

What a lender wants from you

All Banks and Mortgage Lenders as well as mortgage insurers such as CMHC, Genworth and Canada Guaranty will want some financial information about you and/or your co-buyers to assess your ability to repay the loan. To determine the ability and willingness to repay, these key industry partners look at credit, income confirmation and current debt load otherwise known as Gross Debt Service (GDS) and Total Debt Service (TDS) ratios. Another key factor in determining approvals is net worth, especially as it pertains to “fall back”. Do you have liquid assets to fall back on in the event you experience a life event such as job loss?

Prepare yourself to provide a number of personal and confidential documents during your application. Here is an example of what to expect:

- ✓ **Personal information –**
age, marital status, dependents, consent to run a credit report
- ✓ **Income Confirmation**
details of employment, including proof of income such as a letter from your employer stating your position with salary coupled with most recent paystub showing year-to-date earnings for salaried consumers. Self Employed will be asked for personal income tax returns, notice of assessments and corporate financials
- ✓ **Additional Income Sources**
other sources of verifiable income. For instance, pensions or rental income
- ✓ **Down Payment**
confirmation and verification of down payment from own resources, not borrowed resources. Can also include gifted down payment from immediate family member
- ✓ **Assets**
a list of assets, including property, investments, pensions and vehicles
- ✓ **Liabilities**
balances owing on credit cards, personal line of credits/student line of credits, and/or car/personal loan details with monthly payment details. For separated/divorced consumers, expect to provide the separation/divorce agreements confirming financial obligations to the ex-spouse
- ✓ **Accepted Purchase Contract and MLS**
a copy of the property listing along with a signed and accepted Purchase Contract. For applicants selling existing, the sale contract on an existing home along with most recent annual mortgage statement from current mortgage lender. Condo purchases can also expect a requirement for the condominium financial statements and budget