



Christopher works for **you**, not the lenders.

As requested, I'm keeping a close watch on mortgage rates for you.

Thanks for giving me this opportunity to help. As you requested, I'm letting you know that mortgage rates changed today. If you're in a variable rate mortgage, this fluctuation in rates may have an impact on your family budget and future financial plans. As your Mortgage Specialist, I'd be happy to sit down with you, analyze your current situation and discuss what actions you might want to take. Please feel free to contact me anytime.

The following table gives you an idea of the range of rates currently available. Remember, all rates are subject to change without notice. Rest assured I'll update you of the next rate change as soon as it happens!

Your Mortgage Centre Office:

Complementary Real Estate Services Inc.
343 Waterloo Avenue
Guelph, Ontario, N1H 3K1

Rates as of Tuesday, March 9, 2010

Bank Prime	5 Yr Bonds	1 Yr Fixed	5 Yr Fixed	5 Yr Variable
2.25%	2.79%	2.60%	3.89%	1.95%

Your Mortgage Centre Specialist:

Christopher Bisson
Agent

Please talk to me to see if these rates are still current and applicable to your specific situation. Although we strive for accuracy, timeliness and completeness, information quoted is not guaranteed and may change at any time.

Licence Number:

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Mortgage Tip

When it comes to your mortgage, you can never have too much information. With that in mind, I'm providing you with this timely tip.

CMHC recently clarified significant changes that will be implemented in April of this year. These changes are focused on:

- 1) Reducing the maximum amount people can refinance their homes to
- 2) What Rate will be used to qualify a mortgage
- 3) CMHC will no longer insure rentals to 4 units with less than 20% down.

But there are also very important changes that will affect Self Employed people and people who want to



buy rental properties. For the full set of changes please see below:

- 1) All changes are effective April 19, 2010 except # 7 & 8 which are effective April 9th, 2010.
- 2) Qualifying rate - For loans with fixed term of less than 5 years and for all Variable rate mortgages, regardless of the term, the qualifying interest rate is the greater of: the benchmark rate and the contract interest rate. (The benchmark rate will be the average of the 5 major banks posted 5 year fixed rates. This will be posted each Monday on a website to be announced at a later date.
- 3) Refinance - The maximum loan to value that someone can refinance a property to will be 90%.
- 4) Rentals - The maximum loan to value for insured loans on rental properties, that are not owner occupied, will be 80% and the property cannot exceed 4 units.
- 5) Income qualification for rentals - 50% of the gross rental income from the subject property may be added to the borrower's gross annual income for the purpose of calculating the borrower's Total Debt Service Ratio. 100% of the debt will be included in the TDSR calculation.
- 6) The maximum numbers of Units under the CMHC Second Home program is limited to one (i.e. one secondary home).
- 7) Changes to CMHC Self Employed Product - This will be effective April 9th. For purchase and portability the maximum LTV will be 90%. Qualification rules have also changed for this product. If a client has been self employed in the same business for more than 3 years, they are NOT eligible under the CMHC Self Employed Product without Traditional third party validation of income (qualified deal). CMHC will continue to require that the borrower have a minimum of 2 years experience in the same field, which can include time spent working as a non self employed worker in that field.

Lenders are expected to obtain a copy of the business or GST license or Articles of Incorporation. Therefore if a client has been self employed for more than 3 years, you cannot do a self employed product. It must be fully qualified on provable (taxable) income. If a client is self employed up to 3 years, they can obtain a self employed mortgage product that does not require confirmation of income.
- 8) Changes to CMHC Self Employed Product - This will be effective April 9th. Commissioned income will no longer be eligible for the CMHC Self Employed Product without traditional third party validation of

income such as a Notice of Assessment for each of the previous 2 tax years.

These changes are significant and will have an impact on the market in the coming months. If you know anyone who is self employed and cannot confirm their income they should act quickly so they aren't shut out of the market. Call us if we can help.

Christopher Bisson, BCOM, AMP

Mortgage Broker

The Mortgage Centre

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www.mortgageconcierge.ca

www.guelphmortgagecentre.com

Each Mortgage Centre office is independently owned and operated.