

# The Complete Communicator

FEBRUARY 2011

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THIS NEWSLETTER IS COMPLIMENTS OF  
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## New Mortgage Rules Introduced in 2011

On January 17, 2011, Minister of Finance, Jim Flaherty, announced prudent adjustments to the rules for government-backed insured mortgages to support the long-term stability of Canada's housing market and support hard-working Canadian families saving through home ownership.

"Canada's well-regulated housing sector has been an important strength that allowed us to avoid the mistakes of other countries and helped to protect us from the worst of the recent global recession," said Minister Flaherty. "The prudent measures announced today build on that advantage by encouraging hard-working Canadian families to save by investing in their homes and future."

The new measures:

- ✧ Reduce the maximum amortization period to 30 years from 35 years for new government-backed insured mortgages with loan-to-value ratios of more than 80 per cent. This will significantly reduce the total interest payments Canadian families make on their mortgages, allow Canadian families to build up equity in their homes more quickly, and help Canadians pay off their mortgages before they retire.
- ✧ Lower the maximum amount Canadians can borrow in refinancing their mortgages to 85 per cent from 90 per cent of the value of their homes. This will promote saving through home ownership and limit the re-packaging of consumer debt into mortgages guaranteed by taxpayers.
- ✧ Withdraw government insurance backing on lines of credit secured by homes, such as home equity lines of credit, or HELOCs. This will ensure that risks associated with consumer debt products used to borrow funds unrelated to house purchases are managed by the financial institutions and not borne by taxpayers.

The Canadian government's ongoing monitoring and sound underlying supervisory regime, along with the traditionally cautious approach taken by Canadian financial institutions to mortgage lending, have allowed Canada to maintain strong and secure housing and mortgage markets.

The adjustments to the mortgage insurance guarantee framework will come into force on March 18, 2011. The withdrawal of government insurance backing on lines of credit secured by homes will come into force on April 18, 2011.

(Source: JAC News)



## How to Save With the Way You Pay

How will you pay for this today? Maybe it's time to change the way you answer this common checkout question.

With more payment options than ever, consumers can find easy ways to save money, simply by using a different payment method.

### Consider cash

Some merchants will provide discounts for cash purchases of goods or services. Using cash can also make it easier to stick to your budget. But watch how you access your cash. Use an automated bank machine (ABM) owned by your financial institution – withdrawing from a different institution's ABM could cost more than \$8.00 per transaction. Avoid taking cash advance on your credit card since interest will be charged on those funds right away.

### Debit cards can carry costs

Debit can be a good option, as long as you are not paying extra fees per transaction. Check how many free debit transactions are included with your bank account package.

### Make your credit card work for you

Credit cards can be a convenient and safe way to pay for purchases and services. Some also offer benefits and rewards. But they can encourage "buy now, pay later" spending habits that may lead to financial trouble. "Carrying a balance on a credit card increases the cost of everything you purchase with the card due to the amount of interest you pay," says Ursula Menke, commissioner of the Financial Consumer Agency of Canada (FCAC). Aim to pay off your balance in full every month to avoid interest charges that mean you actually pay more than the price tag.

*(Source: News Canada)*



**Do not carry a credit card balance.** Pay off your credit card balance in full every month to avoid interest rate charges.

## Valentine's Day: Know the Language of Flowers

Valentine's Day is fast approaching and if you ever give or receive flowers, beware: that bouquet may mean more than you think. In the Victorian era, particular flowers in certain colours were chosen to express specific feelings. Using this language of flowers – called "floriography" – a bud, bouquet or even a boutonniere delivers more than colour and scent. Here's what some familiar flowers may convey:

**Apple Blossom** – Good things to come

**Red Tulip** – Declaration of Love

**Pink Carnation** – Gratitude

**Yellow Carnation** – Rejection

**Daffodil** – Chivalry and Respect

**Daisy** – Innocence and Purity

**Violet** – Faithfulness

**Edelweiss** – Daring and Courage

**Forsythia** – Anticipation

**Gardenia** – Secret Love and Joy

**Ivy** – Wedded love and Fidelity

**Lavender** – Loyalty

**Orange Blossom** – Marriage and Fertility

**Pink Rose** – Friendship

**Red Rose** – Passionate Love

**Sunflower** – Adoration

*(Source: Canadian Living)*

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