

## GATHERING GENERAL DOCUMENTS AND COMPLETING A PRE-APPROVAL

1. Your mortgage advisor will reach out with a list of documents that they require to get started on the pre-approval

These documents typically include the following:

- Income documents
  - Service agreements
  - Mortgage statements for existing properties (if applicable)
  - Lease agreements (if you have a rental property)
  - Property tax documents
2. Documents can be uploaded via a secure portal, or via email, whichever is convenient for the client.
  3. Your mortgage advisor will then review the documents, and go over the maximum thresholds as to how much of a purchase price you can qualify for. Monthly payments, which include property tax and heating, will also be considered as well.
  4. Please keep in mind that this phase is very important, and even though you can qualify for a higher amount, you may not be comfortable with the monthly payments and the down payment amount in order to achieve the purchase price presented. During this phase you can be open and let your mortgage advisor know as to what you will be comfortable with in terms of payments.
  5. The pre-approval provides a general idea as to what you can qualify for. It doesn't mean that you are guaranteed an approval on a purchase, as there are a lot of moving parts when there is a live deal.

## UNDERSTANDING PAYMENTS AND COSTS AND MAKING AN OFFER

Once you have completed the pre-approval, it is important to understand the costs

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associated with owning your own home.

6. As mentioned during the pre-approval phase, your mortgage advisor would have given you an idea of what your mortgage payments would look like. In addition to the principal and interest payments, which make up the mortgage payment, there are other payments to consider as well.
7. Utilities such as heating, electricity, and water monthly payments that the client should be considering when budgeting for the purchase. In addition, property taxes should also be factored in as well.
8. An important cost to understand when purchasing a home would be closing costs. These typically include realtor commissions, legal fees, appraisal fees. Clients should allocate at a bare minimum of 1.5-2.0% of the purchase price for closing costs as a general guideline.
9. Once you have a good grasp and understanding of the payments and are comfortable, you can submit an offer to purchase the property. Your realtor will provide you with the necessary recommendations on what to include with an offer to purchase. These are typically conditions that are recommended to be in place to protect the purchaser. Some common conditions that are included in offer to purchases are as follows:
  - Subject to financing
  - Subject to inspection
  - Subject to the sale of existing home
  - Subject to an appraisal

## SUBMITTING A FORMAL APPLICATION

Once you have made an offer to purchase, this document can be forwarded to your mortgage advisor, and they will convert the pre-approval details into a live offer with the subject property.

10. As a lot of the work has already been done during the pre-approval phase, depending on the timing gap between when the pre-approval was completed and when the offer was made, there likely will be minimal documents that need to be provided to your mortgage advisor. If there are documents that need to be updated your mortgage advisor will let you know.
11. It is during this phase that the mortgage advisor will review the mortgage details, lender information, and payment details.

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### PENDING APPROVAL

Once the mortgage application has been submitted, it is during this time where you can start gathering documents that haven't been provided to the mortgage advisor. Documents that are usually gathered during this period are:

- Reaching out to a family member for a gift, funds can be transferred from the donor to the borrower.
  - Gathering updated 90 day bank statements that confirm down payment costs.
  - Gathering investment statements for confirmation of down payment costs.
  - Gathering lawyer information for whom you want to use for the closing of the purchase.
12. It is during this time the underwriter from the lender will be reviewing the documents and the application that has been submitted for your deal.

### CONDITIONAL APPROVAL

Once the underwriter has completed their review, they will issue a conditional approval letter. What this document outlines is that the mortgage application will be formally approved once the conditions that they requested to be fulfilled have been completed to their satisfaction.

13. During this phase, additional documents may be requested from the underwriter to fulfill their conditions. Your mortgage advisor will relay the information to you as to what they require. There may be a bit of back and forth communication during this phase.
14. During this phase, a mortgage signing package will be sent to the client for review and to be completed. These documents typically include the following:
- Conditional commitment letter
  - Pre-authorized debit forms
  - Credit consent forms
  - Optional mortgage life insurance/disability insurance forms

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15. Once all conditional items have been fulfilled as per the commitment letter, the underwriter will inform your mortgage advisor that the application is now broker complete. You may remove your conditions from the offer to purchase once the application is broker complete

## SOLICITOR CONDITIONS

There will be a set of conditions that will need to be fulfilled with your lawyer as well. This is the phase where your lawyer will contact you to fulfill their conditions and to sign a mortgage package with them as well.

16. During this phase, your mortgage advisor will have a general idea with the process, but will be unable to answer any specific questions pertaining to the solicitor conditions. If you do have specific questions, please reach out to your lawyer for clarification.