

mortgagematters

Compliments of Rein Weber

TMG The Mortgage Group



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**"The question is not
whether we will die,
but how we will live."**

- Joan Borysenko

All the best,
Rein



Use Home Equity to Build Home Equity!

According to a recent study conducted by the Canadian Association of Accredited Mortgage Professionals (CAAMP), about 15 percent of Canadian mortgage borrowers took equity from their homes or increased the amount of their mortgage principal this past year by an average amount of \$42,500. The survey found that people used the extra funds for a variety of different purposes:



- 57 percent indicated they would use the money for debt consolidation and repayment.
- 45 percent gave renovation or home repairs as the purpose.
- 16 percent were going to use the money for making purchases.
- 11 percent intended to invest the funds.
- 9 percent mentioned "other" purposes.

(Note that some respondents indicated more than one purpose for the funds, resulting in a total of over 100 percent.)

If you're thinking of taking out a home equity loan to fix up your home and possibly add value to its worth, remember to do so by the end of January 2010 – The Home Renovation Tax Credit (HRTC) is only available until then. Under this agreement (explained in the Canada Revenue Agency website www.cra-arc.gc.ca), you can claim a tax credit on eligible expenditures between \$1,000 and \$10,000 incurred for work performed on an eligible dwelling. Some examples of HRTC-eligible renovations are:

- Kitchen, bathroom or basement renovations.
- New carpet or hardwood floors.
- Building an addition, garage, deck, garden/storage shed or fence.
- Associated costs such as permits, professional services, equipment rentals.
- Re-shingling a roof.
- A new furnace, woodstove, boiler, fireplace, water softener or water heater.
- A new driveway or resurfacing a driveway.
- Interior or exterior house painting.
- Laying new sod, and other landscaping projects.

Please call with your questions on home equity loans, and if this might be the right type of financing for your situation.

CNMB

THE GREEN TREATMENT



In the quest to make your home's interior more environmentally friendly, you probably think first of things like installing energy-efficient appliances and CFL bulbs. Note that window treatments, while less obvious, can be part of your green home makeover, too. Here are some options for dressing your windows in an eco-friendly fashion.

BUY BAMBOO

Bamboo is a fast-growing, biodegradable grass that requires no replanting or fertilizers. It's also versatile: choose from bamboo roman or mini shades, matchstick or roll-up blinds, verticals or shutters. Because they're lightweight, bamboo window coverings aren't very durable and provide little to no insulation, but they're inexpensive, low-maintenance and offer a natural look that complements — and even inspires — many a room's décor. Very similar to bamboo are jute, reed, and rattan window coverings.

GO NATURAL

Synthetic fabrics like rayon and polyester contain petrochemicals harmful to your health and the environment, so opt instead for curtains made of natural fabrics like silk, cotton, linen, hemp or wool. Be aware of fabrics that have been chemically treated to be stain resistant or fire retardant, and look for those that are naturally pigmented or that have been colored with non-toxic or low-toxic dyes. You may need to add a backing to your natural-fabric drapes to add insulation, or to help darken the room to your liking.

EVERYTHING OLD IS NEW AGAIN

More and more manufacturers are offering consumers window coverings that are either entirely or partially made from recycled materials, and that are either wholly or partially recyclable. For example, a can of soda pop could

enjoy a reincarnation as a window covering — aluminum is a common material from which recycled blinds are made, as is hardwood. Polyester and natural fabrics like cotton can also be given new life as recycled curtains.

THE REAL THING, ONLY BETTER

For some people, there's just no substitute for the look and feel of real wood. If this applies to you, choose window coverings that are made of Basswood, a renewable hardwood that's recyclable and biodegradable. Any type of wood will do, really, so long as it's certified as coming from a sustainably harvested forest (by the Forest Stewardship Council, for example). Alternatively, you can purchase window coverings made from sawdust or reclaimed wood, diverting waste from our landfills.

ENERGY SAVERS

Another way to green your window coverings is to choose more energy-efficient ones, which will help keep your utility bills and carbon footprint down. The energy efficiency of window coverings is measured in R-values. Look for treatments with a high R-value; the higher the R-value, the more effective the treatment is in preventing heat from escaping your home. Its shading coefficient is also important — the lower the coefficient, the less heat entering through your windows. Thanks to their honeycomb-like cell structure that serves to trap air, cellular shades are among the most effective insulating window coverings on the market.

THE NOSE KNOWS



Few things sour prospective buyers faster than offensive odors. Below are the four most common offenders, and tips for ridding your home of them:

- **PETS:** Use baking soda or a urine-neutralizing product containing enzymes on accident sites. For a deeper carpet cleaning, hire a professional (be sure to let them know pet odor is the problem). Also, keep pets' toys, bowls, bedding, and litter boxes clean. And pets should get regular baths and, ideally, not be home when prospective buyers are viewing your property.
- **CIGARETTES:** Tar deposits are very hard to remove from fabrics, so, have drapes, upholstery and carpeting professionally cleaned. Also, clean hard surfaces with vinegar, excellent at demolishing those deposits. Wash walls with a vinegar-water solution, and then give them a fresh coat of paint. Empty and clean ashtrays – and don't smoke inside while your home's for sale!
- **COOKING:** Until your property sells, avoid cooking strong-smelling foods like fish, don't deep-fry, and cook with windows open and fans on. Place a bowl of white vinegar near your stovetop while cooking to absorb odor-causing particles. Lemon also works: squeeze juice into a pot of boiling water; rub lemon slices on surfaces; run a rind through your disposal.
- **MOLD/MILDEW:** To get rid of the odor, you need to address its source, so your course of action will depend on whether the problem is a rug, a leak, or your bathroom, for instance. But, generally, to absorb musty smells from fabrics, use baking soda; for hard surfaces, use vinegar, lemon, or hydrochloric acid, all of which are highly effective fungus killers.



FIRST THINGS FIRST

If you're moving into your new home soon, you'll want to add these points to your list of moving priorities:

- **Think safety first:** Gather local emergency numbers and place them where they can be easily accessed in your new home, along with your first-aid supplies. Test and install smoke detectors as needed, and ensure everyone in the home knows how to get out in case of emergency.
- **If you've already arranged for utilities at your new residence, check to make sure they're functioning properly so you can address any problems right away.** If you haven't arranged for your utilities yet, consider using the previous owner's providers to expedite the switch.
- **Inspect all your big-ticket items (electronics, appliances, artwork) for damage resulting from the move.** This is a time-sensitive task – if anything was damaged and you choose to make a claim with your insurance company, you may only have a limited amount of time.
- **Change your locks.** Just because you've been handed a set of keys to your new abode doesn't mean there aren't copies circulating in places you don't know about. Changing your locks is a relatively easy thing to do and, if nothing else, it'll give you peace of mind. If moving to a condo, make sure you check with your property management office before changing your locks.
- **Set and make up beds.** The last thing you'll want to do after an exhausting moving day is make up your bed before you can collapse into it.

Pre-Qualification vs. Pre-Approval: What's the Difference?

Mortgage brokers often tell potential borrowers how important it is to have all their paperwork in order before they even start hunting for a new home. This helps buyers have an idea of the price range they can afford, and expedites the buying process once they find their ideal new home. But what's the difference between pre-qualifying for a property and being pre-approved for its purchase?

In a nutshell, pre-qualification is an informal way to find out approximately how much you should be able to borrow. It's a no-obligation conversation, during which you would disclose how much you make, how much you owe and how much you have (your assets). With this information, we would arrive at a ballpark figure approximating the mortgage amount for which you would qualify. Armed with this figure, you and your real estate representative can more confidently search for an appropriate property.

Pre-approval is a more formal commitment from a lender — an actual assurance to lend you a certain amount — following a more involved application process. You would need to complete an official mortgage application and present evidence of your financial status. Once the lender analyzes this information and does thorough background and credit rating checks, they will conditionally approve you for a specific mortgage amount. Approaching a seller with this document in-hand gives you a firm advantage over another potential purchaser — depending on the property, the seller will know that delays contingent on your obtaining financing are unlikely.

Let's talk about your future financial needs, and the many advantages of planning ahead.



Terminology Tip

Mortgage Calculator — An automated tool that enables users to determine how much money they can afford to borrow — and thus, how much they can afford to spend on a home — at a particular interest rate by calculating what their monthly mortgage payment would be on a given loan. Variables inputted into a mortgage calculator include the amount borrowed, the term of the loan, and the annual interest rate at which the money is borrowed.

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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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