



FINANCIAL FACTS

The power of a pre-approved mortgage

Adopt the Boy Scouts motto – Be Prepared – when you start looking for a new home. We are in a buyer's market and the competition is keen – armed with a pre-approved mortgage you will be able to shop with confidence.

Are you ready to move on the purchase of your dream home? Your realtor will tell you that the best homes on the market get snapped up quickly, so you need to be prepared. Will interest rates eventually start to trend upwards? Yes, they already have. Are you protected against further interest rate increases? Is now a great time to get into the market? Yes! What's your first step?

Many homebuyers think that the first step to finding a home of their dreams is to start going to open houses and researching the market. Even before you start looking for a home, however, it makes sense to contact a mortgage specialist for free expert advice and to arrange your mortgage pre-approval.

When your mortgage is pre-approved, you'll know up front,

what you can realistically afford to pay for a home in terms of purchase price, down payment, legal fees and other closing expenses. You'll know exactly how much you can borrow based on your current financial situation. Armed with this information, you can shop and negotiate with confidence, avoiding the disappointment of finding your dream home only to learn that you don't qualify for the mortgage that you need to purchase it, or being beaten out by a qualified buyer who is quicker with a firm offer.

The bottom line is, if interest rates increase, the amount of mortgage you qualify for decreases. A pre-approved mortgage provides you with protection from short-term interest rate fluctuations that keeps you qualified for the amount you need. Most financial institutions

offer 120-day interest rate guarantees that give you one less thing to worry about as you begin house-hunting. If interest rates go up during that time, you automatically receive the guaranteed rate. If rates go down, you pay the lower rate. Either way, it's a win-win situation.

With a pre-arranged mortgage, you select the terms and conditions of your new mortgage in advance, therefore knowing exactly how much your payments will be. Mortgage pre-approval carries absolutely no obligation to purchase, but simply acts as a tool that can help you focus on homes that are truly affordable and protect against interest rate increases.

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