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## CREDIT LINE = SECOND MORTGAGE

Loads of people these days have credit lines. They have become a great financing option for those big ticket extras we don't want to put on our credit cards. Things like; vacations, home renovations, or; funding that second car. What many people don't realize though, is that a credit line, is typically secured against your largest asset...your home. Many buyers, trying to move-up, forget about that handy line of credit and forget to include it in the picture when they begin house hunting. So, although, most Realtors will encourage the first time buyer to get pre-approved, this also is equally important for the move-up buyer: Many move-up buyers obtained the line when they

bought their starter home and have simply kept it in existence just in case'. Some, forget they even still have the line in place as they've lived without it. This line acts as a second mortgage and must be dealt with, either by closing it up altogether; or; re-registering it against the newly purchased house. But, keep in mind, it can hold up your financial process if you do not make everyone aware of it when you start your search as many financial institutions do not run a credit check when you go in for your preliminary preapproval! That sounds counter-intuitive, I know, however; it's not fun for your Realtor to have to renegotiate an extension on your financing condition to deal

with the line popping into the equation at the 11th hour. Asking for more time on financing makes for worried sellers as they hate to lose marketing time. So, do yourself a favour; ensure your Mortgage Broker is checking your credit to ensure you have a solid figure to work with before you initiate the home search. Jamie M. Edwards, B.A., FRI, CRB, CRS is the Broker of Record for J.M. Edwards Associates Inc. and Past President of the Realtors Association of Hamilton-Burlington, Burlington Chamber of Commerce, and the Ontario Real Estate Association.