



Mortgages, Explained Simply

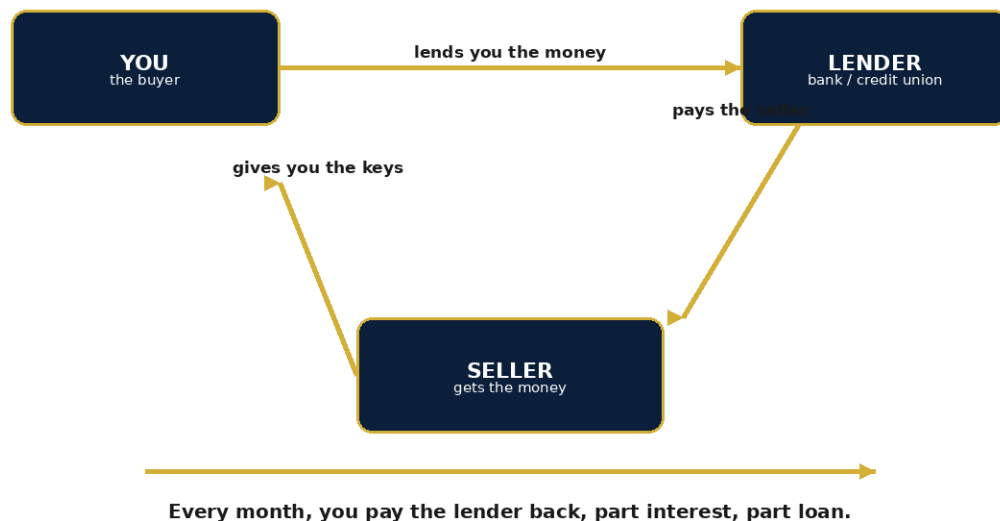
What a mortgage is, how it works, what you need, and when to buy. Plain English, real examples.

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1. What Is a Mortgage?

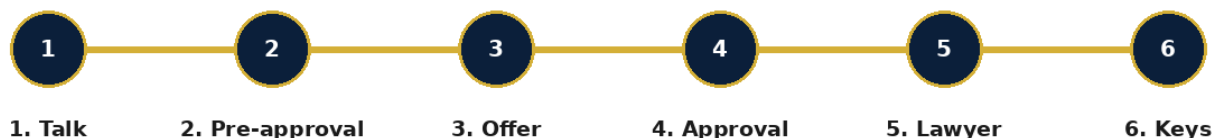
A mortgage is a loan you use to buy a home. The lender gives you most of the money. You pay it back every month, with interest. The home itself is the security for the loan. You own the home. The lender has a charge on it until the loan is paid off.



Real example: you buy a home for \$750,000. You put in \$50,000 of your own money as the down payment. The lender lends you \$700,000. You pay that \$700,000 back month by month.

The one sentence version: the lender pays for most of your home now, you pay the lender back slowly, and the home is yours.

2. How It Works, Step by Step



Pre-approval: 1 to 2 days for a clean file. Full approval: about 1 to 2 weeks after your offer.

Step 1 - Talk. You tell me what you want to buy, your income, your debts, and your down payment. I tell you straight what is possible.

Step 2 - Pre-approval. I check your documents and a lender confirms what you can borrow. Now you can shop with real numbers.

Step 3 - Offer. You find a home and make an offer with your realtor. Keep a financing condition if you can.

Step 4 - Approval. The lender checks the property, orders an appraisal, and gives the final yes.

Step 5 - Lawyer. Your lawyer checks the title, handles the money, and registers the mortgage.

Step 6 - Keys. On closing day the money moves, the home becomes yours, and you get the keys.

3. The Rules for Clients

- **Your down payment must come from an acceptable source.** Savings, RRSP Home Buyers' Plan (up to \$60,000), FHSA, or a family gift with a gift letter. Never borrowed money.
- **You must pass the stress test.** Lenders qualify you at your rate plus 2%, or the benchmark rate, whichever is higher.
- **Your debts matter.** Housing costs under about 32% of gross income, all debts under about 40%. These are rough guides, every lender applies them a bit differently.
- **Change nothing financial between offer and closing.** No new loans, no new credit cards, no job change, no big unexplained money moves.
- **Every dollar needs a paper trail.** The lender must be able to see where your down payment and income come from.
- **The property must appraise.** If the appraisal comes in below the price, you cover the gap or renegotiate.

4. Why We Ask for Each Document

Every document has a reason. Nothing is asked just for fun.

Document	Why we need it
Photo ID	Proves you are who you say you are. Required by law to fight fraud.

Document	Why we need it
Pay stubs and employment letter	Proves you earn what you say, and your job is stable.
Bank statements	Proves your down payment is real, saved, and not borrowed. Shows the money trail.
Tax returns and Notice of Assessment (self-employed)	Your tax returns show your real business income. Lenders trust these more than estimates.
List of debts	Lenders must count every debt to check your debt ratios. Hidden debts kill files.
Gift letter	Proves a family gift is a gift, not a loan you must repay.
Property documents (for refinancing or renewal)	Proves what you own, what you owe, and what the property is worth.

If a document is missing, the file waits. The fastest files are the ones where everything arrives on day one.

5. How Long Approval Takes With My CENTUM Team

You deal with me. Behind me is the CENTUM team: underwriting and the lender network that process the file, talk to the lender, and clear conditions. You never deal with a call centre.

- **Pre-approval:** 1 to 2 days for a clean file with documents up front.
- **Full approval after your offer:** about 1 to 2 weeks, including the appraisal.
- **Messy files take longer.** Self-employed income, bruised credit, or missing documents add time because the lender needs more proof.
- **You always know where you stand.** I update you and your realtor at every stage, so nobody is guessing.

Real payment example: a \$700,000 mortgage at 4.5% over 25 years is about \$3,890 a month. At the stress-test rate of about 6.5%, the same loan qualifies at about \$4,730 a month. Example only, your rate and payment will differ.

6. How Funding Works

On closing day, the money does not come to you. It goes like this:

- **1.** The lender sends the mortgage money to your lawyer.
- **2.** Your lawyer pays the seller and registers the mortgage.
- **3.** You get the keys.
- **4.** You start making monthly payments to the lender.
- **5.** In most standard mortgages, you do not pay me. The lender pays me.

7. Business Loans: What You Need and What to Show

Two different things. A **business mortgage** buys property, like your own shop or office. A **business loan** funds the business itself, like equipment or working capital. Both need proof the money will be repaid.

What to show the lender

- **Business financial statements, 2 years.** Proves the business makes money and can carry the payments.
- **Business tax returns, 2 years.** Confirms the numbers on the statements.
- **Business bank statements, 6 to 12 months.** Shows real cash flow, not just paper profit.
- **Business plan or projections.** What the money is for, and how it will be repaid.
- **Your personal ID and personal tax returns.** Most business loans need a personal guarantee, so your personal finances count too.
- **List of business debts.** The lender must see all existing loans, leases, and lines of credit.
- **Down payment proof.** Business property usually needs 25% or more down. Business loans usually need the owner to put money in too.
- **Property details (for a business mortgage).** Address, price, what the property is used for, and its income if it has tenants.

What the lender looks at

- **Cash flow.** Does the business earn enough to cover the payments? This is the number one question.
- **Credit.** Your personal and business credit history.
- **Collateral.** What the lender gets if the loan is not repaid, usually the property or equipment.
- **Experience.** How long you have run this business or one like it.

Tip for business owners: clean books get approved. Messy books get declined, even when the business is good. That is why I started Akaount, bookkeeping, payroll, and tax for small businesses.

8. When to Buy: There Is No Right Time

People wait for the perfect rate, the perfect market, the perfect moment. That moment does not exist. The right time is when YOUR life is ready:

- **You can afford it.** Down payment saved, closing costs saved, emergency cushion left over.
- **Your income is stable.** You are not about to change jobs or lose income.
- **You plan to stay.** About 3 to 5 years or more. Buying for one year rarely makes sense.
- **The payment fits your life.** You can live, save, and sleep at night.

Waiting costs money too. Rent never comes back.

5 years of rent at \$2,500 a month is \$150,000 gone, with nothing back.



RENT: \$2,500 a month



BUY: same money, you own it

Rates go up and down. You can renew or refinance later. You cannot get back years of rent. Buy when your life is ready, not when the headlines tell you to.

9. Watch: Short Videos

A PDF cannot play video, so the short videos live on my website. I am recording one short video for each topic in this guide:

- **Video 1:** What is a mortgage, in 60 seconds. vishveshpatel.com
- **Video 2:** The documents you need, and why. vishveshpatel.com
- **Video 3:** When to buy, and why there is no right time. vishveshpatel.com
- **Video 4:** Business loans, what to show the lender. vishveshpatel.com

Ask me anything. If one of these videos would help your buyer or your client, tell me and I will send it.

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