

Lisa McInnes Mortgages

Mortgage Checklist

❑ 1. Determine your Budget

Determine what your monthly budget is for the following:

- Mortgage payment
- Property taxes, home insurance and Condo fees (if applicable)
- Utilities, maintenance and repair

❑ 2. Pre-Qualification

You will be asked to provide information about yourself and whoever is going to be on the mortgage with you. All of the information that is relayed is strictly confidential. You will be provided with a Mortgage Disclosure and Consent document to review and sign. Next, your Mortgage Broker will pull your credit bureau and review your overall situation and start the document collection process so they can determine your maximum purchase price and min down payment. A rate hold can be obtained once documents have been reviewed.

❑ 3. Document Preparation

Income for Salary or Hourly Employees

- Most recent Pay Stub
- Letter of employment - must be on company letterhead and state your name, position, length of employment, guaranteed min # of hours and rate of pay or annual salary. It also must have contact information for the lender to call to verify employment once an offer has been made.
- Last 2 years Notice of Assessments (NOAs), T1 Generals and T4 slips for any hourly overtime, commission or bonus income

Income for Self-Employed:

- Last two years Notice of Assessments and T1 generals + confirmation no CRA tax in arrears
- Last 2 years statement of business activities for **Sole Proprietors**
- Articles of incorporation and Last 2 years company financials for **Corporations/Partnerships**

Down Payment/Closing Costs

- Anti Money Laundering Laws require the lender to review your 90 day Bank or Investment account histories to verify funds in account for down payment. Any frequent or large deposits and transfers must be verified. Online statements are acceptable, but smartphone screenshots are not.
- Gift letter + gift funds deposited to account, proof of Line of Credit available or sale of existing home proceeds (if applicable)
- You are required to have 1% to 1.5% of the purchase price on top of your down payment for costs relating to the closing of your new home purchase such as home inspection, property tax adjustments, appraisal fees, title insurance, moving expenses, utility hook ups and home fire insurance.

❑ 4. Find a realtor and start looking at houses

If you do not already have one, we can highly recommended you to one of our realtor connections. You can then proceed to look for a home that is within your pre-determine price. When you have found a house that you want to purchase, make sure your realtor makes it conditional on obtaining satisfactory financing. It is best to specify 7 to 10 days. It is also recommended to include the condition of a satisfactory house inspection.

❑ 5. Mortgage Approval

Once you have a confirmed Offer to Purchase on a house, notify your Mortgage Broker right away so they can start to work on getting the mortgage approved.

At this time you will need to give your Mortgage Broker the following documents:

- Updated paystub, job letter and down payment account histories if they are more than 30 days old
- Completed & signed Offer to Purchase
- MLS listing (fact sheet) of the property, if private sale - old MLS listing or appraisal to confirm details
- Lawyer Information (Including the firm and solicitor's name, address, phone and fax)
- Copy of void cheque for mortgage payments

❑ 6. Commitment Signing

A mortgage commitment is provided to your Mortgage Broker by the lender after your deal is approved. Your Mortgage Broker will spend time to review your mortgage commitment with you and let you know about any other lender requirements that need to be fulfilled. You then need to submit those requirements in order to get a final mortgage approval.

❑ 7. House Appraisal and Inspection

If required, your Mortgage Broker will order and schedule an appraisal. The mortgage lender determines the requirement of this.

This is also the time where you should arrange to have an inspection performed on the home by a certified house inspector. The main purpose of a home inspection is to determine if the home has any existing major defects or any major repairs coming up in the near future. A home inspector will determine structural and mechanical soundness, identify any problem areas, provide cost estimates for any work required and provide you with a report.

❑ 8. Condition Removal

Once the lender has confirmed they have all the required documents and the deal is approved you can contact your realtor and have the financing condition removed. At the same time, if the home inspector's report came back satisfactory, that condition can be removed as well. **Do not remove conditions until all amendments to your real estate contract have been reviewed and accepted by the lender as it could affect your financing.**

❑ 9. Meet with Lawyer

Once all of the conditions for the mortgage are verified and approved, the lender will package your mortgage up and send it to your lawyer whereupon your lawyer will call you in for a meeting one to two weeks before your possession date to go over the legal matters of the mortgage. You will review and sign documents relating to the mortgage, the property you are buying, the ownership of the property and the conditions of the purchase. Your lawyer will also ask you to bring a certified cheque or bank draft to cover closing costs and any other outstanding costs. **Avoid signing up for duplicate Mortgage Life/Disability insurance at lawyers.**

❑ 10. Possession Day

Once the transfer of money has occurred between your lawyer and the seller's lawyer, you will officially own your new home. Your realtor will arrange to meet with you at your new home and do a walk through to make sure everything is as it should be and also to give you the keys. Congratulations!

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