



Build It!

Two mortgages to help you build your dream home



Money when it's done: The Completion Mortgage

Just like it sounds, this is for situations when you don't need to actually come up with full funding until the home is complete and move-in ready. You'll need to provide a downpayment when you make an offer to purchase the planned home, and then the mortgage you are approved for is advanced to the builder at possession. This is a single advance mortgage and is the same as a regular residential mortgage.



Money as you build: The Progress Draw Mortgage

This type of mortgage will give you funds at specific intervals as the house is built. Generally, you'll need to provide a progress report and have an inspection in order to secure the next "draw" of funds. While the number of draws can vary, it is common to have three draws: one at rough-in, one at completion, and a final draw when you take possession of the home. Once the home is completed, the mortgage will be converted to a conventional home mortgage. Keep in mind that you will need to pay for the progress inspections, and interest payments may be payable or accrue. Funds are released to the builder through your lawyer.

Be prepared for your big build adventure!

As with any mortgage, you'll need to complete a mortgage application, and your lender will be reviewing your credit and income. While you are waiting for your home to be built, make sure you don't make any big changes to your financial situation: no big purchases, for example. In fact, it's best to take on NO new debt. Until the home is in your name – and your mortgage is complete – you'll want to hold the line on debt, and ensure your employment is stable (this isn't a good time to switch jobs).

Dream on.

Building a new home is an exciting project. Come in to speak with us as early as possible in the process. We'll outline all of the documentation you need to obtain your construction mortgage, and then get the process started in an efficient and stress-free manner. And then... dream on!



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