



**The Broker**



**The Realtor**

# **The Ultimate Homebuyer's Guide**

Your Dream Home Team



**The Inspector**



**The Insurance  
Advisor**



**The Lawyer**

# GETTING THE TEAM TOGETHER



This guide is designed to walk you through each step of the home buying process by focusing on what you need to do, when you need to do it, and the people who will help you along the way.

You'll also notice that your mortgage broker is the coach of your team, as they are there with you from start to finish. Make sure you pick a good one.

## STEPS TO BUYING HOME



- 7 **MOVING IN!**
- 6 **Completing all the paperwork**
- 5 **Passing inspection**
- 4 **Making an offer on the right home**
- 3 **Qualifying for a mortgage**
- 2 **Confirming you can afford a home**
- 1 **Deciding you're ready to own a home**



A good mortgage broker will help you understand a pre-approval, why it's important and how it will help you find the perfect house.

They will walk you through the home buying process, explain how a realtor makes home buying easy, and what to expect from the home inspection.

Then, a mortgage broker team can help unravel the insurance process, explain the legal requirements, and take a deep dive into the fine print to ensure you are getting the mortgage that fits your needs before signing off on your new home.

## Start with Research

One of the best feelings in the world is getting the keys to your new home. That's why it's important you work with a team that can help you get the home you want. Do your research and create a list of players you want on your team. A good place to start is online; be sure to watch for those five-star reviews.

After you've compiled your list of five-star players, interview them to find the right fit. These interviews can be over the phone and last anywhere between 10-minutes to 30-minutes.

**Don't forget to ask for 2 to 3 references.**

## Crack Open the Piggy Bank

You do need to start at a place where you're financially comfortable, and have a steady source of income. Then you'll want to sit down with your mortgage broker and strategize your home buying plan.

## FIND THE \$\$\$

A DOWNPAYMENT WORD SEARCH

\$	T	F	S	A	\$
\$	\$	\$	\$	\$	\$
\$	R	R	S	P	\$
H	B	P	\$	\$	\$
\$	\$	\$	\$	\$	\$
\$	\$	\$	G	I	C

### TFSA -- Tax Free Savings Account.

You don't pay tax on the money you withdraw and you can put it towards your down payment.

### RRSP -- Registered Retirement Savings Plan.

The name says it all. Save for retirement, and don't pay tax until you make a withdrawal.

### HBP -- Home Buyers Plan.

First-time homebuyers can withdraw up to \$35,000 from an RRSP tax-free to put towards your home.

### GIC -- Guaranteed Investment Certificate.

Use your savings and investments to get closer to that big down payment number.



**Mortgage Broker\***



**Real Estate Agent**



**Home Inspector**

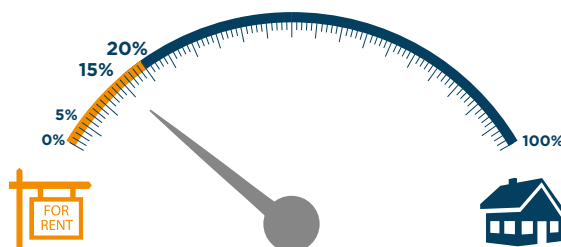


**Insurance Advisor**



**Lawyer**

**\*At Benchmark, we will help you build your team.**



**Minimum is only a 5% down payment.**

**If you can invest 20% down then you don't have to pay mortgage insurance.**

**Talk to your Benchmark mortgage broker about which down payment percentage best fits your life, and how to use it.**



# STEP 1:

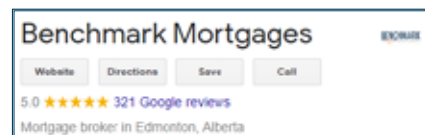
## Meet Your Mortgage Broker.

### The Broker



### Start with a five-star licensed mortgage broker

At Benchmark, we're all on the same team. We work with you to custom-tailor your mortgage to fit your life.



There are a few lifestyle choices you should be aware of before seeking pre-approval. How you spend money and any major lifestyle changes could affect your credit score and how lenders qualify your pre-approval.

As the coach of your home buying team, your Benchmark mortgage broker has a few pre-approval commandments that, if followed, could make your financial history look glorious to any bank.

### TOP FIVE Pre-Approval Commandments Thou shalt not...

- I. Changelth jobs (or howest thou gets paid)
- II. Buyest a vehicle (or maketh large purchases)
- III. Useth lines of credit in excess
- IV. Spendeth of the down payment
- V. Omission of debts in thou application

### When should you meet a mortgage broker?

Sooner than you think. You actually don't need your ENTIRE downpayment saved up **BEFORE** meeting with the team at Benchmark. But before you start shopping for a house, you **DO** need to know your maximum buying power, and we can help you with that. There is a lot to learn about how the mortgage game is played and exactly what you need to secure that downpayment for your home.

## BANK VS BROKER



Banks lend you money based on the products and rates they have available.



Mortgage Brokers don't lend you money. They work with many different lenders, including banks, to secure the best options for you.

### Did you know...

Lenders, including banks, pay mortgage brokers so there's no additional costs for you to get expert mortgage advice.



## Pre-Approval Checklist

Make sure you bring these documents with you to our meeting.

- ✓ Government issued photo ID, with current address
- ✓ 3-year address history
- ✓ 3-year employment history and proof of income
  - Paystubs, income tax documents, bank statements, etc.
- ✓ Current debts
  - Includes loans and credit cards
- ✓ Proof of downpayment
  - Last 90-days of statements, identifying all transactions
- ✓ Total investments and savings

## Pick the Mortgage That's Right for You

**Short-term  
vs.  
Long-term**

**Short term:** You are willing to accept more risk as your interest rate will fluctuate based on the current market.

**Long-term:** Locks in rates for 3+ years so you don't have to worry about fluctuation in the market.

**Fixed rate  
vs.  
Variable rate**

**Fixed rate:** Interest rate will never change throughout the entire term of your mortgage.

**Variable rate:** If interest rates drop, more of your mortgage payment is applied to the principal balance owing.

**Open  
vs.  
Closed**

**Open:** Can be paid off in lump sums and at any time without paying additional penalties or fees.

**Closed:** If you want to pay off the mortgage balance, you will need to wait until the maturity day or pay penalties.

**Conventional  
vs.  
High Ratio**

**Conventional:** A loan for no more than 80% (i.e. minimum 20% down payment) of the appraised value or purchase price of the property.

**High ratio:** Down payment is less than 20%. These mortgages must be insured by a mortgage default insurer who charges a fee ranging from 0.6% to 4.00% of the principal.

## Did you know...

You can pay less interest on your mortgage?

Accelerated bi-weekly payments (not to be confused with bi-weekly) means you make 26 payments in a year. That's one extra! It may not seem like much, but it is. You will save money on interest, and possibly shave 3-4 years off your total amortization!



### Did you read the fine print?

This is really important because you never know what kind of interesting or weird statements could find their way into the small print of such an important document like your mortgage. Because once you sign, you're committed to what's in the contract... even if the print is now as small as this print is right now.

**Don't worry, we'll make sure you fully understand what you're signing.**

### Early Payout Penalties

There are a variety of reasons it makes financial sense to break your mortgage, even though penalties might be involved. However, not all lenders calculate penalties the same way.

### Prepayment Privileges

This gives you the ability to put lump sum amounts on your mortgage and increase your payments so you can pay down your mortgage faster and save on interest -- without paying penalties.

### Standard or collateral security registration

A conventional charge secures only the mortgage loan while a collateral charge can secure other debt besides the mortgage loan, like a line of credit.

### Porting Flexibility

This allows you to move your mortgage to a new home while avoiding penalties and keeping your current rate.

### Blended Mortgage

If you move or refinance, this allows you to blend the rate of your current mortgage with the rate on the additional funds. You won't break your current mortgage and incur the penalty.



## STEP 2:

# Your Real Estate Offense

Give them the ball, and they'll find a good home for great people.



The Realtor



Once you've secured your pre-approval and downpayment, then it's time for the fun part. Good real estate agents have direct access to all the homes you'll find on MLS, and perhaps even some you won't. Great real estate agents do all of the planning and logistics for you so you can properly view a house.

Working with a real estate agent is helpful because it's their business to know the best neighbourhoods -- kind of like how it's our job to know the best lenders and their rates.

### Making the Offer

This is where the teamwork between you, us and your real estate agent is critical. Once you've found the home, it's a simple matter of letting your Benchmark team member know that you're ready for the next step.

As the buyer, you submit a letter of offer to the seller. The real estate agent can do this on your behalf. If that letter of offer is accepted then you move on to the next step. It's time to negotiate the play -- AKA the offer.



# The **House** of Your Dreams is a \_\_\_\_\_



## **Detached**

A stand-alone home, commonly called a single-family home.



## **Semi-detached**

AKA: duplex. Includes property but you share a wall.



## **Townhouse**

Typically part of a strata, multiple shared walls, and you may have a yard.



## **Condominium**

Apartment-style living without the rent!

## **Did you know...**

Many condominiums have additional expenses such as: strata or condo fees, utilities, etc? And that is on top of property taxes. Ask your real estate agent to find out exactly what is and is not covered in your fees, so you are prepared.

## **Do**

- Know your neighbourhood
- Look at as many houses as possible
- Make sure you get an inspection
- Understand your needs not wants

## **Don't**

- Buy on curb appeal alone
- Trust everything you read in the ad
- Buy the most expensive home on the block
- Overbid if you're buying at auction

## STEP 3:

# The Home Inspection Defense

The Jack -- or Jill -- of All Trades



Your home inspector is going to be your best friend and like any best friend, they aren't afraid to tell you the truth - whether it's good or bad. And remember, you're paying for professional advice.

Home inspectors know exactly what to look for in a house; however, some might have different specialties than others. This is why it's important to interview them to determine their strengths and weaknesses or if your dream home requires a specific inspection - like one would need for a wood burning fireplace.



**Flashlight**



**Measuring Tape**



**Rubber Ball**



**Notebook**

Don't forget these items for the inspection. The flashlight will reveal things meant to stay hidden, the measuring tape will give you an accurate sense of the space, and the rubber ball will confirm just how level the floor is. Use the notebook to write it all down.



# TOP FOUR QUESTIONS TO ASK A HOME INSPECTOR

## 1. What's the condition of the entire structure?

From the basement to the roof, you want to make sure they are going outside to look at the eaves, inspecting the attic for insulation, and checking the basement walls for cracks and moisture.

## 2. What's the plumbing and electrical look like?

Check the pipes and inspect the stack for cracks. Then make sure all the plugs in the house work and that the electrical panel is to code.

## 3. How is the drainage?

Instead of asking about the landscape, make sure they're checking that water is draining properly around the entire property.

## 4. Are there any signs of life?

Rodents and insect infestations are expensive to fix and are a health concern. Make sure there isn't something already living in the home.

### REMEMBER:

Ask for proof of building permits from the seller, especially when it comes to structural, plumbing and electrical work. The home inspector should be able to help you with this.

**If there are critical structural issues with the home, this may impact the purchase value. Make sure you consider if...**

- You are okay dealing with the issue yourself
- You want to negotiate compensation from the seller to fix the issue yourself
- The seller is willing to fix the issue prior to your possession date
- You are prepared to walk away -- some issues can be deal breakers

## Did you know...

Alberta and British Columbia are the only two provinces in all of Canada that require home inspectors to be licensed? That's right, AB home inspectors are designated, regulated and must have insurance!



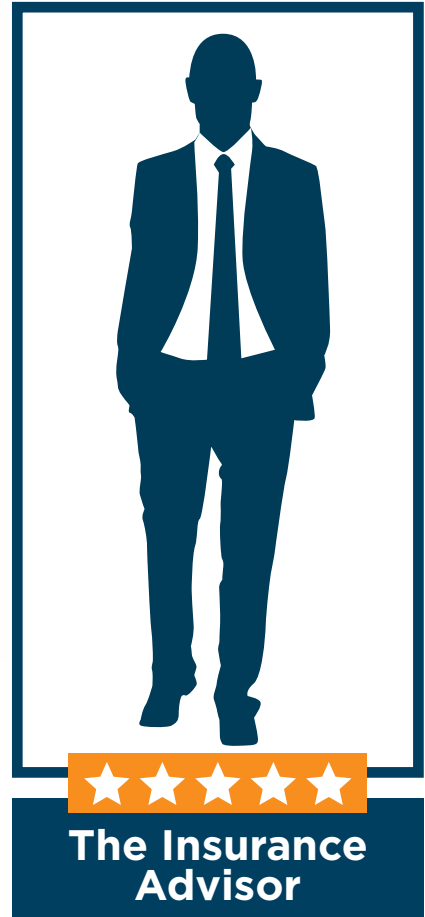
# STEP 4:

## The Insurance Policy Play

Fielding Your Insurance Advisor



No one type of insurance is ever the same. Each is unique and tailored to fit a specific need in your life. In general terms, there are three different types of insurance that apply to purchasing a home; homeowner's insurance, mortgage default insurance, and mortgage life/disability insurance. Benchmark Mortgage has an insurance advisor who will be able to guide you through it, and even show you how these different insurances can work together.



### Did you know?

At Benchmark Mortgages, we have insurance advisors on our team waiting to help you.



# DIFFERENCES IN COVERAGE FOR EACH INSURANCE TYPE

## Homeowner's Insurance:

- ✓ Coverage for fire
- ✓ Protects against water damage
- ✓ Covers cost for accidents
- ✓ Insures against property theft

## Mortgage Default Insurance:

- ✓ Protects the lender (aka the bank)
- ✓ Ranges between 2.8% to 4.5% of your mortgage
- ✓ Required when a down payment is less than 20%

## Mortgage Life / Disability Insurance:

- ✓ Life Insurance. Pay-off or pay down your mortgage in the event of a change of life event, disability or death to protect your loved ones.
- ✓ Disability Insurance. If you are ever totally disabled for 60 days or more, your monthly mortgage payments will be covered for up to 24-months -- depending on your plan.

## Homeowner's Insurance policy is mandatory, and it must have:

- A minimum coverage of the full replacement value of your home
- The loss payee on the policy is endorsed with your lender's name
- The policy contains the mortgage clause of the Insurance Bureau of Canada



Your team is almost complete,  
and that dream home is almost yours.  
Just one player left!



# STEP 5:

## Lawyering Up

It's the final count-down



The Lawyer

### Checklist of what you need at this final meeting:

- ☐ Proof of insurance - good thing you have an insurance advisor on your team
- ☐ Your down payment (minus what you've already paid with the deposit)
- ☐ Your closing costs
- ☐ Two forms of government-issued ID

**CONGRATULATIONS,** your inspection is complete! All conditions are lifted. You're ready to buy your new home. And with your dream team, it should be smooth sailing from here.

**Step #1:** Your Benchmark team member and your real estate agent will get all documents sent to your lawyer.

**Step #2:** Your lawyer will call you 7-10 business days prior to closing to sign, sign, sign:

- A. Final mortgage documents
- B. Transferring Title of the property between you and the seller
- C. Overview of the Real Property Report
- D. Any other caveats registered to the property

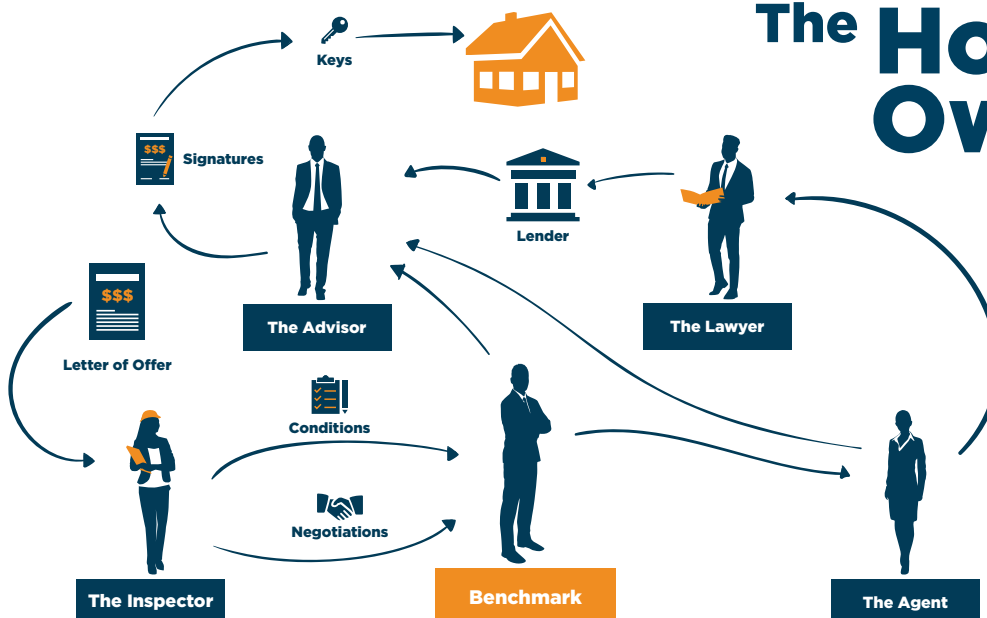
**Step #3:** Wait until the closing date and get possession!

Other steps your lawyer does, you may not know about:

- Transfer the funds to the seller, including the balance of the down payment
- Register and transfer the title of the property to you
- Release the keys to your real estate agent by noon on your possession date

## TOUCHDOWN!

# The Home Ownership Play







**Brandon Scott**

Mortgage Broker



**Ron Lefebvre**

Mortgage Broker

# What Does a Mortgage Dream Team Look Like?



**Loreto Van Hees**

Sr. Mortgage Associate



**Jackie Kurysh**

Sr. Mortgage Associate



**Jasmine Lee**

Mortgage Processor





# We **crush** the status quo.

We know there are a lot of people out there willing to offer you a mortgage. But we didn't set out to be just like everyone else -- just like you don't want any regular house.

**Our team will help you find your home.**

It all starts by working with a great team that understands that everyone learns just a little bit differently.

If you found this helpful, check out our **3 Biggest Mistakes to Avoid When Buying a Home** [here](#).



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