Remember, the price range of homes you can afford is figured after a downpayment is added to your qualified loan amount. In addition, you'll need to set aside an amount for closing costs and tax payments. Ask me how much these may amount to in your specific situation.

What Is P.I.T.?

Principal, Interest, Taxes. These are the three elements that make up the usual monthly mortgage payment. These costs are often called "carrying charges."
Although lenders qualify borrowers based on P.I.T. Smart buyers also allocate income to meet maintenance, utility costs and any homeowner's or condominium fees.

The Hey Ray Customer Care Team have over 70 years combined experience in the Real Estate business and they invest 100% of their time and energy delivering first class, knowledgeable service to their clients.

As a result, valued past & present clients, business associates and friends refer their family, friends, coworkers, neighbours and other people they know to the "HeyRay Team" for trusted advice and service.

They are interested in building strong, lasting, lifelong relationships one at a time.

"PROVEN PERFORMANCE IN ANY MARKET"

Danielle Quilty* Jennifer Sargeant* Ray Chesher*** Karen Pedersen** Holly Light** Brenda Hamilton*
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MONEY HOW MUCH HOUSE CAN YOU AFFORD ?

OR

What Your Money Can Buy

Five Easy First Steps to Find Out What Price House You Can Afford

Finding what price house you can afford to buy can be a time consuming process of calling on several lenders, collecting data on various current mortgage rates and reviewing your finances with several lending officers.

Fortunately, there's an easy way around all this. With a few simple steps, you can figure out for yourself the approximate mortgage amount a lender is apt to approve for you. That amount, plus the amount of your downpayment, gives you the price range of homes you are qualified to buy. In real estate we call this exercise "pre-qualification."

First, you need to find what interest rate is currently being charged for 5 year fixed rate loans. But, instead of phoning several lenders, you can simply give me a call.

Purchase Price	$350,000.00	$450,000.00	$550,000.00
Less 10% Down Payment	$35,000.00	$45,000.00	$55,000.00
Plus CMHC Fee	$7,560.00	$9,720.00	$11,880.00
Mortgage Amount	$322,560.00	$414,720.00	$506,880.00
Property Taxes Per Month	$250.00	$300.00	$350.00
Monthly PIT* Payment	$802.00	$1,031.00	$1,260.00
Yearly Income Required	$66,000.00	$85,000.00	$100,000.00

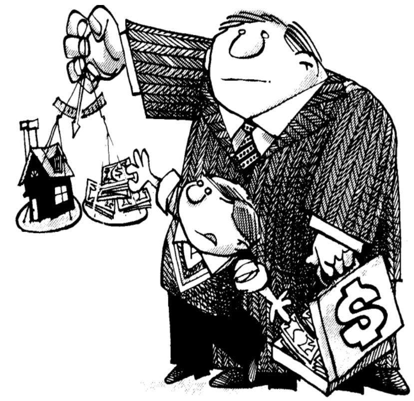
I make it my business to have the latest information on lenders rates and financing packages right at hand.

Next, apply the following do-it-yourself system to zero in on the approximate mortgage amount lenders are likely to approve:

1. Calculate your gross monthly income- the amount you make before deductions. Add your spouse's gross monthly income, if any.

2. Deduct from the total any monthly payments you make on long-term debts (more than 10 months), such as an auto loan or regular payments on furniture, appliances, school, alimony or child support.

3. Multiply the resulting figure by 40% (.40) to get your "Total Debt Service (TDS) Ratio." The figure will conform with the Canada Mortgage and Housing Corporation (CMHC) standards and guidlines of what borrowers can afford. Also many lenders will calculate a second "Gross Debt Service (GDS) Ratio" using 32% (.32) times your gross monthly income without subtracting debts, to establish your qualified monthly payment range.



4. Take a "guesstimate" of average annual real estate taxes in your area, plus the annual cost of homeowner's insurance. Divide by 12 to obtain a monthly figure. (On average the monthly cost of these two items might be about one-tenth of 1% of the house purchase price. Ask me about your specific situation.)

5. The ballpark monthly payment on principal and interest you can afford to pay on a mortgage is shown on the chart. With the amount of principal and interest (PI) payment you can make in hand, I can calculate the amount of mortgage you can obtain at various rates. I'd be happy to discuss the many alternative mortgage plans-besides the 5 year fixed rate-that can dramatically increase the home price you can afford.