

Your monthly home & mortgage newsletter

MORTGAGE ARCHITECTS | May 2022 e-Newsletter



It's May and this month I have some great information for you around reverse mortgages (and what you need to know), as well as the low-down on vacation homes! Plus, check out my tips for improving your home security!

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MORTGAGE ARCHITECTS

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Reverse Mortgages & What To Know



For many Canadians who are looking to retire but currently facing high debt load and ongoing expenses, as well as reduced income, it can be a challenge. This is where the reverse mortgage can help!

This product is also a great option for anyone wanting to assist their elderly parents. Instead of selling the home and moving them to a care home or assisted living, a reverse mortgage is a terrific way to access the equity in the home, month by month, to pay for in-home and ongoing care costs.

The goal of the reverse mortgage is to allow Canadians over 55 years to tap into the equity of their home, which assists in comfortable financial living. With a reverse mortgage, however, borrowers are not required to make regular payments. This allows them a considerable inflow of cash, without having to pay off what they owe! The only time payment will be required is when you sell or move out of your home.

Reverse mortgages are designed to allow you to access up to 55% of your home's equity, thereby allowing you to convert your home equity into cash. This can be done as either a one-time lump sum payment, or you can choose to structure it to receive monthly payouts. Beyond being able to cash in on your home's equity, a reverse mortgage has additional benefits including:

- No monthly mortgage payments
- No income or credit qualifications
- Very low / little paperwork required
- Title and ownership of property remain in homeowner's name
- Flexible options to break term early if needed
- Penalty waived in the event of death or care home placement to preserve the estate

If you are struggling financially, or want to have a little extra equity on hand to pay off existing debts, gift money to family, expand your quality of life or simply increase your investment portfolio, contact me today! I would be happy to discuss the possibility of a reverse mortgage in further detail with you and ensure it is the best product to suit your needs.

My Mortgage Planner

the key to your new home is just a click away



Download my App today!



Dreaming of a Home Away From Home?



If you are dreaming of your very own vacation home, there are ways to make it happen!

When it comes to taking on a vacation property, you will need to have a minimum down payment of 5% of the purchase price. If you are purchasing a non-winterized vacation home, or will not have year-round access, then you will be required to put down 10%. You must also have sufficient credit score to qualify if not putting 20% down. In addition to the down payment, you will also need to pass the stress-test and prove that you can financially carry the mortgage of your existing live-in home and your new vacation home.

When purchasing a vacation home or property, most lenders will allow you to borrow money against the equity you have in your current home and use it as a down payment for a second home. This is done through mortgage refinancing, which means getting a re-evaluation on your home and then redoing your mortgage based on the current value. This will allow you to tap into the equity your home has built over the years, and pull out the extra funds for a down payment on your secondary property. Keep in mind, when using some of your current equity, it will increase the principal amount and the interest payments on your mortgage as the mortgage is now refinanced at a higher amount.

Another option to unlock your home equity is through a line of credit or a HELOC (Home Equity Line of Credit). This option allows you to borrow money using the equity in your property, with the property as collateral. A HELOC serves as a revolving line of credit to allow the borrower to access funds, as needed, letting you utilize as much (or as little) equity as required. In Canada, you are able to borrow up to 65% of your home's value using this method. However, keep in mind, your HELOC balance AND current outstanding mortgage cannot exceed 80% of your home's value when added together.

If you are ready to purchase a vacation property, I would love to help review your financial situation! I would be happy to take a look at your current mortgage, equity and review your options to help you find the best fit. The keys to success are right around the corner with a little bit of expert advice.

Home Security Tips



Looking for some tips to improve your home security? Check out these ideas below to get you started!

- Reinforce the windows on your first floor with window stops
- Use deadbolts instead of spring-latch locks.
- Frost the windows on your garage to avoid wandering eyes.
- Install motion-detector lighting outdoors to shine a light on potential intruders.
- Keep your shrubbery short to avoid giving intruders hiding places.
- Install security sensors in any detached buildings, like a garage or pool house.
- Install door reinforcement hardware on any outward facing doors.



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