Kelley Keehn's Burn My Mortgage Tip Sheet

1. **Negotiate – yes you can!** The posted rates are rarely the actual rates you can get by simply asking. Consider that on a $250,000 mortgage, a 1% difference could save you $43,841.29 during the life of your mortgage*.

2. **Google the basics.** If you're not a financial wiz, no worries. But learn terms such as an amortization, fixed and variable terms. Be sure to check out your bank's website before your meeting. They likely have a list of definitions, useful articles and calculators.

3. **Buy now or later?** Remember all the costs involved in home ownership. You shouldn't spend more than 32% of your gross income and don't forget property taxes, insurance, closing costs, condo fees and more!

4. **Hold the rate!** If you're not quite ready to buy, call your banker. They'll often hold the current interest rate for up to 180 days.

5. **Fixed vs. variable – who has a crystal ball.**? Experts say that over the life of a mortgage, a variable rate will generally win. However, with rates at an all time low and ready to climb as early as this summer, you need to know your interest rate risk factor. If rates climbed even a couple of percentage points, your mortgage payment could nearly double. Could you handle an increase?

6. **The best of both worlds.** Many banks today offer a combination of a fixed rate mortgage with a portion set up as a line of credit that floats with prime.

7. **RRSP vs. paying down the mortgage – what's the best bet?** What about doing both! If you're a high income earner, an RRSP is hard to beat. But ensure you take the tax refund and apply it directly to your mortgage principal. Not only will you be saving for your retirement, taking advantage of a great tax break but you could save thousands of dollars on your mortgage and shave years off the length of it.

8. **Buy now or wait?** If you don't have at least 20% for a down payment, you will have to purchase CMHC insurance. Depending on the size of your mortgage, this could cost you thousands of dollars. Do some calculations and ask your banker if it's best to save up a little longer.

9. **Do it more often**. Paying bi-weekly or better yet, weekly, makes an extra payment a year that can add up to big bucks!

10. **To insure or not to insure.** Mortgage insurance is generally a pretty good idea and your bank may require it. The question is, should you purchase the insurance they offer or shop around for a private policy. The latter could be less costly and you have absolute control of who gets the amount at death.

** Based on a 5 year fixed, paid bi-weekly, a 25 year amortization and the difference between a steady 5% vs. 4% interest rate.*

For more information visit:
www.WNetwork.com/BurnMyMortgage
www.KelleyKeehn.com