



*“it’s important to look
beyond the rate”*

Your Mortgage Could Be a Goldmine of Potential Savings

“A penny saved is a penny earned”... or so the old proverb goes. Of course, the value of a penny has changed somewhat from the time when your mother offered her wisdom on the value of keeping what you earn. Today, you could save thousands of dollars by simply making the right mortgage decision. If you’re like most Canadian homeowners, your mortgage is a goldmine of potential savings; there are definite savings you can enjoy by making the right mortgage decisions.

It is the primary role of a mortgage broker to find you the right product for your personal situation. A mortgage broker is a financial professional and – like your investment advisor – he or she will want to understand your personal situation and payment preferences. Your mortgage broker has access to a broad spectrum of lending institutions, so you can do some valuable comparison shopping for the right combination of features, rates and mortgage options.

All these choices offer you substantial opportunities to save money over the life of your mortgage. If you are like most homeowners, you are focused – for good reason – on finding the best possible rate for your mortgage. Your mortgage broker can offer you the best range of rate options and terms. If a mortgage broker can get you one per cent off the posted rate, that could translate into more than \$13,000 in interest per \$100,000 borrowed over a 25-year amortization schedule. If, however, you believe that most mortgage rates are basically the same from one institution to the next, then consider the fact that even an eighth of a point difference in the rate can offer significant savings over the duration of your mortgage. But it’s also important to look beyond the rate. There are other ways to find savings in your mortgage. Your mortgage broker is up-to-date on market trends and new

opportunities... as well as some of the tried-and-true ways to save money in a mortgage.

Do you get an annual bonus in your job? You may want to use that bonus to pay down the principal of your mortgage. If you pursue this strategy consistently over the life of your mortgage, you could save thousands of dollars in interest by paying your mortgage off sooner. Are you paid bi-weekly or bi-monthly? Consider a change from the usual monthly mortgage payment. Set up your mortgage payment schedule to coincide with your pay period. Again, you can shave years off your mortgage, and enjoy thousands of dollars in savings.

Remember too that you should sharpen your focus at renewal time. If there is some uncertainty where rates are heading, you won’t want to wait too long before considering your renewal. A mortgage broker can give you rate protection for up to four months. Also consider how much your time is worth. Time savings is one of the key, unexpected benefits that clients say they have enjoyed when they choose to work with a mortgage broker. Above all, a mortgage broker is focused on customer service, and that means your broker will look after every detail of your mortgage search and the negotiations on your behalf. Why not save time and money?

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