

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**



DOMINION LENDING
CENTRES

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
 - $$\frac{\text{Principal} + \text{Interest} + \text{Property Taxes} + \text{Heating} + 50\% \text{ condo fees (if applicable)}}{\text{Gross Monthly Income}}$$
- TDS = Total Debt Service Ratio
 - $$\frac{\text{Principal} + \text{Interest} + \text{Property Taxes} + \text{Heating} + \text{all other debts such as car loans and credit cards}}{\text{Gross Monthly Income}}$$

*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

Currently: 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

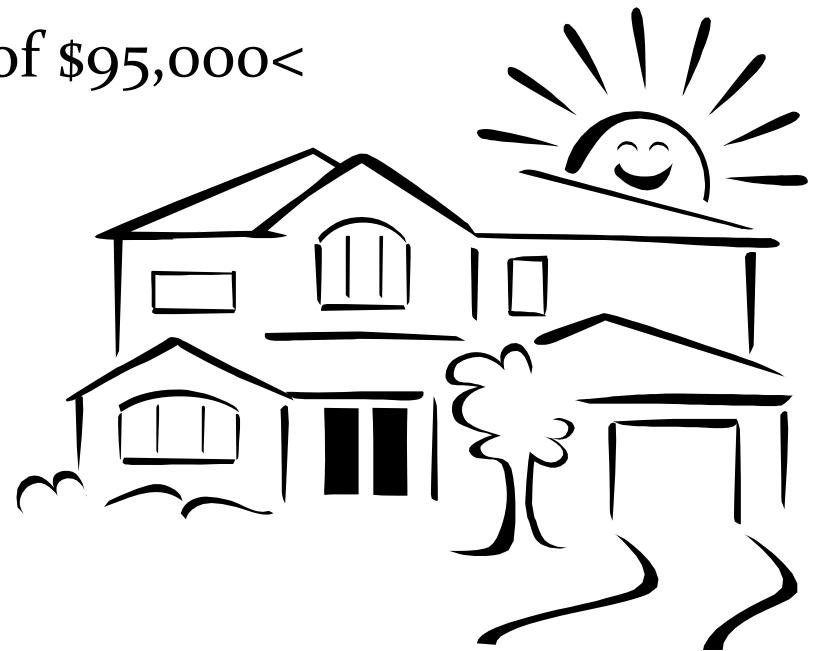
Mrs. Siso

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

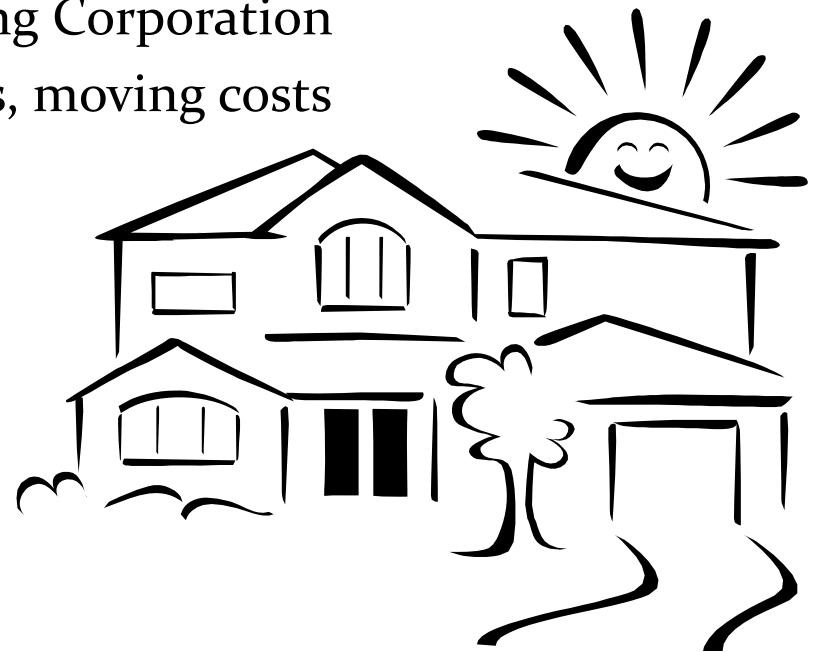
Dominion Lending Centres

Tel: (905) 633-8558
email: dblainey@dominionlending.ca



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!

Angela Haas – Right At Home Realty

Cell: (905) 407-8188

Tel: (905) 577-0220

email: angela@angelahaas.ca



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



BEFORE YOU SIGN AN OFFER TO PURCHASE

- 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.



PROVIDING ADVICE AND FACT-CHECKING

- 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.



HANDOUT

- Please refer to your package to fill in any additional questions or if you would like to request literature on a particular topic





SimpsonWigle
LAW LLP

Thank you!

- For more information, please contact Hussein Hamdani at:

Tel: (905) 528-8411 x.336

Fax: (905) 528-9008

email: hussain@simpsonwigle.com

