The **MORTGAGE PROF.** ACADEMY

INFOCARD 0

CMHC HOMEBUYING COURSE

OVERVIEW	STEP 1 Is Homeownership Right for You?	STEP 2 Are You Financially Ready?	STEP 3 Financing Your Home	STEP 4 Finding the Right Home	STEP 5 Making an Offer & Closing the Deal	HOMEOWNER After You Buy

UNDERSTANDING CMHC

CANADA'S HOUSING AUTHORITY

CMHC SCHL

HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) is the Government of Canada's national housing agency. For over 80 years, CMHC has helped Canadians access housing by providing mortgage loan insurance, housing research, market intelligence, and educational resources.

WHAT CMHC DOES

SUPPORTS CANADA'S HOUSING SYSTEM
Helps maintain a stable, healthy housing finance system for all Canadians.

PUBLISHES TRUSTED HOUSING RESEARCH
Provides unbiased data, research and market intelligence to inform decisions.

PROVIDES MORTGAGE LOAN INSURANCE
Makes it possible for Canadians to buy a home with a down payment of less than 20%.

EDUCATES CANADIAN HOMEBUYERS
Offers tools, guides and resources to help you make informed, responsible decisions.

WORKS WITH LENDERS ACROSS CANADA
Partners with lenders to support safe and responsible mortgage lending.

CMHC DOES NOT...

SELL HOMES
CMHC does not sell or build homes.

LEND MONEY DIRECTLY TO MOST HOMEBUYERS
CMHC does not provide you with your mortgage.

CHOOSE YOUR MORTGAGE
CMHC does not choose your lender, mortgage product or terms.

SET MORTGAGE INTEREST RATES
CMHC does not set or control mortgage interest rates.

MORTGAGE PROF TIP

Think of CMHC as Canada's **housing educator and mortgage insurer.**
Their job is to make Canada's housing finance system stronger—not to sell mortgages.

THIS COURSE:

Following CMHC's excellent guide, we will walk through the homebuying journey step by step.

- **STEP 1** Is Homeownership Right for You?
- **STEP 2** Are You Financially Ready?
- **STEP 3** Financing Your Home
- **STEP 4** Finding the Right Home
- **STEP 5** Making an Offer & Closing the Deal
- **AFTER YOU BUY** Maintaining Your Home & Protecting Your Investment

SOURCES:
CMHC Homebuying Step by Step
cmhc.ca

FCAC
(canada.ca)

Canada
Government of Canada

STEP 1
Is Homeownership Right for You?

Buying a home is one of the biggest financial decisions you'll ever make. Consider your financial situation, lifestyle needs, and long-term goals before purchasing.

Source: CMHC Homebuying Step by Step

THINK ABOUT:

- Where you are in life
- Your lifestyle and future plans
- The true cost of owning a home
- How long you plan to stay

THE THREE COSTS OF HOMEOWNERSHIP

1. UPFRONT COSTS

- Down payment
- Closing costs (legal, appraisal, insurance, etc.)
- Land transfer tax (varies by province/municipality)
- Moving costs
- Utility connection fees & &djustments
- Home inspection

2. ONGOING COSTS

- Mortgage payment (principal & interest)
- Property taxes
- Home insurance
- Utilities (heat, hydro, water, etc.)
- Maintenance & repairs
- Condo fees (if applicable)
- Other regular expenses

3. MAJOR REPAIRS

- Roof
- Furnace/Heating system
- Foundation
- Windows
- Plumbing/Electrical
- Other major items over time

MORTGAGE PROF TIP

Homeownership is a lifestyle decision as much as a financial one.

Ask yourself:

Can you comfortably own the home for the next 10 years?

COMMON MISTAKE

Buyers often focus only on the mortgage payment.

Remember to include:

- Property taxes
- Home insurance
- Utilities
- Maintenance & repairs
- Emergency fund

ASK YOUR MORTGAGE PROFESSIONAL

"Based on my income and lifestyle, what monthly housing payment would leave me financially comfortable—not just mortgage approved?"

KEY TAKEAWAY

A home can build memories and financial security.
Make sure it fits your life today—and your goals tomorrow.

SOURCES:
CMHC Homebuying Step by Step
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CMHC HOMEBUYING COURSE

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Understanding CMHC	Is Homeownership Right for You?	Are You Financially Ready?	Financing Your Home	Finding the Right Home	Making an Offer & Closing the Deal	After You Buy

STEP 2
Are You Financially Ready to Own a Home?

Before you start house hunting, it's important to know how much home you can afford and what you'll need to save.

Source: CMHC Homebuying Step by Step

KEY IDEA

Lenders look at your ability to manage housing costs along with your other debts and living expenses.

It's not just about how much house you want—it's about what you can afford comfortably.

HOW LENDERS CHECK AFFORDABILITY

INCOME
Your gross (before tax) household income

↓

HOUSING COSTS (GDS)
What you pay for shelter (mortgage, taxes, heat, etc.)

↓

TOTAL DEBTS (TDS)
All housing costs PLUS other monthly debt payments

↓

LIFESTYLE & SAVINGS
Daily living expenses and emergency savings

↓

AFFORDABLE HOME
A home that fits your budget and your life

GROSS DEBT SERVICE (GDS)

Housing costs as a % of your gross income.

Max **39%***

Includes:

- Mortgage (principal, interest, heat)
- Property taxes
- Condo/strata fees (if applicable)
- Home insurance

TOTAL DEBT SERVICE (TDS)

All debt payments as a % of your gross income.

Max **44%***

Includes GDS PLUS:

- Car loans / leases
- Credit card payments
- Line of credit payments
- Student loans
- Other monthly debts

THE STRESS TEST

To make sure you can handle higher rates, lenders qualify you at the higher of:

- The contract rate + 2.0% OR
- The Bank of Canada **5-year benchmark rate**

This helps protect you if interest rates rise.

*Insured mortgages: GDS up to 39% and TDS up to 44%. Uninsured (20%+ down): lower limits may apply.

MORTGAGE PROF TIP

Run your numbers before you shop! Use CMHC's What Can I Afford calculator at **cmhc.ca** and build a **monthly budget.**

A house you can afford today should still fit your life tomorrow.

COMMON MISTAKES

Focusing only on the mortgage payment.

- ✗ Forgetting property taxes, heat, insurance and condo fees.
- ✗ Ignoring other debts and minimum credit card payments.
- ✗ Not having an emergency fund.
- ✗ Stretching your budget too thin.

ASK YOUR MORTGAGE PROFESSIONAL

- What is the right monthly housing payment for me?
- How much can I afford based on **my income and debts?**
- How will the stress test affect my approval?
- What should I do to strengthen my application?

KEY TAKEAWAY

Know your numbers, understand the rules, and plan for more than just the mortgage payment. Financial readiness today leads to homeownership success.

SOURCES
CMHC Homebuying Step by Step
cmhc.ca

FCAC (canada.ca)

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INFOCARD 3

CMHC HOMEBUYING COURSE

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STEP 3
Financing Your Home

A mortgage is a loan used to buy a home. You repay it over time with regular payments that include principal (the amount you borrowed) and interest.

Source: CMHC Homebuying Step by Step

KEY IDEA

Understand the basics of how mortgages work so you can choose the right mortgage for your needs and budget.

THE MORTGAGE BASICS

TERM
Length of time your mortgage contract is in place. Common terms: 6 months, 1, 2, 3, 4, 5 or 10 years.

AMORTIZATION
Total length of time it will take to pay off your mortgage. Common amortizations: 15, 20, 25 or 30 years.

PAYMENTS
Usually made monthly, but you can choose accelerated options (bi-weekly, weekly) to pay off your mortgage faster.

PRINCIPAL & INTEREST
Each payment is made up of principal (reduces your loan balance) and interest (the cost of borrowing).

PRE-APPROVAL
A lender reviews your financial situation and tells you how much you may be able to borrow. Not a guarantee.

TYPES OF MORTGAGES

OPEN vs CLOSED
- **Open:** Pay off any amount any time without a penalty.
- **Closed:** Lower interest rate, but limited prepayments.

FIXED vs VARIABLE
- **Fixed:** Your rate and payment stay the same.
- **Variable:** Your rate and payment can change with the market.

PORTABLE
Take your mortgage with you when you move to a new home (subject to lender rules).

ASSUMABLE
A buyer can take over your mortgage when you sell your home (if allowed).

PREPAYMENT OPTIONS
Make lump sum prepayments or increase your regular payments to pay off faster.

CONVENTIONAL vs INSURED

CONVENTIONAL MORTGAGE
Down payment of 20% or more.
No mortgage loan insurance required.

INSURED MORTGAGE
Down payment of less than 20%. Mortgage loan insurance is usually required (provided by CMHC, Sagen or Canada Guaranty).

It protects the lender—not the homeowner.

GOOD TO KNOW
Mortgage loan insurance helps make homeownership possible with a smaller down payment.

MORTGAGE PROF TIP
Focus on the total cost of borrowing, not just the interest rate.

Compare:
- ✓ Interest rate
- ✓ Prepayment privileges
- ✓ Flexibility
- ✓ Portability
- ✓ Penalties

COMMON MISTAKES
Choosing the lowest rate without considering flexibility.
- ✗ Ignoring prepayment limits and penalties.
- ✗ Not understanding the difference between term and amortization.
- ✗ Assuming pre-approval is a guarantee.

ASK YOUR MORTGAGE PROFESSIONAL
- What mortgage type best fits my needs?
- What will my monthly payment be?
- What prepayment options do I have?
- Are there penalties for breaking my mortgage early?
- How does this compare to other options available to me?

KEY TAKEAWAY
Understanding mortgage basics empowers you to choose the right mortgage and save thousands of dollars over the life of your loan.

SOURCES:
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STEP 4
Finding the Right Home

Finding the right home is about more than just the property. It's about location, lifestyle, needs today and tomorrow, and protecting your investment.

Source: CMHC Homebuying Step by Step

KEY IDEA

Take the time to research, compare, and visit homes. The more informed you are, the better decision you'll make.

WHAT TO CONSIDER

LOCATION
Proximity to work, transit, schools, amenities, shopping, healthcare, and places you enjoy.

LIFESTYLE
Does the neighbourhood fit your lifestyle and daily routine?

HOME FEATURES
Size, layout, number of bedrooms and bathrooms, storage, outdoor space, parking, and condition.

FUTURE NEEDS
Will this home work for you in 5, 10, or 20 years? Consider family, aging, and work-from-home needs.

VALUE & MARKET
Compare prices, days on market, and future growth potential.

YOUR HOME SEARCH PLAN

DEFINE YOUR MUST-HAVES
Make a list of your non-negotiables.

SET YOUR PRIORITIES
Rank what's most important vs. what's nice to have.

RESEARCH NEIGHBOURHOODS
Look at safety, community, schools, amenities, and future development.

VISIT & COMPARE
Visit multiple homes. Take notes, photos, and measurements.

GET PROFESSIONAL ADVICE
Your Realtor® and Mortgage Professional are valuable resources.

Don't rush.
The right home is worth the search.

HOME INSPECTION MATTERS

A home inspection can help identify potential issues before you buy.

It can uncover:

- Structural defects
- Roofing problems
- Electrical or plumbing issues
- Heating/cooling concerns
- Safety hazards

Benefits:

- ✓ Helps you budget for repairs
- ✓ Strengthens your negotiation
- ✓ Gives you peace of mind

MORTGAGE PROF TIP

Focus on the total cost of the home, not just the purchase price.

Remember to include:

- ✓ Property taxes
- ✓ Home insurance
- ✓ Utilities
- ✓ Maintenance & repairs
- ✓ Condo fees (if applicable)
- ✓ Commuting costs

COMMON MISTAKES

Falling in love before checking the budget.
- ✗ Ignoring future needs and resale value.
- ✗ Skipping the home inspection.
- ✗ Overlooking neighbourhood research.
- ✗ Focusing only on cosmetic upgrades.
- ✗ Not factoring in all ongoing costs.

ASK YOUR MORTGAGE PROFESSIONAL

- What neighbourhoods fit my budget and lifestyle?
- What type of home is best for my situation today and in the future?
- What ongoing costs should I plan for?
- How can I protect my investment over the long term?

KEY TAKEAWAY

The right home supports your lifestyle, meets your needs, and helps you build financial security for the future.

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INFOCARD 5

CMHC HOMEBUYING COURSE

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STEP 5
Making an Offer and Closing the Deal

You've found the right home—now it's time to make your offer and close the deal. This is the final step before you get the keys and become a homeowner!

Source: CMHC Homebuying Step by Step

KEY IDEA

Stay informed, work with your team, and pay attention to details. A smooth closing helps ensure you start your homeownership journey with confidence.

1. MAKING AN OFFER

DETERMINE YOUR OFFER PRICE
Based on market value, condition of the home, and your budget.

INCLUDE CONDITIONS
Common conditions protect you, such as financing, home inspection, and sale of your current home.

SET AN EXPIRY DATE
Gives the seller a deadline to respond to your offer.

NEGOTIATE
There may be counter-offers. Your Realtor® will guide you through negotiations.

Mortgage Prof Tip
Strong conditions and a fair offer price create a win-win for both you and the seller.

2. GETTING APPROVAL

FINALIZE YOUR MORTGAGE
Your lender will review your information and the property details.

LENDER APPROVAL
Once conditions are met, you'll receive final mortgage approval.

APPRAISAL
The lender confirms the property value to protect their investment.

MORTGAGE INSURANCE
If your down payment is less than 20%, CMHC or another insurer will provide loan insurance.

Mortgage Prof Tip
Respond quickly to your lender's requests to keep the process on track.

3. CLOSING THE DEAL

MEET YOUR LAWYER
Your lawyer will conduct a title search and prepare the legal documents.

REVIEW AND SIGN DOCUMENTS
You'll sign documents to transfer ownership and secure your mortgage.

PAY YOUR CLOSING COSTS
This includes legal fees, land transfer tax, and other applicable costs.

FUNDS ARE TRANSFERRED
Your lender provides the mortgage funds to your lawyer.

GET THE KEYS!
Ownership is transferred and your journey as a homeowner begins.

Mortgage Prof Tip
Do a final walkthrough of the home before you take possession.

WHAT'S INCLUDED IN CLOSING COSTS?

- ✓ Legal fees
- ✓ Land transfer tax
- ✓ Disbursements
- ✓ Title insurance (optional)
- ✓ Home inspection
- ✓ Appraisal fee
- ✓ Prepaid property taxes
- ✓ Mortgage insurance premium (if applicable)

COMMON MISTAKES

- ✗ Waiving important conditions.
- ✗ Not understanding closing costs.
- ✗ Making large purchases or changing jobs before closing.
- ✗ Missing deadlines or document requests.
- ✗ Not doing a final walkthrough.

ASK YOUR MORTGAGE PROFESSIONAL

- What is a fair offer price for this market?
- What conditions should I include in my offer?
- How much money will I need at closing?
- What happens between firm approval and closing?
- How can I prepare for a smooth closing?

KEY TAKEAWAY

A successful closing is the result of preparation, teamwork, and attention to detail. When all the pieces come together, you'll be ready to get the keys to your new home!

EDUCATIONAL PURPOSES ONLY
This content is general information only and is not intended as financial, legal or tax advice.

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HOMEOWNER AFTER YOU BUY

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AFTER YOU BUY

Maintaining Your Home and Protecting Your Investment

Homeownership is a long-term commitment. Regular maintenance, smart financial decisions, and the right protection help preserve your home's value and your peace of mind.

Source: CMHC Homebuying Step by Step

KEY IDEA

Take care of your home,
stay on top of your finances,
and protect what matters most.

Good habits today lead to financial security tomorrow.

1. MAINTAIN YOUR HOME

- ✓ Create a maintenance schedule.
- ✓ Inspect regularly (roof, heating, plumbing, electrical, etc.).
- ✓ Keep records of repairs and warranties.
- ✓ Address small issues before they become big problems.

Mortgage Prof Tip

A well-maintained home protects your comfort, safety, and value.

2. PROTECT YOUR HOME AND FAMILY

- ✓ Keep adequate home insurance.
- ✓ Consider mortgage life and disability insurance.
- ✓ Review coverage annually.
- ✓ Update your will and estate plans.

Mortgage Prof Tip

Insurance protects your home, your loved ones, and your financial future.

3. MANAGE YOUR FINANCES

- ✓ Make mortgage payments on time.
- ✓ Consider prepaying within your options.
- ✓ Review your budget regularly.
- ✓ Build an emergency fund (3–6 months of expenses).

Mortgage Prof Tip

Smart money habits today can save you thousands tomorrow.

4. BUILD YOUR HOME EQUITY

- ✓ Pay down your mortgage faster when possible.
- ✓ Avoid unnecessary debt.
- ✓ Increase the value of your home with upgrades that add value.
- ✓ Equity can help fund future goals.

Mortgage Prof Tip

Home equity is one of your greatest financial assets—use it wisely.

5. PLAN FOR THE FUTURE

- ✓ Review your mortgage at renewal time.
- ✓ Explore better rates or features.
- ✓ Plan for life changes (job change, family growth, retirement).
- ✓ Stay informed about your options.

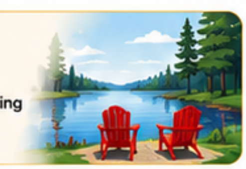
Mortgage Prof Tip

Reviewing your mortgage regularly keeps you in control and can save you money.

GOOD TO KNOW

Your mortgage journey doesn't end on closing day. The right habits and reviews over time help you:

- Protect your investment
- Build long-term wealth
- Enjoy peace of mind
- Support your lifestyle and goals
- Leave a lasting legacy



"The best investment on Earth is earth." – Louis Glickman

Home is more than a place. It's where your story continues.

SOURCES
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