

Angie Ortiz

MOUNTAINVIEW MORTGAGE

MY FIRST TIME HOMEBUYER MORTGAGE PLAYBOOK

ONTARIO EDITION

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

If you're buying your first home, you probably feel two things at once:

Excited.
And slightly overwhelmed.

That's completely normal.

I've spent over two decades working inside lending and including 23 years at a major Canadian bank and earlier experience in alternate lending. I've reviewed files from the inside. I've seen what gets approved smoothly, what gets delayed, and what quietly falls apart.

This playbook is not about pressure or hype.

It's about helping you understand:

- How lenders actually evaluate you
- What matters more than rate
- Where first-time buyers get caught off guard
- How to structure your mortgage intentionally

When you understand the system, the process becomes calmer. Clear. Strategic.

Let's walk through it properly.

HOW LENDERS ACTUALLY LOOK AT YOU

Before we talk rates or house hunting, we need to talk about something more important:

Risk.

When you apply for a mortgage, a lender is asking one core question:

"Is this borrower likely to repay this loan consistently over time?"

Everything flows from that.

The Four Pillars Lenders Review

01 INCOME

Is it stable?

Is it consistent?

Is it likely to continue?

If you're salaried with a history in your role, that's straightforward. Two years of history in the same field is what they want to see.

If you're self-employed, commissioned, or recently changed jobs, it requires more analysis and explanation.

02 CREDIT

Your credit score matters and your credit history matters more.

Lenders look at:

- Payment patterns
- Missed payments
- Revolving debt balances
- Length of credit history

It's about patterns, not perfection.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

03 DEBT RATIOS

You'll hear terms like GDS and TDS.

In simple language:

- GDS looks at housing costs compared to income.
- TDS looks at all debts combined compared to income.

These ratios determine how stretched (or comfortable) your finances look on paper.

04 DOWN PAYMENT & DOCUMENTATION

Where your down payment comes from matters.

It must be traceable.

It must be documented.

Large unexplained deposits cause delays.

If there's one theme in this chapter, it's this:

Clean documentation creates calm approvals.

PRE-APPROVAL – WHAT IT REALLY MEANS

A pre-approval is clarity, not a guarantee.

It helps you:

- Understand your price range
- Estimate payments
- Identify potential issues early

But final approval depends on:

- The specific property
- Updated documents
- Satisfying lender conditions

What Strengthens a Pre-Approval

I always recommend gathering:

- Employment letter
- Recent pay stub
- T4s / tax returns
- Down payment proof
- If applicable, current mortgage statement and property tax bill

Organize them clearly. Label them properly.

It sounds simple - but it dramatically speeds up the process.

What Can Go Wrong

First-time buyers are often surprised by:

- Job changes during the process
- New credit applications, applying for other types of credit
- Large deposits with no explanation
- Gifted down payments without proper paperwork

The mortgage process rewards stability.

If you're buying, keep your financial life steady until closing.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

DOWN PAYMENT STRATEGY (ONTARIO & FEDERAL PROGRAMS)

Your down payment isn't just a number - it shapes your mortgage structure.

Minimum Down Payment (Canada Rules)

For owner-occupied homes:

- 5% on the first \$500,000
- 10% on the portion between \$500,000-\$1,499,999

If your down payment is under 20%, mortgage loan insurance is typically required.

CMHC explains how insurance premiums are calculated:

<https://www.cmhc-schl.gc.ca/consumers/home-buying/mortgage-loan-insurance-for-consumers/cmhc-mortgage-loan-insurance-cost>

First Home Savings Account (FHSA)

The FHSA allows eligible first-time buyers to save tax-free toward their first home.

Official details from CRA:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/first-home-savings-account.html>

It can be powerful - but follow the rules carefully.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

RRSP Home Buyers' Plan (HBP)

You can withdraw up to \$60,000 from your RRSP under the Home Buyers' Plan. If you are buying with your partner/spouse, total withdrawal can be up to \$120,000.

CRA overview:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/what-home-buyers-plan.html>

Repayment rules (typically over 15 years):

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/what-home-buyers-plan/repay-funds-withdrawn-rrsps-under-home-buyers-plan.html>

This isn't "free money." It's structured borrowing from yourself.

Ontario Land Transfer Tax Refund

First-time buyers in Ontario may qualify for a land transfer tax refund.

Details here:

<https://www.ontario.ca/document/land-transfer-tax/land-transfer-tax-refunds-first-time-homebuyers>

Land transfer tax is often one of the biggest closing surprises - plan for it early.

CHOOSING THE RIGHT MORTGAGE STRUCTURE

This is where strategy matters more than rate.

Fixed vs Variable

Fixed: Your rate stays the same for the term.

Variable: Your rate can move based on lender prime, which is influenced by the Bank of Canada.

Policy rate explanation:

<https://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/>

Neither option is “right.”

It depends on:

- Your comfort with payment movement
- Your timeline
- Your financial cushion

Term vs Amortization

Term = length of your contract (often 3–5 years).

Amortization = total time to pay off the mortgage (often 25–30 years).

Shorter amortization = higher payments, less interest overall.

Longer amortization = lower payments, more interest over time.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

Prepayment Privileges

Some mortgages allow you to:

- Make lump sum payments
- Increase your payment
- Pay down principal faster

If you plan to use bonuses or extra income strategically, this matters.

Penalties

This is the most misunderstood part of mortgages.

If you break your mortgage early, penalties can vary significantly depending on:

- Fixed vs variable
- Lender policy
- Timing

The lowest rate is not always the lowest-cost mortgage.

OFFER ACCEPTED TO CLOSING DAY

This is where timing and organization matter most

Once Your Offer Is Accepted

You may need to:

- Submit updated documents
- Satisfy lender conditions
- Complete an appraisal (if required)
- Work with your lawyer on closing logistics

Treat this like a project with deadlines.

Closing Costs in Ontario

Expect costs such as:

- Legal fees
- Land transfer tax (minus eligible refund)
- Title insurance
- Adjustments (property tax, condo fees)
- Home insurance

Have a buffer beyond your down payment.

Closing stress usually comes from underestimating cash required.

AFTER YOU GET THE KEYS

Your mortgage doesn't end at closing.

Review Annually

Once a year, ask:

- Is my payment still comfortable?
- Should I use prepayment privileges?
- What's my renewal date?
- Are there life changes coming?

Renewal Strategy

Renewal isn't automatic paperwork - it's another decision point.

Start reviewing options before your term ends so you're not rushed.

Refinancing

Refinancing can:

- Consolidate debt
- Fund renovations
- Restructure payments

But it can also involve:

- Costs
- Potential penalties

It should be strategic - not reactive.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call

FINAL THOUGHTS

Buying your first home is not just a transaction.

It's a structural financial decision that affects:

- Your flexibility
- Your stress level
- Your long-term wealth

When you understand how lenders think, how contracts work, and how to structure intentionally, you move from reactive to informed.

That's the difference.

www.angieortiz.com | (416) 505-4822

Book Your Free Mortgage Clarity Call