



MORTGAGE *Update*

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What is a Lump Sum Prepayment?

A lump sum prepayment is an extra payment, made in lump sum, to reduce the principal balance of your mortgage, with or without penalty. A closed mortgage typically restricts the amount and frequency of the prepayments you can make. Making prepayments can help you pay off your mortgage sooner and ultimately save on interest costs over the life of your mortgage.

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Why is the amount on my BC Assessment different from the market value determined by my realtor?

Both BCA assessors and REALTORS® calculate market value by analyzing sales of comparable homes within a local market, and look at factors that affect value such as size of home, view, location – on a busy or quiet street, number of bedrooms, construction quality, floor level, and garage or parking stalls.

Where every lot and every home on a street are typically the same, both BCA's value and a REALTOR's® value will be similar during stable market conditions.

Differences occur in neighborhoods where lots have been rezoned or are different shapes and sizes, where architecture and views are unique, and where owners have made changes that BCA hasn't yet taken into account.

Differences also occur during market instability when prices rise or fall during the six-month period between July 1 and January 1 the following year.

It is important to remember that a property valuation is not a fixed or permanent number. It is simply a snapshot of what your home is worth today, in relation to current market conditions and what other, similar properties are selling for. This value can change over time based on improvements to the property, as well as changes in your neighbourhood and the overall housing market.

From: The Real Estate Board of Greater Vancouver

Top 10 Tips to conserve energy

BC Hydro's top 10 list of tips to help you and your family to conserve energy and reduce your impact on the environment.

1. Get an energy audit and follow through with improvements
2. Draft proof your home
3. Turn it off
4. Switch to energy-efficient lighting controls
5. Install automatic lighting controls
6. Buy green electronics
7. Put a freeze on inefficient refrigeration
8. Use less energy to wash your laundry
9. Reuse and recycle old electronic equipment
10. Use less energy to dry your laundry

From: BC Hydro

Good news for clients with a VRM (variable rate mortgage) or a Line-of-credit. The Bank of Canada announced that it is maintaining its target for the overnight rate at 1 per cent -- This generally means that the prime lending rate your VRM mortgage and LOC are based on will remain the same.



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MORTGAGE BROKER VS BANK SPECIALIST



Do you know the difference between a Mortgage Broker and a Bank Mortgage Specialist?

There are actually a number of differences which you may not be aware of. Here's some information to help you better understand.

A Mortgage Broker works for you, the client; whereas Bank Specialists are employed by the financial institution. The benefit of using a Mortgage Broker is the fact that they have the ability to offer you mortgage products from a number of financial institutions. Because Bank Specialists work for the bank that means that they can usually only offer you their institutions' products.

Brokers are typically paid the same amount no matter what rate is offered to the client. Bank specialist's rate of pay is generally reduced in direct relation to the amount they discount your rate from the bank's posted rate. Depending on your Province, Mortgage Brokers must be licensed and are subject to a strict set of requirements. Accredited Mortgage Professionals (AMP) must take continuing education courses in order to maintain their accreditation. Bank specialists are not licensed and require no formal training.

Mortgage Brokers use their knowledge and experience to negotiate the best possible rate and product for you from a number of lenders and only get paid if they get you a mortgage. When you see a Bank Specialist, that mortgage negotiating is typically left up to you. For conventional financing, the services of a Mortgage Broker are generally paid by the lender. If there is a cost, you will be advised of those costs up front.

So in conclusion, if you have the ability to use the services of a professional Mortgage Broker and have that Mortgage Broker conduct all of your mortgage leg work at no cost, why would you not take advantage of the offer?

Best Mortgage Rates

Term	Bank Rates	Our Rates
1 year fixed	3.20%	2.64%
2 year fixed	3.55%	2.49%
3 year fixed	3.95%	2.69%
4 year fixed	4.64%	2.95%
5 year fixed	5.44%	2.98%
7 year fixed	6.35%	3.45%
10 year fixed	6.75%	3.79%
Variable Rate	3.00%	Prime - 0.20%

Rates subject to chance without notice. OAC