

Mortgage Planning

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Buying a new home is a very exciting time in someone's life. Here are some tips when looking at buying your first home.

You should be thinking about your credit rating years before it's time to take out your first mortgage. Take out a credit card and pay it off each month. Make sure you pay your bills on time as well. By taking out small debt and paying it off, you are building your credit score for when you need to take out larger debt, like your mortgage, in the future.

Save for your down payment and extra closing costs. In order to purchase a home, you need to have a down payment. That amount will depend on how much you are spending on the home. You will also need to have funds set aside for closing costs like inspections, property surveys, insurance, land transfer tax, condo fees, and lawyer's fees.

Sit down with your Mortgage Advisor and get pre-approved. This step is very important! It will give you an indication of how much you can spend on a home based on your credit score, debt, and the down payment you have saved. Being pre-approved will temporarily lock you into an interest rate, which helps if the rates increase during that period. You are more appealing to a Realtor if you are pre-approved and some may require it.



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