

**Gimme'  
shelter.**

**A somewhat easy-to-follow guide for the homebuyer.**



**ATB Financial<sup>®</sup>**

**ATB Financial<sup>®</sup>**



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# Planning

## So you want to be a Home Owner

Buying your first home is not just an important event. It's quite possibly the largest financial commitment you and your family will ever make. This is one of the reasons buying and owning your first home is both exciting and overwhelming.

### Plan now for homeownership and you'll save money today and in the future.

This easy to read, comprehensive, and step-by-step guide will help you through every stage of buying your dream home. **Remember: the key to being prepared is learning your options.**

ATB Financial's Home Purchase Guide contains helpful advice on everything from; calculating the mortgage you can afford, understanding your down payment options, locating the house you've always wanted, making an offer to purchase, to finalizing the deal. In this guide you'll find a number of tables and worksheets to help you:

- determine what you can afford,
- calculate your mortgage payments,
- compare homes,
- finalizing your mortgage,
- compute the total cost of buying a home, and
- moving day checklist.

### We're here to help

We can help with all your questions – **from how to save your down payment to the benefits of getting your mortgage pre-approved by ATB Financial.**

ATB Financial is committed to providing you the best mortgage options in Alberta, and we want to help you find the mortgage that fits your lifestyle – making your journey to homeownership an enjoyable one.

For more information, drop by your nearest ATB Financial location or call us toll free at 1-866-297-5626 (LOAN) or

Visit our website at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com) provided by ATB Financial.

# Calculate the mortgage you can afford.

Before you shop for the home of your dreams, you need to know the size of mortgage you can afford.

## There are two key elements to consider when buying your new home:

- The amount you can afford for your down payment will determine the type of mortgage you receive.
- The required payments you can afford should allow you to maintain your current lifestyle.

Not sure how much of a mortgage payment you can comfortably afford to pay monthly? Let ATB Financial's Maximum Mortgage Calculator do the math for you!

### Check out ATB Financial's easy Maximum Mortgage Calculator online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com).

Using simple information like your gross monthly income, monthly loan/credit card payments, and your down payment, the Maximum Mortgage Calculator computes the monthly payment your household can afford and converts this to the maximum mortgage you can afford to pay.

## Examples of your maximum mortgage:

This affordability table gives you an idea of the maximum mortgage you can afford. Essentially, buying a house comes down to:

- determining the mortgage payments you can afford; and
- determining the amount you can afford for your down payment.

**Affordability table** - calculations & assumptions are for illustration purposes only. Mortgage amount is based on an annualized percentage rate (APR) of 5.10% on a 5-year fixed rate term (principal and interest), amortization 25 years, assuming property taxes of \$125/month, heating \$50/month, and a 32% Gross Debt Service Ratio (GDSR). Please contact your ATB Financial Representative for further details.

Your Annual Household Income	Your Mortgage Payment	You can afford a maximum mortgage of
\$34,000	\$674.83	\$114,900
\$36,000	\$724.75	\$123,400
\$38,000	\$774.67	\$131,900
\$40,000	\$824.59	\$140,400
\$45,000	\$949.69	\$161,700
\$50,000	\$1,074.78	\$183,000
\$55,000	\$1,199.88	\$204,300
\$60,000	\$1,324.98	\$225,600
\$65,000	\$1,449.49	\$246,800
\$70,000	\$1,574.59	\$268,100

## Four easy steps to determine how much you can afford

While finding the right home is important, it's essential that you select a home that won't break your budget. The following four-step worksheet can help you determine how much you can potentially afford to spend on your new home.

This worksheet will help you calculate your maximum affordable household expenses – also known as your Gross Debt Service Ratio (GDSR). This GDSR calculation helps estimate how much of your income can be allocated to monthly housing costs. You can also do this calculation online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com) using the Maximum Mortgage Calculator.

## Maximum Mortgage Worksheet Example:

<b>Step 1</b> Calculate your maximum affordable monthly household expenses.	<b>\$6,000</b> Total gross monthly income amount	<b>X 32%</b> This percentage represents the maximum gross debt service ratio (GDSR).	<b>= \$1,920</b>
<b>Step 2</b> Calculate your household expenses (excluding your mortgage payment).		<b>- \$200</b> Estimated monthly property taxes	
		<b>- \$150</b> Monthly heating costs	
		<b>- \$0</b> 50% of Condo fees (if applicable)	
	<b>Total expenses in Step 2</b>		<b>- \$350</b>
<b>Step 3</b> Calculate your maximum affordable monthly mortgage payment (Step 1 minus step 2)			<b>= \$1,570</b>
<b>Step 4</b> Calculate your total affordable mortgage amount.	<b>\$1,570</b> Total from step 3	<b>÷ \$5.82 x 1,000</b> Mortgage payment per \$1,000 (see mortgage payment factor table below)	<b>= \$269,759</b>

## Mortgage Payment Factor Table:

Mortgage payment factor table – To compute your mortgage payment (principal + interest), simply line up the mortgage interest rate with the amortization period to determine your payment per \$1,000. Calculations and assumptions are for illustration purposes only. Please contact your ATB Financial representative for further details.

Mortgage Rate	Amortization Periods			
	10 years	15 years	20 years	25 years
3.50%	\$9.88	\$7.14	\$5.79	\$4.99
4.00%	\$10.11	\$7.38	\$6.04	\$5.26
4.50%	\$10.34	\$7.63	\$6.30	\$5.53
5.00%	\$10.58	\$7.88	\$6.57	<b>\$5.82</b>
5.50%	\$10.82	\$8.14	\$6.84	\$6.10
6.00%	\$11.07	\$8.40	\$7.12	\$6.40
6.50%	\$11.31	\$8.66	\$7.41	\$6.70
7.00%	\$11.56	\$8.93	\$7.69	\$7.00
7.50%	\$11.81	\$9.21	\$7.99	\$7.32
8.00%	\$12.06	\$9.48	\$8.28	\$7.63
8.50%	\$12.32	\$9.76	\$8.59	\$7.95
9.00%	\$12.58	\$10.05	\$8.89	\$8.28

# How much do you need for your down payment?

Your down payment is the amount of money you can pay towards the purchase price of your home. The larger your down payment is, the less you'll need to mortgage.

## You may be closer to owning your dream home than you think.

If you're concerned about your down payment, ATB Financial has a number of options available. Because everything depends on how much you can afford, we've developed several tools to help you determine what that amount is.

For example, while it is possible to buy a home with as little as 5% down, the amount of your down payment will determine whether you will have a conventional mortgage or an insured, high ratio mortgage. What's the difference between the two?

- **Conventional mortgages** –your down payment is at least 25% of the purchase price of the home.
- **High-Ratio mortgages** –your down payment is at least 5% of the purchase price of the home.

High-Ratio mortgages must be insured by a third party such as Canada Mortgage and Housing Corporation (CMHC) or Genworth Financial Canada. You will be required to pay an insurance premium.

## High-Ratio insurance premium:

The insurance premium you're required to pay is based on the amount you are borrowing and the percentage of your down payment. This premium can generally be added to your principal balance or paid off in a lump sum payment at the time of your purchase.

## Make your dreams of homeownership a reality... with the ATB Financial No Down Payment Mortgage.

We recognize the importance of building your home equity, making now a great time to purchase your home. At ATB Financial, not having a down payment doesn't have to keep you from owning your own home.

The ATB Financial No Down Payment Mortgage option allows you to buy your home without saving up for the 5% down payment.

## Talk to one of our mortgage specialists to see if this is the option for you.

# How can you save for a down payment?

If your dream of owning your own home is just that—a dream—start taking steps to turn that dream into reality. You may think that renting is your most affordable option right now, but the fact is, homeownership expenses may be less than you thought—and in some cases, owning may even cost you less than renting! You'll hear many reasons why owning a home is better than renting, but one of the best reasons is knowing that your home is all yours.

Once you decide that home ownership is for you, you'll need to calculate how much of a down payment you'll need. Then you'll have to figure out how to save for it. (You may already have enough for a down payment, but just don't know it).

## How can you come up with the necessary down payment?

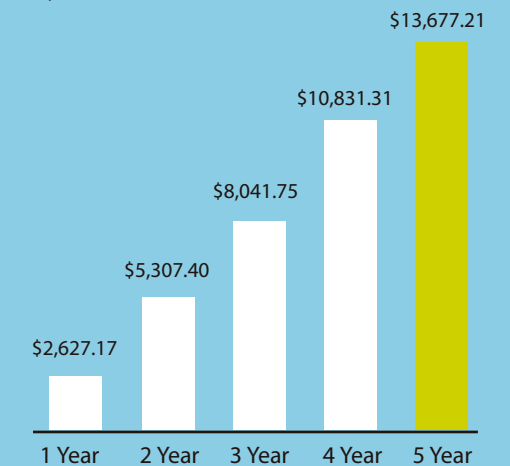
### Saving money for a down payment:

Set up an automatic transfer to a separate savings account and your money will accumulate faster than you think. If you arrange for money to be transferred on the same days you get paid, it will be much easier to budget for. Here's an example of how fast you can save up for a down payment:

The following illustration shows what putting just \$100 every two weeks into a Savings account that pays 2% can do for you. Calculation assumes contribution is made at the beginning of the month at 2% per annum compounded bi-weekly.

## See what saving \$100 every 2 weeks with a pre-authorized savings plan can become:

In just two years you'll have a healthy down payment. Of course, this doesn't include other money you may come into like work bonuses and tax refunds. As you can see, it really doesn't take that long to save for a down payment if you set up a savings plan right for you.



## Withdraw from your RSP contributions

You may be eligible to use your RRSPs to help with your down payment. Through the federal government's Home Buyer's Plan you and your spouse or partner may withdraw up to \$20,000 (\$40,000 per couple) and use the money towards the down payment on your first home. There's no tax penalty if you repay the withdrawn funds within 15 years through yearly contributions/installments.

For more information on the Home Buyers Plan, visit the Canada Revenue Agency at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

## The benefits of getting pre-approved

### Put yourself in the driver's seat with an ATB Financial mortgage pre-approval.

Before you begin looking for a home, see an ATB Financial mortgage specialist and get pre-approved for a mortgage\*. You're under no obligation and this service is free. Based on your current financial situation and a satisfactory credit review, a pre-approved mortgage lets you know the amount you can borrow and how much your payments will be. Combine this information with your down payment and you can shop with both peace of mind and confidence.

**You'll also have immediate buying power** when you meet with realtors and prospective vendors. As a result, you can better position yourself as a serious buyer.

**And remember:** your mortgage rate will be protected with our interest rate guarantee program.

#### Interest Rate Guarantee

Once you've received your approved mortgage, ATB Financial will:

**Guarantee your interest rate and payments for up to 90 days** from the date of pre-approval to the date you complete your home purchase (i.e. mortgage funds advanced); and

**Guarantee you the lowest rate.** If mortgage rates go up before you take possession of your new home, you're guaranteed the rate quoted on your pre-approval. If mortgage rates have decreased before mortgage funds are advanced, you'll receive the lower rate. **It's truly the best of both worlds!**

#### Other benefits of a pre-approval

- You'll enjoy peace of mind when you're shopping for your home because you already know the house price that fits comfortably within your household budget.
- Having your mortgage financing in place indicates to prospective vendors that you are a serious buyer.
- Many real estate agents encourage homebuyers to get a pre-approval before entering the home purchase market.
- This professional advice and pre-approval service is free. There's no cost and no obligation.

## Does it make more sense for you to rent or own?

If you are currently renting, you've probably thought about the possibility of owning your own home. ATB Financial's Rent vs. Own Calculator can help make this difficult decision a lot easier.

### Home ownership expenses may be less than you thought!

You might find that you could enjoy the benefits of home ownership for less than you're currently paying in rent.

**Check out ATB Financial's Rent vs. Own Calculator available online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com).**

The Rent vs. Own Calculator helps you consider several factors, including the mortgage rate, the market value appreciation of the home, and the potential rate of return from investing extra cash rather than putting it towards a mortgage.

### Compare renting vs. home ownership to see how homeownership benefits add up:

#### Growing your personal wealth with homeownership

Buying a home can build equity through both market appreciation and ownership as a mortgage is gradually paid off. This can be compared with renting, in which the down payment amount is invested at a hypothetical rate of return.

#### Reducing your housing costs for the long term

As a homeowner, your monthly mortgage payments will typically remain stable for the mortgage term, while as a renter, rental payments will tend to increase with inflation from year to year.

# Preparing for your meeting with ATB Financial

# Choose the mortgage that meets your needs

Here is a list of some of the questions that will help you feel comfortable when arranging your mortgage financing:

What questions will ATB ask me?	What questions should I ask?
1. Where are you employed? How long have you worked there?	1. How long will it take to get my application approved?
2. What is your total gross family income (before tax deductions)?	2. What is the maximum mortgage I can afford and what is the monthly payment?
3. What is your date of birth?	3. How does the mortgage process work? What happens from application to approval, to advancing the money, right up until I move into my home?
4. Do you currently own or rent the place where you live?	4. How can I increase or decrease the amount I have to pay each month?
5. What is the monthly amount of rent or mortgage you are now paying?	5. What is the interest rate?
6. What outstanding loans do you have, if any?	6. Can I repay early without penalty?
7. What are your assets - car, home, investments and their value?	7. How will different amortizations affect the total interest I pay?
8. What are your monthly debt expenses (including payments such as vehicle leases and loan payments)?	8. What's the most efficient way for me to make my mortgage payments?
9. What is the source and amount of your down payment (if applicable)?	9. What benefits do I receive with life and disability insurance on my mortgage?
10. How much life and disability insurance coverage do you currently have? Is it through your employer's benefit plan or a personal policy?	10. What is the monthly cost of mortgage life and disability insurance for me and my co-applicant (if applicable)?

**When looking for a mortgage, it's important to realize that one size doesn't fit all.**

The best mortgage for one household might not be the best choice for another. It's important that you choose the type of mortgage that best suits the needs of your household.

**Access our easy ATB Mortgage Finder tool online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com) to determine the mortgage that's right for you.**

The Mortgage Finder asks a few simple questions to evaluate your mortgage needs, risk tolerance and payment preferences, then uses this information to recommend the mortgage features that meet your particular needs.

# Understand the mortgage basics

**If this is your first mortgage, you'll find it helpful to understand the differences between the varieties of mortgage options available.**

**Amortization:** is the number of years that you take to fully pay off your mortgage (not the same as your mortgage term). Amortization periods are often 15, 20, or 25 years long, although you may enjoy considerable interest savings by selecting a shorter period (see money saving strategies to lower your borrowing costs section).

**Term:** is the period during which the interest rate applies. You can choose terms from 6 months, 1, 2, 3, 4, 5, and 7 years. Your tolerance for risk and analysis of where interest rates are going will help you define the best term for you. Upon term expiry, you can either repay the balance (the remaining principal plus interest) of the mortgage, or renew the mortgage for another term.








Mortgage Type	Definition	Your Benefits
<b>Closed Term</b>	A mortgage which has a set, unchangeable term. You cannot pay off a closed mortgage before the agreed end date without prepayment cost.	<ul style="list-style-type: none"> <li>• Lower interest rates than open or convertible terms.</li> <li>• Flexible repayment (20+20 prepayment) options such as:               <ul style="list-style-type: none"> <li>- Annually you may increase your payment by up to 20% of the initial payment amount or;</li> <li>- Make lump sum payments, in any amount, anytime during the calendar year totaling 20% of your mortgage amount.</li> </ul> </li> </ul>
<b>Open Term</b>	Offers full flexibility on paying the mortgage in full or making any additional payments at any time at no cost.	<ul style="list-style-type: none"> <li>• Full flexibility until you're ready to lock into a closed term;</li> <li>• Allows you to pay off all or part of your mortgage balance without pre-payment costs.</li> </ul>
<b>Convertible Term</b>	Offers the same security as a closed-term. In addition you can convert to a longer, closed term mortgage at any time without prepayment costs.	<ul style="list-style-type: none"> <li>• Offers a lower rate than an open mortgage of the same term.</li> <li>• Provides security and flexibility, allowing you to simply convert to a longer, closed mortgage term without prepayment costs.</li> </ul>
Rate Type	Definition	Your Benefits
<b>Fixed</b>	Both your interest rate and payments remain constant to the end of the term.	<ul style="list-style-type: none"> <li>• Maximize your low interest rate and low payment for your entire term.</li> <li>• Provides peace of mind knowing exactly how much your payments are and how much of your mortgage balance will be paid off at the end of your selected term.</li> </ul>
<b>Variable</b>	The interest rate fluctuates with the market prime rate during the term. Your actual payments may not change during the term, but if rates go down more of your payment is applied toward the principal.	<ul style="list-style-type: none"> <li>• Offers potential interest savings as, historically, variable rates have been lower than fixed rates.</li> <li>• If rates go down a larger portion of your payment is applied to your mortgage principal. This could help you pay down your mortgage faster.</li> </ul>

# Shopping for your home

## Finding the house that's right for you



Before you begin shopping for your home, you need to identify what kind of home you want. It's important to focus on properties that meet your priorities.

To do that, you must understand the different types of properties out there, and learn the differences between new and re-sale homes.

Housing Types	
<p><b>Single Family Detached</b> A free standing home which sits on its own lot and is occupied by only one family.</p> 	<p><b>Semi-detached</b> A single family home that is joined to another one by a common wall.</p> 
<p><b>Duplex</b> Two units, one above the other or side-by-side. The owner may live in one unit and rent the other, or two separate owners.</p> 	<p><b>Row or townhouse</b> One of several single family homes joined by common walls. These can be condominium or freehold units.</p> 
<p><b>Link or Carriage</b> Houses, freehold or condominium, joined by garages or carports, which provide access between the front and rear yards. Builders sometimes join basement walls so that link houses appear to be single family homes on small lots.</p> 	<p><b>Highrise Condominium</b> Multi-storey residential building containing condominium units. A condominium is not a type of house but a form of ownership.</p> 
<p><b>Mobile or Manufactured</b> A factory-built, single family dwelling that is transported to your chosen location and placed on a foundation.</p> 	

## New versus resale homes

There are advantages and disadvantages to both new and resale homes. Here are some of the characteristics of both that may help you make your choice.

New Home	
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>You may be able to upgrade or choose certain items such as siding, finish materials, flooring, cabinets, plumbing and electrical fixtures.</li> <li>The latest building code, electrical and energy-efficiency standards will apply.</li> <li>A builder warranty is usually available in all provinces and the Yukon (but not the Northwest Territories). This can be important if a major system, such as plumbing or heating, breaks down.</li> <li>Unless you are a builder, warranties do not apply to homes you build yourself.</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>Neighborhood amenities, like schools or shopping, may not be complete if the house is in a new development.</li> <li>There may be construction noise and traffic.</li> <li>There may be little to no landscaping or trees.</li> <li>The 7% GST applies to new housing. However, there is a rebate to a maximum of 2.5% on homes that cost less than \$450,000.</li> </ul>
	
Resale Home	
<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>It will probably be in an established neighborhood.</li> <li>Landscaping is usually done and fencing installed.</li> <li>It may have upgrades such as built-in swimming pool or finished basement.</li> <li>There is no GST unless the house has been renovated substantially. The tax is then applied as if it were a new house.</li> </ul>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>Maintenance costs will likely be higher than for a new house.</li> <li>You may require a professional home inspector to check for structural or other problems, such as a leaky basement or faulty roof.</li> <li>You may need to redecorate or even renovate.</li> </ul>
	

# Helpful questions to ask yourself

## Before you begin house shopping, ask yourself some important questions:

- Is the home within my general price range?
- Is this home the right size? Do I like the layout? Are there enough bedrooms and/or bathrooms? Does it have a finished basement? Is the yard big enough for my needs?
- What is the condition of the home? Will I need to complete any home repairs or renovations? Is the roof and foundation in good condition? How old is the furnace?
- What's the condition of other homes in the area? Do I like the community? Do I want to live in an established or new community?
- Is there good access to public transit and major roads? Are there good public facilities like schools, hospitals, shopping and recreation facilities in the area?
- How do the municipal taxes compare to those in other areas? Are there any development plans that will affect the neighborhood?
- Are there any zoning bylaws that might affect me (e.g. can I have a home office in the house)?
- Does the property have the potential to increase in value?

## What does your dream home look like?

Once you know the price range you can afford and are aware of the costs associated with purchasing a home, you can begin your search for a home.

When you look at more than a few homes the characteristics of each can start to blur. This worksheet will help you remember important details and evaluate the homes you're considering.

**Remember, you don't need to complete this worksheet for every home you see, but only for the ones you'd consider buying.**

## Home Comparison Worksheet

Basic Information		
Address		
Home Type		
Square Footage		
Number of Bedrooms		
Size of Lot		
Other Structures on Lot		
Occupancy Date		
Asking Price		
Real Estate Representative		
Location (Accessibility to:)		
Work		
Public Transportation		
Schools		
Playgrounds		
Shopping		
Medical/Hospital		
Fire Station		
Police		
Other notable location advantages/disadvantages		
Suitability		
Does the current layout suit our needs (e.g. size, number of bedrooms, etc.)?		
Does the yard suit our needs		
Will our furniture/appliances fit?		
Garage Suitability		
Parking Suitability		
Condition		
Overall Construction		
Plumbing		
Electrical		
Heating		
Roof		
Landscaping		
Basement		
Other notable condition advantages/disadvantages		
Misc. Items		
Are lighting fixtures and window coverings included?		
Are appliances included?		
ADDITIONAL COSTS		
Annual Property Taxes		
Condo fees (if applicable)		
Heating Costs		
Important Notes		

# Preparing the offer to purchase

## Congratulations!

**You've found your dream home. Now it's time to proceed with the purchase.**

An offer to purchase is a legally binding agreement between you and the vendor. Your realtor or sales agent will prepare the offer to purchase on your behalf. Discuss your offer to purchase with your lawyer prior to signing, as this will allow you to ask any questions to ensure your offer reflects your best interest.

An offer to purchase can be conditional or unconditional.

A **conditional offer** depends on certain conditions being met. For example, an offer can be subject to the buyer's ability to arrange a mortgage or possibly sell their existing home, or on the vendor making certain repairs.

An **unconditional offer** to purchase means there are no conditions attached, and when the seller accepts the offer, the contract is final.

## Checklist: Offer to Purchase

- The proposed purchase price.
- Amount of your deposit held by the vendor until your mortgage closes.
- Details of your down payment (sometimes called additional deposit).
- Financial details to show how the balance of the purchase price will be paid.
- A list of items in the house that is included in the purchase price. Some common examples include appliances, window coverings, light fixtures, and other furniture items that might be negotiated into the purchase price.
- The closing date, which is the date you will take possession of the home.
- The time period in which the offer to purchase is valid.
- Any conditions of the offer to purchase. For example, you may want to make your offer conditional to obtaining your financing, a building inspection, or the results of a survey.
- Remember that you need to feel comfortable with the offer.
- Once your offer to purchase has been accepted, contact your ATB Financial specialist who will help you choose from a full range of mortgages. We'll help you find the mortgage that fits you best.

# Secure the future for your loved ones

## Why do you need loan protection?

Obtaining a loan through ATB Financial helps you achieve your financial goals. While your sights are set on achieving these goals, it's impossible to predict the curveballs life can throw at you. Imagine the pressures your family may face in the event of long-term illness, a serious injury, or death. Years of savings can be lost when your income is stopped as a result of these unforeseen events.

ATB Financial Loan Protection can take care of your loan payments or settle the outstanding insured loan balance should the unexpected happen.\*

More importantly, it will provide you with peace of mind knowing that your home, your family, your business, and your future are protected.

You are in good health today, but who knows what the future holds? An illness or accident can strike without warning, at any age and usually when least expected. Many life and disability insurance claims involve people who were right in the middle of raising a family, saving for their children's education, car payments, or paying off their mortgage.

\*Life and Disability insurance is provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

# Finalizing your mortgage

## Checklist of required paperwork

Your Offer to Purchase has now been accepted, bringing you that much closer to home ownership. Now it's time to finalize your mortgage agreement. Here is a handy reference list of the paperwork you may be required to bring with you to finalize your ATB Financial mortgage.

### Take care of the ones you love – ATB Financial Loan Protection

Sleep better at night knowing that your home, your family, and your future are protected.

Now that you've arranged your ATB Financial Mortgage, protect it with life and disability insurance. Loan Protection is a convenient and affordable way to cover your family's most important asset and your biggest investment.

### Your Employment Details

- Written confirmation from your employer verifying your length of employment and income;
- Commissioned or self-employed individuals will require 2-3 years of tax assessments;
- Written confirmation of any additional sources of income.

### Your Financial Details

- Details of your pre-approved ATB Financial mortgage;
- Confirmation of your down payment amount. If your down payment is a gift, a gift letter from the donor is required specifying that the funds do not need to be repaid;
- Provide a list of assets, including property and vehicles;
- Provide a list of liabilities, such as credit card balances or car loans;
- Current banking information including account number and transit number.

### Your New Home Details

- A copy of the accepted Offer to Purchase;
- A copy of the MLS listing, which contains property details and photo, if applicable;
- Address and postal code along with legal description of the property you are buying;
- Lawyer's name, address, postal code, contact fax, and phone number;
- Tax estimates, heating costs, and condo fees (if applicable). This information is usually available on the real estate listing;
- Well and septic certificates (for rural properties);
- Contract and building plans, if you are having a home built.

# Preparing to move

## Things to remember for moving day

You've purchased your new home and now it's time to start planning for your move. Moving can be a stressful event if not planned properly. To assist with your planning, here is a checklist of some of the things to do leading up to and including the big day. A little preparation now can save you a lot of time, hassle, and money down the road.

**Moving into your new home is a very exciting and memorable day. Use this checklist to ensure your memories are good ones.**

### Start Planning For The Big Day

- Give proper rental notice.
- Decide how you will move (moving company or yourself) and make arrangements.
- If you're doing your own packing, begin packing items you're not currently using.
- Lighten the load. Sell or give away items you don't need.
- Ensure home insurance is in place for the move and make records of belongings/valuables if necessary.
- Make arrangements if you need to store items.
- Notify the post office with your change of address and send change of address cards.
- Notify utility, cable, phone and internet providers of your change of address and arrange for connection at new address.
- Get boxes and continue packing.

### Leading Up to The Big Day

- Confirm details of the move with mover (if you're hiring one).
- Draw up floor plan of your new home and provide to the moving company with instructions on locating furniture. Label furniture accordingly.
- Arrange for childcare and pet sitting on moving day.
- Throwing some things away? Make arrangements according to municipal requirements.
- Arrange necessary moving and related insurance costs.
- Take down any fixtures that you are allowed to bring with you.
- Clean old place.
- Pack a moving day travel bag with essentials, such as a change of clothes and toiletries.
- Label items to be moved in the car.

### The Big Day

- Review directions with mover.
- Save all copies of moving documentation.
- Before leaving, check each room carefully: close windows, turn off water and appliances, and lock doors.
- Notify landlord that property is vacant.
- Leave forwarding information.

# Budgeting

## Understand your income and expenses

Your monthly income and spending is important information for you when considering buying a home. Whether you're looking to save money for a down payment or determining how much you can comfortably afford, you need accurate knowledge of your current budget.

By calculating your current budget you can accurately see how much you can afford without jeopardizing your current lifestyle. You can also recognize areas of your budget where you may overspend and adjust your spending accordingly.

**Check out our Household Cash Flow Calculator online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com).**

This handy tool will produce a statement for your records summarizing your income and expenditures.

### Current Income Sources

#### Employment Related Sources (After Taxes)

Salary/Wages/Bonuses/Pension(s)

#### Personal Sources (After Taxes)

RRIFs/Annuities/Other

Dividends/Interest

Other (eg. support payments, rental income)

### Current Expenses

#### Housing

Rent/Mortgage/Condo fees

Heat, Power, Water

Telephone, Cable/Satellite TV, Internet

Property Taxes, Insurance

Repairs and Improvement

Other (eg. cleaning, lawn care, snow removal)

#### Living

Groceries, Household Supplies

Medical, Dental, Eye Care, Prescriptions

Child Care, Support Payments

Clothing, Dry Cleaning

Personal Care (eg. haircuts, toiletries)

Other (eg. coffee, newspapers, magazine)

#### Transportation

Loan/Lease payments

Insurance, Licenses

Gas, Repairs, Maintenance

Other (eg. public transit, taxis)

#### Personal

Dining Out, Food Delivery, Entertaining

Entertainment (eg. movies, sports)

Vacations

Hobbies

Club Memberships

Gifts

Donations (eg. charitable, political)

Other (eg. courses, camps)

#### Financial Commitments

Personal Loans, Lines of Credit

Credit Cards

Regular Savings Contributions

Regular Retirement Savings Contributions

Emergency Savings Fund

Insurance (eg. life, disability)

Other (eg. professional dues)

**Total Income**

**Total Expenses**

**Monthly Surplus (Deficit)**

# Additional costs

**Having a solid understanding of your expected costs and planning for them will eliminate most unforeseen expenses.**

While the purchase price of your home is covered by your mortgage, there are other costs that you will incur as you complete the purchase of your home. You will pay some of these costs during the home buying process. Others, known as closing costs or disbursements, will be paid when the purchase of your home is finalized. These expenses will vary but being aware of them and budgeting accordingly will enhance your home buying experience.

**Provided on the opposite page is a table which outlines some additional costs which may apply when you purchase a home.**

## Examples of additional costs

Cost	Description	Approximate Cost
<b>Home Inspection Fee</b>	A satisfactory home inspection is often a condition of an individual's Offer to Purchase. A home inspector will evaluate the structure and systems that make up a home and provide you with a written report. While this is not mandatory, it is recommended. A home inspection before you purchase a home can save you a lot of money in the long run.	<b>\$300</b> (may not apply if purchasing a new home)
<b>Appraisal Fee</b>	Your mortgage lender may require a professional appraisal to determine whether the selling price of your home is reasonable for that market. The appraised value seldom matches the actual purchase price exactly as other factors influence price.	<b>\$150-250</b>
<b>Property Survey</b>	A survey indicates the boundaries and measurements of the land and positions of major structures. It will also show any registered or visible easements (such as a driveway) or encroachments (such as a neighbor's fence) on the property.	<b>\$700-\$1000</b> (if applicable)
<b>Legal Fees and Disbursements</b>	A lawyer should represent you during the purchase and mortgaging of the property. You are responsible for paying the lawyer's fees and disbursements.	<b>\$1000-\$2500</b>
<b>GST</b>	You normally pay GST on the purchase price of a newly constructed home. Always ask about this before signing an offer.	<b>7%</b>
<b>Title Insurance</b>	Title insurance covers problems that may arise due to survey irregularities, power of sale issues, undischarged mortgages and other issues relating to the property's previous owners.	<b>\$300-\$400</b> (if applicable)
<b>Interest Adjustment</b>	You may need to pay interest on the time between the closing date of the purchase and the first payment date of the mortgage. ATB Financial understands additional costs can be difficult to manage and therefore allows you to add your interest adjustment to the principal mortgage balance.	<b>\$100-\$1000</b>
<b>Prepaid Property Tax and Utility Adjustments</b>	Prepaid taxes, utility bills and other charges: The seller may have prepaid some bills before the closing date, which you will have to cover. All taxes, utility bills, and other charges incurred after the closing date become your responsibility.	<b>\$300-\$500</b>
<b>Mortgage Loan Insurance Costs (High-Ratio Mortgages Only)</b>	High-ratio mortgages (those with less than 25% down payment) require insurance against default. The insurance premium cost generally ranges between 0.5% and 3.75% of the amount of the mortgage (additional charges may apply) but often can be added to the principal portion of your mortgage.	<b>Generally range from .50%-3.40% of the principal price + applicable fees.</b>
<b>Home Insurance</b>	Home Insurance is protection for your home and its contents. It can also protect your belongings during the moving in process.	<b>\$300-\$500</b> (per year)
<b>Loan Protection Life and Disability Insurance</b>	ATB Financial Loan Protection can take care of your mortgage payments or settle the outstanding insured balance should the unexpected happen, leaving you financially unable to make your payments. Loan Protection provides you with peace of mind in knowing that your home, family, and future are protected in the event of accident, sickness, or death (see policy for details).	<b>Costs vary based on age of applicant(s)</b>

## Examples of other general costs

<b>Moving Expenses</b>	Whether you hire a moving company or do it yourself, there will be costs involved.	
<b>Service Hook Up Fees</b>	Quite often there are charges or deposits required for hook up of things such as utilities, cable, and telephone.	
<b>Furniture, Paint, Carpeting, Curtains, etc.</b>	Moving into a new home often means decorating. New carpets, new paint, new curtains, and new furniture are just some of the items you may want to buy to make your new home better reflect your personality when you move in.	
<b>Renovations and Repairs</b>	If you have purchased a pre-owned home you may have renovations or repairs in mind. Ask about ATB Financial's Purchase Plus Improvements mortgage options available.	
<b>Landscaping</b>	When purchasing a newly built home, the new owner may need to plan for landscaping costs. Even with a resale home purchase you may have some landscaping changes in mind.	
<b>Other Costs</b>	Any costs that you are planning that are not mentioned above, note them here.	
<b>Total</b>		

# Ongoing costs

Now that you have considered your additional costs, review other ongoing costs you can expect once you move into your new home.

**Some of these monthly expenses may be new, while others may be similar to your past expenses. Either way, by correctly planning your new budget, you'll be better able to handle your ongoing costs, making home ownership more enjoyable.**

Use the list below to estimate your monthly home expenses:

	Monthly Amount
Mortgage Payment	\$
Property Taxes	\$
Loan Protection (Life and Disability Insurance Premium)	\$
Home Insurance	\$
Utilities (i.e. heating costs, water, power, telephone, cable, internet, etc.)	\$
Condo Fees (if applicable)	\$
Operating and Maintenance Costs	\$
<b>Total Ongoing Costs</b>	<b>\$</b>

# Tips to lower your borrowing costs

Let's face it. Most of us need to borrow money at some point to get the things we need or want to have. Unfortunately, borrowing money often comes with additional expenses such as interest payments.

**At ATB Financial, we have some helpful tips and solutions on how you can reduce the costs of borrowing:**

- Choose bi-weekly over monthly mortgage payments;
- Increase your mortgage payments or make lump sum payments;
- Realize the benefits of fixed and variable rate mortgages;
- Let the equity in your home work for you;
- Reduce other borrowing costs; and
- Receive cash back on your purchases with our Gold My Rewards MasterCard®.

# Realize the benefits of both fixed and variable rate mortgages

## Bi-weekly versus monthly mortgage payments

Switch your monthly mortgage payments to bi-weekly payments, and you'll save significant amounts of interest on your loan and shave years off your amortization period!

Mortgage Payment Option	Mortgage Payment	Amortization Period	Number of Payments Per Year	Approx. Interest Savings over Lifetime of Mortgage
<b>Scenario One:</b> Monthly Payment	\$959.71	300 months (25 years)	12	N/A
<b>Scenario Two:</b> Bi-weekly Payment (half of monthly payment amount)	\$479.86	251 months (20 years, 11 months)	26	\$26,233

## Increase your mortgage payments.

You can enjoy significant savings simply by increasing your mortgage payments.

The following scenarios, which were based on a fixed rate mortgage of \$100,000 at 6% APR, show you the benefits of increasing your monthly mortgage payment. As illustrated below, you could save over \$40,000 and reduce your amortization to 15 years.

Amortization Period	Mortgage Payment	Total Interest Costs	Interest Savings
15 Years	\$839.88	\$51,178.90	\$40,763.09
20 Years	\$712.19	\$70,925.23	\$21,016.76
25 Years	\$639.81	\$91,941.99	N/A

Check out how you can be mortgage free sooner at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com).

## Ask about our flexible repayment options that can help you become mortgage free sooner!

Annually you may increase your payment by up to 20% of the initial payment amount or make lump sum payments, in any amount, anytime within the calendar year totaling 20% of your mortgage amount.

Another way to lower your borrowing costs is to take advantage of both fixed and variable rate mortgage options. With our multiple option mortgage, you can select more than one term for portions of your mortgage allowing you to diversify interest rate risk with a combination of fixed and/or variable rates as well as select short, medium, and long terms.

A **fixed rate mortgage** has several benefits:

- The rate is known for the entire term of the mortgage;
- The rate will not change throughout the term of the mortgage; and
- You'll know in advance the amount left owing at the time of renewal.

A **variable rate mortgage** also has many benefits:

- As interest rates drop more of your payment is applied to the principal; and
- Variable rates are historically less than fixed longer-term rates at the time of purchase or renewal.

# Let the equity in your home work for you

## Your home is more than just your castle - it's a money saver!

With ATB Financial's Home Equity Line of Credit (HELOC), you can take advantage of life's opportunities by using the equity you may have already accumulated in your home. Whether you need a little extra money to take that dream vacation, to finish those long overdue renovations, or to purchase a new car, ATB Financial can help you create a plan.

What are HELOCs? They're a smart and straightforward borrowing alternative that can lower your costs of borrowing. In this line of credit option, the equity in your home is leveraged to borrow money at the most competitive, lowest interest rates available. You can also choose from flexible payment options, including paying interest only or as much as the entirety of your balance—with no penalty fees.

### **Using the equity in your home is literally as easy as swiping your debit card.**

The borrowed funds can be linked to your ATB Financial chequing account, so as you pay off the funds you've borrowed; the funds immediately become available again for your use.

We know how important it is to both save money and have access to extra money to purchase new items when you need them. If you've already established equity in your home, why not use it to meet your financial needs and goals? See an ATB Financial representative today to learn how you can get the equity in your home working for you!

## Reduce other borrowing costs

If you're carrying a balance on more than one credit card, you can lower your borrowing costs by consolidating all your credit card debt onto one low interest credit card or a line of credit with a lower interest rate. While the main reason for doing this is to save on interest charges, you'll also enjoy added simplicity and less confusion when it comes time to pay your bills.

## Receive cash back on your purchases with our Gold My Rewards MasterCard®

Most of us charge both large and small purchases to our credit card on a fairly frequent basis.

### **So why not save money while spending money?**

Take advantage of cash back options on credit cards and you'll save money and lower your costs of borrowing. ATB's Gold My Rewards MasterCard® offers a cash rebate on purchases annually in addition to several other benefits. Talk to ATB Financial today to learn about this and other easy ways to minimize your borrowing costs.

# Helpful tools

## ATB Financial Tools and Calculators (available online at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com))

Whether you're deciding to rent or own, choosing what mortgage payments are most affordable, or working out which loan or mortgage best suits your needs, ATB Financial can help. We know these decisions are difficult and time consuming to research, so we offer interactive Loan and Mortgage Calculators. Located online at [atb.com](http://atb.com), these calculators assist you in making the best borrowing decisions to meet your unique financial goals.

Visit [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com) today to try our Loan and Mortgage Calculator tools for yourself!

<p><b>Rent Vs. Own Calculator</b></p> <p>When buying a home there are several factors to consider such as mortgage rate, the market value appreciation of the home, and the potential rate of return from investing extra cash versus putting it towards a mortgage. This calculator shows which option works best and makes a difficult decision much easier.</p>	<p><b>Maximum Mortgage</b></p> <p>Using simple information like income, monthly payments, and down payment, the Maximum Mortgage calculates the monthly payment your household can afford.</p>
<p><b>Mortgage Payment Calculator</b></p> <p>The Mortgage Payment Calculator is an easy way to determine what amount the mortgage payment will be on a weekly, bi-weekly, semi-monthly, monthly, or accelerated schedule.</p>	<p><b>Mortgage Finder</b></p> <p>One size does not fit all! Mortgage Finder asks a few simple questions to evaluate your mortgage needs, risk tolerance, and payment preferences, then uses this information to recommend the appropriate mortgage option.</p>
<p><b>Mortgage Payment Analyzer</b></p> <p>Use the Mortgage Analyzer to compute your mortgage payments, to receive a yearly principal balance summary, and to compute a complete amortization schedule for your loan</p>	<p><b>Mortgage Pre-Payment Analyzer</b></p> <p>Use the Mortgage Pre-Payment Analyzer to compute your mortgage payments and to determine the impact annual pre-payments will have on the length and interest cost of your mortgage.</p>
<p><b>Mortgage Comparison</b></p> <p>This tool makes side-by-side comparisons for two or three mortgages, helping to show which one is the best option. Criteria like rate, amortization period, and payment frequency are adjustable and will show the effect on the monthly payments as well as the mortgage over the long term.</p>	<p><b>Personal Loan Finder</b></p> <p>Selecting the type of personal loan right for you depends on several factors such as the amount needed to borrow, preferred method of payment, and the intended use of funds. This calculator will help you achieve your financial goals.</p>

## Other Helpful Resources

Here is a list of helpful phone numbers and websites that offer further information and advice on how to search for and purchase a home.

**ATB Financial Customer Contact Center**  
 - speak to a representative about ATB Financial's loan or mortgage products.  
 Phone **1-866-297-LOAN (5626)**  
 7 days a week, 7 am – 11 pm

**Home of First Homes.com** – provided by ATB Financial to help you plan for homeownership.  
 Website: [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com)

**ATB Loan and Mortgage Calculators**  
 - interactive financial tools to help you make borrowing decisions  
 Website: [www.atb.com](http://www.atb.com) or [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com)

**Canada Mortgage and Housing Corporation** – Mortgage loan insurance  
 Website: [www.cmhc.ca](http://www.cmhc.ca)  
 Phone **1-800-668-2642**

**Canada Revenue Agency** - For additional information on the Home Buyers' Plan  
 Website: [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)  
 Phone **1-800-267-6999**

**Canadian Bankers Association**  
 - "Mortgage Wise" publication  
 Website: [www.cba.ca](http://www.cba.ca)  
 Phone **1-800-263-0231**

**First Canadian Title**– Find out more about title insurance  
 Website: [www.firstcanadiantitle.com](http://www.firstcanadiantitle.com)  
 Phone **1-800-307-0370**

**Genworth Financial Canada** - Formerly known as General Electric Mortgage Insurance Canada  
 Website: [www.gemortgage.ca](http://www.gemortgage.ca)  
 Phone **1-800-511-8888**

**Multiple Listing Service** – Find listed Canadian real estate  
 Website: [www.mls.ca](http://www.mls.ca)

## Personal Contacts Reference Sheet

This sheet works as a quick reference for the contact information of individuals who will be helping you search and purchase your home.

Contact	Phone No.	Fax No.	Email	Address
ATB Mortgage Specialist				
Real Estate Agent				
Real Estate Lawyer				
Home Insurance Agent				
Home Inspector				
Other Contacts				

## We're ready to help

At ATB Financial, we can help make your journey to home ownership an enjoyable one.

For more information, drop by your nearest ATB Financial location or call us toll free 1-866-297-5626 (LOAN) or visit our website at [www.homeoffirsthomes.com](http://www.homeoffirsthomes.com) provided by ATB Financial



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\* Some conditions apply based on ATB Financial's lending criteria.

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