



# MortgageFocus Update

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**Dear Andrea,**

Well it certainly feels like fall to me. The chill in the morning is enough to get the light sweater on before the bike ride to daycare.

There is also a sense of a lot of action and things to do. Kids are back at school, the summer cottagers have moved back and work also has picked up the pace a bit.

Things I have noticed of late are that there is a growing number of self-employed women out there and they are really making a difference in their communities. The flexibility is obviously nice from a work/life balance, but I also think that people are gaining great satisfaction from what they do. The other thing that has come to my attention is that there seems to be a huge increase in the number of weddings. Does this mean the 20 somethings are more inclined to marry than the previous generation? Either way this is great for them and a lot of businesses that provide services in that industry.

The housing market is most definitely a buyers market at this stage. More houses are coming on the market and staying a while, which is great if you want time to think, not so great if you long for the bidding war days.

The \$1 million range seems to be very popular in mid town Toronto these days and neighbourhoods that sold in the \$200,000 range not 10 years ago are sporting new builds at a million. How young families are going to keep pace is beyond me, but people always find a way. The Condo market in the GTA remains very hot, but again my bias has to ask why pay \$300,000 for 600 sqft? The Globe had an article that talked about a slowdown, but from my reading it may not be that slow, even if a few developers fold their tents. I know there are lifestyle advantages to living in the core, but gosh that is small. Those of you who live in smaller communities, must look at the 2,500 sq foot home with a yard and 2 car garage and just laugh, unless you are having to drive downtown these days.

There is a lot to be said for working where you live, but finding the right home at an affordable price has always been the challenge.

## The 8 Most Common Mistakes Homebuyers Make

**Things to watch for and how to avoid them**

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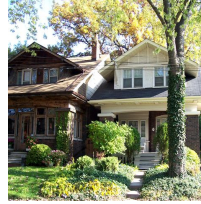
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(This is going to be a 2 part piece the next part will be out in a two weeks.)



### **1. An unrealistic idea of what they can afford**

Whether they are checking out the dream home, or are scrounging around the dregs because that is all they think they can afford. They are on the wrong path and are wasting a lot of time and energy. There are mortgage calculators all over the web, rent vs. buy, and many others, but the basic rule of thumb, if you are not already carrying a lot of debt is that you can get a mortgage for a little over 3 times what you earn. One example might be with earnings of \$55,000/yr you could get a mortgage of around \$200,000. But this does speak to lifestyle or other calls on your funds. In order to get a good handle on your situation speak to a mortgage professional.

### **2. Thinking they cannot qualify for a mortgage**

The trick here is like the rest of life, you never know until you try. Even if you ran into trouble with the credit card company or paying student loans, there may still be options. Take the time to find out before you give up on a dream. A home is a good investment and provides a sense of pride and accomplishment, do not let not knowing stop you.

### **3. Not knowing their credit rating/score**

In this day and age everyone who has credit whether a student loan, a store card, credit card or line of credit, should be checking their credit bureaus on a regular basis. This not only lets you know if there are errors, like a credit card company reported a late payment in error, but it can also tell you if there is identity fraud that could be affecting your future. A good credit score always says "I can manage money and I pay my bills on time." This tells the lender that you are a good candidate for a mortgage and are entitled to the best rates. A weaker score may not stop you from getting the loan, but it may mean you pay a bit more to start, and as you improve your score you can move to the better deals. Remember always make at least the minimum payment on all your credit and bills on time and this will carry you far.

To learn more about your score go to [www.equifax.ca](http://www.equifax.ca) or [www.tuc.ca](http://www.tuc.ca)

### **4. Not getting a mortgage pre-approval**

The pre-approval does a few things:

- It gives the best idea of what you can afford, add the mortgage to what you have for a down payment and closing costs and off you go
- It gives you some upside protection against any possible rate increases, for up to 120 days.
- You are ready to make an offer when you find the right home
- The realtor knows you are serious and ready to buy.

If you want to find out more about mortgages or learn more about getting ready to buy then contact me or go to [www.great-mortgage-rates.ca](http://www.great-mortgage-rates.ca)

**Andrea Meynell**  
Mortgage Agent

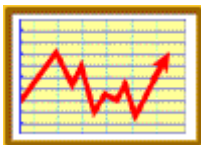
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## Rates and Products

### Deals offered daily

The big news this week is the toppling of some financial giants in the US. Although, surprisingly, the markets did not react too badly Tuesday after the Monday madness so maybe this type of the thing has already be factored in to the general pessimism of the US financial situation.

The Bank of Canada is holding steady on interest rates. Some rates are drifting down a bit, but the average is pretty steady. Lenders though are competing like mad so there are deals to be had. If you have good credit and a good income and the bank starts with the posted rate, then **walk away**, they are **not** serious about your business. Why deal with someone who is going to make you work for it?



Fixed rates for 3 to 5 year mortgages are low with a 5 year running between 5.14% and 6.85%. The 6.85% rate is clearly not the best choice but it is out there. The variable rate products are still all over the map, some lenders are offering prime minus 60bps (today that would be 4.15%), while others are keeping the rate at prime minus 35bps. So it keeps things interesting for rate shoppers and it also means that some lenders are standing out right now in terms of their offering.

If you have credit issues then rates are higher and with fewer lenders working in that market the rates have gone up, particularly in lower density regions of the province. Deals are still possible, but harder to find.

Remember there is a lot to consider when you are getting a mortgage and rate is only part of it. Make sure you are comparing apples to apples, and if you have not been happy with the cost and options of your last mortgage and it is coming up for renewal then now is the time to get the mortgage that lets you manage **your money** the way **you want**. Whether that means having the option to pay it down incredibly fast, or pay interest only while you get a new business started. There is a lot of choice out there.

Want someone to do all the work for you and just have to make a choice between a couple of excellent alternatives, at **NO CHARGE** when you qualify for regular mortgage financing?

Working with someone that **wants** to get you the best deal, one that is tailored to your financial and lifestyle needs is going to make you more comfortable that you have see what the best have to offer and that you are getting a good deal. I handle your file personally and I am not tied to bank hours. I know that 9 times out of 10 I can offer a better alternative.

Sound appealing? Call to learn more.

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## Energy and persistence conquer all things. Benjamin Franklin

My goal is to help people find the right mortgage and the best rate and remove perceived obstacles to getting them the loan they need or want.

I am honest and will take the time to educate my clients about the market, the process and their choices.

You give me the greatest compliment when you send those you care about to me for their Mortgage needs. I am 100% committed to providing you and those you send to me the highest quality of service and dedication to their needs.

Sincerely,

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