



Show me the money!



What you need to know about your downpayment.

You've got your downpayment and you're ready to go. Congratulations!

Soon you'll need to verify that downpayment for your mortgage approval. It's required by all lenders to protect against fraud and to prove that you are not borrowing your downpayment, which changes your lending ratios and potential approval. Here's how to prepare:

1. Provide a 3-month history of any bank account(s) where you have been assembling your downpayment. It's critical that your name is linked to the account; some internet printouts don't show a name.
2. If you had any large deposits, show its source i.e. if you sold your car, show a copy of the bill of sale. If you transferred money in from another account, bring the records for that account too.
3. If all or part of your downpayment will be a gift, a gift letter must be signed. A bank statement from the giver will verify the funds. Be prepared to show the funds deposited to your account no later than 15 days prior to closing. Gifted funds are only acceptable from immediate family members (parents, grandparents, siblings).
4. If using RRSP money, provide a 3-month history of the account. If you are withdrawing under the Homebuyer's Plan, the funds must have been in the account for 90 days.
5. If you are getting money from outside the country, get the money into Canada at least 30 days before funding, and provide a 90 day confirmation from that location.
6. Regularly deposit all cash in the bank, don't stockpile at home.
7. If your downpayment is coming from the sale of your home, provide a firm contract of purchase and sale and the current mortgage statement.
8. You'll also need to verify that you have an additional 1.5% of the purchase price to cover closing costs.



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