model numbers.
- The total price, and a breakdown of all labor costs and material charges.
- The dates by which the project is to be started and completed, as well as any penalties to be incurred by the contractor should the work not begin or end on time.
- What time the work will start and end each day.
- Who will be responsible for obtaining permits and arranging necessary inspections. In most cases, you'll want this to be the contractor's responsibility.
- How cleanup and debris removal will be handled (e.g., Who will be responsible and when it will be done.)
- What will happen in the event the contractor is unable to finish the job or does any damage to your property in the process, or if the work is deemed unsatisfactory.
- Any warranties covering materials and workmanship, including their length and limitations.
- A cancellation clause giving you time (typically three days) to change your mind after you've signed the contract.
- A payment schedule detailing how and when you must pay for the work, and any circumstances in which you may withhold payment.

# OVER EMOTIONAL

Buying a new home is an emotional process — but sometimes our emotions get the better of us. Below are four emotional mistakes homebuyers should be aware of:



1. **Thinking that a particular property is "the one" — and only one — for you.** The reality is that for any property that suits your needs, there will be others that are equally suitable given your criteria. This is especially true of condos, and houses in the same neighborhood are often very similar to one another, even constructed by the same builder.
2. **Wanting to "win."** It's not uncommon for buyers to find themselves in direct competition with other buyers over a particular property. Unfortunately, in the excitement of a bidding war, the desire to "beat" their competitor can sometimes drive buyers to overspend. Before you make an offer, set a spending cap — and stick to it.
3. **Overlooking serious flaws.** Found a home that's perfect in every way, but its location doesn't meet your needs? Are the views breathtaking, but the floor plan all wrong? Don't let strong emotional reactions to certain features blind you to shortcomings. Make a list of must-have features before you start shopping, and continually refer to it before, during and after viewings.
4. **Being afraid to make a decision.** You certainly don't want to rush into things and commit to the wrong property, but hem and haw too long and you could miss out on a good home. Cold feet are natural, but if you've done your homework and armed yourself with all the relevant information, there's no good reason to put off making a decision.

# Before You Borrow

Got your eye on a new car? Does the kitchen or bathroom need a facelift? Maybe you've decided to renovate your home instead of (or before) selling it? Whatever your reason for considering financing, let's make time to ensure you have a handle on the following before you apply for a loan.

## WHAT IS MY CREDIT SCORE?

Whether or not you're considering applying for a loan at this point, everyone should check their credit score on a yearly basis to ensure the information on file is accurate. It's common for credit reports to have inaccurate information, so you're wise to clear this up before it interferes with a loan or credit card application when you actually need the money.

## HOW MUCH CAN I AFFORD TO BORROW?

How much you can afford to borrow depends, of course, on how much you can afford to pay back on a monthly basis. When calculating your monthly expenses, don't forget to figure in an emergency stash, for unexpected expenses.

## HOW CAN I FIGURE OUT THE TOTAL COST OF MY LOAN?

Researching loan options ahead of time will ensure you get the right loan, at the right rate, on an affordable payback schedule. Education is the key here – with so many types of loans, interest rates, lengths of loans, etc., it can get overwhelming very quickly. The job of a mortgage broker is to make sense of all these options for you, allowing you to enter into your new loan arrangement well-informed and confident.



## Terminology Tip

**Pre-qualification** — Pre-qualification is the first step in the mortgage application process, in which the lender takes into account basic information about a borrower's financial standing, including his or her income, assets, and debts, in order to approximate a loan amount the borrower might qualify for. It's important to note that the amount is not guaranteed for approval, since the figure established by the pre-qualification process is based on unverified information provided by the borrower.

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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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