

# Case Study – Net Worth

Debt laden and need to consolidate

House Value	\$1,500,000
Existing 1 <sup>st</sup> Mortgage	\$250,000 (16% LTV)
Credit card debt	\$86,000

## BEFORE

Mortgage payment - \$1402.12 per month  
\$86,000 Credit Card Debt – \$2,500 pmt  
Want funds to start a business, currently no income  
Credit cards all maxed out  
• Beacon Score 695

## AFTER

\$900,000 1<sup>st</sup> to 60% LTV  
Interest rate - 3.19%  
12 month term, 35 yr. amort.  
Monthly payments:  
\$3,549 per month  
• funds to start a business  
• 12 months FI can provide conventional financing and regain mortgage customer  
• Client happy and looked after

# Case Study – New BFS

Purchase with 10% down

House Value            \$650,000

1<sup>st</sup> Mortgage net      \$585,000 (90% LTV)

gross \$599,625 (92.25% LTV)

## Alt Lender – self insured

- BFS no min ( 4 months )
- 30 year amort.
- Rate 4.99%
- Mortgage pmt. \$3,196.56/month
- Lender fee 2.5% (\$14,625)
- Savings in insurance premium of

**\$17,257.50**

**1 year term**

**VS.**

## Stated Insured ( GE/CG )

- BFS min 2 years
- 25 year amort
- Rate 3.09%
- Mortgage pmt. \$2,947.93/month
- Insurance premium 5.45% ( \$31,882.50 )

**5 year term**

# Case Study – Restructuring

Description: Debt laden and need to consolidate

House Value	\$725,000
Existing 1 <sup>st</sup> Mortgage	\$178,427.46 (25% LTV)
Credit card debt	\$168,000

## BEFORE

- Mortgage payment - \$1902.12 per month
- \$168,000 Credit Card Debt – \$3,510 pmt
- \$8,700 O/S Rev Can
- Credit cards all maxed out
- Slow payments showing on credit bureau
- Beacon score 571

## AFTER

- \$362,500 1<sup>st</sup> to 50% LTV
- Interest rate - 4.5%
- 12 month term, 30 yr. amort.
- Monthly payments:
- \$1827.78 per month
- Cash flow savings \$1,682.22 not including CRA
- 12 months FI can provide conventional financing and regain mortgage customer
- Client happy and looked after

# Case Study – Purchase

**Description:** Client wanting to purchase an additional property but thought he didn't have the cash flow to support the purchase.

**House Value**                    **\$950,000**

**Existing Mortgage**    **1<sup>st</sup> mtg: \$618,000 (65% LTV)**                    **2<sup>nd</sup> mtg: \$104,000 (76% LTV)**

**New Mortgage:**            **\$807,500 (85% LTV)**

## BEFORE

- Revolving debt owing \$55,000 – Monthly payment \$1,650
- CCRA/Taxes owing \$50,000 – Monthly payment \$1,500
- Client writes off a lot of income on tax returns showing low net income
- Maxed out and slow repayment on some credit cards
- Current monthly payments \$7,828 (debts + mtg.)

## AFTER

- New mortgage \$807,500 to 85% LTV (combined 80% LTV 1st / 5% 2nd)
- New monthly payment \$4,200 – savings of \$3,620 monthly which enabled the client to purchase the additional property creating a sale opportunity for the FI and their key referral partner!