

Purchase Plus Improvements Program

The house is perfect, you love everything about it...except the kitchen! After the downpayment and closing costs there is not enough left for you to do the renovations or kitchen upgrade that you so badly want....so what are your choices?

PURCHASE PLUS IMPROVEMENTS is a program designed to help home buyers make their new home just right for them, with tailored improvement immediately after taking possession of their purchased property.

Buyers with as little as 5% downpayment can borrow up to \$40,000 or 20% of the initial purchase price of their home to make improvements.

Buyers are able to enjoy the flexibility and benefits that comes with extended amortization and lower interest rates.

What are some of the features and rules of this program?

- available only on a purchase
- can be applied on a property with up to 4 units
 - applies to new construction or existing construction
 - property must be owner occupied
 - buyers must qualify based on the future value of the property
 - up to 4 advances allowed, excluding the initial property purchase.
 - this program can be used in conjunction with other programs (ask your Mortgage Agent for more details)

How do you apply? Inform your Mortgage Broker or Agent that you would like to use the Purchase Plus Improvement program.

Be prepared to provide the lender with a quote or renovation contract. If an appraisal has not been completed one may be needed (this will depend on the lender and the improvements)

Here's an example of how this program will work:

A program designed to enhance affordability & access to home ownership

- Purchase price of home \$300,000
- Renovations \$20,000
- Total future value of the property\$320,000
- Max mortgage amount \$304,000 with a downpayment of \$16,000 (note that the downpayment is now based on future value)

One important fact that buyers often don't realize or understand is that they will have to fund the renovation themselves until the work is completed or until the advances have been approved. During the process an appraiser will complete an inspection and submit it to the lender to release the funds. This is where the buyers need to take advantage of family, lines of credit, or contractors financing in order to complete the renovation.

For more information on this and other products available speak to your Mortgage Broker or Agent.



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