

Become interested in rates

Borrowing money to buy a home is likely going to be the biggest financial commitment you ever make. So it's important to do your research and understand what you're getting into.

Here's a quick guide.

Interest rates

Homebuyers have enjoyed low interest rates for a while now. "And I think they're go-

ing to hold for several more months," said Toronto mortgage broker David Smith. "By the fall, we're probably going to see 3.09 and 3.1 perhaps, and these are still extraordinary low rates and cheap money."

Down payment

Put down at least 20 per cent of the home price, advises Will Britton, a financial

adviser in Kingston, Ont., and a member of Advocis, the Financial Advisors Association of Canada.

You will qualify for a conventional mortgage loan, which is equal to or less than 80 per cent of the lending value of the property. Otherwise, a high-ratio mortgage requires mortgage loan insurance from a provider such as Canada

Mortgage and Housing Corporation, and that will cost more.

Pre-approval

It's important to be pre-approved for a mortgage by a bank. "Given how competitive the marketplace is, if your offer has a condition on financing, you won't win the property," Smith said.

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