

# Purchase Plus Improvements

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Imagine being able to add immediate upfront renovation costs to your mortgage when you purchase your home. This is now possible with the Purchase plus Improvement Mortgage Program.

A problem home buyers can face when finding a home is price point. Sometimes that price point offers them a home that needs immediate work or upgrading to fit their needs. These upgrades could be a new kitchen, flooring, bathroom, roof etc. The clients really love their home but do not have the money to upgrade or do not want to take out a line of credit and incur those new costs on top of the mortgage. There is now a solution with the Purchase Plus Improvement mortgage.

Under this mortgage program a client can add on the immediate renovation cost up to **10% of the purchase price**. For example, a \$400,000.00 mortgage increased by \$40,000.00 over 25 year amortization would add on an extra \$200.00 per month to a mortgage payment. Compare this with a new line of credit where the monthly payment could be \$600.00 or higher.



## How the Program Works:

The client needs to submit, along with the mortgage application to purchase the home, a detailed cost sheet for the renovations. This quotation needs to be completed by a professional contractor or home hardware store. The renovation cost is approved at the same time as the mortgage. On closing of the mortgage the renovation funds (ie. \$40,000.00 based on above example) is held back by the lawyer until the work is complete. So this means that the client needs to have funds to complete the work upfront or have the work done where payment is made when complete. On completion of the work the lender will then send out an inspector to verify that the work is complete, based on the cost sheet submitted. Once the renovation has being signed off by the inspector, the funds are released to the client and added to the mortgage.

For more information on this amazing product please contact **Robert Clancy**:

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