

FIRST TIME BUYER FUNDAMENTALS GUIDE

BY VICTORIA CHRYSLER

This is your guide to everything you need to know before purchasing a home. As a Real Estate professional, I have written out all the information that they don't tell you in school, and first time buyers need to know!

- **Qualifying for a Mortgage**

First and foremost, talk to an experienced Mortgage broker. Licensed brokers can be more flexible than banks in working with you to get pre-qualified. Not all mortgages are created equal! Beware of prepayment penalties and restrictions. The best rate may not equal the best mortgage for you. Again, talk to your broker and ask lots of questions. Remember - they are working for you! You are the client.

*There is typically no cost to you to hire a broker. They are paid a commission by the financial institutions.

*If your credit needs work, a good broker can also give you tips and tricks of how to improve your over-all credit and how to get approved sooner. Don't know any mortgage brokers? No problem. I will put you in touch with someone that will look after you.

- **What about a down-payment?**

A standard purchase will require a minimum 5% down payment from either traditional savings or a gift. Gifts from family members are acceptable as long as there is no obligation to pay it back. The bank wants to feel confident you will have no problem making your mortgage payment - so this is taken into consideration.

The Canadian Housing and Mortgage Corporation (CMHC) requires that loan insurance be added to any mortgage that has less than 20% downpayment. The premium is built into your payments and will effect them slightly. *See <https://www.cmhc-schl.gc.ca/> for more information on loan insurance.*

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- **Choosing a Real Estate Agent**

When you are in the process of purchasing a home, make sure you pick a Real Estate professional who you trust. Not only is your agent going to give you access to the homes you want to view, but they are also going to negotiate on your behalf. Your agent is responsible for all the documents involved to purchase a property. They will be submitting offers on your behalf, communication with the other agents and gathering information for the lenders in some cases - so make sure you work with someone who has good attention to detail and is easy to get in touch with!

*There is typically no cost to buyers to use an agent. In most cases the sellers offer a commission to the buyers agent. Good news for buyers!

*The Real Estate Act of Alberta states that licensed Professionals have an obligation to their clients to maintain confidentiality, even after your contract ends. Personal information including finances will not be shared with anyone - so don't worry!

*TIP: The listing agent has no obligation to you as a buyer. The seller is their client. If you have not signed a contract - you have not technically hired an agent. The Real Estate Act of Alberta requires buyers to sign an agreement with an agent or brokerage the same way you would before selling your home!

*All licensed professionals pay into errors and omissions insurance (REIX.)
see REIX.ca for more information.

Working with Optimum Realty Group

Myself and the professionals at Optimum Realty Group have over 100 years of combined experience in the Calgary market. I am a millennial and I understand the challenges that we face getting into the real estate market. I can walk you through the process and give you valuable information to get you started on your path as a home-owner!



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- **Resources**

**Canadian Housing and Mortgage Corporation (CMHC) Mortgage
Affordability Calculator:**

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/homebuying-calculators/affordability-calculator>

CMHC Home buying Step by Step Guide:

<https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/homebuying-step-by-step-your-guide-to-buying-a-home-in-canada>

CMHC's Condominium Buyer's Guide:

<https://www.cmhc-schl.gc.ca/en/buying/condominium-buyers-guide>
Canadian Rate Hub Mortgage Calculator

<https://www.ratehub.ca/mortgage-payment-calculator>

REIX.ca

Realtor.ca

vcsold.com

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**Ask Victoria for information on Mortgage brokers, starting a home search,
or investing in real estate.**

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