

That low-rate mortgage could actually cost you more.

Cheapest is not always best. We know that's true when we're shopping for anything else. But we still tend to believe that lowest rate is the one and only factor in choosing a mortgage. Most Canadian homeowners would be shocked to discover that their low-rate mortgage could actually cost them more in the long run.

Why? Because the right mortgage is about a lot more than just rate.

It's true that even a small reduction in rate can mean interest savings over the life of your mortgage. And mortgage brokers are experts at seeking out competitive rates from a wide range of lenders. But they also look deeper. Sometimes those cut-rate mortgages come with higher fees, penalties, or restrictive terms, which could prove more costly over the long term than a slightly higher-rate mortgage with flexible terms.

One of the best ways to save interest, for example, is to use pre-payment options. If you get a quarterly bonus, a tax refund, or a seasonal income boost, then you have some excellent opportunities to slash your mortgage costs. Putting extra money against your mortgage principal could save you thousands of dollars in interest. If your cut-rate mortgage doesn't permit pre-payments, that's a huge missed opportunity.

Also watch for low-rate "teasers": cut-rate mortgages with a short timeline. Sometimes a lender will offer a rate that is good for just 30 days, after which the rate will jump. If closing takes a little longer, or there's a glitch in documentation, then you need to be prepared with a backup plan. These teasers can be stressful – and not always the best deal anyway.

An accredited independent mortgage broker will determine the features and privileges that best meet your personal situation, looking at:

- Refinancing penalties
- Fixed vs variable rate
- Term
- Pre-payment options
- Payment flexibility
- Restrictions
- Fees
- Portability
- Assumability

Most people spend more time choosing the right car than choosing the right mortgage, although it's likely the largest expense they'll likely ever undertake.

Make sure you have a mortgage that is custom-built for your personal situation. Cheapest isn't always best. And obviously the most expensive mortgage is rarely the best choice either. But the right combination of rate and features – matched to your needs – is the fastest route to mortgage freedom. It's your mortgage broker's job to help you with that route-planning: a map for your financial future.

Whether you're buying your first home, getting ready for renewal, refinancing a mortgage, taking out some equity for debt consolidation, renovations, or investing – it's a good time to get some fresh, timely, expert perspective.

Serving the Waterloo Region, Guelph and Milton

LOOKING FOR A MORTGAGE...CALL ME TODAY!

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