



MEDIA ADVISORY

MORTGAGE BROKERS VOICE ALARM OVER POTENTIAL GOVERNMENT INVOLVEMENT IN MORTGAGE FINANCING REQUIREMENTS

December 23, 2009 (Vancouver) – Potential government plans to raise the minimum down payment and reduce the amortization period will be detrimental to BC's real estate market – this according to [The Mortgage Brokers Association of BC](#) (MBABC).

“BC's real estate market was fueled for the most part this year by pent up demand and renewed affordability because of record low interest rates and lower housing prices”, says Joe Santos, MBABC President. “In the last few months, prices have rebounded and affordability is much less of a motivator. We feel that we've brought forward transactional volume from 2010 into the current business year, and expect stability in prices and volumes in the new year.”

With a decline in pent up demand, lenders' tighter lending practices and a market that is naturally correcting itself without interference by government, Santos feels that government attempts to temper the housing market can only have a negative effect. His concerns centre on the ability of first time home buyers to enter the market. “First time buyers drive the housing market. Raising interest rates and reducing amortization periods will severely impact affordability for this important demographic group.”

Santos further feels that any government measures will potentially cause home values to decrease, penalizing people who have bought into the market over the last two or three years with a 5% down payment.

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Joe Santos is available for interviews and can be contacted through:

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About MBABC

MBABC represents member brokers in BC and supports enhanced professionalism, ethical and professional standards and co-operation in the mortgage industry, while



elevating consumer awareness. The MBABC supports government policy that encourages small business and home ownership. MBABC broker members provide consumers with home financing expertise and mortgage options.