

# ONTARIO FIRST TIME HOME BUYERS



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# TODAY'S SPEAKER



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# FIRST TIME HOME BUYERS JOURNEY

- MY NEW IMMIGRANT EXPERIENCE
- FIRST HOME BUYING CHALLENGES AND HURDLES
- MORTGAGE AND HOME BUYING COMPLEXITIES
- THE REWARDS OF HOME OWNERSHIP



# KEY REQUIREMENTS



**DOWNPAYMENT**



**CREDIT SCORE**



**INCOME**



# MORTGAGE QUALIFICATION



**APPLICATION**



**DOWN PAYMENT**



**INCOME DOCS**



**CLOSING**



# HOME BUYING PROCESS





# MORTGAGE LOAN INSURANCE

The minimum amount you need for your down payment depends on the purchase price of the home. If your down payment is less than 20% of the price of your home, you must buy mortgage loan insurance.

**Table 1: The minimum down payment based on the purchase price of your home**

Purchase price of your home	Minimum amount of down payment
\$500,000 or less	<ul style="list-style-type: none"><li>• 5% of the purchase price</li></ul>
\$500,000 to \$999,999	<ul style="list-style-type: none"><li>• 5% of the first \$500,000 of the purchase price</li><li>• 10% for the portion of the purchase price above \$500,000</li></ul>
\$1 million or more	<ul style="list-style-type: none"><li>• 20% of the purchase price</li></ul>

**Mortgage loan insurance isn't available if:**

the purchase price of the home is \$1 million or more

the loan doesn't meet the mortgage insurance company's standards





# COST OF MORTGAGE LOAN INSURANCE

The fee you pay for mortgage loan insurance is called a premium. Mortgage loan insurance premiums range from 0.6% to 4.50% of the amount of your mortgage. Your premium depends on the amount of your down payment. The bigger your down payment, the less you pay in mortgage loan insurance premiums.

**Table 2: Effect of the size of a down payment on the total cost of a mortgage**

<b>Down payment</b>	<b>Down payment amount</b>	<b>Mortgage</b>	<b>Mortgage loan insurance premium</b>	<b>(includes mortgage insurance premium)</b>	<b>Total cost of your home (includes all columns)</b>
5%	\$20,000	\$380,000	\$15,200	\$395,200	\$643,649
10%	\$40,000	\$360,000	\$11,160	\$371,160	\$625,712
20%	\$80,000	\$320,000	Not required	\$320,000	\$584,979



# THE FIRST-TIME HOMEBUYER INCENTIVES

- **Land Transfer Tax Refunds for First-Time Homebuyers**
  - the maximum for Toronto \$4,475, Ontario \$4,000
- **City of Toronto Municipal Rebate**
  - On top of provincial tax refund, first-time home buyers in Toronto can receive a municipal rebate of up to \$4, 475.
- **Local Homeownership Programs**
  - select municipalities in Ontario.



# FIRST-TIME HOMEBUYER INCENTIVES

- **The First-Time Home Buyer Incentive**
  - Shared equity mortgage with the Government of Canada.
    - o 5% or 10% for a first-time buyer's purchase of a newly constructed home
    - o 5% off a first-time buyer's purchase of a resale home
    - o Maximum total qualifying income for Toronto, Vancouver and Victoria is \$150,000 per year, other regions \$120,000 per year.
- **The Home Buyers' Plan** allows you to withdraw up to \$35,000 (pp) tax-free from RRSP.
- **First Home Savings Account**- Canadians who are at least 18 to save up to \$40,000 for their first home.
- **First-Time Home Buyers' Tax Credit** Get a rebate of \$1,500
- **GST/HST New Housing Rebate**- Some provinces may have their rebate incentives.



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of Canada

Gouvernement  
du Canada



**Question and Answer**

*Session*

*Thank You*