

## Personal Finance Lecture Four

Selecting a home, types of homes

Detached

Semi detached

Manufactured home

Condominium

How much of a home can you afford?

Down payments

Conventional mortgage

Insured mortgage

GDS and TDS

Pre-approval certificate

Security vs Covenant

Use of RRSP funds

## Important things to note on a home

Price

Location

Maintenance

Condition of principal components

School system

Fire insurance

Property taxes

Resale value and communities

Personal vs general preferences

Realtors

Home inspectors

Appraisers

Negotiating a price

Transaction costs

Conventional mortgage

High Ratio insured mortgage

Vendor Take Back mortgage

Second mortgage

## Closing costs

Appraisal and home inspectors

Real property report

Land transfer tax

Legal fees

Fire insurance

GST/HST

Title insurance

Property tax and utility adjustments

Loan life and disability insurance

## Mortgage options

Amortization

Term

Payment option

Closed mortgage

Open mortgage

Amortization schedule

Variable rate mortgage

Mortgage financing

Capital gains tax and your principal residence