

# THE MORTGAGE MINUTE

## LEGITIMATE 107% FINANCING, INCLUDING A 3% CASH BACK

Due to recent policy changes, I can now provide financing up to 107% of the purchase price of your new home.



As long as you have a good credit rating and confirmable income, it could be possible to finance 100% of the purchase of a home, plus 3% cash back. (4% premium added to mortgage.)

House prices have been rising and many people assume homeownership is not possible because they do not have enough money for the down payment. So they continue to rent each month.

If you were paying \$1200 per month for rent, you would be paying \$14400 each year, and a staggering \$72,000 over 5 years.

Over the last 5 years house prices in Burlington/Oakville have increased approximately 30%. So if you bought a home in 1998 for \$185,000, it could be worth \$240,500 today. That is an increase of \$55,500, which if it is your principal residence that is a "TAX FREE" increase in equity.

If you bought the \$185,000 house in 1998, assuming a mortgage payment of \$1070 (based on a mortgage rate of 5.1%). You would pay \$64,254 over the next 5 years. (Interest portion was \$43551, and the principal portion was \$20702.).

Now you add the \$20,702 to the \$55,500 increase in equity, which equals \$76,202. This client now has \$76202 in equity on this home.

MORTGAGE  
INTELLIGENCE



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### HOW CAN YOU AFFORD NOT TO BUY A HOUSE ?

#### RENTING vs BUYING OVER 5 YEARS

	<u>RENTING</u>	<u>BUYING</u>
<b>PAY</b>	\$72,000 rent	\$64,254 mtg pmts
<b>EQUITY</b>	<u>= \$0.00</u>	<u>\$76,202</u>



