Refinancing Options and Debt Consolidation

It is possible to refinance up 80% of your home's value without needing CMHC!

Many clients have been taking advantage of the available lender refinance program, thanks to the major appreciation in housing prices during the past 7 years. Even though most people would not wish to refinance their home in order to pay off debts like credit cards and lines of credit or a vehicle loan; this option might make a great deal of sense for some individuals. It is a good idea to review this option a little more carefully. Below is a short checklist:

â€¢ Do you wish to have more funds available to purchase stocks and bonds or make additional investments?

â€¢ Are your creditors charging interest rates that are higher than the current mortgage rates?

â€¢ Are you finding that you are only capable of making minimum monthly payments? Are you stressed out from making as many as 4 or 5 multiple payments each and every month?

If you have answered yes to any of these questions, it might be a good idea to discuss your ability to take out equity for reasons like debt consolidation, renovations, combining mortgages, and asset management. It is important to discuss your options with someone who is qualified and whom you trust. Make an appointment with a consultant in order to have these loan options explained to you in greater detail. All cases are different and it is imperative that you understand your specific situation so that you can make the most informed choice for you and your family.

If your initial mortgage was insured, remember that you only pay the insurance premium on the new funds borrowed.

Requirements for Re-financing include:

Acceptable Loan Purchase:

â€¢ This program does not include mortgages for default management purposes. It is possible to make multiple advances to a maximum of 2.

â€¢ The purpose of refinancing may include: purchases on investments, renovations, asset enhancement, debt consolidations, and combining 1st and 2nd mortgages.

Eligible Properties

â€¢ Owner occupied properties include: investing properties and secondary homes with a max of 2 units.

â€¢ Existing properties but not for new construction; the max is 4 units with at least 1 of these units are to be occupied as the principle residence.

Loan-to-Value Ratios

The loan-to-value ratios or LTV represents the relationship between the actual property value and the balance of the mortgage. If you have a $75,000 loan and the property is valued at $125,000, you will have a 60% LTV. This is determined by dividing $75,000 from $125,000 = 60%. The maximum LTV for this particular program is a 80% loan-to-value ratio.

Options for Amortization

This mortgage option is currently available on extended amortizations up to 30 years.