

Consumers' Choice Award
Five Years Running



The Capital Insider

Volume 3, Issue 4

September/October/November 2008

OTTAWA OFFICE:

Suite 106
18 Deakin St
Ottawa ON K2E 8B7

KANATA OFFICE:

Suite 200
260 Hearst Way
Kanata ON K2L 3H1

ORLEANS OFFICE:

Suite 203
2451 St. Joseph Blvd
Orleans ON K1C 1E9

INSIDE

THIS ISSUE:

- Page 2
-10 Ways to Save Money on Gas
- Cash-Back Mortgages or Zero-Down Mortgages? continued
- Page 3
-How can you maintain a good credit history?
-The Art of Hanging Pictures
- Page 4
-Don't Worry, Be Smart
-Fun Facts



We've Moved!!

With two major moves a month apart it was a busier than usual summer season for us. We are all settled and back to business as usual, despite having a few set-backs along the way. We look forward to seeing you come into the new locations and providing you with the best mortgage advice around. Make sure you have the correct address on hand for our new Kanata and Ottawa locations. They are:

OTTAWA OFFICE:

Suite 106
18 Deakin St
Ottawa ON K2E 8B7

KANATA OFFICE:

Suite 200
260 Hearst Way
Kanata ON K2L 3H1

ORLEANS OFFICE:

Suite 203
2451 St. Joseph Blvd
Orleans ON K1C 1E9



Cash-Back Mortgages or Zero-Down Mortgages?

In wanting to take further measures to avoid a U.S.-style housing bubble the federal government has recently brought in some for government insured mortgage products. Some major changes are already in place for October 8, 2008. These include limits to the amortization period of a loan to no more than 35 years and a minimum down payment amount of 5% of the homes value. Most lenders are taking steps towards implementing these changes and are starting to phase out zero down payment mortgage products. There are many lenders who are still offering similar options through cash-back incentives.

These Types of programs could become more of an issue if lenders begin to market them as a way to attract home buyers who would otherwise not be able to afford to buy a home. In a way filling the gap left by the loss of no down payment mortgages.

Courtesy of The Globe and Mail

Irina Marshall

Mortgage Agent
M0801093

Bus: 613-228-3888
ext 259

Fax: 613-228-2555

Toll-Free: 1-877-459-4414

E-mail: irina@capitalmortgages.com

www.accessible-mortgages.com





10 WAYS TO SAVE MONEY ON GAS

Worried about the high cost of gas? Here's how to avoid spending more than you need to:

1. **Drive Smart.** When you drive aggressively, you waste gas and put others at risk. To avoid this obey the speed limit, don't slam on the breaks, avoid rapid acceleration and try to maintain a constant speed on the road.
2. **Keep your car in shape.** Well-tuned cars burn less fuel. Make sure to get oil and air filters changed at regular intervals and that the tires are properly inflated.
3. **Change you commute.** Sitting in rush-hour traffic burns gas and gets you nowhere! If possible adjust your work schedule so that you avoid the heaviest traffic. Or if your employer allows it, think about telecommuting even if its only 1 or 2 days a week.
4. **Never idle your car from more than 30 seconds.** Every two minutes that a car idles it can waste as much gas as it would take to drive a mile.
5. **Try to combine errands.** Several short trips taken from a cold start can use twice as much fuel as a longer, multi-stop trip that covers the same difference.
6. **Walk or ride your bike.** Instead of driving to a store or a friend's place walk or ride your bike.



7. **Carpool.** Join a carpool or use ride-sharing programs if you can. This might shorten the time of your commute by using carpool lanes too.
8. **Pack light.** According to the US department of Energy, a loaded roof rack on your car can decrease fuel economy by approximately 5 per cent. Every hundred pounds you carry in a typical car reduces fuel economy by 1 or 2 per cent.
9. **Think hybrid.** The most fuel-efficient vehicles on the road today are hybrid-electric cars. A hybrid combines an electric motor with a conventional, but cleaner, gas-powered engine. Over its lifetime, a hybrid Toyota Prius will use half as much gas and release half as much pollution as a regular vehicle.
10. **Consider Sharing.** Instead of buying a new car thinking about a car sharing program. These programs allow you to reserve and drive cars by the hour and they cover the cost of the vehicle, insurance and maintenance.

Courtesy of Canadian Living

Cash-Back Mortgages or Zero-Down Mortgages?

TD Canada Trust has renamed their No Down Payment Mortgage the CashBack Down Payment Mortgage. The terms and conditions of the product are to remain the same.

Canada Mortgages and Housing Corporation (CMHC) has said it will continue to offer their CMHC FlexDown product which enables borrowers to use non-traditional down payment sources, such as cash-back for the down payment. This is why most lenders have some type of cash back program already.

In all reality, these programs are not really different from a 100% loan to value mortgage. They allow buyers to have a 95% mortgage and the bank gives the additional 5 % but for a higher than average interest rate on the entire amount.

These products are not new and were around before the government made its changes notes Joan Dal Bianco, vice-president of real estate secured lending at TD Canada Trust. She added that, as the new regulations are clarified and when there is more information available concerning all of the changes, including information about credit scores and required documentation, TD Canada Trust will be reassessing the their CashBack Down Payment program to decide if it is still suitable.

Courtesy of The Globe and Mail

On November 1st, 2008 remember to put your clocks back one hour for *Fall Back* daylight savings time.

How can you maintain a good credit history?

There are a number of things you can do to build and maintain a good credit history. Here are some important do's and don'ts.

Do's

Pay your bills on time.

Try to pay your bills in full by the due date.

If you aren't able to do this, pay at least the minimum amount shown on your monthly statement.

Contact your creditors if you are having trouble making payments.

Make sure that your monthly account statement is correct.

Read the statements and other material you receive from your credit card company carefully. Keep up to date on any fee increases or changes in your card's terms and conditions.

Deal with companies you know and trust.

Get a copy of your credit report from all three credit-reporting agencies at least once a year and make sure they are accurate.

Don'ts

Don't accept or use any form of credit until you understand and are comfortable with its terms and conditions, to avoid any misunderstandings between you and the credit issuer.

Don't wait to report any unauthorized transactions on your account. Contact your credit issuer immediately if your bill includes items you did not buy.

Don't go over the credit limit on your credit card.

Here are the top factors that make your score lower:

There are too many consumer finance company accounts on your credit report.

Having too much available credit can sometimes harm your credit score. Lenders may feel that you have the ability to spend more than you could potentially pay back. You might want to consider closing a few accounts or asking to have your credit limits reduced. Avoid closing too many accounts - especially the oldest accounts on your credit profile - because it could harm your credit score.

Your account balances are too high.

High levels of debt can signal to potential lenders that you are spending more than you can afford. It is a good idea to use your credit cards regularly but remember to keep your balances below 35 percent of your available credit limits. If you have balances above 35-50 percent, you could see your credit score start to drop.

There is not enough recent revolving account information on your credit report.

Using your credit accounts regularly is an important part of building healthy credit. Lenders will be able to better evaluate your creditworthiness if there is more data about your payment and spending behaviour on your credit report. Using a credit card to make a few purchases each month may help improve your credit score.

Your loan balances are too high in comparison with your loan amounts.

High levels of debt can signal to potential lenders that you are spending more than you can afford. It is a good idea to use your credit cards regularly but remember to keep your balances below 35 percent of your available credit limits. If you have balances above 35-50 percent, you could see your credit score start to drop.

Courtesy of Canadian Mortgage and Housing Corporation

The Art of Hanging Pictures

Here's how to avoid some common picture hanging mistakes.

Picture Perfect

Accessorize at the end. Hang pictures only once you have determined a room layout and all your furniture is in place.

Define Boundaries

To have a sense of order in your groupings, define your positive and negative space. The negative space on the wall is the area you can hang your picture.

Space Issues

Keep spaces between pictures 22 cm to 42 cm apart. Spacing should be consistent vertically and horizontally throughout the grouping. The larger the art, the wider the space.



Picture Overload

You do not have to hang a picture or grouping on every wall. This often appears too busy and prevents you from creating a focal point.

High Art/ Low Art

Hang art at eye level, all the same height, so your eye is not bouncing from picture to picture.

Picture Integrity

When Hanging a picture over a piece of furniture, place art low enough that it relates to the furniture, but not so low that it gets hidden by the accents.

Size Counts

A small picture over a big sofa will look awkward. Plan your arrangements so it covers at least two-thirds of the wall space.

Courtesy of The Ottawa Citizen

DON'T WORRY, BE SMART

There have been months of speculation about the current crisis in the U.S. Housing market and wondering whether it could happen here in Canada. The Canadian mortgage industry didn't take as many risks as the U.S., And that has helped the Canadian real estate market remain. According to the Canadian Bankers Association, a record low number of Canadian mortgages were in arrears as of July 31, 2007. The Canadian Mortgage and Housing Corporation (CMHC) also notes that last year only 5% of mortgages in Canada were classified as "subprime". These are loans given to high-risk borrower, while in the U.S. About 20% of mortgages fell into this category in the same time period.

There has also been talk in the Canadian media about homeowners overextending themselves by taking advantage of new mortgage products such as 40 year amortization and no down payment plans. Borrowers who took advantage of those products still have to prove that they have an excellent credit history and that they have been employed full-time for several years, among other things.

In the U.S., foreclosures are up and home prices are down because too many homes are sitting on the market and owners are reducing their asking prices just to find a willing buyer. Data from the Canadian Real Estate Association and CMHC show that in Ontario home prices are increasing at a faster rate than residential mortgage debt. Prices across Canada are predicted to stay on the rise and keep selling fast. Of home sold in Ottawa in June the average house was on the market on 34 days.

So don't worry – but be smart and realistic about which home you purchase. Leave room in your monthly budget for emergencies and small luxuries. That may mean buying a different home than the one you envisioned, but no one want to be so house poor that they can't afford the occasional niceties. Account for closing costs, new furniture and appliance or renovations. In The end, buying a home that leave room in your budget for more than just your mortgage will help you sleep better under your new roof.

Courtesy of Real Estate monthly

READY TO MOVE UP?
TIME TO TRANSFER YOUR MORTGAGE?
GIVE US A CALL!

Fun Facts

- ◆ The average person spends about two years on the phone in a lifetime.
 - ◆ A shark can grow a new set of teeth in a week.
 - ◆ Ketchup was once used as a medicine in the United States; In the 1830s it was sold as Dr. -Miles's Compound Extract of Tomato
 - ◆ In Kentucky, it is illegal to carry ice cream in your back pocket.
- ◆ The IRS would need at least 15 3/4 miles of shelves to store the tax forms they receive each year
 - ◆ Coca-Cola was originally green.
- ◆ The Volkswagen was originally called the "Strength-Through-Joy-Wagon."
- ◆ American Airlines saved \$40,000 in 1987 by eliminating one olive from each salad served in first class.
- ◆ The heads picture on a penny weighs more, so it ends up on the bottom.
- ◆ Mel Blanc (the voice of Bugs Bunny) was allergic to carrots
- ◆ The longest recorded flight of a chicken was thirteen seconds.
- ◆ Dueling is legal in Paraguay as long as both parties are registered blood donors.
- ◆ Statistics show that the sharper the kitchen knife, the less likely you are to cut yourself.
- ◆ Studies show the single most common chronic disability nationwide is hearing loss.
- ◆ The first Ford cars had Dodge engines.
 - ◆ All porcupines float in water.
 - ◆ Rabbits can suffer from heat stroke.
 - ◆ New Jersey was once called Albania.
 - ◆ Pinocchio is Italian for "pine head."
 - ◆ Hacky-sack was invented in Turkey.
- ◆ If you stretch a standard Slinky out flat it measures 87 feet long.
- ◆ In every episode of Seinfeld there is a Superman somewhere.
- ◆ Giraffes have no vocal cords.
- ◆ Joe DiMaggio had more home runs than strikeouts during his career.
- ◆ Mr. Snuffleupagas' first name was Aloysius.
 - ◆ A cat has 32 muscles in each ear.
 - ◆ An ostrich's eye is bigger than its brain.
- ◆ The oldest word in the English language is "town"

