



MORTGAGE
Plan



RENT-TO-OWN *Program*



Fix the Purchase Price



Don't let the market keep
you from owning a property

***Adan Aranda &
Marialba Cipriani***



Are you thinking of buying a home in Canada but still have problems meeting the lender's criteria?

*The **Rent-to-Own Program** is the perfect **Plan "B"** which allows you to enter renting in the house that will be yours, and fix the purchase price during the program, while you build your credit strengths to get the mortgage to buy that property.*

With this program, you select the location and the type of house according to your authorized budget. This will be your home, so you can make all the improvements that you would like to do it.

Rent-to-Own, the 3 Pillars



Rent for a while in the house that will be yours soon

With the Purchase Option Contract, fix the purchase price during the rental period

During the rental period, we will work in your mortgage needs to qualify

Rent-to-Own Minimum Criteria



Minimum criteria for the Rent-to-Own program is:

- **\$75,000 or more household income**
(This will dictate your purchase price)

- **3% of the home price**
(This is the deposit that will be your down payment to purchase your home at the end of the program)

The Rent-to-Own Process



1. Application and Criteria

There are two main criteria to prequalify as a Tenant-Buyer.

1. Annual household income greater than \$75,000.

2. Minimum deposit of 3% of the Purchase Price

2. Approved

Documents delivery, to let you know how much you are approved for.

This budget is calculated according to your annual income, so that at the end of the rental period (2 to 3 years), it will allow you to access a conventional mortgage, with the best rates and conditions.

3. Once a house is found

Your Realtor will work with us to negotiate and finalize the sales agreement.

A home inspection is mandatory to ensure that the house is free of major issues and that you can afford to pay for any necessary repairs or improvements that may be needed.



The **Rent-to-Own** Process



4. Closing Conditions

Once all Offer Conditions are waived:

You sign two legal contracts

1. You sign a Tenant Lease Contract

2. You sign a Purchase Option Agreement

3. Your deposit goes toward the purchase of the house

5. Move in Day

1. You have to give 2 monthly payments throughout the term

2. The rent portion - money goes toward the mortgage, property taxes and insurance

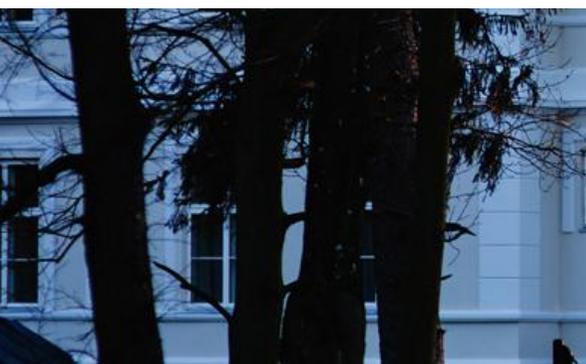
3. the saving portion - money that goes toward your down payment. By the end of 36-month term, you've saved the necessary amount to make up your full down payment required.

6. Mortgage & Credit Coaching

Over the 36-month term, our credit team works with you to improve your credit score through our credit repair program and offering coaching on budgeting and improve your money mindset.

You also are able to do improvements to the home during this time to maximize the value of your home.

In this win/win situation, your home will be worth more than the predetermined purchase price.



The **Rent-to-Own** Process



7. Execute the Purchase Option Contract

At the end of the rental period, and once you have reached the credit standards, we will begin the process of applying for a conventional mortgage.

Now you will be able to be approved for a mortgage to execute the purchase option contract to buy your house.

This is the big day

"NOW YOU ARE THE OWNER OF THE PROPERTY"





Benefits

- 1. You chose where to live**
- 2. You will fix the purchase price 3 years before you get your mortgage**
- 3. You will know the exact amount of your down payment**
- 4. You can make improvements to increase the equity of your home**
- 5. You will increase your credit standards with the free Credit & Mortgage Coaching**
- 6. You will stop renting, and you will have the satisfaction of living in your home**



Know more / RTO Program

CLICK

Scenario

Authorized Budget base on your Annual Household Income of 100k: \$420,000 (approx):

- **Purchase Price: \$400,000**
- Closing costs: \$8,000
- Base Price: \$408,000
- Rent-to-Own Term: 3 Years

- Deposit: \$12,240 (This is the **3%** of your -Down Payment-) if you put more then 3%, your monthly payment will be less than that.

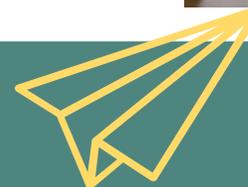
- **Monthly Payment: \$3,510**
 1. Base rent: \$2,448
 2. Rent credits for Down Payment: \$1,062

- **Purchase Price to Client: \$472,231**
 - Credit fund accumulated in the Rent-to-Own program (**10.68.%**): \$50,472

NOTE: This scenario is just an example to see how it works.



Know your Personal Scenario. Book online a 30 minutes zoom meeting.



CLICK

Fixed Purchase Price



Purchase a house with the **Rent-to-Own Program**

1 Lease Agreement

2 Purchase Option Contract



Fixed price during the contract

5% - 7% annual

C\$610,000*

Amount Fixed in the Contract

*See the scenario on the previous page

Purchase a house **WITH OUT** a **Rent-to-Own Program**

Lease Agreement

Price grows according with the Canada Real Estate Market

15% - 31% annual*

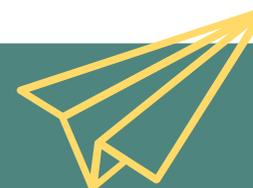
Unknown Price

C\$ _____ .00

?????



*2020 - 2021 / CREA Canadian Real Estate Association:
<https://creastats.crea.ca/en-CA/>



Know your Personal Scenario. Book online a 30 minutes zoom meeting.

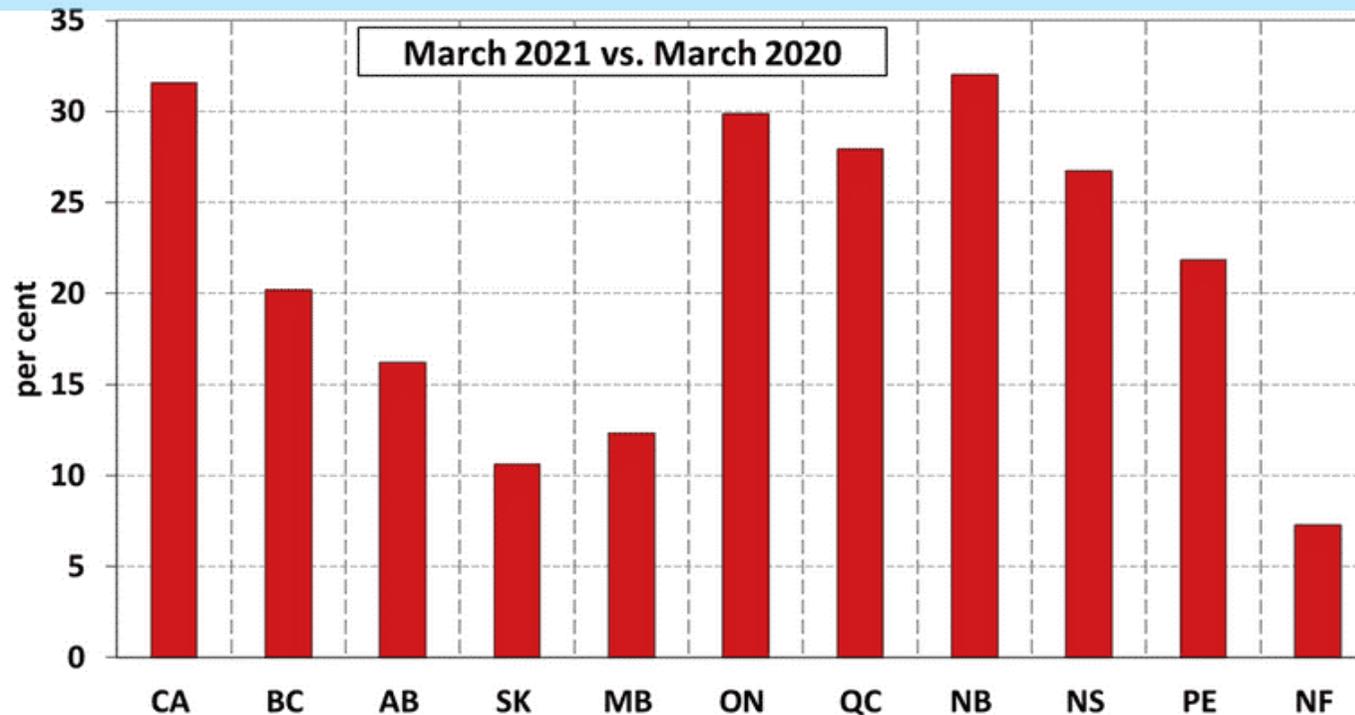
CLICK

Price Increase in Canada



Source: CREA: Canadian Real Estate Association / Ontario 30%, - Quebec 27%

Residential average price* Year-over-year percentage change



*Actual (not seasonally adjusted)

Know your Personal Scenario. Book online a 30 minutes zoom meeting.



CLICK

Relation Between Price-Income



Why is important to know this relationship?

- 1.** It is a priority to know **WHERE WHAT TYPE OS HOUSE and THE PRICE**
- 2.** In Toronto and GTA to afford a house of \$750,000 you need an average of \$170,000 in your house income.
- 3.** If your income is less than \$170,000 you will need to relocate out of this area, See the ZOLO analysis of affordability in Ontario.

Click in this image to see the full article



Know your Personal Scenario. Book online a 30 minutes zoom meeting.



CLICK

ZOLO: Must Affordable Cities, ON



Las 5 grandes ciudades más asequibles

1. Windsor (98,56)
2. London (97,49)
3. Barrie (97,06)
4. Kanata (98,92)
5. Guelph (96,22)

Las 5 ciudades medianas más asequibles

1. Sarnia (99,18)
2. Thunder Bay (98,58)
3. Sudbury (96,54)
4. Stoney Creek (96,84)
5. Sault Ste. María (96,52)

Las 5 ciudades pequeñas más asequibles

1. Deep River (93,46)
2. Rainy River (91,62)
3. Smooth Rock Falls (90,60)
4. Englehart (88,93)
5. Marathon (88,91)

Click in this image to see the full article

Most Affordable Large Cities in Ontario (pop: 100K+)



Rank	City	Average Home Price	Population (2016)	Average Income (Single)	Home Price-to-Income Ratio (Time to Buy)	Ave Unemployment Rate	Total Score
1	Windsor	\$534,000	287,069	\$63,986	8.35	9.1	98.81
2	London	\$578,000	383,822	\$60,918	9.49	9.35	97.49
3	Barrie	\$713,000	141,434	\$61,063	11.68	7.9	97.06
4	Kanata	\$756,000	117,304	\$81,634	9.26	8.8	96.87
5	Guelph	\$761,000	151,984	\$68,528	11.10	6.3	95.90
6	Waterloo	\$863,000	104,986	\$78,771	10.96	9.35	96.22
7	Kingston	\$777,000	123,798	\$62,674	12.40	9.45	95.55
8	Hamilton	\$830,000	536,917	\$62,903	13.19	8.8	95.82
9	St. Catharines-Niagara	\$783,540	406,074	\$57,607	13.60	6	95.30
10	Kitchener	\$757,000	233,222	\$60,496	12.51	9.15	94.28

Know your Personal Scenario. Book online a 30 minutes zoom meeting.



CLICK

Why work with a Mortgage Broker?



How can a Mortgage Broker help you in the Rent-to-Own Process?

Mortgage Brokers are licensed professionals with the **Financial Services Regulatory Authority (FSRA)** of Ontario,

At Mortgage Architects, we work with more than 60 lenders with which we can find the best option for you, like this Rent-toOwn Program, or the Mortgage that you need to execute the Purchase Option Contract at the end of the lease period.

The lender who runs this RTO Program is one of the options that we can offer as a Plan "B", if you couldn't have a good Plan "A" to get a Mortgage at this moment



Why work with a Mortgage Broker?

CLICK

First Home Strategy



These days, more than ever, we need a well-formed strategy to be able to buy a house in Canada. It's not enough with a desire or having a good down payment, the Banks protect themselves by demanding proof of income, job stability, good credit, property attributes and address all this information with their specific criteria.

Contact us, we will be happy to support you with it.



Why work with a Mortgage Broker?

[CLICK](#)



OUR SERVICES



- Mortgage Planning with more than 60 lenders in one place
- The best conditions and rates
- Refinancing and HELOC
- Loan solutions, like Reverse Mortgages for people over 55 years old, without monthly payments
- Rent-to-Own
- Mortgage & Credit Coaching

As a Mortgage Broker, we will find the best mortgage that fits your needs and purposes.

About MARIALBA



”

Hi, my name is Marialba Cipriani I am a Mortgage Specialist with Mortgage Architects, one of the largest brokerages in Canada.

Having the pleasure to work alongside mortgage and financial lenders, has contributed to the success of my career. I come from a complex operational management background and pride myself on exceeding customer's expectations in finding the best rates, services, and options for a home loan that's right for you.

About ADAN



”

My name is Adan Aranda. I am a Mortgage Planner with Mortgage Architects, one of the largest brokerages in Canada.

The Mortgage Business goes further beyond the lucrative results, it helps to materialize individual and family goals, both financial and quality of life. I'm proud and honoured to provide personalized mortgage solutions and financial services to support my clients' goals and make them a reality.

License:
M20002925



CONTACT



Cel: 647.704.2209
905.401.6573



mortgages@marialba.ca
mortgages@AdanAranda.ca

www.Marialba.ca

www.AdanAranda.ca



MA MORTGAGE
ARCHITECTS®

Brokerage License 12728

www.MortgagesTalks.com

BLOG & PODCASTS



Listen to us:
Spotify, ApplePodcast, Google Podcast
and more.