

## Organizing Your Finances

How do I begin to plan my financing?

House hunting begins at home... with planning. Before you look for a home, you need to know what you can afford. Knowing your price range will save you time and energy.

How much of a house you can afford depends on three things:

- How much you can afford for the monthly mortgage payment
- How much of the down payment you have available
- The amortization, or length of time required to pay off the loan, assuming interest rate does not change.

The Canada Mortgage and Housing Corporation has some good tools to help you figure things out.

[http://www.cmhc-schl.gc.ca/en/co/buho/buho\\_005.cfm](http://www.cmhc-schl.gc.ca/en/co/buho/buho_005.cfm)

The easiest way to figure it out is to contact a mortgage broker. There's no cost to you! They have access to all the major lenders and know the right questions to ask. I recommend Michelle Brienza. She can be reached at <http://www.michellemortgages.ca>

## Getting Pre-Approved for a Mortgage

Why should you apply for a mortgage pre-approval? If you get pre-approved for home financing, you will save time and increase your comfort level when shopping for a home... Learn more about getting pre-approved for a mortgage. In a competitive market such as downtown Toronto, if you're in a multiple offer situation, an offer with a financing condition will often be tossed aside.

## Down Payment

How much will you initially need to purchase my new home? You will need enough funds to cover your down payment (starting at 5%) and closing costs, as well as the remaining balance on the cost of the home

To calculate Provincial and municipal land transfer taxes:

[http://www.torontorealestateboard.com/ltt\\_splash/ltt\\_calculator.htm](http://www.torontorealestateboard.com/ltt_splash/ltt_calculator.htm)

Budget for at least 5% of the cost of home in closing costs, including legal fees, home inspection and taxes.

## Your Credit

An important step in securing mortgage financing is the credit check. As a routine part of the application process, the lender will order a copy of your credit bureau report... Learn more about your credit report:

<http://www.royallepage.ca/en/realestateguide/financing/organizing/your-credit.aspx>