

June 19, 2008

Letter to the Editor of The Province

In reference to Monday's article in Money, "No Ninja Mortgages...."

The article brings up some good points.

Canadian lenders were slow to take up the type of loan products available within the American marketplace. But in this instance, and happily, our slowness to react has paid off by reducing the potential for serious mortgage loan problems as a result of cooler real estate markets.

For the consumer, the entry of new participants in the insured lending side of the mortgage business will be a major benefit by introducing innovative and lower cost products into the mortgage marketplace. It is important for consumers to understand however, that not all lenders deal with every mortgage insurance company. For consumers to access some of these programs they may have to dig a little deeper than their local bank branch. Alternatively, consumers might want to consider letting a professional mortgage broker do this work for them.

Member brokers of the Mortgage Brokers Association of BC have easy access to a much wider range of products and are able to provide the consumer with advice and access to all available plans. Buying a home and taking on a mortgage is the single largest and most important financial decision a typical Canadian family will make. By getting independent advice from a professional registered MBABC broker, a consumer can save thousands of dollars over the life of a loan.

Unlike the American model that depended on real estate equity appreciation, the Canadian mortgage underwriting system is based on a much stricter set of guidelines.

Cordially,

Brian Peterson  
President  
Mortgage Brokers Association of British Columbia