



Homeguard
FUNDING LTD. Est. 1983

Get the Homeguard Edge



Let Homeguard Funding Ltd. Assist You To
Create Your Own Down Payment Using.....

The government sponsored R.R.S.P. Homebuyers Plan

It's Easier Than You Think

Making the decision to buy is more important than having the money or all the answers.

FOUR STEPS TO HOME OWNERSHIP:

1. DECIDE TO BUY:

The first and most important step toward purchasing your first home is making the decision to buy. Until you decide to buy.....Home ownership is still a dream!

2. PRE-QUALIFY:

The second step to take is financial pre-qualification. This service is normally provided at no cost to you. A First Time Buyer Mortgage Specialist can help you shop for the most competitive mortgage rates and terms available in the market place today, as well as answer any questions you may have. How much money do you really need? How much will the financial institution lend to you? What can you really afford? Budgeting and planning are necessary to make home ownership enjoyable and rewarding. **Make an informed and educated decision...pre-qualify before you buy!**

3. RECRUIT A TEAM:

When making one of the largest financial decisions of your life, don't wing it! Recruit a team of professionals as the third step toward home ownership. Experts in their fields can educate you, guide you, coach you and protect you, every step of the way. You already have a First Time Buyer Mortgage Specialist, so now build your team. If you don't already have one, add a Real Estate Professional who will work with you under a Buyer Agency agreement; a Lawyer who works with First Time Home Buyers and who's primary practice is Real Estate Law; a qualified Home Inspector to ensure you are purchasing a problem free home; and finally, an Insurance Representative to arrange for Home Insurance. **Rely on the expertise of your team of professionals...remember, this is what they do, all day... every day!**

4. REALIZE YOUR DREAM:

The fourth, and final step, is working with your team of professionals to find the right financing, the right home, and making the right move... **to make your dream of home ownership a reality!**

A recent C.M.H.C. study has shown that 37% of renters can afford to purchase a home.

RRSP HOME BUYER'S PLAN

A GOVERNMENT OF CANADA PROGRAM THAT CAN MAKE HOMEOWNERSHIP EASIER FOR YOU

- * This program is available to first time home buyers only. You are considered a first time home buyer if, after January 1, 2001, you or your spouse did not own a home that was your principal residence.
- * You and your spouse, or partner may each withdraw up to \$20,000. from an RRSP, tax-free and interest-free, to help buy or build a home. The funds must have been in the RRSP for at least 90 days prior to making the withdrawal to be eligible under the program.
- * You can use the particular funds you withdraw under the plan for other purposes. This means you can use the funds withdrawn not only for down payment and closing costs, but for any other purpose you choose. It is this provision of the Home Buyer's Plan that can make "**THE HOMEGUARD EDGE**" program work for you.
- * The home you buy must be located in Canada and intended to be used as your principal residence.
- * This must be the first time you've used the Home Buyer's Plan.
- * This Home Buyer's Plan has been extended indefinitely.

This all sounds good, but YOU have "LITTLE or NO" Down Payment saved

- * Are you a first time home buyer? YES / NO
- * Do you have a salaried/hourly job? YES / NO
- * Do you have good credit? YES / NO
- * If you answered yes to these three questions, you could be eligible to receive

"THE HOMEGUARD EDGE"

And, your First Time Buyer Mortgage Specialist can show you how to use the Home Buyer's Plan to your best advantage.

I DON'T WANT TO GET INVOLVED IN THE "RRSP HOMEBUYERS" PLAN PROGRAM UNLESS I'M SURE I HAVE A MORTGAGE TOO:

- * The whole program works as a package deal! Before processing the loan, the financial institution will ensure you qualify for the mortgage financing too. They will issue a "Pre-Approved Mortgage Certificate" with a guaranteed interest rate to give you the peace of mind you need to go ahead with "**THE HOMEGUARD EDGE.**"

IT SOUNDS TOO GOOD TO BE TRUE....WHAT'S THE CATCH?

- * There is **NO** catch. But there is a second part to the Home Buyer's Program.

THE HOME BUYER'S PLAN.....PART 2

"BUILDING YOUR FUTURE RETIREMENT FUND"

Over a period of no more than 15 years, you have to repay the amounts you withdrew under the Home Buyer's Plan. Each year you have to repay 1/15 of the total amount you withdrew until the full amount is repaid to **YOUR RRSP**. If you plan to participate in the Home Buyer's Plan in 2005, your 15 year repayment period begins in the year 2007, and ends in the year 2022. However, you may choose to begin your repayments at an earlier date. There is no tax advantage to do so however.

The Government will send you an annual statement called *Statement of Account - Home Buyer's Plan*, that will give your options each year.

OPTION 1 - CHOOSE TO RE-INVEST IN YOURSELF:

- * Deposit to your own RRSP each year, 1/15 of what you withdraw tax-free under the Home Buyer's Plan and at the end of the 15 year repayment period, you will have accumulated a sizable RRSP to use for your own retirement. Based on the maximum contribution of \$20,000; \$1,333.00/yr or \$111.08/mo. or \$25.63/wk. would be repaid to **your own RRSP**.

OPTION 2 - CHOOSE NOT TO RE-INVEST IN YOURSELF:

- * If you choose not to deposit to your own RRSP each year, 1/15 of what you withdrew tax-free under the Home Buyer's Plan will be taxed on that 1/15 as addition income each year.

OPTION 3 - CHOOSE ANY COMBINATION OF THE TWO:

- * Each year, as you assess your financial position, you are able to decide which option to take. You may decide to make the full RRSP repayment or a partial repayment in some years or even no repayment at all in other years. The choice is yours to make.

IT STILL SOUNDS TOO GOOD TO BE TRUE !!

"THE HOMEGUARD EDGE" using the Home Buyer's Plan to its full advantage has been a well kept secret. More and more first time home buyers just like you are learning about it, and taking the final step towards making their dream of owning their own home come true!

WHAT'S NEXT

To determine your eligibility of **"THE HOMEGUARD EDGE"** your First Time Buyer Mortgage specialist will require the following:

- * Notice of Assessment for the 2004 taxation year if you apply before March 1, 2006.
- * A completed "Pre-Qualifier" application.
- * And, just a few more questions.

Your application will be assessed, and if you are eligible and qualify, your First Time Buyer Mortgage Specialist will make the necessary arrangements with a financial institution for the following:

- * A pre-approved mortgage certificate.
- * A guaranteed interest rate for as long as possible.
- * A pre-approved short term loan.

Arrangements will be made for the short term loan to be processed to ensure the RRSP contribution is made prior to March 1, 2006 deadline.

- Don't leave it until the last minute, plan ahead.
- Withdrawal of RSP would be used to pay off loan in this case (or) if you are not planning to buy soon, pay off the loan quickly and build your down payment.

DATES TO REMEMBER.....

- * You can enter into an agreement to buy or build a home at ANY TIME after the financial institution issues the "Pre-Approved Mortgage Certificate."
- * The RRSP deposit (and loan) must be completed prior to MARCH 1, 2006 to be eligible for the 2005 taxation year.
- * The closing date should be planned to allow sufficient time for you to have your closing date of no sooner than 90 days from RSP deposit is recommended. However you can close whenever you wish after that date and money can be withdrawn 90 days after the deposit is made and after you have an accepted offer on a home.
 - You will receive your tax refund when you file your 2005 income taxes.
 - If you already have some down payment you can still use this provision to create for refund for next year (or) put your down payment in a RSP account and created a refund for next year.

WE ARE IN A POSITION TO REFER YOU TO APROVEN PROFESSIONAL REALTOR AND / OR REAL ESTATE LAWYER UPON REQUEST.

For information purposes based on recent Revenue Canada interpretations.

Certain credit & eligibility criteria must be met. Revised Dec/06

QUESTIONS:

- * How much do you have available for a down payment?
\$ _____
- * Are you First Time Home buyers? YES / NO
- * Did you pay first and last months rent to your current landlord? YES / NO
(____ months with NO rent / NO mortgage payments x \$_____ rent =
\$ _____ extra cash available)
- * Do you lease a vehicle? YES / NO
(If yes, the monthly payment is \$_____)

- * Do you pay child or spousal support to anyone else? YES / NO
(If yes, the monthly payment is \$ _____)
- * Do you receive child or spousal support from anyone else? YES / NO
(If yes, the monthly payment is \$_____)
- * Have you experienced any credit problems (either currently or previously)? YES/NO
(If yes, a detailed explanation is required)
- * Has there been any changes in your income or employment situation that could have an effect on your income tax? For example:
(maternity or parental leave, sick leave, change in employment status, employee to independent contractor, salary to commission)
- * In what price range were you hoping to be able to buy
\$ _____
- * Who is your Real Estate professional? _____
- You understand that a consumer report containing credit and/or personal information may be referred to in connection with this application?
YES / NO

DATED THIS THE _____ DAY OF _____, 20_____

GIVE OR SEND INFORMATION TO:

**HOMEGUARD FUNDING LTD.
"FIRST TIME BUYER MORTGAGE SPECIALISTS"**

**HEAD OFFICE (905) 895-1777, Toll Free 1-800-225-1777
Fax (905) 895-9073, Toll Free Fax (888) 599-9073**

E-Mail: homeguard@homeguardfunding.com

Web Site: www.homeguardfunding.com

Head Office Newmarket:



*83 Dawson Manor Blvd.
Newmarket ON
L3X 2H5*