



Consider a Sunrise Credit Union Mortgage

Buying a home will likely be one of the most significant purchases of your life. When the time comes, it's essential to research your mortgage, so it is the right fit for you.

What would it cost to own this property?

Purchase Price: _____ Address: _____

Term: _____ Amortization : _____

Down Payment (%)	20%	10%	5%
Down Payment (\$)	_____	_____	_____
Default Insurance Premium (%)	N/A	3.1%	4.0%
Default Insurance Premium (\$)	N/A	_____	_____
Interest Rate	_____ %	_____ %	_____ %
Monthly Payment	\$ _____	\$ _____	\$ _____

***Monthly payment does not include property tax or utilities.**

Down Payment

Canada's National Housing Act keeps lenders from providing the entire amount of a home's market value, so you will need a cash down payment to cover part of the purchase price. The Act says a lender cannot usually provide more than 75 per cent of a home's market value unless the mortgage is insured by the Canada Mortgage and Housing Corporation (CMHC) or a private insurance company. With mortgage loan insurance, you can borrow up to 95 per cent of a home's value.

The amount and cost of a mortgage are strongly affected by how much of a down payment you make. It makes sense to put down as big a down payment as you can afford, but keep in mind that there are other costs involved in buying a home. Therefore, it is a good idea to have some cash in reserve.

Mortgage Basics

Mortgages can be intimidating and confusing, so here are some basics to help you understand how they work.

Financial institutions have mortgage products with an advertised Annual Percentage Rate (APR) or interest rate. Getting a low APR is an excellent start to an affordable mortgage, but it doesn't tell the whole story. There is a wide range of additional costs, including insurance, taxes, admin fees, and penalties.

You'll need to select a fixed-rate or variable rate. A fixed rate is when the interest rate is set and does not change over time. Therefore, the amount of each payment will stay the same for the entire term of your loan. A variable rate mortgage sees the interest rate change throughout the term of your mortgage – sometimes for the good and sometimes for the bad. Financial institutions base the rate change on an index, usually reflective of changes in the national economy or inflation rate. If that index changes, so do your rate and payment amount.

Consider your income, future, how long you plan to live in your home and risk tolerance before deciding which type of mortgage is right for you. No matter which mortgage you select, you can make your payments monthly, bi-weekly or weekly, whatever suits your life and your budget.

Amortization Schedule

Amortization is the total time it'll take you to pay off a mortgage, usually in years. The amortization schedule will show you how much each payment is towards interest and principal. The payment is the amount paid by the borrower during each set period (monthly, biweekly, weekly) that ensures that the loan is paid off in full with interest at the end of its term. A big chunk of your monthly payments goes towards interest at the start of the term. However, over time, more of your payment will go towards the principal than interest.

Name: _____ **Branch:** _____

Phone Number: _____ **Address:** _____

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