

# Your 2010 Mortgage Blueprint. What's ahead?

It's time to get into the new year's groove, that fresh-start feeling we always get at this time of year. Be sure to harness that energy and whip your finances into shape, particularly looking at the role of your mortgage in your overall financial plan. Building a secure financial future is a new year's resolution with some big rewards.

As we do every year, here are some sensible strategies that take into account what's ahead, so you can be sure your mortgage is the cornerstone of your financial future:

1. To take advantage of the \$1,350 home renovation tax credit, you need to get your renovations done by February 1, 2010. Or, you can buy supplies up to that date and then get the work done later. Today's low rates and this tax credit make it a great time to extract equity for a renovation project. Renovations may also qualify for EcoEnergy Retrofit Grants of up to \$5,000, which don't expire until March 31, 2011.
2. Prepare for rising rates! The Bank of Canada has said that rates won't rise until the latter half of 2010, which is fast approaching and means you need to take higher rates into consideration. If you are buying a new home, you may not want to borrow your maximum amount. Variable mortgage holders can set their payments higher than required to create a cushion to absorb any rate increases. Lenders offer generous prepayment options that allow you to increase your regular payment amount. Another way to create a cushion is to make a lump sum payment on your principal, using your tax refund for example.
3. Another way to speed up your mortgage pay-down is to change from monthly payments to weekly or bi-weekly payments.
4. While the worst of the recession seems to be behind us, unemployment is still a concern. If you're worried that your household income could decline this year, contact your mortgage planner to discuss the possibility of building a financial buffer using today's low mortgage rates. It's a good idea to apply while you are still employed because it's easier to access your equity when you actually don't need it.
5. If you're carrying high-interest consumer debt that is eating into your cashflow and racking up large interest costs, this is a great time to deal with it, especially while rates are still low and if you'll be adding your holiday bills to your overall debt load. You may want to take a close look at rolling all of your debts into a new mortgage, which can boost your cashflow and help you save thousands in interest costs.
6. Take a look at re-advanceable mortgages, an excellent way to access equity for investing, renovations, or emergencies, without having to re-apply. This type of mortgage is often used to create a tax deductible mortgage alongside a wealth building portfolio.
7. In managing debt, you want to make sure you don't need to use credit to get you through a financial emergency. Make a point of putting a small sum from every paycheck into a special emergency fund.
8. When you are four months within renewal, touch base with your mortgage planner so you can review your renewal options and strategies.

It's always a good idea to get an annual review of your mortgage situation. So take the time to meet with your mortgage planner and get your blueprint that incorporates what may be ahead in 2010.

**Mark Goode AMP**

Agent #M08003177

Mortgage Broker

180 Memorial Avenue, Orillia, ON L3V 5X6

T: 705.326.8523 TF: 1-866-326-8523

mark@markgoode.ca

www.markgoode.ca

 Mortgage  
Architects™  
Planner Network