

## No Place Like Home

# Mortgage brokers can get you to the bank – and beyond

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**M**any people think the only worthwhile place to get a mortgage is a bank. And banks are great mortgage lenders. Even though their lending guidelines are strict, if you meet the criteria, why shouldn't you get your mortgage from one?

But you want the best rates and terms, don't you? Mortgage brokers deal with banks and with many other reputable lending institutions. And even if you choose to engage the services of a mortgage broker, you can still get your mortgage from a bank.

A broker can help you find you the best available mortgage because he or she has access to the lenders' best discounted rates. Mortgage brokers also know what specials each bank is offering at any given time, and that can save you the hassle of having to shop your mortgage around to multiple banks in a quest to find the best deal.

Now, if your application doesn't measure up to the lending guidelines of the bank, where do you go?

Some people think that if you have trouble qualifying at a bank, the only place you can go is to private lenders who will charge you high rates and exorbitant fees.

But that's not true. There are a growing number of alternative institutional lenders whose mandate is to serve customers with needs that aren't met by banks, and their mortgage products are usually rated at just a small premium above those of the banks.

Why would anyone want to consider getting a mortgage from any place other than a bank?

Banks are very strict when it comes to determining your maximum mortgage amount. But what if, based on your income,

you would like a larger mortgage than what a bank will allow?

Self-employed people often have a difficult time obtaining mortgage financing because they don't show a lot of personal income – for tax purposes, self-employed people usually retain much of their income in their businesses. What options are available? Many. As an example, one of my company's lenders has a program that will extend credit to self-employed applicants without any requirement for income verification and with as little as a five per cent down payment.

Have you ever been to the bank to apply for a mortgage during, or soon after, a financial hardship? Because of strict lending guidelines at the banks, this may not be a very simple task.

A couple who were having a difficult time qualifying for a mortgage at their bank recently came to me for help. They wanted to purchase a larger home for their growing family and had saved a considerable down payment. The couple was well on their way to recovering from a business loss – they were both employed in stable jobs. However, the wife hadn't yet re-established her credit after a consumer proposal (a consumer proposal is similar to a bankruptcy except that the debtor is responsible for paying a portion of his or her debt). We were able to help the couple obtain financing from an alternate lender at just a small premium above the banks' fully discounted rates.

A good mortgage broker will know which lending institution or institutions to take your application to and how to present your application to help you find the best available mortgage rate and terms.

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