



Mike's Home News

Senior Mortgage Advisor
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Buy Diapers and Soap... With Your Smart Phone

Their goal is nothing less than reshaping the retail industry. And with the growing popularity of smart phones and other mobile computing devices, tech-savvy retailers may wind up doing just that.

Whereas previous generations thought of shopping as requiring a trip to the local mall, buyers in recent years have become increasingly comfortable making their purchases online: letting their "fingers do the walking" via keystrokes on a computer. But now, e-commerce innovators – such as the online drugstore Well.ca – are taking that idea one step further.

By strategically locating so called pop-up stores in key commuter hubs, retailers are finding new ways to bring goods to shoppers. Using their smart phones, busy commuters simply scan the quick response (QR) codes (those black-and-white square patterns you're seeing everywhere these days) on images of products, such as brand-name diapers or detergent, to place their orders. Purchases are delivered to their homes as early as the following day.

Shopping by smart phone while on the go may be a relatively new notion for many, but the appeal of such a system is obvious. With the ease of pressing a button on their pocket-sized device, time-pressed commuters can cross off items on their to-do lists that otherwise would have required a far more time-consuming trip to the local store.

And with PC World reporting earlier this year that smart phones "are already more popular than PCs," such e-commerce innovations are sure to be around for a long time.

Mortgage Payment Protection

Your homeowner's policy provides only those coverage's described in your policy. These coverage's pertain to property and liability losses. There is no coverage to pay off your mortgage in the event of the death of the insured or to make mortgage payments in the event of disability. Ask *me* or your insurance agent about Life Insurance and/or Mortgage Disability Coverage.

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How to Calculate Your Debt-to- Income Ratio

Before you embark on your home search, your first consideration should be how much you can afford to pay. You need to establish what your monthly payments should be and that means understanding how your usable income is calculated.

The starting point of any income calculation begins with gross, or before-tax, income. Regardless of what you take home each month, your lender will always want to know your salary *before* any withholdings.

Debt-to-Income Ratio

After your gross income is calculated, monthly debt is subtracted. This debt includes rent or mortgage payments, car payments, credit card debt, student loans and other kinds of loans. Many people ask if debt includes other monthly expenses such as utility bills or gas for the car, and the answer is no – these are not included in your ratios.

While your mortgage professional will give you the exact numbers you will use to qualify, a good rule of thumb is to keep your payments between 40% and 45% of your gross income, less expenses.

For example, if your gross income is \$3,000 a month and you have car payments and credit card balances for a total debt of \$500 a month, your usable income is \$3,000 minus \$500, or \$2,500 a month. Taking \$2,500 x 40% and 45%, you arrive at a total mortgage payment between \$1,000 and \$1,125 per month.

If you keep these figures front and center during your home search, you won't fall for a home that's beyond your means.

News You Can Use

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Take Control of Your Mortgage Approval Process

As a borrower, you have more control over the mortgage process than you might think. When you apply for a mortgage, you will be asked for documentation relating to income, assets and proof of residence, among others. If you can quickly supply your lender with complete documentation as requested, it will do wonders in getting your loan approved lickety-split. This article will describe some of the documentation your lender will require upon application.

- **Income Documentation** should include the last 30 days of paystubs as well as the last two years of W-2 forms and tax returns, both with schedules attached. Lenders are scrutinizing income closely these days and are careful to ensure that every dollar of income you claim can be verified according to their guidelines. Ensure that everything they'll need is included. Note also that if you changed employers in the last 24 months, you should attach contact information for previous employers.

- **Asset Documentation** includes 60 days of the financial statements you plan to use (and be aware that you needn't use all the assets you have available). You should include even blank pages in submitting your financial statements, as lenders need to ensure that they have the full picture and that nothing is missing from the statements. If you have large deposits other than your payroll checks, you may be asked for a letter explaining the origin of these funds. This is typical.
- **Residence documentation** establishes where you have lived in the past two years. Include contact information related to your current residence, and if you have multiple landlords attach their contact information as well.

You should ensure that all the documentation requested by your lender is complete. And if you're not sure what's required, ask. It will pay off in a speedy mortgage approval.

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Are You Managing Your Finances Wisely?

Are you paying too much for your mortgage? Is your money being invested wisely?

If you're curious about how you could save money every month, why not see if I can help you?

Just give my office a call for a no-fuss, professional consultation. I won't try to push you into making any quick decisions and I won't waste your time.

I'll just give you the facts about your financial situation. And maybe I'll save you a few dollars along the way! Just give my office a call at 818-574-3728 to arrange an appointment.

Tennis Tip

Attack when you have been invited. In other words....be patient and wait until your opponents give you a ball short in the court (your invitation). Once you've been invited, attack and you will have a lot more fun on the courts.
Enjoy.

Call Me Today For All Your Home Financing Needs!



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