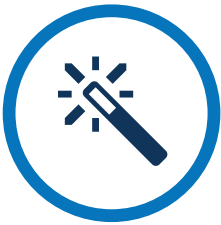


FIRST TIME HOMEBUYERS GUIDE



You don't have to be a mortgage expert, that's our job. However, becoming familiar with some of the key terms and steps involved can help you feel more comfortable when starting the home buying process.



1. GET PRE-APPROVED

A pre-approval allows you to find out exactly how much you can borrow so you can shop for your first home with confidence. A pre-approval involves providing as much information as you can upfront and getting written confirmation of the mortgage amount you qualified for, the rate, and the features of the mortgage.



2. SHOP WITH A REALTOR

Your Realtor will meet with you to discuss details such as your desired price range, neighbourhood and ideal features of your future home. They will be able to help you search through the many listed properties, set up property viewings and answer any of your questions throughout the search process. Once you find your dream home they will help you negotiate an offer.



3. ARRANGE FOR A HOME INSPECTION

Your Realtor will advise whether a home inspection is recommended and help refer you to you a licensed Home Inspector.



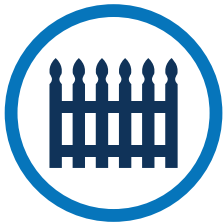
4. SEND PROPERTY DETAILS TO YOUR MORTGAGE CONSULTANT

Once you have your eye on a specific property, send the property details to your mortgage consultant before an offer is made. This can help save time once the offer is firmed up.



5. MAKE THE OFFER & DEPOSIT

Your Realtor will help you make an offer, and if it is accepted, you will need to pay a deposit. The deposit will count towards your overall down payment. If you need to take funds from a RRSP or investments it is good to ensure that you have the administrative details ironed out.



6. SHOP FOR HOME INSURANCE

Home insurance needs to be in place at closing and will be requested by the lawyer and the lender. Your mortgage consultant can help refer you to an insurance professional.

7. DOWNPAYMENT & CLOSE

The rest of the funds that form your portion of the purchase (the down-payment) must be made at the completion date. These funds are usually given to your lawyer or notary a few days prior. Remember that your deposit will be part of that amount.



If you are purchasing a home for less than \$500,000, the minimum down payment is 5%.

If you are purchasing a home for between \$500,000 and \$999,999, the minimum down payment is 5% on the first \$500,000 plus 10% of the remaining amount.

If you are purchasing a home for \$1 Million or more, the minimum down payment is 20%.

You'll need to meet with your lawyer or notary to finalize the process.



NEED-TO-KNOWS

MORTGAGE INSURANCE

If your downpayment is less than 20% of the purchase price your mortgage will automatically include mortgage insurance. The insurance premium for this is added to your mortgage amount at closing and is handled by your lender. Premiums decrease as your downpayment increases, so ensure you discuss your downpayment options with your mortgage consultant.

BC HOME OWNER MORTGAGE & EQUITY PARTNERSHIP

B.C.'s government will offer first-time homebuyers an interest-free loan (for the first five years), up to a maximum of \$37,500 (or 5% of a home valued at \$750,000). You need to ensure that the amount of your personal down payment, plus the BC HOME Partnership loan, meet the minimum down payment requirements.

\$5000 INCOME TAX CREDIT

To assist first-time homebuyers with the costs associated with the purchase of a home, the Canadian Government introduced a FTHB Tax Credit – a \$5000 non-refundable income tax credit amount on a qualifying home. If you qualify, it will provide up to \$750 of federal tax relief.

RRSP WITHDRAWALS

The Government of Canada has set the Home Buyer's Plan withdrawal limit to \$25,000 per person for withdrawals to provide first-time homebuyers with greater access to their RRSP savings to purchase a home. You have 15 years to repay the amount you withdrew from your RRSP.

BC PROPERTY TRANSFER TAX

The First Time Home Buyers' Program reduces or eliminates the amount of property transfer tax you pay when you purchase your first home. If you qualify for the program, you may be eligible for either a full or partial exemption from the tax if the home has a fair market value less than \$500,000. If the home is newly built (never been lived in) and has a fair market value of less than \$750,000, you may also be exempt.