

MY MORTGAGE OPTIONS


 We C.U.™

“I want to start looking for a new house. What’s the first step?”

You have made the decision to move or purchase your first home and you are ready to start looking. Is that where you start?

Getting the Facts

Lots of people start by looking for their dream home, but looking in advance of knowing the facts may mean you are out of your price range and feel pressured at the time of negotiations. The best place to start is with The Credit Union. Understanding how much you can afford is critical. By looking at your expenses, your current financial obligations and your goals, we can help you figure out how much house you can afford and provide you with the comfort of a **pre-approval**. Not only does this mean you can lock in your rate, you also enter your negotiations in a confident position. You will not have to worry if rates go up while you are looking and you have the peace of mind if rates drop, the locked in rate will decrease.

The Approval Process

Pre-approval is the way to go. Just like any other financial institution, we look at three basic types of information. First, we compare your household expenses to your total income. As a rule, your household expenses should not exceed 40% of your pre-tax income. The expenses included are payments on all outstanding debt, property taxes, condominium maintenance fees if applicable, heating, mortgage insurance premiums and mortgage payments. Second, we look at your credit report and assess your payment history, outstanding debts, number of inquiries and debt mix. The better the credit report, the better the rate. Finally, we look at employment history as a measure of stability.

Your Credit Union Mortgage Advantage

Once we have all of your information we work backwards to figure out the mortgage payment you can comfortably afford, which then determines the size of your mortgage. As your financial advocate we take the phrase “comfortably afford” very seriously. We do not advise our members to take on more debt than they can afford, so we look at expenses very carefully. It is important during your planning to take into account all the extra costs when buying your home. We also calculate the affordability at various interest rates to make sure if rates increase your income and budget can still support all of your financial obligations.

We have all the mortgage products and terms you need, competitive rates and a commitment to keep you financially fit. So talk to us about your mortgage and make sure you are getting The Credit Union advantage.

Not Quite Ready?

If you are just starting to think about buying your first home or moving from where you are, come in to The Credit Union. We can help you figure out a budget for saving a down payment or go through your credit report and give you advice on how to improve your credit score. After all, as your financial advocate it is our job to not only help you be the most financially fit, but also to figure out how to reach your goals. Come in, drop by your branch, send us an email or give us a call – **we'll show you how.**

Turn over to read about how to improve your credit score...

To save on cost and the environment you will receive a paper copy of the newsletter in July, September and October this year. Note: The newsletter will be available online monthly at mycreditunion.ca. If you need a paper copy please contact Member Assistance.

Join us April 22nd for our 64th Annual General Meeting

All members on record as of March 31st, 2009, are entitled to attend. We ask that you please bring photo ID for membership confirmation. The AGM will be held at the Metro-Central YMCA Auditorium, 20 Grosvenor Street in Toronto. Registration will begin at 5:00 p.m. and the meeting will commence promptly at 5:30 p.m. We hope to see you there!



“Recently a member renewed her mortgage with us and was pleased we could answer her questions and do the renewal quickly and conveniently. The member has dealt with us for over 25 years and felt fortunate to have The Credit Union in charge of her financial life.”

— As told by a Branch Manager

Quick Tax – Personal Tax Filing Deadline: April 30th, 2009

Do your taxes online, all it takes is one quick click on the QuickTax ad on The Credit Union's home page or Internet Banking login page and you'll be connected.

The Credit Union

For All Government Employees
Ontario Civil Service Credit Union Ltd.

Improving Your Credit Score

Financial institutions and credit card companies rely heavily on your credit report when they are determining your interest rate. Beyond saving money, employers, cell phone providers and other businesses will often look at credit reports when making a decision.

What is a credit score?

A credit score is a judgment of your financial health that tells lenders what type of risk they are taking on, if they lend you money. The higher the score, the lower the risk. The three main Canadian credit-reporting agencies, Equifax, Experian and TransUnion, report scores on a scale between 300 and 900. So what can you do to make sure these factors are giving you the highest possible score?

First, get a copy of your credit report from all three agencies. Check the Useful Credit Score Links box (see right) to get the web links and phone numbers. They will provide your credit report either free (by mail) or a more detailed version for a fee. Check to make sure the information is accurate; if it's not, contact the credit agency to get it corrected.

Your Payment History

This information reports spending and balance history and how often you have missed a payment. What can you do? Pay off your balances/bills in full by the due date or at least make your minimum payments. Do not miss payments and verify all the transaction activity on your statements. Use your credit cards on a regular basis so there is recent positive payment information in your history.

Your Bankruptcy and Collection History

A key factor is whether you have had any collections or bankruptcies recorded against you. Having either of these will lower your score significantly. Likewise, judgments, consumer proposals and credit counseling services lower your score.

Your Outstanding Credit Balances

This is a critical element of your credit score and a combination of factors is considered. Total outstanding balances, number of accounts and your available credit are part of the equation. Having too much available credit can harm your score if lenders believe you have the potential to spend more than you can pay back. However, total outstanding balances should not exceed about 35% of your total credit limit, having more than this may signal you are living beyond your means. Therefore, think twice about closing a zero balance account, as it will decrease your credit available so your total percentage of outstanding balances will increase.

Your Account History

This refers to how long you have had open credit accounts. If you choose to close an account – close a more recent one. The longer your credit history the better your credit score, assuming your payments are on time.

Your Inquiry History

The number of recent inquiries into your credit report determines your risk profile. The more credit application inquiries, the more risky you look. Research has shown people seeking new credit accounts are more risky than those who are not. It does not mean every credit inquiry will harm your score. If you are going to several institutions to get the best rate the credit bureau will be able to tell and will count it as one inquiry. The best way to manage this part of your score is to apply for credit only when you need it.

Go to mycreditunion.ca for:

- Choosing the Right Credit Card
- The Personal: Canadians Don't Know Their Stuff

Your Credit Mix

If you only have credit cards on your credit report, your score will be lower than if you had a mix of installment loans and credit cards. To improve your score even more, pay down installment loans as fast as you can.

Your credit score is one of the ways a lender or other business checks on your financial health. Just like your physical health, it is your responsibility to check and maintain your credit score. If you have questions about your credit report come in, drop us a line or give us a call, we are here to answer your questions and figure out how to improve your financial health.

Useful Credit Score Links:

- Equifax Canada: 1 800 465-7166 • equifax.ca
- Experian Canada: 1 888 826-1718 • experian.ca
- TransUnion Canada: 1 866 525-0262 • transunion.ca

Changes to Chequing and Savings Accounts Effective April 1, 2009

Do not forget to check your next statement for you new fees. Not sure what package you are in or which one is right for you? Call Member Assistance at 416 314-6772 or toll free at 1 888 516-6664 and we'll help you figure it out. Rather go online? Check out our interactive calculator to figure out the package that fits all of your chequing needs at mycreditunion.ca/weCU.

NEW CAR RATE 4%*



* Rate subject to change

The Credit Union
For All Government Employees
Ontario Civil Service Credit Union Ltd.

We C.U.™

Member Assistance:
416 314-6772 or 1 888 516-6664
memberassistance@mycreditunion.ca

Direct Teller:
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1 800 387-0602

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