

mortgagematters

Compliments of Wayne A. Sudsbury

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A Mortgage Broker's goal is to ensure you get the optimum in mortgage value.

If you are considering moving, refinancing or consolidating your mortgage, please call to ensure you get the best low cost financing to suit your needs.

All the best,

Wayne A. Sudsbury

Finding Funds

You know that thrill you get from finding a forgotten \$20 bill in the pocket of some clothing you haven't worn for awhile? Don't you wish you could "find" money like that regularly? You might actually have a lot more money in your home, just waiting to be discovered!

Here are two ways you may be able to find hidden household cash: By lowering your mortgage interest rate, and through your home equity.

COULD YOUR INTEREST RATE BE LOWER?

According to the Canadian Association of Accredited Mortgage Professionals (CAAMP), Canadian homeowners renewing their mortgages last year were able to obtain interest rates 120 basis points lower than their previous rates. Those who renewed with a mortgage broker obtained the largest average-point reduction – 125 points – compared with an average of 114 points among those who renewed with a bank.

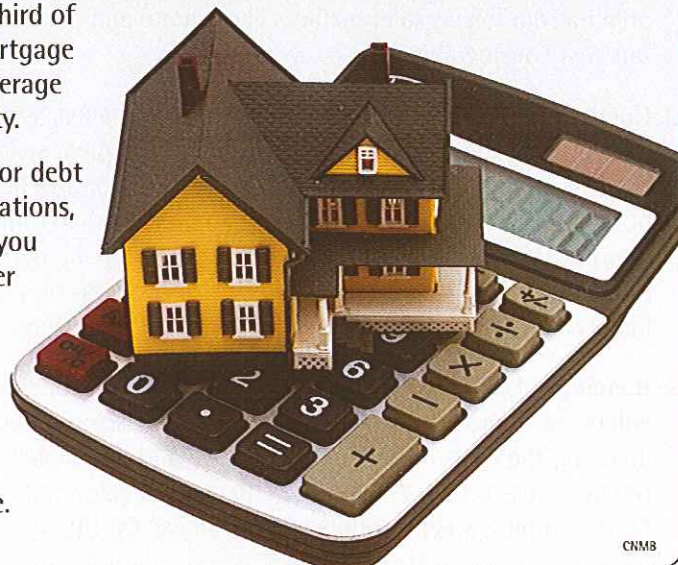
Even if your mortgage is not due for renewal, it's worth taking a look at today's rates. CAAMP reports that low interest rates have created a flurry of interest with homeowners considering early mortgage negotiations. In fact, a full 15 percent of mortgage-holders in 2009 refinanced before their mortgage came up for renewal.

PUTTING YOUR HOME EQUITY TO WORK.

Canadians have a lot of equity in their homes – an average amount of \$142,000, representing 52 percent of the value of their homes. And approximately one third of homeowners are mortgage free, and have an average of \$322,000 in equity.

If you need money for debt consolidation, renovations, or any other needs, you may want to consider borrowing against your home equity.

Let's talk about these, and other ways, to "find" money in your home.



CNMB



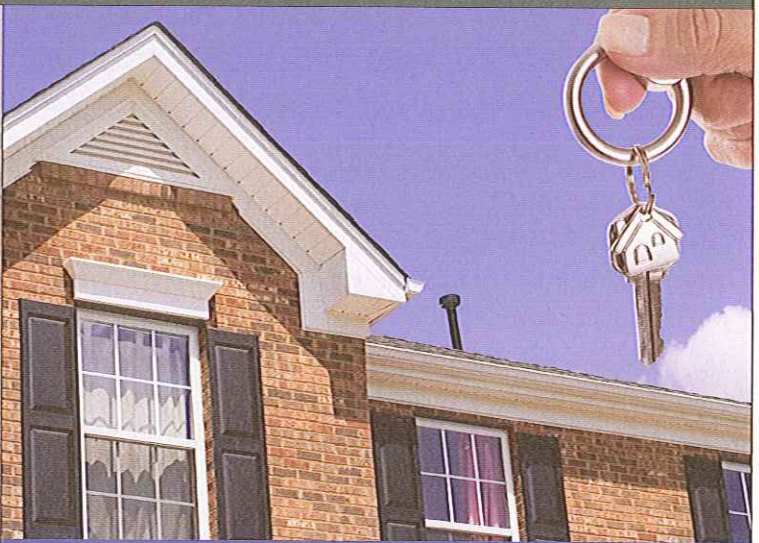
THE EPICUREAN CENTER

What's the recipe for a fabulous, functional kitchen? This question is key whether you're buying a new home, renovating your current one to make it more appealing to potential buyers, or enhancing it for your own enjoyment. Below is a list of essential epicurean kitchen ingredients:

1. Layout is crucial. The classic work triangle – of which the three points are the fridge, stove and sink – is classic for a reason: it's the most efficient layout. But as homes become bigger, two-cook families become more common, and more entertaining happens in the kitchen, the triangle gives way to layouts consisting of multiple workstations in the form of islands and peninsulas, sometimes outfitted with a second sink or cooktop.
2. Today's homeowners have more kitchen appliances than ever – juicers, countertop composters, espresso machines – making counter space critical. Counters should be ample beside the fridge, stove, sink and microwave, where they'll be used the most. As to countertop finishes, durability and easy cleaning are key. Ceramic tile and laminate surfaces aren't as durable as solid surfaces like granite and marble, but cost considerably less.
3. Flooring should likewise be durable and easily cleaned, as kitchens are high-traffic areas and subject to frequent spills. Vinyl is often forgiving, potentially saving that dropped dish, but it damages easily and needs replacing sooner than other flooring. Wood and ceramic tiles look great but are harder to clean. Laminates lend themselves well to kitchens, as they're long lasting, easy to clean, reasonably priced and attractive.
4. If energy-efficient appliances aren't a must now, they soon will be, as homeowners become ever more conscious about lowering the costs of home maintenance and the impact of energy use on the environment. Regarding color and finish, stainless steel is trendy and attractive. On the flip side, trends come and go, and stainless steel finishes show fingerprints easily, requiring frequent cleaning to maintain their good looks. A popular, fail-safe alternative to stainless steel is classic white.
5. Standard 30-inch high cabinets are giving way to 36- or 42-inch cabinets, providing extra storage for rarely used items. Custom cabinets are the most pricey, but even stock cabinets are customizable, thanks to the multitude of space-saving organizers available, like under-cabinet spice racks, roll-outs, Lazy Susans, hanging cookbook racks, etc.
6. For a kitchen to be appealing and functional, it should incorporate both ambient and task lighting. Task areas like sinks, counters and tables need intense, shadowless light – under-cabinet mounts to illuminate counters; and pendant-style fixtures suspended over islands and peninsulas. Ambient light provides the brightness needed for casual activities – fluorescent uprights over cabinets; halogen puck fixtures; and dimmer switches to create mood.

GO GREEN

Kitchen countertops made of stones like granite and marble are fashionable but far from eco-friendly. The quarrying to dig the stones out of the earth is destructive to natural habitats and pollutes our air and water. For a greener alternative, consider countertops made from recycled glass, recycled paper, or sustainable woods or grasses like bamboo.



Buying, or “Just Looking”?

Is your home on the market? If so, it's important you know with whom you're dealing as far as potential buyers are concerned. Some types of buyers are less desirable than others — to learn which, read on.

- Looky-loos, window shoppers, tire kickers — whatever your preferred term, these “buyers” aren't really buyers at all in that they're not actually interested in ever purchasing your home. Really, looky-loos are time wasters, likely only viewing your home to get decorating ideas, because touring homes is their pastime, or out of sheer nosiness.
- Buyers who may have difficulty qualifying, or will be unable to qualify, for the financing needed to purchase your property. The fact is, not every buyer who expresses interest in your home is able to afford it and many buyers will not have a pre-obtained mortgage loan. Such buyers might keep your home tied up for weeks while they try to arrange for financing — financing they may never obtain.
- The lowballer. Offering less than the asking price is a normal and expected part of the negotiating process. But some buyers are so aggressive and unrealistic in their lowballing that they'll try to undercut you no matter how far you go in compromising on your asking price or counteroffers. Often, buyers who unreasonably lowball aren't serious about buying.

A real estate sales representative will determine the quality of your potential buyers — a valuable service to you. A qualified real estate sales representative will pre-screen prospective buyers on your behalf, weeding out those who aren't serious about buying, or who might not be financially able to close the deal, and instead focusing on the desirable buyers — effectively saving you time, energy and even money.

AVOIDING REJECTION

Few things are more heartbreaking than finding the perfect home for you, but then getting turned down for a mortgage. By knowing some of the common reasons lenders reject otherwise qualified applicants, you can be proactive in avoiding them. Here are a few rejection reasons:

- Information on your application is inaccurate or incomplete. Lenders will want to know about all aspects of your financial status, so make sure you know exactly what information and documentation you'll need to provide, and don't omit — or lie about — anything. Also, be sure lenders can quickly get hold of you should they need any further details.
- Problems with your credit report. You may have a fine credit score, but if there are mistakes or omissions on your credit report, it may not look that way to lenders. Get a copy of your credit report and ensure it's error and omission free before you apply for your mortgage loan.
- There may be issues with the property you intend to purchase. Not every property is an acceptable risk for lenders in that they may not be able to recoup their money should they need to sell it. Check with lenders early on to make sure they deem as an acceptable risk any property you're considering.
- Your financial situation may have changed significantly prior to applying for your mortgage. Avoid making major purchases, like a car, changing jobs, or moving your money around right before you apply for your loan, lest you throw your debt-to-income ratio off, create uncertainty about your future earnings, or make it difficult for lenders to track your assets.



How Does Your Mortgage Measure Up?

Working with a mortgage broker ensures you have a broad range of loan options, from an extensive range of lenders. Having this type of choice opens up excellent financing opportunities. However, all these choices tend to generate many questions, too.

Many homebuyers are curious about what the average mortgage holder signs up for. The Canadian Association of Accredited Mortgage Professionals confirms that two-thirds of Canadian mortgages are fixed for terms of four or more years. Five-year-term mortgages are the most popular, with 56 percent of homebuyers choosing this option.

When it comes to fixed versus variable rate options, age may determine in which direction the mortgagor is most comfortable going. People between the ages of 18 and 34 tend to choose fixed rate mortgages, while those in the 55-plus age category often prefer variable rate mortgages.

Fixed rate mortgages lock in the homebuyer's interest rate for the term of the mortgage, allowing the homeowner unfailing knowledge of exactly how much of his or her mortgage payment gets applied to the principal, and how much to the interest.

Variable rate mortgages involve fluctuating interest rates, with subsequent changeable amounts applied to the principal and interest. Overall, 68 percent of Canadian mortgage holders have fixed rate mortgages, while 27 percent have variable and adjustable rate mortgages.

Overall, Canadians are optimistic about their real estate market, with a reported 71 percent feeling that now is a good time to buy. Please call if you want to discuss your own loan requirements, and would like an update on the many mortgage options in today's market.



Terminology Tip

DOM — DOM stands for “days on market,” meaning the number of days a property is listed on an MLS® before it's sold or taken off the market. DOM is a useful indicator of market activity: a lower average DOM is indicative of a seller's market, where fewer properties are listed and inventory sells more quickly; a higher average DOM is indicative of a buyer's market, where more inventory is available and properties take longer to sell.

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The greatest compliment I can receive from my clients is the referral of your family, friends and colleagues. I promise to treat anyone you refer with the greatest consideration. Thank you for your loyalty.

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