

7 Things to Think About When Shopping for a Mortgage (Besides Rates)

When shopping out the best mortgage for my clients, I of course consider who has the best 3, 5 and 10 year rates, but rates are not the only criteria I use to evaluate a lender. Often **several lenders offer comparable rates**, the idea here is that you can customize your mortgage to meet YOUR needs, rate is only one criteria.

Here are seven key criteria to consider when choosing a mortgage:

Online banking options. Good online banking options allows you to easily make changes to your mortgage payment (i.e., change frequency of payment, make a lump sum payment) from the comfort of your home or on-the-go using your smart phone.

Property taxes. Some lenders have the option of including your property taxes with your mortgage. This is beneficial for budgeting and consolidates two payments into one.

Broker mortgage-management. For your convenience, some lenders allow broker mortgage-management, which means that your mortgage broker can make changes to your mortgage on your behalf. If I am your broker, this means my standards for service can continue for the duration of your mortgage – send me an email or give me a call if you want to change the frequency of your payment or make an extra payment and I can take care of it for you.

Pre-payment options. Some lenders allow you to put up to 20% extra on your mortgage each year. With this option, if you get a bonus at work or come into some extra money, you can make an extra mortgage payment.(or share it with me) Other lenders allow “double-up” or “match-a-payment, miss-a-payment”, allowing you to just double the payment ... and then potentially “skip” part of the payment in the future if needed.

Portability. Some lenders offer portable mortgages, meaning that if you buy a new property within your term, you can take your mortgage with you, avoiding any breakage fees. If your next home is larger, the lender should allow *blending* of your existing mortgage with the new amount of funds required. Or if you decide to take off to Costa Rica, *Assumable Mortgages* allow someone to take your mortgage off your hands. If rates rise in the future (which is likely) your mortgage would be in high demand!

Extra perks. Some lenders offer additional insurance coverage for things that aren't covered by your home insurance (i.e., furnace, air conditioning, plumbing, electrical). If you're AC breaks in the middle of the summer, you can get it fixed at no extra cost to you.

Rates at renewal. A bank or lender may offer you the best rate now, but are they going to offer you the best rate once you are already a client? Some lenders offer best rates now, but also guarantee best rates at renewal and allow us to represent you as your broker at renewal to ensure this is the case (our preference of course)

Yours in mortgages ~ J. Loewen