

SAVE THAT MONEY

Financial Literacy Month is here! We want to help educate Canadians about their finances and empower them to save money for the future.



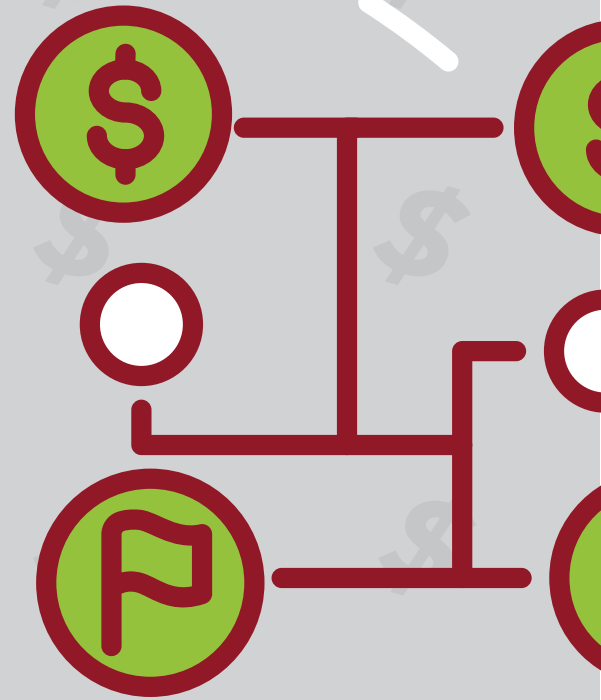
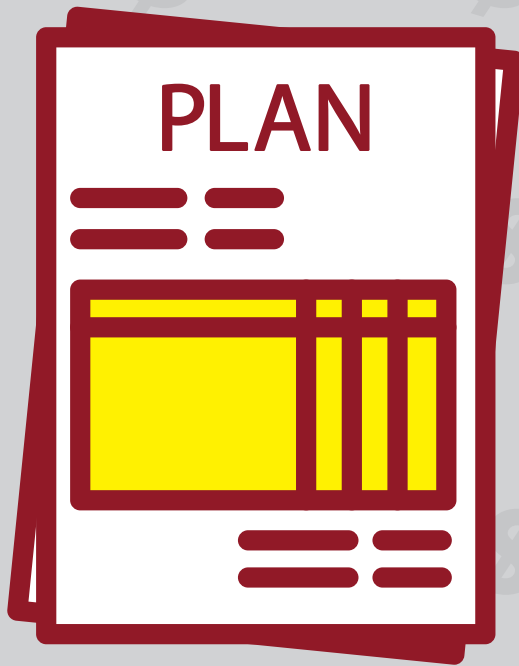
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DID YOU KNOW?

The average Canadian now owes \$1.77 for every dollar they spend!

Being aware of your finances and having a clear plan helps you put money away and be better positioned for larger purchases like a new car or your first home.



FINANCIAL VALUES ASSESSMENT

Your financial values are your compass to being comfortable with your money. Defining these at the start of this workbook will help direct you towards what you actually need to benefit your current situation. These questions are aimed to help you define what your top financial values are.



1. Who's the person you admire most, that has made smart financial choices?

2. If you could be knowledgeable on one financial topic instantly, what would it be?

3. What financial topic causes you to zone-out and not pay attention?

4. What are three things you enjoy spending your money on?

5. If you could pass down one financial tip to your children, what would it be?

6. What causes you anxiety when you think about personal finance?

7. When talking with friends, what topics arise regarding money or finances?

HABIT ASSESSMENT

The magic comes from becoming the person you want to be in order to obtain your financial goals. Use this exercise below to figure out what actions you need to take to achieve what you want.

GOAL: (EXAMPLE) BE DEBT FREE BY THE END OF 2021

GENERAL DESCRIPTION OF WHO I NEED TO BECOME:

--

NEW HABITS, DISCIPLINES OR BEHAVIORS I NEED TO START

--

EXISTING HEALTHY HABITS, DISCIPLINES OR BEHAVIORS I NEED TO EXPAND

--

POOR HABITS OR BEHAVIORS I NEED TO STOP

--

TOP THREE MODIFICATIONS AND HOW I WILL IMPLEMENT IT INTO MY DAILY ROUTINE:

HABIT, BEHAVIOR OR DISCIPLINE

IMPLEMENTATION IN ROUTINE

HABIT, BEHAVIOR OR DISCIPLINE	IMPLEMENTATION IN ROUTINE

CURRENT HOUSEHOLD BUDGET

DETAILS	Average Monthly Payment
CURRENT HOUSING EXPENSES	
Rent	\$
Electricity (if paid separately)	\$
Heating costs (if paid separately)	\$
Water (if paid separately)	\$
Maintenance/Repair	\$
Parking fees (if paid separately)	\$
CURRENT NON-HOUSING EXPENSES	
Cable TV/Satellite/Media Subscriptions	\$
Car fuel	\$
Car insurance and license	\$
Car repairs and service	\$
Charitable donations	\$
Child care	\$
Child support/Alimony	\$
Clothing	\$
Content insurance	\$
Dental, medical expenses, prescriptions, eye wear	\$
Entertainment/Recreation (including dining out)	\$
Furnishings	\$
Groceries	\$
Internet	\$
Life insurance	\$
Newspapers, magazines, books	\$
Personal items	\$
Savings (bank account, RRSP's, etc.)	\$
Telephone/Cell phone	\$
Other expenses	\$
Total Monthly Expenses	\$

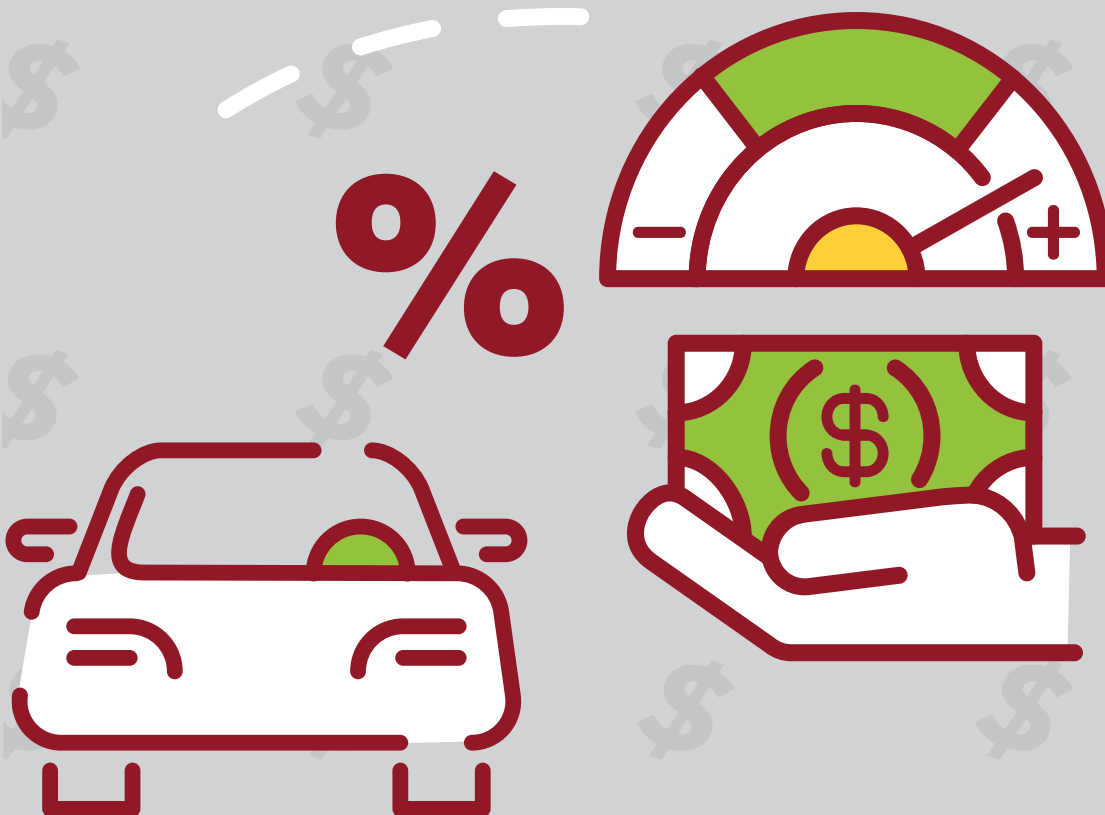
Note: You may have other costs not shown on this worksheet. Make sure you add these other items when you fill out this form.

MONTHLY DEBT PAYMENTS

MONTHLY DEBT PAYMENTS	Average Monthly Payment
Loans for properties you own	\$
Car loans or leases	\$
Personal loans or lines of credit	\$
Credit cards	\$
Student loans	\$
Other loans	\$
Total Monthly Debt Payments (Add up all the above costs)	\$

DID YOU KNOW?

1 in 6 Canadians say their monthly spending exceeds their income!



IS HOMEOWNERSHIP RIGHT FOR YOU?

Buying a home is one of the biggest financial decisions you'll ever make, so prepare yourself to make an informed choice. It is important to understand what to look for when buying a home, and making sure you're ready.

HERE ARE SOME THINGS TO CONSIDER:

Financial Security

If housing prices rise, your home can provide you with some financial security due to gaining equity.

Stability

Having a place of your own

Financial Stress

Coming up with the down payment, meeting regular mortgage payments and other ongoing costs will tie up a lot of your cash, and can put considerable stress on your finances.

Maintenance

Keeping your home in good shape requires time and money.

Responsibility

You alone are responsible for payments, repairs and maintenance.

Flexibility

You can decorate or renovate your home to meet your family's tastes and needs.



Advantages of Renting

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Disadvantages of Renting

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Advantages of Buying

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Disadvantages of Buying

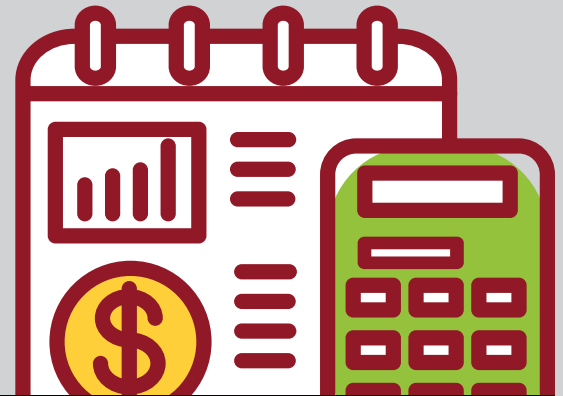
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Here are some questions to consider:

- | | | | |
|---|--|--------------------------|--------------------------|
| 1 | Are you certain you will not move to a new community in the near future? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Do you expect your income to change in the near future? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Can you handle the financial responsibility of a mortgage? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Do you want to have the responsibility of taking care of home repairs and maintenance? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | Based on your assessment of advantages and disadvantages, and your answers to the questions, is buying a home the best choice for you? | <input type="checkbox"/> | <input type="checkbox"/> |

ARE YOU FINANCIALLY READY?

So, you've decided that homeownership is right for you. Now you need to determine if you are financially ready to buy a house. In this Step, you will find a number of simple calculations that you can do to evaluate your current financial situation, how much house you can afford and the maximum home price that you should be considering.



ASSETS

Value of any property you currently own	\$
Value of vehicles you currently own	\$
Amount in savings, chequing, and other bank accounts	\$
Savings certificates, Bonds, etc.	\$
RRSP funds you can use for down payment	\$
Other RRSP funds	\$
Investments, stocks, GIC's, Mutual Funds, etc.	\$
Other Assets	\$
Total Assets	\$

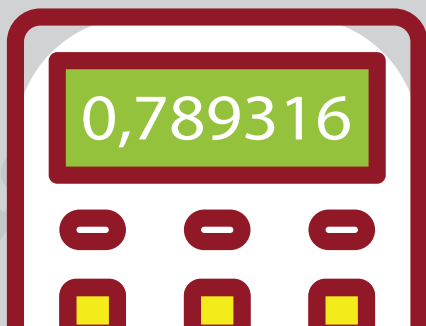
LIABILITIES

Any loans for property you currently own	\$
Car Loans	\$
Personal Loans or Lines of Credit	\$
Credit Cards	\$
Student Loans	\$
Other Debts	\$
Total Liabilities	\$
NET WORTH (Total Assets minus Total Liabilities)	\$

TEST YOURSELF

To avoid any future surprises, you can do some financial exercises to see where you stand. They include calculating your net worth, determining your current monthly expenses and what your current monthly debt payments are.

Knowing your net worth is important because this info will be helpful when you start to look at buying a home. When you go to talk with a mortgage broker they will ask you these questions and it's good to be prepared. Your net worth is the amount left over once you've subtracted your total liabilities from your total assets. It will also give you a snapshot of your current financial situation and show you how much you can afford to put as a down payment.



YOUR PERSONAL FINANCIAL TEAM

The Mortgage Professional

More and more consumers are discovering the benefits of utilizing the services of a professional Mortgage Broker to help them secure financing for their homes. Why is this? It is simple really. The banks are filled with a lot of great people who are knowledgeable, friendly and do good jobs. The challenge is that they are employees of the bank. That means that their first responsibility is to look out for the best interest of their employer. It also means that they can only offer you a single line up of products. With a Mortgage Broker, they have access to many different lenders, some that are simply not available to the consumer except through the services of a mortgage broker. This means that you, as my customer, have greater choice and can truly customize your home financing. It also means that generally they have access to lower rates. More choices and better rates results in the best solution for you!

Do you have to pay me for their service? Mortgage brokers usually get paid by the lender so our service to you is offered without charge. In some rare cases, however there may be a broker fee, but if that ever happens your Mortgage Broker will always explain that to you upfront so that you can make an informed decision.

Real Estate Agent

A Realtor® is an integral part of your homeownership experience. Their job is to find you a home, write the contracts, negotiate on your behalf, and to provide you with important information about the home and the community. They can provide you with details that would take you hours of research, or you may not have access too, and can help you make an informed decision about your purchase.

When the time comes to select a Real Estate Agent, do not be afraid to ask questions, especially about any possible service charges. Usually, the seller pays a commission to the agent, but in some cases, there might be charges incurred to a buyer.

The Lawyer/Notary

You need a real estate lawyer or a notary to protect your legal interests, such as ensuring the property you are thinking of buying does not have any building or statutory liens or charges or work or clean up orders associated with it. They will review all contracts before you sign them, especially the Offer (or Agreement) to Purchase. Having a real estate lawyer/notary involved in the process will give you peace of mind and ensure that things go as smoothly as possible. Law associations can refer you to lawyers who specialize in real estate law. In Quebec, contact the Chambre des notaires du Québec for the names of notaries specializing in real estate law.

Lawyer/notary fees depend on the complexity of the transaction and their experience. For instance, if you are buying a condominium, you will want a lawyer/notary experienced in condominium transactions.

Remember that a lawyer/notary:

- Should be a licensed full-time lawyer/notary.
- Should be local and understand real estate laws, regulations and restrictions.
- Should have realistic and acceptable fees.
- Should be able and willing to explain things in plain language.
- Should be experienced with condominiums (If you are purchasing a condominium).

The Insurance Broker

An insurance broker can help you with your insurance needs, including property insurance and mortgage life insurance. Lenders insist on property insurance because your property is their security for your loan. Property insurance covers the replacement cost of your home, so premiums may vary depending on its value.

We also recommend that you consider obtaining mortgage life insurance. This provides coverage for your family if you die before your mortgage is paid off. All Mortgage Brokers, can offer you the benefit of Mortgage Protection Plan offered through Manulife Financial. They also have disability insurance available

in the event that you are injured and as a result cannot meet your mortgage payment obligations. If you are interested in finding out more information on MPP, please do not hesitate to ask.

Be careful not to confuse property or life insurance with mortgage loan insurance, which may be required for high-ratio mortgages.

The Home Inspector

You should consider having any home you are thinking of buying—whether it is a resale home or a brand-new home—inspected by a knowledgeable and professional inspector. An inspection by a home inspector is a visual inspection.

The home inspector's role is to inform you about the property's condition. The home inspector will tell you if something is not functioning properly, needs to be changed or is unsafe. You will also be informed of repairs that need to be made and maybe even where there may have been problems in the past.

Every inspection should include a visual assessment of at least the following:

- Foundation
- Insulation (where visible)
- Doors and windows
- Ventilation
- Roof and exterior walls
- Attics
- Any other buildings such as a detached garage
- Plumbing and electrical systems (visible)
- The lot, including drainage, slopes and vegetation
- Heating and air conditioning systems
- Overall opinion of structural integrity of the buildings
- Ceilings, walls and floors

Home inspector fees are generally in the \$500 range and depend on the size and condition of the home. There is presently no mandatory certification and no legislated requirements for home inspectors to take any courses or to have passed any tests. Anyone can say that they are a home inspector. However, a good home and property inspector generally belongs to a provincial or industry association.

The Appraiser

Having an independent appraisal done on a property before you make an offer is a good idea. It will tell you what the property is worth and help ensure that you are not paying too much. Your lender can also request for a recognized appraisal to complete a mortgage loan. The appraisal should include an unbiased assessment of the property's physical and functional characteristics, an analysis of recent comparable sales and an assessment of current market conditions affecting the property.

Appraisal fees may vary but you should pay around \$500 in most areas for a typical single-family house.

The Land Surveyor

If the seller does not have a Survey or Certificate of Location, you will probably need to get one for your mortgage application. If the Survey in the seller's possession is older than five years, it will likely need to be updated. Remember that you must have permission from the property owner before hiring a surveyor to go onto the property.

The Builder/Contractor

If you are buying a newly constructed home, you will have to hire a builder or contractor. If the house you are buying needs renovations, you may also require a builder or contractor.

On a final note, make sure your contract is as specific as possible about construction details, right down to the brand name or model number of any finishes. Make sure that you initial any changes to your contract.