

## Basic Mortgage Information

Amortization – the actual number of years it will take to repay a mortgage in full.

Conventional Mortgage – A mortgage that does not exceed 80% of the appraised value or purchase price of the property, whichever is less. Mortgage loan insurance is not needed for this type of mortgage.

High Ratio Mortgage – Mortgages that are 80% LTV or higher. They must be insured by CMHC / Genworth. A premium is charged and added to the mortgage.

Mortgage Loan Insurance – For high-ratio mortgages, lenders require mortgage loan insurance. % depends on the LTV and amortization chosen.

Principal – The mortgage amount actually borrowed.

Refinance – To pay in full and discharge a mortgage and any other registered encumbrances and arrange a new mortgage with the same or different lender.

Second Mortgage – A mortgage granted when there is already a mortgage registered against the property. It is registered in 2nd place.

Term- The length of time a mortgage agreement covers. Payments made may not fully repay the outstanding principal by the end of the term because the amortization period is generally longer.

Fixed Rate vs Variable Rate depends on your risk tolerance. The variable rate can go up just as it can come down so as long as you are prepared for both and can be a good option. Historically, the variable rate saves you money but there will be times of increase so if you want the security of knowing what your rate will be for the 5yrs, then the fixed rate is for you.

Use a Mortgage Broker or shop several different bank or lending institutions?  
The main comparison is that each Banking Institution will pull a credit bureau check on you which will lower your credit score. This could potentially put you in a situation where your score is lowered to the point that you don't qualify for a particular program you might need (i.e.: zero-down mortgage or non-income qualifying mortgage). A Mortgage Broker shops one application around to various lenders without damaging your credit score. As an added bonus, you save you time in doing the research on rates and mortgage products for you.

For detailed mortgage information and approvals, please contact:  
Tonia Jacobsen - Mortgage Specialist  
604-618-2403 / [www.toniajacobsen.com](http://www.toniajacobsen.com)

Your referral of a family member, friend or co-worker is the greatest compliment we could receive.