First Time
Home Buyers Seminar
Topics of Discussion

- Financing
  - Dawn Blainey, Mortgage Broker with Dominion Lending

- Real Estate
  - Angela Haas, Realtor with Right at Home Realty

- Legal
  - Hussein Hamdani, Lawyer with SimpsonWigle Law
ROLE OF BROKER vs. BANK

- Long-term relationship
- DLC – access to 31 Lenders and their products
EDUCATION

- Knowing what to expect

- Understanding the Process
  - Application, ID
  - Credit Consent
  - Submit Application
  - Preapproval
IMPORTANCE OF CREDIT

- Your Credit Report/Beacon Score
- Establishing Credit
UNDERSTANDING THE RATIOS

- **GDS = Gross Debt Service Ratio**
  - Principal + Interest + Property Taxes + Heating + 50% condo fees (if applicable)
  - Gross Monthly Income

- **TDS = Total Debt Service Ratio**
  - Principal + Interest + Property Taxes + Heating + all other debts such as car loans and credit cards
  - Gross Monthly Income

*Refer to page 10 & 11 in the CMHC Guide*
PREAPPROVED

What does it mean?

- Meeting conditions
- Rate hold
FIXED vs. VARIABLE

Fixed – controlled by Bond Yields
Currenty: 4.39

Variable – controlled by Bank Of Canada Prime

Open vs. Closed
Prime: 2.25%
Open: P + .90%
Closed: P +.45%

*rates subject to change
DOCUMENTS

Salaried Employees:
- Job Letter
- 2 most recent pay stubs

BFS (Business for Self):
- Last 2-3 years NOAs (Notice of Assessment)
- T4s

Proof of Down Payment
EXAMPLE: Mr. & Mrs. Siso

Mr. Siso  
- annual income: $60,000  
- BFS

Mrs. Siso  
annual income: $35,000  
-Salaried

>Combined Income of $95,000<

Looking to purchase home around $300,000, have 5% to put down.
Mr. and Mrs. Siso

Liabilities:
- Car payment of $450.00/mth
- Visa balance of $1700.00, Mthly Pymt of $50.00
- MC balance of $2300.00, Mthly Pymt of $112.00

Heat- $85/mth

Property Tax - $3500
Mr. and Mrs. Siso

Amortization: 25 years
Interest Rate: 4.39%

Mr. and Mrs. Siso will qualify for a mortgage of $285,000
Mortgage Insurance - $7837.50

*Need 1.5% of purchase price for closing costs

*This is a simple example, numbers will vary
DAWN BLAINEY
Dominion Lending Centres

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WHAT CAN YOU AFFORD?

- Costs Associated with a purchase:
  - Income – debt, special government funds
  - Fees - appraisals, application fees, land transfer
  - CMHC - Canadian Mortgage & Housing Corporation
  - Deposit - down payment, closing costs, moving costs
  - Set up fees
BUYER REPRESENTATION (AGENCY)

- Clients
- Working in your best interest
LIFE STYLES

- Singles
- Couples
- Elderly
- Children
LOCATION

- Town or City
- Specific area within
TYPE OF HOME

- What can you afford to buy?
  - Options: New, Newer, Older
  - Needs vs. Wants
FREEHOLD vs. CONDO

- Condo fees & documents
- Status - special assessments, rules
HOW WE GET STARTED

- The search for your home
- Realtor information vs. realtor.ca
HOW DOES COMMISSION WORK?

What does it cost to buy a home?

FORMS

FINTRAC
Identification
Deposits
Agency
THE OFFER

- Agreement of Purchase and Sale
- Negotiating
- How much to Offer? Comparatives
- Competitions in Offers – how do they work?
CONDITIONS

- Inspection
- Financing
- COSPP
- Insurance
- Other
FIRMING UP THE CONTRACT

- Waiving and fulfilling your conditions
- Send documents to Mortgage Broker and Lawyer
CLOSING DAY – Welcome Home!

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LEGAL PROCESS

• Before you sign an offer to purchase
  • What can I do for you?

• After the seller accepts your offer to purchase
  • Providing Advice and Fact-Checking
  • Facilitating the Buying Process
  • Assuring You of Good Title
An offer to purchase is a contract that is binding on both you, the buyer, and the seller. Seeing a lawyer before you sign that offer can help avoid difficulties later on, and ensures you that your best interests are protected.
WHAT CAN I DO FOR YOU?

- As your lawyer I can advise you to:
  - include escape clauses
  - include an exact listing of the accessories
  - request a warranty
  - require that the Seller produce an up-to-date survey
  - deposit

- I can also help you determine exactly how much it will cost to buy the house.
AFTER THE SELLER ACCEPTS YOUR OFFER TO PURCHASE

- The offer to purchase is only the beginning of the complex process of buying a home;
- Once the offer is signed, I will do the following:
  - Provide advice and review the facts;
  - Facilitate the buying process;
  - Assure you of good title.
For example, I will:

- prepare and check mortgage documents and explain the terms of your mortgage;
- explain the different ways in which you can own the property if you are buying it with someone else;
- check the statement of adjustments to ensure that you are paying only your share.
Facilitating the Buying Process

- To help make the transfer of ownership as smooth as possible, I may also:
  - Contact utility companies to have future bills addressed to you;
  - hold in trust closing funds to ensure the home purchase closes;
  - arrange for you to receive the keys to your home as soon as possible after closing.
ASSURING YOU OF GOOD TITLE

- One of the most important parts of my job is to make sure that you have good title to the property that you are buying.

- Why is good title important?

- Good title is essential for you to be able to sell your home in the future.
Please refer to your package to fill in any additional questions or if you would like to request literature on a particular topic
Thank you!

- For more information, please contact Hussein Hamdani at:

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