



# Before you buy!

Being informed and prepared makes your home buying experience comfortable.

## Pre-approval

Knowing how much you can afford to spend on a home and finding the right way to finance it, are two of the easiest ways to increase the comfort of home ownership. Before falling in love with a potential new home, you may want to obtain a pre-approval. This will help you stay within your price range and spend your time wisely looking at homes you can reasonably afford. The pre-approval meeting is the time to find out about different mortgage products that are available to suit your particular needs. First-time buyers may want to ask about special programs such as the "5% down payment options" and the federal government's "RSP Home Buyers' Plan. Once the mortgage is pre-approved, TD Canada Trust commits to the interest rate for 120 days with no obligation. You can shop with confidence, knowing how much you can spend for the home of your choice.

## Making an Offer to Purchase

Once you've found your new home, it's time to finalize the deal. This can be one of the most emotional times within the home buying process, as you will make an Offer to Purchase

or Agreement of Purchase and Sale which will bring you closer to owning a home. The Offer to Purchase is the official document that outlines the agreement between the seller and buyer of a property. It contains the particulars of the transaction such as the purchase price, deposit, conditions, date of closing etc.

### What the Agreement will typically include, among other details:

- The purchase price
- A list of items (chattels) included in the sale

**Chattels:** Items of personal property, not affixed to the land of building and are, therefore not included in sale of property unless specifically included in the Agreement.

**Fixtures:** Items which are considered a part of the property, permanently fixed to the land of building and are, therefore included in the sale unless specifically excluded in the Agreement.

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# TD Canada Trust

- Any conditions you may need to protect yourself (subject-to-financing and/or home inspection clauses, condition to revisit the property prior to closing accompanied by your real estate representative)
- Important dates such as the closing date for the sale of property

**Note:** It's always a good idea to have your lawyer/notary review the offer and the Agreement before they are signed by you.

## Examples of Standard Conditions:

- A satisfactory home inspection report
- Lender approval of mortgage financing to finance the purchase

When the conditions included in the Agreement are all met, the conditions are removed and the Agreement becomes binding on all parties.

Once the Offer or Agreement is provided to the seller by the potential purchaser, the seller can accept the offer, reject the offer or the seller can "sign back" or counter the offer. This process can be a stressful part of the home buying experience, but it ensures the end result is acceptable to all parties.

## Mortgage Approval

One of the key conditions of the Agreement may be an approval of mortgage financing. A Pre-approval from the lender does not mean that you are approved for the

mortgage, so it is important to meet with your Mobile Mortgage Specialist to finalize the mortgage approval. In addition, the property may require an appraisal and/or a survey. With your Mobile Mortgage Specialist, you will have an opportunity to finalize which type of mortgage is best for you, your interest rate and mortgage term and your payment schedule.

## Your TD Mobile Mortgage Specialist will require you to bring:

- Confirmation of income or employment earnings (a signed letter from an employer; pay stub for salaried employees; two years of tax assessments for commissioned or self-employed individuals<sup>1</sup>)
- Current banking information
- Evidence of your down payment amount
- A list of assets, including property and vehicles
- A list of liabilities, including items such as credit card balances
- Address and contact information of your lawyer or notary
- A copy of the purchase agreement
- A copy of the MLS® listing, which contains property details and photo, if applicable
- Contract and building plans, if you are having a home built

If your mortgage is pre-approved, you'll probably have a lot of this information already.

## Once the Offer is accepted

When all the conditions contained in the Offer/Agreement are met, you are one more step closer to home ownership. It is always important to plan ahead, so it is a good time to think about:

- If you are renting, providing your landlord notification you are leaving (sometimes requires advanced notice (e.g. 30-90 days))
- Plan your move - consider hiring a professional mover or doing it yourself
- Making necessary address changes by notifying billing companies, friends and family, work and other important parties of your new address effective your closing date
- Arranging for property insurance
- Revisit the house to take measurements, request estimates if you require remodeling or renovation, etc.

**For further information contact your TD Canada Trust branch or visit [www.tdcanadatrust.com/mortgages](http://www.tdcanadatrust.com/mortgages)**

<sup>1</sup>Some conditions apply.

