

ASK THE EXPERTS IN FINANCING

WILL YOUR CHILDREN EVER BE ABLE TO AFFORD A HOME? IF THIS CONCERNS YOU...YOU'RE NOT ALONE.

As parents we want our children to be successful. We nurture and support them through school and encourage them to follow their dreams, but when it's time to leave the nest – where will they live? Rent these days is barely affordable and the dream of homeownership is often beyond their reach.

The Federal Government is trying to help young Canadians enter the housing market with the First-Time Home Buyer Incentive. Buyers need at least 5% of their own money for down payment, total applicant annual income cannot exceed \$120,000, and the maximum mortgage is 4 times the annual income. The government will kick in an additional 5% down payment on the purchase of resale properties, and 10% on new construction. There are no monthly payments – but the incentive must be repaid in 25 years or when the home is sold. Repayment will be 5% or 10% of the market value at the time of repayment.

Will this incentive help your children? It could – but in the largest Canadian cities it's hard to find properties priced low enough to make this incentive work.

HOW PARENTS CAN HELP THEIR CHILDREN BUY A HOME

Parents can gift money, co-sign or become a guarantor. There are several mortgage options available today where parents can use their own principal residence or other properties as equity to help their children. In addition, depending on the age of the parents, a reverse mortgage can help them gift money from their estate, while they are still alive and continue living in their home – without having to make mortgage payments. Our experts can help you with custom strategies to achieve your goals.

Get InTouch working for you today!



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