



Bank of Canada Interest Rate Announcements



The following are the dates that the Bank of Canada will be meeting for the first half of 2016:

January 20

March 9

April 13

May 25

We'll be watching and we'll let you know of any changes in our weekly rate sheets!



How to financially prepare for a maternity leave

(NC) Preparation for a new baby often starts from the moment we see that first sonogram. Beyond the diapers, bottles and furniture to be purchased, there is one thing new parents should not overlook: the cost of maternity leave. If you're planning to take a year off work and haven't saved any money, it can be financially stressful. To better prepare for this reduced income period, Wade Stayzer, the vice president of sales and service with Meridian, Ontario's largest credit union, offers the following tips to help with the costs of raising a child during the first year:



1. Assess who should stay home: If one partner is the breadwinner, it might make financial sense to have the other partner stay home to minimize the impact on the family's finances.
2. List all expenses: If you don't already have a household budget, track where your money goes each month and calculate costs for everything your new baby will need, such as diapers, formula, and more.
3. Calculate your maternity/paternity leave income: Determine if you are eligible for EI, how much you will receive, if your company offers a top-up, plus any other sources of income.
4. Start saving: If your anticipated expenses are significantly higher than your expected income, you should start saving before the baby arrives. The difference between your expenses and anticipated income is the absolute minimum you should be saving each month to fill the void during your time off.

Don't let the lack of preparation add more stress to an already chaotic life as a new parent, adds Stayzer. Having a financial plan in place before the new bundle of joy arrives will allow you to focus all attention on enjoying the precious moments without worry of making ends meet.

How to check your credit score



To find out your credit score, contact Canada's two credit-reporting agencies:

Equifax Canada

and

TransUnion Canada

To keep up to date on:

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

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Term	Our Rates
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4 year fixed	2.69%
5 year fixed	2.79%
5 year special**	2.69%
7 year fixed	3.44%
10 year fixed	3.84%
5 year variable	P - 0.30%
5 year special**	P - 0.40%

Rates subject to change without notice. OAC
**Special conditions apply



Smart Shopper Tip:

If you are in the market for a new home, it is important to think about ancillary factors such as schools, gym, shopping, etc. While some of these may not be important to you, they are an asset when it comes to resale!

Frequency of Payments

Did you know that one of the most effective ways to pay down your mortgage faster is through your choice of payments? Most financial institutions offer an assortment of payment frequency options. The following are **standard payment frequencies**:

- Monthly
- Semi-monthly
- Biweekly
- Weekly

Though these offer you more flexibility, there is no difference in the total amount you will pay over a year, so the only difference between a monthly payment plan and a weekly payment plan is a small degree of interest charges.

However, many lenders also offer **accelerated payment frequencies**:

- Accelerated Biweekly
- Accelerated Weekly

Accelerated payment options can save you thousands in interest charges as you make the equivalent of one extra monthly payment per year. Check out the following example:

John is trying to decide between paying his mortgage monthly or accelerated biweekly. His mortgage amount is \$150,000 with a 25 year amortization period and an interest rate of 5.45% for the entire mortgage amortization period.

	Monthly	Accelerated Biweekly
Number of payments/year	12	26 (52 wks/yr ÷ 2)
Payment	\$ 911	\$ 456
Total payments/year (principal & interest)	\$ 10,932	\$ 11,856
Principal paid over the amortization period	\$ 150,000	\$ 150,000
Interest saved	-	\$ 21,255
Number of years to repay the mortgage	25.0	21.3
Years saved	-	3.7



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