



Financial Tools

There are many tools available to help you evaluate your financial situation and make your dream of becoming a homeowner a reality.

Borrowing Capacity and Preauthorized Mortgages

When you start looking for a property, it's in your best interest to determine your borrowing capacity. That way, you know what type of property to lean towards during your search. One approach is to get a preauthorized mortgage before even finding your property. Thanks to a preauthorized mortgage, you already know how much money you can borrow, your interest rate and the amount of each payment. You will be able to find a property that matches your means.

Mortgage Loan Insurance

You dream of buying property but you don't have enough for a down payment? Not a problem! Mortgage loan insurance can help make your dream a reality. In general, lenders require you to get mortgage loan insurance when you have put down less than 20% of the property's sale price.

Mortgage loan insurance is applicable to various new or existing properties. Also, bear in mind that a modest down payment means a higher mortgage payment and in the end, a greater total cost. In Canada, mortgage loan insurance is available through Canada Mortgage and Housing Corporation (CMHC) and Genworth Financial Canada.

The Home Buyer's Plan

The Home Buyer's Plan is a government program that allows buyers to withdraw money from their RRSP, without paying tax on withdrawal, in order to purchase a home. Funds withdrawn must be paid back into the RRSP within a fixed time limit.

To qualify, neither you nor your spouse may have owned a home that was used as a principal place of residence during the five years prior to your withdrawal request. In addition, you must have entered into a written agreement for the purchase or construction of a property (promise to purchase or preliminary contract) before being able to withdraw funds from your RRSP. For more information about eligibility conditions, contact the Canada Revenue Agency or your financial institution.