

***Here is the FREE Report you requested!***

## **7 Steps to STOP PAYING RENT and LIVE IN A HOME OF YOUR OWN ...**

***...and what you need to know to get you started toward  
buying your 1<sup>st</sup> home!***

People fear what they don't understand. A good example is the purchase of a home. The average consumer knows very little regarding the home buying process. Between finding the right house, making sure it won't fall apart the day after it is purchased, and finding the best financing, it is no wonder that so many people are afraid to purchase their first home.

Buying a home is one of the most important financial decisions an individual will make. For a first-time homebuyer, the decision to purchase a home can be daunting. It represents a major commitment as the individual or family will be taking on a large financial responsibility. As with any major decision, it is important that everyone, especially first-time homebuyers, take full advantage of the information and training that is available so they clearly understand the home buying process.

Before beginning the search for your dream home, it's important that you do your research and become fully informed. Here are **seven steps** to get you started:

### **STEP 1: Visualize Yourself as a Home Owner**

Before starting your house search, allow yourself to imagine what it will be like to be a homeowner. For most people, homeownership can be one of the most significant financial turning points in their lives. Imagine, living in a Home of Your Own! A fenced yard for the kids...A garage for your car...Enough room for all your stuff... On a quiet street...Privacy...Comfort. The advantages (tax benefits, pride of homeownership, financial investment) far outweigh any drawbacks.

### **STEP 2: Pull Your Credit Report**

Your credit history is one of the first things a lender will look at in making a decision on your loan. Visit [www.equifax.ca](http://www.equifax.ca) to obtain a credit report. Review it carefully to be sure all the information is correct. If you find discrepancies, you should work with the credit agencies to resolve them.

### **STEP 3: Determine How Much Money You Have for a Down Payment and Closing Costs**

Saving for a down payment can be one of the biggest barriers to homeownership. Mortgage lenders recognize this dilemma and many now offer new products with no down payment options, subject to qualification. However, there are many ways to find or save for a down payment. Consider some of these various sources of income:

- Save your tax refund
- Savings Bonds
- Borrow from parents
- Checking/Savings Account – put the same amount away every paycheque and watch it grow
- Gifts
- Hold a garage sale or sell items on eBay
- Take a second job
- Check out government programs

### **STEP 4: Choose the Right Lender for You**

**The mortgage broker vs. banks and mortgage companies.** A mortgage broker deals with many different financial institutions and mortgage companies. This allows the broker to shop the mortgage market, on your behalf, to find the mortgage with the best terms to meet your unique situation. Your local banker may not tell you his competitor down the street has a better deal, but a mortgage broker will!

Since a mortgage broker does business with lots of banks, trust companies and mortgage companies throughout Canada, they can:

- Send the loan to many different underwriters
- Shop for the best rates and programs
- Present you with all your available options, rather than only those limited to your local bank branch.
- An experience mortgage broker will have access to mortgage solutions not available through traditional bank channels.

In most cases, the mortgage broker is compensated by the Lender – you pay no fees to the broker.

### **STEP 5: Get Pre-Approved for a Mortgage**

Before you begin working with a realtor, see your mortgage professional and get **pre-approved** (not pre-qualified) for a mortgage. This will not only tell you how much you have to spend on a house but also give you an idea of how much of a down payment you will require.

Getting a pre-qualification letter is easy. You just call your mortgage professional, provide some basic financial information, and then wait a few minutes for the pre-qualification letter to come through your fax machine. Getting a "pre-qual" from a Web site is just as easy. Enter some information, click "submit" and voilà.

A pre-approval letter, on the other hand, involves verification of the information. Rather than taking your word on faith, the lender will ask for documentation to confirm your employment, the source of your down payment and other aspects of your financial circumstances. Granted, a pre-approval is more time-consuming (and possibly more stressful) than a pre-qualification the additional due diligence is exactly why the pre-approval carries more weight.

Most lenders will provide this service free of charge. A pre-approval will let you **know exactly how much you can spend on a home purchase BEFORE you start your search**. A pre-approval in hand also makes you a more attractive buyer when you are ready to make an offer on a home. Home sellers are more likely to accept an offer from a buyer who can demonstrate the ability to secure financing.

## **STEP 6: Consider Using a Licensed Real Estate Agent**

Most real estate agents represent their clients under a strict code of ethics aimed at protecting the best interests of you, the consumer. They are professionally trained in all aspects of purchasing a home – from knowledge of the local housing market to negotiating the best deal for you.

Best of all, you do not pay their commission - the seller does.

There are many ways to find an experienced real estate agent. Use sources such as satisfied family, friends and co-workers. Your mortgage broker will also have many realtor contacts and be able to recommend a real estate professional who will meet your own individual needs.

## **STEP 7: Get Educated on the Home Buying Process**

Many mortgage lenders, non-profit organizations, and even realtors offer homebuyer education kits to prepare you for homeownership. Some of the topics covered are "How to Apply for a Loan", "Finding the Right Realtor", "Making an offer on a Home" and "The Advantages and Responsibilities of Home Ownership". The quickest and easiest way to get educated about the entire home buying process is to select a mortgage advisor and realtor who offer unbiased professional advice with your best interest in mind.

### **In Conclusion:**

When you choose the right mortgage professional, with you're best interest in mind...

- You can find ways to get out of the "trap" of paying rent.
- *You'll be confident that you made the right decisions about your mortgage.*

- You'll be at ease knowing that nobody rushed you into the wrong mortgage program because you had to apply for your mortgage within 3 days of signing your purchase agreement. *Is 3 days long enough for you to make a decision that could last for 30 years?*

**Your desire to own a home, combined with my knowledge, will increase your chances dramatically.**

Well, I hope I got you thinking. You probably have some questions.

As we wrap up, you may be still be wondering...

### **What's the next step?**

We can give you a detailed analysis of how much you will save by owning instead of renting.

Please give me a call while this is fresh on your mind and you are excited about the possibilities.

Even if you are skeptical, which is only natural, a phone call can't hurt.

The worst that you will do is spend a few minutes learning.

The best you can do is have "peace of mind" and save yourself lots of money.

Or, if you wish, we can send a *First Time Buyer's Guide* to you.

Take care and we look forward to hearing from you.

Regards,

***Mike Wareham***

VERICO K-W Mortgage  
901 Victoria Street North  
Unit 3  
Kitchener, Ontario N2B 3C3  
Tel: 519-579-4500 Fax: 519-579-9394  
mike@kwmortgage.ca  
www.kwmortgage.ca



**P.S.** Think about it. Now is the time to escape from endless rent payments. We can email you a Pre-Approval application to get you started on your road to homeownership today!

**P.P.S.** More people who are renters now qualify to become a homeowner. Don't let fear or ignorance stand in your way. Our job is to educate and advise you to make right decisions based on your unique situation. Call us today and take one step closer toward realizing your dream of homeowner ownership.