

Why use a Mortgage Broker???



Buying a home with new financing, or renewing your financing when the term comes due can be complicated.

A mortgage Broker can help you understand your options and make suggestions to:

- ✓ eliminate PAYMENT SHOCK when rates are higher;
- ✓ pay off all personal debt on renewal;
- ✓ allow for renovations, or take out cash to buy a second home for a family member; or,
- ✓ take advantage of unused RRSP contributions - contribute and get a rebate to pay off a debt.

Your home will likely be the biggest investment you will make. But before the keys get handed to you, there is a lot of research and paperwork to do -- and that includes securing financing for the most expensive purchase of your life.

According to a 2011 survey by the Canada Mortgage & Housing Corporation, 81 per cent of recent buyers, at some point, will rely on a mortgage professional (either a mortgage lender or mortgage broker) for advice and consultation.

When you decide to use a mortgage broker to help you with your financing, they will act as a liaison between you and the lending institution. Mortgage brokers negotiate the best available terms and rates on your behalf, and will usually work with dozens of different lenders in order to secure the financing options that you are looking for.

Three reasons to use a mortgage broker:

1. Mortgage brokers provide their services for free to borrowers.
2. Mortgage brokers help those with less-than-perfect finances secure a loan.
3. Mortgage brokers will save you time.

Mortgage brokers will do all of the legwork for you to help put the paperwork together and negotiate on your behalf with lenders. They will also be your point of contact for everything related to your financing.

When deciding which type of financing is right for you, here are a few details you need to share with your mortgage broker or the lending institution you decide to work with.

Prepayment

How often will you be able to make additional payments on your mortgage without being assessed a penalty, and how much will you be able to pay?

Frequency of payments

Whether it's weekly, biweekly, accelerated biweekly or monthly, make sure the lender offers the payment frequency you feel most comfortable with.

Penalties to breaking the mortgage

Make sure that you are fully aware of what the penalty would be if you decide to opt out of your mortgage term before it's due.

Whether you decide to use a mortgage broker to help you through the home-buying process or to renew your financing, it is important that you do your research so that you are happy with your decision. Some banks or lenders might give you the runaround, while a mortgage broker will hold your hand through the entire process, securing a great rate and terms for you.

Call for a second opinion...

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