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From the website we're seeing many questions and comments on the loan approval process. As a branch manager at TD Canada Trust, I wanted to take the opportunity to let you know that it is a simple process, and I wanted to let you know about what your experience will be when you do apply for a loan.

Graphic:
Stephen Van Wart
Branch Manager, Toronto

First off, when you come to the branch, you'll need to bring the following items. We'll need your most current statements, which include bank accounts, investments, loans, lines of credit, credit cards, and mortgages where applicable. We will also need to verify your income. If you're a salaried employee, that includes either your most current pay stub or a letter from your employer which highlights your salary, your role, and how long you've been with that employer.

If you are commission based or self-employed, we will look at your most current two years of Notice of Assessments from the Canadian Revenue Agency.

Graphic:
Bring your...

- ***Current statements for your bank accounts, investments, lines of credit, credit cards and mortgages***
- ***Income confirmation: a current pay stub or a letter from your employer indicating salary, role and length of employment***
- ***Notice of assessment from the CRA for self employed or commission based***

It's important that we understand your full financial picture. There are four key elements that we look at, the first being your assets and liabilities, followed by a good-standing relationship with the bank, your ability to repay the loan, and, finally, a review of your credit report.

Graphic:

- 1. Assets and liabilities***
- 2. Good standing relationship with your bank***
- 3. Ability to repay the loan***
- 4. Review of your credit report***

When we talk about your assets, we're talking about things like your house, your car, bank accounts, and investments. If you have savings, what it tells us is you've managed your debt responsibly, and it also lets us know that should you run into problems, you have resources to draw on to continue to make payments. That does not mean, however, that if you do not have savings that you will be declined for a loan. It just means we're going to look a little bit deeper into your liabilities and better understand the payments that you're making today.

Graphic:

Assets

- *House*
- *Car*
- *Bank accounts*
- *Investments*

The next thing we look at is your relationship with the bank. This includes how long you've been with us, the types of products and services that you use, and how you've operated those accounts.

When we talk about the ability to repay debt, we're really talking about the relationship between income and expenses. When we talk about expenses, we're really looking at the debts that you have to repay, along with your living expenses like your hydro, your rent or mortgage payments. . As part of some approval conditions, we may also ask for you to either cancel or reduce a limit on a credit card.

Graphic:

Ability to repay debt: relationship between income (money coming in) and expenses (money going out)

When we review your credit report, we're really looking to understand how you handle your credit elsewhere. This includes things like your payment history, how you've handled your debt in terms of balances, and looking at whether you're applying for credit elsewhere.

After we review your credit information, we receive a credit score. It's important to note that the credit score is only one item in the loan approval process.

Graphic:

- *Payment history*
- *Credit Balances*
- *Outstanding applications for credit elsewhere*
- *Credit score*

If you're concerned about your credit rating, the best thing to do is start making your payments on time from now on. If you're new to credit, the most important thing is to start small and establish a credit history.

Graphic:

Tip: Start small and establish a credit history

The reality is some loans do get turned down. The most common reasons for that are that the income will not support the debt, or there have been problems with repayments in the past.

We recognize that your financial situation can change in a moment through illness, job loss, or many other factors. It's important that you understand we're committed to helping you find solutions to your financial needs, and the most important thing is that you come and talk to us as soon as possible. I'd like to thank you for listening today and we look forward to your continued feedback.

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