



As you begin to establish roots in Canada and get settled, it starts to feel more like home. While you make new plans and look forward to the future, we can help you build your life here, and find success and prosperity in your new country. Owning a home is a goal for many newcomers.

Buying a home

Owning a home is a dream many Canadians share – to have a permanent place to live and invest for the future. Buying a home also represents a major step toward setting down roots in your new country.

Because a home can be the biggest purchase you ever make, almost every new buyer needs to borrow money to purchase their first home. At BMO Bank of Montreal, we can help make that happen.

The road to home ownership: Getting a mortgage

When you borrow money to buy a home in Canada, you apply for a mortgage – a long-term loan that uses the home itself as security. Paying your mortgage consists of making regular payments to the bank. Typically, 25 years is a good amount of time to target to pay off your mortgage.

Qualifying for a mortgage

Your credit history, annual income, as well as your assets and liabilities, are all factors in determining your ability to obtain a mortgage. Even if you're new to Canada and haven't found employment or established a credit history yet, there are ways to establish yourself in Canada and own a home. Call us or visit your local branch to learn about your options.

How much can you afford?

Understanding how much you can afford to spend is one of the first things you'll need to figure out when buying your home.

Affordability goes beyond the purchase price of your home. In fact, there are many costs involved in owning a home, including one-time costs that come up at the time of purchase, and ongoing expenses that you'll be responsible for paying over time. For example, closing costs, property taxes, your regular mortgage payments and home maintenance expenses all need to factor into your overall home buying budget. To calculate how

much you can afford, it's a good idea to use an online tool that incorporates all of the common home expenses, such as the BMO "How much can I afford?" calculator located at [bmo.com](https://www.bmo.com) on the Mortgages page, under the Mortgage Tools tab.

Mortgage pre-approval

Once you've decided to buy a home, getting pre-approved for a mortgage is the first step to take. With a mortgage pre-approval, you know exactly how much you qualify to borrow, allowing you to set a price range, shop with confidence, and act quickly when you find the home you want. A BMO Mortgage Representative or mobile Mortgage Specialist can guide you through the pre-approval process.

Your down payment

In addition to the amount you will borrow, you will need to put down a lump sum of your own money – at least 5% of the purchase price of your home. This amount is your down payment, and affects your ongoing mortgage and insurance costs.

Saving for a down payment can seem a little overwhelming if you are just getting started. But regular, ongoing contributions to a savings account or investment plan can help you build your savings faster than you might think. For example, saving just \$50 a week for five years will grow to \$13,000 plus any earned interest. Choosing an investment plan that earns interest and that fits your risk tolerance and savings habits can help you grow that amount even more.

Mortgage options

There are several mortgage rates and types to choose from. Mortgage rates vary depending on the length of the mortgage term, which can last anywhere from six months to 10 years. You can choose either a fixed-rate or a variable-rate mortgage. With a fixed-rate, your interest rate is locked-in for the term of your mortgage, but with a variable-rate mortgage the interest rate will increase or decrease based on changes to the bank's prime lending rate.

You can also choose either a closed or open mortgage. Open mortgages can be paid off at any time during the term without incurring extra charges for paying the mortgage off early, but they have higher interest rates than closed mortgages. A closed mortgage cannot be paid off before the end of its term without a pre-payment charge.

Choosing the type, rate, and term of your mortgage is a personal decision – one that will depend on your current and long-term goals, your tolerance for risk, and your individual financial situation.

Learn more by visiting us online at [bmo.com/mortgage](https://www.bmo.com/mortgage).

Four tips for lowering your mortgage interest costs

1. Make as large a down payment as possible.
2. Pay off your mortgage faster by paying weekly or bi-weekly.
3. Make use of pre-payment options.
4. If your mortgage permits, increase your payments as your salary increases.

Get the help you need

Applying for your first mortgage in Canada can feel overwhelming, as there is a lot to know and learn. Talk to a BMO mobile Mortgage Specialist who can help you every step of the way.

Find a mobile Mortgage Specialist:

By phone: Call 1-877-225-5266

Online: Visit bmo.com/mortgagespecialist