

# Your Monthly Home & Mortgage Newsletter

February 2023 | **MA** MORTGAGE ARCHITECTS





## Hello February!

This month, we are talking about what you need to know about second mortgages and we have some fun family day ideas for you!

 SEND ME AN EMAIL

 VISIT MY WEBSITE

 APPLY NOW

 DOWNLOAD MY APP



**MA** MORTGAGE ARCHITECTS

Gary Corriveau  
Mortgage Agent  
C (519) 668-9739

## What To Know About Second Mortgages



A second mortgage is a mortgage that is taken out against a property that already has a home loan (mortgage) on it. Generally people take out second mortgages to satisfy short-term cash or liquidity requirements, have an investment opportunity or to pay off higher-interest debts (such as credit cards and student loans) that a second mortgage might offer.

If you are considering a second mortgage for any reason, here are a few key points to keep in mind:

**Second Mortgages and Home Equity:** Your second mortgage and what you can qualify for hinges on the equity that you have built up in your home. Second mortgages typically allow you to access up to a max of 80% of the home value; very few lenders will consider a second mortgage over 80% of the home value.

For example, if you are seeking an 80% Loan-to-Value loan ("LTV"):

House Value	\$850,000
80% LTV (maximum mortgage amount)	\$680,000
less: First Mortgage	(\$550,000)

**Amount Available Through Second Mortgage \$130,000**

**Second Mortgages and Interest Rates:** When it comes to a second mortgage, these are typically higher risk loans for lenders. As a result, most second mortgages will have a higher interest rate than a typical home loan. There is also the option of working with alternative and private lenders depending on your situation and financial standing. Keep in mind, typically lenders who offer a second mortgage are private lender MICs (Mortgage Investment Companies) – in addition to some trust companies and credit unions. For major banking institutions, you would need to hold your first mortgage with them in order to be considered for a second mortgage.

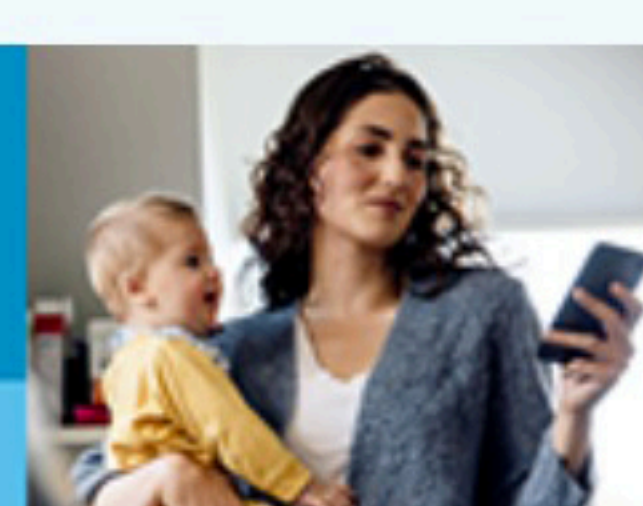
**Second Mortgage Payments:** One advantage when it comes to a second mortgage is that they have attractive payment factors. For instance, you can opt for interest-only payments, or you can select to pay the interest plus the principal loan amount. Work with your mortgage broker to discuss options and what would work best for your situation.

**Second Mortgage Additional Fees:** A second mortgage often comes with additional fees that you should be aware of before going into the transaction. These fees can vary widely but often are a percentage of the mortgage. Other fees to consider include appraisal fees, legal fees to set up the second mortgage and any lender or broker administration fees (particularly with alternative or private lenders).

Second mortgages are a great option for many homeowners and, in some cases, may be a better solution than a refinance or a Home Equity Loan (HELOC). If you are interested in learning more or want to find out if a second mortgage is right for you, don't hesitate to reach out to me today.

## MY MORTGAGE PLANNER

Download my app for free today!



## Family Day Ideas



For those who celebrate Family Day, we thought we would highlight some ideas for special things you can do with your loved ones, and remind them how much you care!

Below are a few ways you can celebrate Family Day this year:

- **Cook a Meal Together:** From making mini personalized pizzas to cooking up a brand-new recipe or baking something delicious, the kitchen is a great space for family time and making fun memories!
- **Get Crafty:** Time to break out the glitter and glue and fun! Set up a craft station at your house this Family Day to entertain younger children – and reawaken your inner child! Don't be afraid to get messy and create something fabulous.
- **Volunteer:** A great way to make an impact (and bond with your family while you're at it) is to volunteer your time together! Consider reaching out to a local organization or finding an event, such as a park clean-up, to participate in.
- **Try an Exercise Class:** Want to enjoy your family and get a little exercise while you're at it? Try joining a ZUMBA workout or an online exercise class! Not only is this a fun activity you can do with your kids from home, but it is a great way to teach them about health and start setting up healthy habits for life.
- **Record a Message:** Sometimes, the entire family isn't able to get together but recording a message together and sending it to those aunts, uncles and grandparents who live elsewhere is a great way to celebrate your family no matter where they are in the world.

No matter how you spend it, I hope you have a wonderful Family Day and I wish you and yours the best to come.



Copyright © 2023 - Gary Corriveau | Mortgage Architects Inc. License #12728 All rights reserved.

Our mailing address is:

1785 Wonderland Road North, London, Ontario, N6G 5C2

59 Eugenie Street East Windsor, Ontario N8X 2X9.

Don't want to receive any more emails from us?

[Unsubscribe](#)