



GLM

MORTGAGE GROUP

**“We Get You a Fast “YES”
at the Sharpest Rate... Guaranteed!”**

– Geoff Lee, President GLM Mortgage Group

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WHAT *NOT* TO DO ONCE YOU ARE PRE-APPROVED/APPROVED

A Message to You from Geoff Lee, President of GLM Mortgage Group | Dominion Lending Centres

Not long ago, I helped a young couple that were first time home buyers. It was very exciting for them and they were thrilled when the approval for financing came in. As any mortgage goes, there were conditions associated with the mortgage such as guaranteed employment and secure wages which my clients had. Financing for the townhouse they were buying was based on both of their incomes. Then the bombshell dropped. The primary client called me a few days after getting the initial approval from the lender and told me that over the weekend his wife decided to take on a new job. Further, she had handed in her resignation and her employer was aware that she was quitting in 2 weeks. Yikes! Their financing was now in serious jeopardy and I honestly wasn't sure what the outcome would be. Fortunately, it did work out. I'm happy to say that we were able to approach the lender at a different angle and use the wife's 2-year Notice of Assessment average to prove her income.

As a Mortgage Broker, I can always get a mortgage for my clients, but it is up to the client to avoid certain actions to ensure smooth settlement with the lender. That is why I've put together this eBook. There is a need for our clients to be aware of what NOT to do once they are pre-approved/approved.



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A handwritten signature in black ink, appearing to be 'G. Lee'.

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I'VE GOT A PRE-APPROVAL/APPROVAL. WHAT ELSE SHOULD I KNOW?

1. **DON'T HAVE YOUR CREDIT PULLED BY ANOTHER BROKER OR LENDER** – the lender will often pull your credit again right before financing. If the lender sees that other brokers or lenders have pulled your credit the lender views this a credit seeking and can put your funding in jeopardy.
2. **DON'T APPLY FOR NEW CREDIT** – the lender calculates your debt based on the amount of credit you have. If you are applying for new credit, the obvious assumption is that you are planning on using it. Don't get any new credit until the closing date is passed.
3. **DON'T CLOSE ANY OLD CREDIT ACCOUNTS** – Credit is not a bad thing.... unless you are having a hard time managing it. Old credit shows a long history of being able to handle credit. Lenders like that.
4. **DON'T MOVE YOUR MONEY AROUND WITHOUT A PAPER TRAIL** – When you settle with the bank on the contract of the mortgage, the lender will require bank statements showing your saved money. They look at the history along with the balance. If there are any unusual deposits, you will need to explain where the money comes from. Be prepared to show a paper trail.
5. **DON'T INCREASE YOUR DEBTS** – The lender always looks at your debt to income ratio. If you increase your debt, you can risk going over the maximum amount of debt compared to your income.



6. **DON'T SKIP A PAYMENT OR MAKE A LATE ONE!** – Credit is negatively affected by late payments. And the lender will ask about them, even if there is only one late payment. Schedule your monthly payments automatically to be withdrawn so that you never show a late payment on your credit bureau.
7. **DON'T BUY A CAR!!!!** – It is amazing how many people buy a new car.... just before they go to buy a new house! Resist the urge. While we are at it don't finance another house, a couch, a musical instrument or ANYTHING ELSE!!! Wait until AFTER closing.
8. **DON'T CHANGE JOBS** – Because your financing will be based on secure employment, getting a new job (and usually being placed on probation in a new job setting) will disqualify you from financing. WAIT... until after closing.
9. **DON'T SPEND YOUR SAVINGS** – Make sure your savings remain the same. Right up until closing. The lender will want to see that your file is as it was when first applying for the mortgage.

NOT TO DO LiST

1.

2.

3.



Conclusion

At GLM Mortgage Group | Dominion Lending Centres we want you to be completely prepared for your journey in attaining financing for a mortgage. Strategy in being as favourable as possible to the lender is obvious and part of the strategy is avoiding pitfalls such as too many credit pulls that may cause the lender to question whether or not you are responsible with your credit. We are here to position you in the most favourable light to the lender. We know what to watch out for and we will make sure you are well informed on what actions to take to ensure a smooth settlement with the lender.

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