

MORTGAGE SHOPPING?

HERE'S THE INSIDE SCOOP ON HOW TO DO IT RIGHT!

There are 4 simple questions you MUST ask your lender or advisor. If they cannot answer any one of these 4 questions properly, you should ...RUN...DON'T WALK...to a lender that does!

- 1. What are Mortgage interest rates based on?** *Since mortgages are our business, it is critically important to know the answer to this question to ensure you're dealing with a professional that knows the business and can therefore guide you properly prior to commitment and post funding.*
 - *The correct answer for fixed rate mortgages is Bond Market Yields mainly determine the price of the mortgage.*
 - *For variable rate mortgages the Bank of Canada determines the rate by setting its rate which then determines the Prime rates Banks charge their customers (you).*
- 2. How will rising interest rates in the coming years effect me if I take a fixed rate product?**

*This Most lenders will mistakenly answer that if your rates are locked in then rising rates in the future will not effect you. This is an incredibly dangerous thought process. What will happen to your payments at renewal if rates rise from their current emergency low levels to a more normal level 2% or more higher then today? This is called your **payment shock** and it is incredibly risky to your long term financial health. Working with a lender who pro-actively manages your mortgage and notifies you when rates rise with a suggestion on how to minimize payment shock is not only smart it saves you thousands of dollars. Let me show you how.*
- 3. What strategy are you recommending and why?** *The key here is the word "strategy". If a lender cannot clearly articulate the strategy behind their recommendations to you then they are simply quoting a rate, and quite frankly **anyone can do that**. On your largest investment make sure you are dealing with someone who has a solid financial plan that is considering your overall financial wellness for you.*
- 4. What commitment are you giving me to personally manage my mortgage over the long term?**

*This is the most critical question of all. Many lenders, especially bank personnel, have no desire or ability to proactively manage your mortgage over the long haul. How can you take advantage of changing markets in the future if no one is watching them for you? Who will ensure you don't miss an opportunity to renegotiate? If you are considering a variable rate mortgage why would you do this with someone who is not committed to keeping an eye on it? At Loewen Group Mortgages we truly believe our real job **begins when your mortgage funds**. Anyone can sell you a mortgage but only truly committed mortgage professionals can manage that mortgage over the long term. With this long term management approach we can significantly reduce your total cost of home ownership, isn't that the point?*

Be smart... ask the right questions.... Make sure you get the right answers before signing on the dotted line!!

More than likely this is one of the largest and most important financial transactions you will ever make. You might do this only four or five times in your life...but we do this **every single day, and have been doing it for 10 years!** It is your home, and your future. It's our *profession and our passion*. We're ready to work for your best interest!