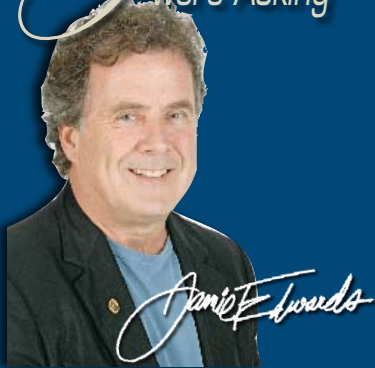


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ADVERTORIAL

FLAHERTY'S NEW MORTGAGE RULES

The buzz this week has not only been how very busy our market has been, but, the new rules to take affect April 19th for home buyers. Yes, they will have an impact on first time home buyers who have less than 20 per cent to put forth on their home purchases. They will now have to qualify for the 5 year rate, regardless of the term or type of mortgage they choose.

So, this is not to say they cannot choose a variable rate that offers them the lesser rate than what is currently being posted (5.39%). They must be able to handle

that rate financially. Discouraging news or positive news? Depends on which side of the fence you are on I suppose.

Having come through this recession and looking out to that window of hope on the other side, I do suppose it looks like one more shot in the arm for home buyers to tackle. On the other hand, ensuring you are within the limitations lenders set for just how much of your gross income takes to cover off your debts, just reins people in a bit to protect the very asset building they are trying to achieve. For first time buyers, it forces them to put

some limitations on their spending habits in that many existing home owners had begun to refinance to take on more debt load. That ceiling now will come down by 5%. A lesson here folks to pay down your credit card debt!

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.