FIRST TIME HOME BUYERS

Sierra Mortgages 4 U

KEYSTONE MORTGAGE CORPORATION

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FREE MORTGAGE CALCULATOR APP

TERMS TO KNOW

Fixed Rate Mortgage
interest rate remains constant during the term keeping your payments the same

Variable Rate Mortgage
interest rate fluctuates with Prime Rate causing your payments to change with prime rate.

Gross Debt Service Ratio (GDS)
percentage of gross income to cover housing related expenses. Mortgage, property tax, heat and 50% of condo fees.

Total Debt Service Ratio (TDS)
percentage of gross income to cover housing related expenses and all debt. Mortgage, property tax, heat, 50% of condo fees and all other debt payments.

(High Ratio) Insured Mortgage
when the down payment is less than 20% requiring mortgage default insurance but offers the lowest rates

(Low Ratio) Conventional Mortgage
when down payment is 20% or more and mortgage default insurance is not needed, but the rates are higher

Mortgage Default Insurance
required for borrowers who put less that 20% down. This insurance protects the lenders if borrower defaults on payments.

Mortgage Term
agreed upon period a borrower commits to a specific interest rate.

Amortization
repayment of a loan including both the principal and interest.

PROGRAMS

Home Buyers Plan
allows individuals to withdraw a maximum of 60,000 from their RRSP's to purchase or construct a qualified home for themselves or an individual with a disability. The withdraw must be repaid back with a minimum annual contribution amount.

(New) First Home Savings Account
helps you withdraw up to $40,000 tax free only for the purpose of purchasing a home, contributions are tax deductible.

HELPFUL TIPS

Budget wisely for homeownership costs, such as repairs, maintenance, utilities, and taxes.

Avoid making major life changes and acquiring new debts such as changing jobs, buying a car, and getting a loan.

Review your credit report for errors, pay your minimum payments, and keep your balances low.

Aim for a 20% down payment to lower your monthly payment and to avoid the cost of Mortgage Default Insurance.

Consult a mortgage broker that has access to a diversity of lenders, rates, and mortgage terms and conditions.