

SUCCESS MORTGAGES

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VERICO at home

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Mortgage brokers are an important part of buying & owning a home. I am a knowledgeable advisor that can help you ensure you have the right mortgage at the best interest rate available.

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Metropolitan Housing Outlook Spring 2012:

In its Metropolitan Housing Outlook publication, Genworth Canada, reports that there are signs of strength in the 2012 Canadian economy. High prices are boosting investment and production in Canada's resource sector. Employment was also up sharply in March, and consumer confidence has picked up. Combined with continued low interest rates, consumers are expected to keep spending in 2012, albeit at a more moderate pace of growth than in 2011.

Canada's new home market has also been stronger of late. Low interest rates continue to encourage builders. As a result, starts are now expected to reach 193,000 units this year, an upward revision from 186,200 units last time. But the market is expected to weaken through 2012, pushing starts lower in 2013.

In early 2012, competition among major banks led to significant discounts on mortgage rates— some institutions offered a five-year fixed rate of just 2.99 per cent. This has helped sustain housing starts and house price gains across Canada so far this year. But with economic growth still modest, builders are expected to lower new construction levels in the coming months. As a result, while housing starts are forecast to reach roughly 193,000 units this year, they are expected to drop to 191,500 units for 2013.

Three year and five-year mortgage rates forecasted to fall slightly



in 2012, averaging 4 per cent and 5.2 per cent respectively. By 2013, three-year rates are expected to begin to move back up, reaching an average of 4.5 per cent. Five-year rates will fall for one more year though, slipping to 5.1 per cent in 2013, before rising in 2014 and afterwards, reaching 7.2 per cent in 2016.

To understand what this could mean for your mortgage, contact me for details.

[Click here for full report.](#)

Build a high credit score to make borrowing easier:

Many Lenders use credit bureau scores as a key part of the approval process. Credit scores are a statistical method of predicting a consumer's financial risk over a period of time. Your previous credit behavior is used to determine your credit score which is primarily derived by payment history, outstanding debt, credit account history, recent inquiries and types of credit on your credit bureau record. The two credit reporting agencies in Canada—Equifax and TransUnion—determine your credit score on a scale from 300 to 900 – the higher your score, the better.



The five main factors looked at by lenders are:

Credit history: Do you have a good credit score and positive credit history? Lenders review the times you've borrowed in the past and your payment history on your credit cards, loans and mortgages.

Character: How much care and responsibility have you shown in managing your finances? Do you pay your bills on time? Do you have a steady job?

Capital: What's your net worth? Do you have any savings, real estate, investments or RRSPs?

Capacity: What are your current debts? Do you earn enough income to pay them off and take care of your other financial responsibilities?

Collateral: Do you have assets? These are items the lender can collect if you default on payments such as your home, car and investments.

A few additional tips to keep in mind:

- Once you have your report, you should review it at least once a year to make sure it's accurate.
- It's a good idea to request your credit report two to three months before applying for a mortgage or large loan. This way, if you notice an error on your report, you'll have plenty of time to correct it.
- If you do find an error in your credit report, contact the credit reporting agency immediately.

Source: News Canada

Answers for newcomers on purchasing a Home:

Becoming a homeowner can be very exciting but at the same time can also feel a little intimidating. Some of the most common questions asked by newcomers are: Do I qualify for a mortgage? What's a pre-approval? And how does buying a home in Canada differ from my home country?



A home can be one of the most personally and financially rewarding investments you'll ever make, If it's your first time buying a home and you are new to the country, the process may seem a little overwhelming.

The top five concerns newcomers have are:

- 1) Getting approved for a mortgage: **31 per cent**
- 2) Making the down payment on their home: **18 per cent**
- 3) Making the regular monthly mortgage payments: **16 per cent**

4) House prices rising in the next two years: **14 per cent**

5) Mortgage rates going up: **14 per cent**

There are a lot of uncertainties that come with buying a home, which is why it's important to know the right questions to ask. Here are a few to help you get started:

- How much can I actually afford?
- What are the best mortgage options for me and my financial situation?
- How much do I have for a down payment and how much will I need?
- What are closing costs and how much do I need to set aside?

If you answer these tough questions in advance you can avoid last minute surprises when it comes time to purchase your home in Canada.

Source: News Canada

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