



Dear Valued Customer,

Thank you for giving us the opportunity to assist you with your mortgage needs. The most important thing we do is **communicate** with people: you, your potential lender, your lawyer, your realtor, and anyone else that might be involved in this Mortgage process. **You** are central to this process, so it's only natural that we would want to let you know what information we need, outline the mortgage approval steps and create a smooth mortgage process for you!

Your Mortgage Approval Process

Application

Your application provides us with the information needed to obtain a mortgage approval for you: details about your *Income, Down Payment, Assets, Liabilities, Credit Report and Property Details*. Because everyone is **unique**, we may need to ask you for more detailed information than was initially provided. The more information we have about you, the better we can help and effectively present your file to our lenders.

Approval

Using the information from your application, we will negotiate with our lenders for your Mortgage Approval or Mortgage Pre-Approval. Once approved, we will ask you to *Review and Sign the Mortgage Commitment*. **All** mortgage approvals are **conditional**. We will review these conditions with you and explain precisely what is needed. We will also discuss your *Payment Options, Life/Disability Insurance, Property Tax Payment Options*, and ask for your *Lawyer's Contact Information*.

Satisfying Conditions **Your Mortgage Planner must have all conditions met with compliance and the mortgage lender well before your closing date**

Although we will ask you to provide us with some standard conditions up-front, such as income and down payment, there are other conditions stated in your mortgage commitment that must be satisfied. We will let you know what conditions are still outstanding, and will follow-up with you until they are ALL received. All costs associated with meeting your conditions such as gathering mortgage statements, ordering an appraisal or accountant information are the customers responsibility. During your application process we will also be in contact with your lawyer, to provide your purchase, refinance or transfer information and ensure that any requested changes are reviewed by the lender. During your application process it is also important that your overall financial/career situation remains the same. Now is not the time to move to a new job, finance a new vehicle, or start missing credit card payments. Many lenders wait until just a few days prior to closing to verify your employment with a phone call, or pull another credit bureau report. If there have been any changes, your closing could be delayed, or the lender could cancel your file. If there are changes that can't be avoided, please notify us as soon as you possibly can.

Closing

Once our file is complete with our lender, your lawyer will complete your mortgage closing. Speaking to them early in this process is definitely advisable. Your Lawyers office staff will arrange for you to sign the *Final Mortgage Documents*, and register your new mortgage.

The following are examples of documents that we will require to satisfy conditions:

Proof of Income

Salary: employment letter (stating position, length of service, no probation, and income) containing contact name and phone #, current pay-stub, and previous years T4 or NOA

Hourly: employment letter (as described under “salary” PLUS number of guaranteed hours), current pay-stub (within past 60 days), and previous 2 years T4’s or NOA’s to determine 2 year average

Contract: proof of 2 years of contract

Part-Time Employment: employment letter (as described under “salary”), current pay-stub, and 2 years T4’s or NOA’s

Self Employed: 3 most recent years Notices of Assessment (no taxes owed), 3 most recent years complete T1 Generals, Business License /proof of business for 3 years or Articles of Incorporation and 2 years Business financials

Tips / Commission: employment letter (as described under “salary”), current pay-stub, 2 most recent years T1 Generals

Child / Spousal Support: signed separation/divorce agreement, 3 months bank statements confirming receipt of support

Pension: T4A, 3 months bank statements showing deposits

Disability: Confirmation of disability letter, 3 months bank statements showing deposits

Rental Income: leases or tenant acknowledgements, current mortgage statements

Maternity Leave: employment letter (as described under salary, PLUS expected date of return), other requirements as determined above by your employment type (for example, if you are normally paid hourly we would need the employment letter and 2 years T4’s) and a letter from you stating your intension to return to work

*** Please note that you may fit into more than one category (for example, salary plus commission), in which case we would need the appropriate documentation for each category***

Down-payment (for purchases only)

RRSP: current statements showing your **Name**, and confirming invested more than 3 months

Non-Registered Investments: current statements showing your **Name**, and confirming invested more than 3 months

Gift: gift letter (immediate family only) and proof of gifted funds being deposited you're your account. We do not expect this to be completed by time of signing, but a minimum 10 days prior to close.

Accumulated Savings: 3 months bank statements (must show your **Name**, account # and transaction history) showing accumulation of funds – will need additional proof of source for deposits over \$2,000 (we do not expect you to have accumulated all by time of signing, but minimum 10 days prior to close)

Sale of Property: Purchase and Sale agreement and all schedules and waivers must be signed by all parties and signatures witnessed, along with a current mortgage statement

Other Personal Info Collected

Void Cheque: must be for your personal account, must be pre-printed (or PAC form signed and stamped by your bank)

Purchase & Sale Agreement: along with MLS listing and all schedules, amendments and waivers must be signed by all parties and all signatures witnessed.

Mortgage Statement or Renewal agreement: for all properties owned, penalty quote for any mortgage being refinanced

Separation/Divorce Agreement: must be complete and signed, proof of receipt of 3 months support payments

Bankruptcy Documents: including Statement of Affairs

A word about property taxes:

All lenders have different policies regarding the payment of property taxes. Some automatically include them into your mortgage payments and others do not collect them at all.

Those that do collect them will also vary on whether they are collecting for the current year or the next year or a combination of both.

Always confirm with us how you would like to handle your property taxes.

Changes to your approval should not be made within 5 business days of closing. This can jeopardize a smooth closing process, and cause possible delays.

Now that you know **WHAT** will happen, we would like to show you **HOW** it can happen. You can phone us, e-mail us, start your application on-line, or come and see us. Our Mortgage Team at Paul Gazzola Guelph Mortgage Architects is committed to ensuring that you are informed and involved throughout your entire Mortgage experience with us.