

Paying for your new pad

▶ Metro's resident condo expert breaks down the different options for financing your new home

▶ Going through your bank vs. dealing with a mortgage broker

▶ And how first time buyers can improve their credit-worthiness

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When it comes to financing a home, you have the option of mortgaging through your bank or dealing with a mortgage broker.

The choice depends on your circumstances. You may feel comfortable with your bank and have all your finances under one roof.

Your personal banker can provide you with a full range of financial solutions and may tailor a mortgage solution for you that minimizes your borrowing costs.

The other avenue is to consult an independent mortgage consultant, or broker.

There are definite advantages to going with a broker for the first time buyer.

The mortgage broker negotiates directly with lenders on your behalf to obtain the best possible deal.

They may also have access to unique sources of financing not ordinarily available to you.

When choosing a mortgage broker, you should do your research and obtain recommendations

Watch your score

In addition to paying your bills on time, credit utilization has an effect on your credit score.

▶ Borrowers should avoid having credit cards and lines maxed-out, then "The picture looks like they can really manage their credit. They're not using all that's available to them and they are using some of it and paying it on a regular basis," says Jeffrey Schwartz, executive director of Consolidated Credit Counseling Services of Canada.

from friends and family.

Find out what deals they offer and if any conditions apply.

And remember that each time your credit history is accessed, it may lower your credit score.

According to Jeffrey Schwartz, executive director of Consolidated Credit Counseling Services of Canada, "This is another great reason why you should work with a broker, because a broker will do a lot of this advance work for you, so that you don't have to pull a credit report for each and every inquiry that you make."

How can a first time



▶ Do you know how you're going to get the keys to your new condo?

buyer improve their credit-worthiness prior to shopping for a mortgage?

Do some financial housecleaning

Schwartz recommends that you get your financial house in order before you apply for financing.

"One of the ways you do

that is to pull your own credit report to see what people are saying about you. Do your homework before, so that you know that when someone's looking at you for a mortgage, that you look as good as you possibly can. Dress yourself up."

Some people may turn

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to a mortgage broker if they are unable to obtain

financing from their bank, and are, as Schwartz explains, "on the fringe of being qualified for a loan so, their credit report may not look as good, and as a result they may have to go through somebody as a secondary lender, maybe not the primary schedule 'A' banks."