



# MORTGAGE *Update*

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## Why are the interest rates higher on Pre-Approvals than on “Live Deals”?

Most lenders are able to hold an interest rate for 120 days on a pre-approved mortgage. If the rates go up, you’re protected at this pre-approved rate providing you close the mortgage within the 120 day period. It is the holding of these rates and the fact that a lot of pre-approved mortgages don’t go through that make offering “pre-approved” mortgages a huge expense for the lender. During the process, lenders are tying up resources (primarily the folks who underwrite the mortgage) and hedging interest rates on the market. Due to these costs, some lenders will ‘bonus’ up the pre-approval rate by 10 – 20 bps to make it financially manageable for them.

When you have a “live deal” (meaning that you’ve found a property with an accepted offer and a firm closing date), the lender knows that there is a very good chance the mortgage is going through and they have a specific date to book the funds on. For this reason, some lenders are able to offer a slightly better discount on the “live” deal mortgages.



Some lenders even offer what’s called a “quick-close” special where they can further discount the interest rate on the “live deal” mortgage providing you close within a short period of time – usually 30-60 days.

Here in our office we watch interest rates on a daily basis, so even if we have you pre-approved with the higher “pre-approved” rate, once your deal goes “live”, we automatically contact the lender to lower the rate or look elsewhere to ensure you get the best mortgage package available in the marketplace for your individual situation – including repayment options, long-term planning, etc.



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### **To keep up to date on:**

- Economic news important to *your* mortgage
- Get a heads up when interest rates are changing
- Current interest rates

### **Contact us today at:**

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### **Please follow us on:**



## Announcing Gibbard Group Financial’s Friends and Family Referral Contest Winner!

**Todd S.** has won a Kobo Touch for referring a friend or family member to us for their mortgage. Happy reading!

Keep posted for our next friends and family referral contest!

## “Quick Close” Rate Special

**2.89% for a 5 year fixed term mortgage with 20/20 repayment options. File must be owner occupied, a “live” deal, and fund within 30 days from the date of application.**

## Buyers Tip!

### Bi-weekly and weekly payments

Most mortgage lenders have the option to allow you to choose how you want to pay your mortgage payment – whether it be on a monthly, weekly, or bi-weekly basis. The payment method gets set up at the beginning and stays that way until you change it (which you are usually allowed to once or twice a year if need be). Paying the mortgage with weekly or bi-weekly payments may be desirable for two reasons:

1. Save money – you can expect to pay off your mortgage about 4 years sooner by making weekly or bi-weekly mortgage payments.
2. Convenience – to match your paycheques – most employers pay on a weekly or bi-weekly basis. You can simply set up the mortgage payment to come out the same day your pay goes in.



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## CMHC Winter Maintenance Check-List

- Check and clean or replace furnace air filters each month during the heating season. Ventilation system filters should be checked every two months.
- After consulting your hot water tank owner's manual, drain off a dishpan full of water from the clean-out valve at the bottom of your hot water tank to control sediment and maintain efficiency.
- Clean humidifier two or three times during the winter season.
- Vacuum bathroom fan grille.
- Vacuum fire and smoke detectors, as dust or spider webs can prevent them from functioning.
- Vacuum radiator grilles on back of refrigerators and freezers, and empty and clean drip trays.
- Check pressure gauge on all fire extinguishers; recharge or replace if necessary
- Check fire escape routes, door and window locks and hardware, and lighting around outside of house.
- Check the basement floor drain to ensure the trap contains water
- Monitor your home for excessive moisture levels – for example, condensation on your windows, which can cause significant damage over time and pose serious health problems – and take corrective action if necessary.
- Check all faucets for signs of dripping and change washers as needed. Faucets requiring frequent replacement of washers may be in need of repair.
- If you have a plumbing fixture that is not used frequently, such as a laundry tub or spare bathroom sink, tub or shower stall, run some water briefly to keep water in the trap.
- Clean drains in dishwasher, sinks, bathtubs, and shower stalls.
- Test plumbing shut-off valves to ensure they are working and to prevent them from seizing.
- Examine windows and doors for ice accumulation or cold air leaks. If found, make a note to repair or replace in the spring.
- Examine attic for frost accumulation. Check roof for ice dams or icicles.
- Keep snow clear of gas meters, gas appliance vents, exhaust vents and basement windows.
- Monitor outdoor vents, gas meters and chimneys for ice and snow buildup. Consult with an appropriate contractor or your gas utility for information on how to safely deal with any ice problems you may discover.
- Check electrical cords, plugs and outlets for all indoor and outdoor seasonal lights to ensure fire safety; if worn, or if plugs or cords feel warm to the touch, replace immediately.

Source: CMHC

### 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%	2.75%
4 year fixed	4.64%	2.95%
5 year fixed	5.44%	2.99%
7 year fixed	6.35%	3.59%
10 year fixed	6.75%	3.89%
Variable Rate	3.00%	Prime – 0.10%

*Rates subject to chance without notice. OAC*

