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Tax-Free Savings Accounts

Canadians need to save for many different purposes over their lifetimes. Reducing taxes on savings can help.

That's why the Government has introduced a new Tax-Free Savings Account (TFSA). It's the single most important personal savings vehicle since the introduction of the Registered Retirement Savings Plan (RRSP).

The TFSA will allow Canadians to set money aside in eligible investment vehicles and watch those savings grow tax-free throughout their lifetimes. TFSA savings can be used to purchase a new car, renovate a house, start a small business or take a family vacation.

Canadians from all income levels and all walks of life can benefit.

Benefits of Saving in a TFSA

Because capital gains and other investment income earned in a TFSA will not be taxed, a person contributing \$200 a month to a TFSA for 20 years will enjoy additional savings of \$11,045 compared to saving in an unregistered account.

A Flexible Account for a Lifetime of Savings

Not everyone is able to save each and every year.

Those who cannot contribute \$5,000 in a given year will be able to carry forward their unused contribution room to future years.

In addition, Canadians may want to use their savings and the full amount of withdrawals can be put back into the TFSA in the future.

Couples often save and plan together, so Canadians can contribute to their spouse's or common-law partner's TFSA, depending on the spouse's or partner's available room.

TFSA Versus Unregistered Savings



Notes: Combined federal and provincial tax savings based on a \$200 monthly contribution for 20 years and a 5.5 per cent rate of return. For unregistered savings, a 21 per cent average tax rate on investment income is assumed (based on 40 per cent interest, 30 per cent dividends and 30 per cent capital gains, and a middle-income earning account holder).

Courtesy of Ministry of Finance



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Changing Your Mortgage



There are times when a situation may call for you to change your mortgage. Who better to help you at this time than the person that helped you last time? When you move you need to redo your mortgage. But that's not the only time you should call your mortgage broker. Why should you call your mortgage broker? Why not just call the lender we had placed you with last time?

Your broker wants to make sure you are well informed and that you make the best decision for your situation. Mortgage professionals, get more mortgage related news than any other group. While your mortgage had been placed with a certain lender during your last transaction, there may be other reasons why it might be more advantageous to move to other lenders or there may be reasons for staying with the same institution.

Moving: *The most common reason* The house is too small, too big, too far, or not far enough. There is always a reason why you make the decision to move and it might not always happen when your mortgage is up for renewal. This means you might have to break your current mortgage, or blend it with the same lender.

Your broker will work with you to find the best solution and leave you with one less thing to worry about when you are packing boxes.

Refinancing: *Increasing your mortgage*

Refinancing can be a useful tool. If you dread the mail coming and bills seem to be piling up you may be able to use the equity in your home to work for you and consolidate your consumer debt.

Another option is to use the equity in your current home for investment,

and make the interest tax deductible.

Or it may be possible to use the equity in your current home for other reasons, such as a big family vacation, the cottage you've always wanted, or that condo in Florida you've been eyeing. The list of reasons can be long but your mortgage broker can help you in your unique situation.

Transfers: *Time for renewal at the end of your term*

Are you satisfied with your present lender, is it time to get you a new lender, has your current lender offered you the best rate possible? These are reasons to look at a transfer.

All of these topics are reasons to pick up the phone, or write us an email. We are, as always, your mortgage professionals for life.

Courtesy of Brad Nemes, Mortgage Agent Verico Capital Mortgages

The greatest compliment I can receive from my clients is the referral of your family and colleagues. I promise to treat anyone you refer with the greatest consideration. Thank you for your loyalty.

The Home Renovation Tax Credit

Home renovations are smart investments in the long term value of a home and also create economic activity by increasing the demand for labour, building materials and other goods. Renovations can also reduce energy consumption and the long-term cost of owning a home. To provide some \$3billion of much-needed fiscal stimulus and encourage investments in Canada's housing stock, Budget 2009 proposes to implement a temporary Home Renovation Tax Credit (HRTC). Here are some of the key points concerning the tax credit:

- ♦ Applies to eligible home renovation expenditures for work performed, or goods acquired, after January 27, 2009 and before February 1, 2010.
- ♦ The 15% credit may be claimed on the portion of eligible expenditures exceeding \$1,000 but not more than \$10,000 (the maximum credit is \$1,350)
- ♦ Properties eligible for the tax credit include houses, cottages and condominium units that are owned for personal use.
- ♦ Taxpayers can claim the HRTC when filing their 2009 tax return.
- ♦ Eligibility for the credit will be family based and family members can share the credit.

Examples of HRTC Eligible and Ineligible Expenditures

Eligible

- ♦ Renovating a kitchen, bathroom or basement
- ♦ New flooring
- ♦ Building an addition, deck, fence or retaining wall
- ♦ New furnace or water heater
- ♦ Laying sod

Ineligible

- ♦ Furniture and appliances
- ♦ Purchase of tools
- ♦ Carpet cleaning
- ♦ Maintenance contracts

For more Information:

- ♦ www.cra.gc.ca
- ♦ www.fin.gc.ca
- ♦ 1-800-O-Canada (622-6232)
- ♦ services-distribution@fin.gc.ca

Courtesy of the PMO



Understanding Mortgage Insurance

Mortgage insurance is often misunderstood. There are two types of insurance related to mortgages. The first type, mortgage loan insurance, protects the lender in case the borrower defaults, and the second type, similar to a life insurance policy, protects the homeowner and family by making mortgage payments if the homeowner becomes disabled and is unable to make payments. In the case of the death of the insured the mortgage is paid off in full.

Mortgage loan insurance is required by law when homebuyers make a down payment of less than 20% of the purchase price. Mortgage loan insurance helps protect lenders against mortgage default, and enables consumers to purchase homes with as little as 5% down payment — with interest rates comparable to those with a 20% down payment.

To obtain mortgage loan insurance, consumers pay an insurance premium. The premium payable is based on a percentage of the mortgage needed to complete the purchase of the home. The premium can be paid in a single lump sum or it can be added to your mortgage and included in your monthly payments.

The second type of mortgage insurance is mortgage payment protection for you, the homeowner, to help pay your mortgage in case of your death or disability. There are many types of mortgage payment protection insurance plans, available from any licensed insurance agent, and the monthly payment plans are based on your individual situation.

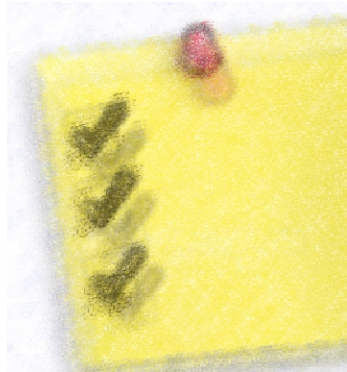
Give your mortgage broker a call if you need more information about mortgage insurance or about any other matters relating to a new or existing mortgage loan.



Spring Home Maintenance Checklist

Timing of the seasons varies not only from one area of Canada to another, but also from year to year in a given area. For this reason, we have not identified the months for each season. The maintenance schedule presented here, instead, is a general guide for you to follow. The actual timing is left for you to decide, and you may want to further divide the list of items for the season into months.

- ◆ After consulting your hot water tank owner's manual, carefully test the temperature and pressure relief valve to ensure it is not stuck. Caution: This test may release hot water that can cause burns.
- ◆ Check and clean or replace furnace air filters each month during the heating season. Ventilation system, for example heat recovery ventilator, filters should be checked every two months.
- ◆ Have fireplace or woodstove and chimney cleaned and serviced as needed. Shut down and clean furnace humidifier, and close the furnace humidifier damper on units with central air conditioning.
- ◆ Check air conditioning system and have serviced every two or three years.
- ◆ Clean or replace air conditioning filter (if applicable).
- ◆ Check dehumidifier and clean if necessary.
- ◆ Turn OFF gas furnace and fireplace pilot lights where possible.
- ◆ Have well water tested for quality. It is recommended that you test for bacteria every six months.
- ◆ Check smoke, carbon monoxide and security alarms and replace batteries.
- ◆ Clean windows, screens and hardware, and replace storm windows with screens. Check screens first and repair or replace if needed.
- ◆ Open valve to outside hose connection after all danger of frost has passed.
- ◆ Examine the foundation walls for cracks, leaks or signs of moisture, and repair as required. Repair and paint fences as necessary.
- ◆ Ensure sump pump is operating properly before the spring thaw sets in. Ensure discharge pipe is connected and allows water to drain away from the foundation.
- ◆ Re-level any exterior steps or decks which moved due to frost or settling.
- ◆ Check eavestroughs and downspouts for loose joints and secure attachment to your home, clear any obstructions, and ensure water flows away from your foundation.
- ◆ Clear all drainage ditches and culverts of debris.
- ◆ Undertake spring landscape maintenance and, if necessary, fertilize young trees.



Fun Food Facts



Lemons contain more sugar than strawberries

The onion is named after a Latin word meaning large pearl



Over 1,000 litres of beer are drunk in the House of Commons each week

Instant coffee has been in existence since the middle of the eighteenth century.

Half of the world's population live on a staple diet of rice

During a lifetime the average person eats about 35 tonnes of food

The founder of McDonald's has a Bachelor degree in Hamburgerology



In France, people eat approximately 500,000,000 snails per year

The first breakfast cereal ever produced was Shredded Wheat

There are about 100,000 bacteria in one litre of drinking water

The Word "Salary" Comes From "Salt"

Cream is lighter than milk



The dish chop-suey does not come from China. It was created by Chinese immigrants in California

Within 2 hours of standing in daylight, milk loses between half and two-thirds of its vitamin B content

A portion of the water you drink has already been drunk by someone else, maybe several times over

Bakers used to be fined if their loaves were under weight, so they used to add an extra loaf to every dozen, just in case -- hence, the expression "baker's dozen"

Peanuts are used in the manufacture of dynamite

It has been traditional to serve fish with a slice of lemon since the Middle Ages, when people believed that the fruit's juice would dissolve any bones accidentally swallowed



Do you want that cottage you saw?
Time to talk mortgages! Give us a call today!

Mushroom Pot Roast



Serves 4-6

Ingredients:

- 3 lb (1.5 kg) boneless [beef](#) cross [rib pot roast](#)
- 1/2 tsp (2 mL) each [salt](#) and [pepper](#)
- 2 tbsp (25 mL) [vegetable oil](#)
- 1 [onion](#), diced
- 2 each [carrots](#) and [stalks celery](#), sliced
- 3 [cloves garlic](#), minced
- 1 tsp (5 mL) each dried [marjoram](#) and [oregano](#)
- 4 cups (1 L) [button mushrooms](#), quartered
- 1/3 cup (75 mL) sodium-reduced [beef stock](#)
- 2 tbsp (25 mL) [tomato paste](#)
- 2 tsp (10 mL) [Worcestershire sauce](#)
- 3 tbsp (50 mL) [all-purpose flour](#)

Preparation:

Sprinkle beef with salt and pepper. In large skillet, heat half of the oil over medium-high heat; brown beef all over, adding more oil if necessary. Transfer to slow cooker.

Discard any fat from pan; add remaining oil. Cook onion, carrots, celery, garlic, marjoram and oregano over medium heat until softened, about 5 minutes. Add mushrooms; cook until tender, about 5 minutes. Scrape into slow cooker.

Stir in stock, scraping up brown bits; boil for 1 minute and pour into slow cooker. Add tomato paste and Worcestershire sauce; cover and cook on low for 5 to 7 hours or until beef is tender.

Transfer meat to cutting board; tent with foil and let stand for 15 minutes before thinly slicing across the grain.

Meanwhile, whisk flour with 1/4 cup (50 mL) water; whisk into slow cooker. Cover and cook on high for about 15 minutes or until thickened. Serve with beef.

Courtesy of Canadian Living