

Ready to take the next step?

Talk to your Scotiabank Mortgage Specialist.

For answers to all of your homeownership questions, connect with us today.

Call **62-SCOTIA (627-2684)**, go to tt.scotiabank.com/home, or visit any Scotiabank branch to speak with a Mortgage Specialist.



Discover what's possible

Owning a home step by step

Move into affordable homeownership.



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It's a home of your own. A place where you can raise your family and start new traditions that last for generations. Buying a property is more than just an investment, it's a milestone.

You have just taken the first step. From here we can help homeownership be everything you've dreamed of, and more.



Congratulations on deciding to be a homeowner

For many, owning a home is a way to gain financial independence and experience the pride of ownership.

Thinking of buying your first home or upgrading to a bigger one? Maybe you've found a piece of land that would be the ideal place to build. No matter what stage of the homeownership process you're in, we can help you every step of the way. That's why we developed this informative guide to owning a home, step by step.

Our online mortgage calculators and Home Affordability Worksheet are just some of Scotiabank's many tools to help you determine the financing options that are right for you.

Read through this guide, then visit your branch and speak to a Scotiabank Mortgage Specialist. Together, we can help you make homeownership one of the most rewarding experiences of your life.

Are you ready to make homeownership a reality?

Before you begin the exciting adventure of buying or building a home, ask yourself these two key questions:

1. ARE YOU FINANCIALLY PREPARED?

Start by taking a close look at your financial situation to see if a mortgage will fit comfortably into your life. The amount left over in your budget after you pay your monthly bills gives you a good idea of how much you can afford in monthly mortgage payments. Steady income is important. When you apply for mortgage financing, the bank will check to see if you have worked for two or more years and you have employment stability.

2. HAVE YOU SAVED ENOUGH MONEY UP FRONT?

The more you save as a down payment, the less you will have to finance. The bank will ask for proof of your down payment and mortgage closing costs before your mortgage application is approved.



If you're just starting to save to buy a home or to purchase land, talk to us. Scotiabank offers many practical tips and tools that can help you get there faster.

Set up your Pre-authorized contribution.

Automatically and regularly deduct a specified amount from your chequing account and deposit it into your Scotiabank savings account to save for your down payment or upfront fees.

Use your land as a down payment.

Owned land for more than a year? You may be able to use it to finance your down payment. First, the bank will arrange an appraisal to determine your land's current value. If it has appreciated in value enough or you have sufficiently paid down any land loan on it, it may be all the down payment you need.

Next step: Decide whether to buy or build.

Still considering the pros and cons of each? This chart can help you choose what's best for you.

	When you buy	When you build
What's available?	Availability depends on your local real estate sector. Changing economic conditions will determine whether you have many homes to choose from or just a few.	Land in the location you prefer could be scarce and expensive. Reputable builders and contractors may be in short supply during good economic times. Occasionally, local governments will open up new parcels of land for development, giving you new choice and opportunity.
What are the cost differences?	You can face unexpected costs. Existing homes, especially ones over 10 years old, can require costly repairs. Try to determine what repairs may be needed in the near term and factor them into the overall cost of the home.	You incur costs in stages as per the project schedule. During construction, your payments will begin with the first advance, with monthly interest payments due based on the interest rate and projected advance for your Home Builder Loan. Once the house is built, your financing will be converted into a Scotiabank Residential Mortgage.
Which is better value?	If the vendor is eager to sell or you're buying in a slow market, you can get great value for your money. During good economic times, you may end up paying more for a property than it may actually be worth.	Building usually offers more value for the money than buying, but it can require patience. If you're in a hurry to move into your own home, buying may be the right option for you.
What about timing?	Usually you can move into your home once the sale closes.	Construction of a new house can take up to a year.
How much effort does it take?	Buying a used home is simpler than building. You have fewer people to deal with and you're not affected by strikes or material shortages.	You must work with several different parties and ensure they all live up to their responsibilities.
Can I customize to my preferences?	What you see is what you get. You can customize your house after you buy.	You can select your home style, layouts, colours, and interior finishings up front, to suit your personal preferences.
What about the neighbourhood?	You know your neighbours, stores, schools and services.	Your new community may not yet be established.



Get expert advice on your side

Putting together a team of experts in homeownership can keep you on track, saving you time and money.

For buying

Real Estate Broker or Agent

Licensed expert in buying and selling property who will guide you through the process. Ask your family and friends to refer you to an agent with a solid track record and good negotiating skills.

Attorney at Law (specializing in real estate)

Handles legal matters related to homeownership and will review the offer, search the title of the property, and ensure you become the legal owner of the property.

Scotiabank Mortgage Specialist

Offers expert advice and assistance with financing. We can help you get the funds you need and arrange convenient loan repayment from your Scotiabank account.

Home Inspector

Determines the quality and value of a home by visually inspecting its structural soundness and the functioning of critical systems such as heating, plumbing, wiring, etc.

Appraiser

Certified professional who determines the value of a home or property you're considering purchasing.

For building

Architect or Engineer

Drafts plans or blueprints for your new home. Be sure to share your long-term plans with your architect so the design will suit your needs well into the future. We suggest you visit homes built on the architect's designs, and always check references.

Land Surveyor

Surveys a property in order to provide a certificate of location.

Contractor

Oversees construction of the home, using architectural plans to build it. Check the contractor's references and inquire about their reputation for honesty, quality, and ability to deliver on time and on budget.

Your Scotiabank Mortgage Specialist can put you in touch with any of these real estate professionals working in your area.

Planning to buy? Start with your wish list

Before you start looking for a home, it's helpful to write down the things you "must have" versus what you "would like" to have. For example, two bedrooms and a garden may be a "must" while an ocean view may be a "like." Consider any plans to start or expand your family, which could affect the number of bedrooms or location. Share your wish list with your real estate agent.

My wish list for homeownership

	MUST HAVE	WOULD LIKE TO HAVE
TYPE OF HOME		
DETACHED		
SEMI-DETACHED		
DUPLEX		
TOWNHOUSE		
HIGH-RISE		
LOW-RISE		
TYPE OF OWNERSHIP		
FREEHOLD		
CONDOMINIUM		
AGE OF HOME		
0-10 YEARS		
11+ YEARS		
LOT SIZE		
SMALL		
MEDIUM		
LARGE		
QUIET STREET		
TYPE OF ROAD		
INTERIOR		
# OF BEDROOMS		
# OF BATHROOMS		
LAUNDRY ROOM		
EAT-IN KITCHEN		
SEPARATE DINING ROOM		
SPARE ROOM FOR HOME OFFICE		
APARTMENT FOR RENTAL INCOME		
DECK/BALCONY		

	MUST HAVE	WOULD LIKE TO HAVE
EXTERIOR		
BRICK		
WOOD		
CEMENT		
FOUNDATION CONSTRUCTION		
CONCRETE		
SEWER SYSTEM		
MUNICIPAL		
SEPTIC		
WATER		
MUNICIPAL		
WELL		
WATER HEATING		
GAS		
ELECTRIC		
OIL		
AIR CONDITIONING		
CENTRAL		
YARD		
SWIMMING POOL		
SIZE		
VIEW		
GARAGE		
ATTACHED		
DETACHED		

	MUST HAVE	WOULD LIKE TO HAVE
NEIGHBOURHOOD		
NEW		
ESTABLISHED		
GATED COMMUNITY		
SCHOOLS		
PLACES OF WORSHIP		
OTHER		
DECK OR PATIO		
PRIVATE DRIVEWAY		
CARPORT		
SECURITY FEATURES		
BARRIER-FREE		
CLOSE TO		
WORK		
SPOUSE'S WORK		
PUBLIC TRANSPORTATION		
SCHOOLS		
SHOPPING		
PARKS/PLAYGROUNDS		
RECREATION FACILITIES		
RESTAURANTS		
PLACES OF WORSHIP		
POLICE STATION		
FIRE STATION		
HOSPITAL		
DOCTOR/DENTIST		
VETERINARIAN		

How much can you afford to spend? Find out easily.

Get a quick financial reality check before you go house-hunting.

Simply visit tt.scotiabank.com/mortgagecalculator to use our online **Affordability Mortgage Calculator** or use the **Home Affordability Worksheet** at the back of this Guide. In a few steps, you can calculate:

- Approximately how much mortgage financing you can obtain based on your annual income and your down payment
- What your mortgage payment could be each month

Print off the results and bring it into your branch to review with a Scotiabank Mortgage Specialist. Once you have your wish list and a fairly firm idea of your price range, you can start looking at properties for sale.

Try our online calculator or use the enclosed Home Affordability Worksheet to see how much you can afford.

Found the ideal house for you? Make an offer.

Your real estate agent can help you prepare an Offer to Purchase, which may be conditional upon mortgage financing.

Once your Offer is accepted, you and the vendor will prepare a Purchase Agreement outlining the price, down payment, and terms and conditions of the purchase transaction. Your Attorney at Law should ensure that no liens exist on the property. Normally you have 90 days from the acceptance of your Agreement to settle your mortgage arrangements.

Scotiabank Residential Mortgages offer competitive rates, flexible terms, and affordable monthly payment plans. You may qualify if the home you plan to purchase meets these requirements:

- Detached or semi-detached, duplex or triplex, apartment, townhouse or condominium
- Single-family dwelling or 3 or fewer tenancies
- Owner-occupied in most cases – special conditions apply for rental properties
- Permanent structures with good re-sale value – no moveable homes

Ready to apply? Have these documents handy:

- Letter from employer verifying your salary, allowances and length of service
- Current pay slip
- A certified statement of income and a copy of last six months' bank statements, if you're self-employed
- Existing mortgage, loans, bank and insurance statements
- Application processing fee (if applicable)
- Current utility bill
- Current government issued identification

Your Scotiabank Mortgage Specialist will help you prepare the necessary documents to ensure smooth financing of your home purchase. Before your mortgage closing, you will need:

- A copy of the home's Deed of Land and Deed of Mortgage, supplied by the vendor
- Bank ordered valuation report of the home
- Current receipts for land rent, house rates, lease, rent, water and sewage rates
- Proof of insurance



Decided to build?

Building from the ground up requires careful planning and expense management.

Follow these steps to make the process easier.

Find a quality piece of land in the area you prefer.

Consult with a local real estate agent who knows the area well, and get a second opinion on the quality of any property you're considering. When you're ready to finance your land, consider a Scotiabank Lot Loan. Just a small down payment is required up front and you can take up to 15 years to repay[‡].

Determine how much you can afford.

Costs can escalate quickly when you build. Before you begin, figure out how much you can afford and what cash flow is required to build a house. Use Scotiabank's Home Affordability tools and stick to your budget.

Hire an architect.

Your architect's job is to design workable plans for the site and foundation; floor and elevations; electrical; windows and roof. Ask for clarification on anything you're not sure about and be sure to design with your future needs in mind.

Get estimates from at least three builders.

Check references and view the completed work of each contractor you're considering for your home. Once you choose, you're ready to move into the building contract stage. Consult your Attorney at Law and try to negotiate a "fixed-price contract" with built-in penalties for late completion. Ask your architect's opinion on the plans and estimated price.

Obtain necessary planning approvals and permits.

Your proposed building must meet the standards recommended by your local planner and Government office. Each will ask you to submit your architect's plans for approval, along with your mortgage application. Ensure that "plan approval" is included in your architect's fee.

[‡]15-year amortization may not be available in all countries.

Arrange financing.

When you're finally ready to build, the bank will consolidate your Scotiabank Lot Loan into a Scotiabank Home Builder Loan so that you have one convenient monthly payment. During the construction phase, you pay "interest only" on your Scotiabank Home Builder Loan to minimize your monthly expenses. This is especially helpful if you're incurring costs to live elsewhere while your house is being built.

When arranging your Home Builder Loan, you may be asked to provide:

- Letter from employer verifying your salary, allowances and length of service
- Certified copy of Ownership, deed, etc.
- All required permits and approvals
- Land surveyed by Licensed Quantity Surveyor (Survey Plan)
- Mortgage prepared by Lawyer (prepared under Bank's direction)
- Construction Insurance (progressive Builder's Insurance)
- Recent appraisal of the property and a Bill of Quantities by a licensed quantity surveyor (confirming that your Contractor's quotation is feasible)
- Current utility bill
- Current government issued identification



Know the facts about financing

A Residential Mortgage is a loan secured by your home, which offers lower interest rates than other forms of credit.

It starts with a mortgage application.

Visit a Scotiabank branch and talk to a Mortgage Specialist. Once your financial information has been verified, your Mortgage Specialist will discuss your financing options with you. These may include:

Mortgage Type

- **Conventional Mortgage:** A mortgage loan in which the loan amount is equal to, or less than, 75% of the property value.
- **High Ratio Mortgage:** If your down payment is less than 25% of the home price, your mortgage loan would typically be considered a High Ratio Mortgage^Δ.

Mortgage Amortization

While you may stretch out your mortgage repayment for up to 30 years, the longer it takes, the more interest you will pay[§]. By increasing your mortgage payments, you can dramatically reduce the number of years it takes to pay off your mortgage.

Mortgage Interest Rate

Calculated per current rates.

Payment Frequency

A mortgage loan is repaid in regular payments — monthly, biweekly or weekly. Your mortgage payments are made up of a blend of principal and interest. As you reduce the amount outstanding on your mortgage, the portion that goes towards the principal increases, even though your payment may stay the same.

It finishes with a signed Commitment Letter.

Once you and your Scotiabank Mortgage Specialist have worked out the details of your Home-Builder Loan or Residential Mortgage, Scotiabank will issue you a Commitment Letter outlining the terms and conditions of the loan. If you agree to its contents, sign it, return a copy to Scotiabank, and keep one for your records. Once we have your signed Commitment Letter, you will have the financing you need for your new home.

Remember to budget for taxes, insurance and other costs:[†]

Property Taxes

The bank requires that you keep your property taxes up to date. Tax costs will vary depending on where you live. Ask your realtor for estimated tax costs on your property.

Home Insurance

Home insurance protects you and your family against fire and natural disasters and is a requirement of most mortgage lenders. Depending on where you live, home insurance premiums can be costly. Get several quotes to find a good rate. If your premiums are high and payable annually, you may want to set up a monthly savings plan with Scotiabank.

Progressive Builder's Insurance (also known as Construction Insurance)

This insurance covers the work-in-progress and materials on site during construction against fire, theft, and other damage. When the house is completed, Progressive Builder's Insurance is replaced with a regular homeowner's insurance policy.



Utilities Costs

You will need to budget for electricity costs, telephone and city water (if appropriate). Scotiabank Mortgage Specialists can help you estimate these amounts.

Mortgage Life Insurance

Scotiabank's Mortgage Life Insurance program can pay the balance of your mortgage in the event of your death. Affordable premiums are automatically deducted from your Scotiabank account along with your monthly mortgage payment.

^ΔDown payment requirement may vary by country.
[§]30-year amortization may not be available in all countries.
[†]Costs may vary by country.

Pay your mortgage faster. Own your home sooner

The faster you pay off your mortgage, the sooner you will free up more money to invest for greater financial security.

Here are a few easy ways to save.

Take years off your mortgage.

When you arrange your mortgage, plan to pay it off in the shortest period you can afford. Reducing your amortization and increasing your down payment can help you become mortgage-free years earlier.

For example, with a mortgage of \$638,250 at a rate of 7% A PR, changing the amortization period affects the monthly payment as follows:

Amortization Period (years)	Monthly Payment
10 years	\$ 7,004
15 years	\$ 5,299
20 years	\$ 4,480
25 years	\$ 4,014
30 years	\$ 3,724

Take advantage of prepayment options.

Scotiabank allows you to prepay up to 10% of the original principal mortgage amount each calendar year with no penalties [◇]. Put any unexpected income such as a bonus towards your mortgage.

Share space.

Renting out a room to a friend or relative can help you lower your monthly expenses, increase cash flow, and pay down your mortgage faster.

Prepay up to 10% of the original principal mortgage amount each year with no penalties.

Homeownership starts at Scotiabank

Buying or building your own home can be one of the most rewarding events of your life. Throughout the process we can serve as a friendly source of useful information. Most of all, we can help you ensure that you have structured your financing to be flexible and affordable.

Talk to us today.

Please note that all example figures, rates, and factors are based on US dollars.
[◇] Other prepayment conditions may apply.