TIM BLOOMFIELD
MORTGAGES

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First-Time Homebuyer's Guide

Everything you need to know — from your first pre-approval to the day you get your keys.



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Welcome

Buying your first home should feel exciting — not overwhelming.



Deciding to buy a home for the first time is exciting and nerve-wracking all at the same time. This guide walks you through the mortgage process, the numbers that matter and what to expect at every step.

I spent more than ten years with major Canadian banks before becoming a mortgage broker, and I've been helping families finance their homes for over 20 years. As a broker, I work for you — not the bank. That means I can compare lenders and programs to find the solution that fits your goals, not just one institution's products.

As a father, I understand how important it is to create a home for your family. Use this guide as your starting point. My job is to walk you through it step by step so the process is smooth, easy and stress-free.

Happy to help,

Tim Bloomfield

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Eight steps from “I’m thinking about it” to “welcome home.”

Most first-time buyers spend one to three months between pre-approval and an accepted offer, then 30 to 90 days until closing. Here’s how it usually unfolds.

01 Talk to Tim

A no-pressure conversation about your goals, income, savings and timeline.

02 Get pre-approved

Know your budget and hold a rate for up to 120 days while you shop.

03 Shop with a REALTOR®

Find the right home in your price range — and the right neighbourhood.

04 Make a conditional offer

Include financing and inspection conditions to protect yourself.

05 Firm up your financing

Tim submits your file to the lender; an appraisal may be ordered.

06 Waive conditions

Once financing is approved and the inspection checks out, the deal is firm.

07 Lawyer & insurance

Your lawyer handles title and closing funds; you arrange home insurance.

08 Closing day

Funds are transferred, the deed is registered — and you get your keys.



Know your number before you fall in love with a house.

A pre-approval is a lender's conditional commitment to lend you up to a set amount, at a set rate, for a set period of time.

It tells you what you can comfortably spend, shows sellers you're a serious buyer, and protects you if rates rise while you shop.

120

days — how long a pre-approval can hold your interest rate

Your pre-approval checklist

- [ ] Government-issued photo ID
- [ ] Employment letter (position, salary, start date)
- [ ] Two most recent pay stubs
- [ ] Last two years of T4s
- [ ] Last two years of Notices of Assessment
- [ ] Statements for any loans, lines of credit and credit cards
- [ ] 90-day history for your down payment accounts
- [ ] Gift letter, if family is helping
- [ ] FHSA / RRSP statements, if using them
- [ ] Self-employed: two years of T1 Generals, NOAs and business financials
- [ ] Once you buy: Agreement of Purchase and Sale and MLS® listing
- [ ] Void cheque for mortgage payments

Good to know: a pre-approval isn't a final approval. The lender will still review the property you choose and confirm your details before your financing is firm — so keep your finances steady until closing (see page 12).

Lenders look at two ratios — and one stress test.

39%

Gross Debt Service (GDS)

Your housing costs — mortgage payment, property tax, heat and half of any condo fees — should be no more than about 39% of your gross household income.

44%

Total Debt Service (TDS)

Housing costs *plus* all other debt payments — car loans, student loans, credit cards, lines of credit — should be no more than about 44%.

The mortgage stress test

Every federally regulated lender must qualify you at a higher rate than the one you'll actually pay: the **greater of your contract rate plus 2%, or 5.25%**. It's there to make sure you could still manage your payments if rates rise. You still pay your actual contract rate.

Example

Purchase price	$650,000
Mortgage (incl. insurance premium)	$634,400
Your contract rate (example)	4.50%
Qualifying rate (contract + 2%)	6.50%
Payment you'll actually make (25 yrs)	$3,511/mo
Payment you must qualify for	$4,249/mo
Approx. household income needed*	**$148,000/yr**

*Based on GDS only, assuming $450/mo property tax and $100/mo heat, no other debts. Example rate for illustration only — ask Tim for today's rates.

Ways to increase what you qualify for: pay down credit cards and car loans, add a co-borrower, increase your down payment, or — if you qualify — choose a 30-year amortization (page 7).

You may need less than you think.

PURCHASE PRICE	MINIMUM DOWN PAYMENT
$500,000 or less	5% of the purchase price
$500,000 to $1,499,999	5% of the first $500,000 + 10% of the portion above $500,000
$1.5 million or more	20% of the purchase price

Example — $650,000 home

5% of the first $500,000	$25,000
10% of the remaining $150,000	$15,000
Minimum down payment	**$40,000**

That's about 6.2% of the price. With less than 20% down, mortgage default insurance is required (page 7).

Where it can come from

Your own savings. Chequing, savings, investments, your FHSA or RRSP. Lenders want to see the funds in your accounts for at least 90 days.

A gift from family. Gifts from immediate family are accepted with a signed gift letter confirming the money never has to be repaid, and proof the funds are in your account before closing.

Sale of a property. Proof of the firm sale agreement and your current mortgage statement.

Don't forget closing costs. Lenders generally want to see you have about 1.5% of the purchase price set aside for closing costs on top of your down payment (page 9).

Putting less than 20% down? Here's what insurance costs.

Default insurance (from CMHC, Sagen or Canada Guaranty) protects the lender, and it's what makes buying with as little as 5% down possible. The premium is a one-time charge, usually added to your mortgage.

DOWN PAYMENT	PREMIUM (% OF MORTGAGE)
5% to 9.99%	4.00%
10% to 14.99%	3.10%
15% to 19.99%	2.80%
20% or more	Not required

Insured mortgages are available on homes priced under $1.5 million. A 30-year amortization adds 0.20% to the premium.

Example — $650,000 home, $40,000 down

Mortgage before insurance	$610,000
Premium at 4.00%	$24,400
Total mortgage	$634,400
Ontario PST on premium (8%) — paid at closing	**$1,952**

30-year amortization for first-time buyers

First-time buyers (and buyers of newly built homes) can choose a 30-year amortization on an insured mortgage. It lowers your payment — but you'll pay more interest over time.

	25 years	30 years
Premium	4.00%	4.20%
Monthly payment*	$3,511	$3,205

*$610,000 mortgage plus premium at an example rate of 4.50%.

The PST catch: in Ontario, 8% provincial sales tax applies to the insurance premium. It can't be added to your mortgage — your lawyer collects it at closing, so budget for it.

Money you may be leaving on the table.

Several federal and Ontario programs are built specifically for first-time buyers — and most can be combined.

FHSA

First Home Savings Account

Contribute up to $8,000 a year (to a $40,000 lifetime limit). Contributions are tax-deductible like an RRSP, and withdrawals for your first home are tax-free like a TFSA.

HBP

RRSP Home Buyers' Plan

Withdraw up to $60,000 each from your RRSP, tax-free, to buy your first home. Repay it over 15 years. You can use the HBP and your FHSA together.

LTT

Ontario land transfer tax refund

First-time buyers can get a refund of up to $4,000 of Ontario land transfer tax — enough to cover the full tax on a home up to about $368,000.

HBTC

Home Buyers' Amount

Claim $10,000 on your tax return the year you buy, for a federal tax credit of up to $1,500.

GST

First-time buyers' GST rebate

Buying a newly built home? Eligible first-time buyers can get back up to $50,000 of GST on new homes up to $1 million, with a partial rebate up to $1.5 million.

30

30-year amortization

First-time buyers can stretch an insured mortgage to 30 years for a lower monthly payment (page 7).

Who counts as a first-time buyer? Generally, someone who hasn't lived in a home they or their spouse or partner owned in the current year or the previous four years — but each program has its own rules. Tim can help you confirm which ones you qualify for. Program rules change; this guide reflects them as of November 2026.

Plan for 1.5% to 4% on top of your down payment.

☐ **Deposit** Paid when your offer is accepted — part of your down payment, not an extra cost	Often 2–5% of price
☐ **Home inspection** Strongly recommended for resale homes	$400–$700
☐ **Appraisal** Sometimes covered by the lender	$300–$500
☐ **Legal fees & disbursements** Your lawyer's fees, searches and registration	$1,500–$2,500
☐ **Title insurance** Usually arranged by your lawyer	$250–$500
☐ **Ontario land transfer tax** Based on price; first-time buyers get up to $4,000 back	See example
☐ **PST on default insurance** 8% of your insurance premium, if applicable	See page 7
☐ **Adjustments** Reimbursing the seller for prepaid property tax or utilities	Varies
☐ **Home insurance** Required by your lender before closing	Varies
☐ **Moving & setup** Movers, utility hook-ups, basics for the new place	Varies

Ontario land transfer tax — $650,000

0.5% on first $55,000	$275
1.0% on $55,000–$250,000	$1,950
1.5% on $250,000–$400,000	$2,250
2.0% on $400,000–$650,000	$5,000
Total tax	$9,475
First-time buyer refund	–$4,000
You pay	**$5,475**

Buying in Toronto? A separate municipal land transfer tax also applies.

1.5%

of the purchase price — what most lenders want to see set aside for closing costs

Cost ranges are typical estimates only — get quotes from your lawyer, inspector and insurer.

The rate matters. So does everything else.

Term vs. amortization

Your **term** (usually 1 to 5 years) is how long your rate and conditions are locked in. Your **amortization** (usually 25 or 30 years) is how long it will take to pay the whole mortgage off. At the end of each term, you renew.

Fixed vs. variable

A **fixed** rate stays the same for your whole term — predictable payments. A **variable** rate moves with the lender's prime rate — your rate can go down or up during the term.

Open vs. closed

Open mortgages can be paid off any time without penalty but cost more. **Closed** mortgages have lower rates but limit extra payments and charge a penalty to break early.

Prepayment privileges

Most closed mortgages let you pay extra each year — often 10–20% of the original amount, or increase your payment — without penalty. More flexibility can save you thousands.

Penalties

Breaking a closed mortgage early usually costs three months' interest (variable) or the greater of three months' interest and the interest rate differential (fixed). How lenders calculate it varies a lot.

Portability

A portable mortgage can move with you to a new home without a penalty. Useful if there's a chance you'll move before your term is up.

> *"The lowest rate isn't always the best mortgage. I'll compare the fine print — penalties, prepayments, portability — so you choose the right fit, not just the right number."*
>
> — Tim

Small changes, big savings.

How often you pay — and whether you choose an “accelerated” option — can take years off your mortgage.

PAYMENT OPTION	PAYMENT	PAID OFF IN	TOTAL INTEREST
Monthly	$2,767	25 years	$330,200
Semi-monthly	$1,382	25 years	$329,400
Bi-weekly	$1,276	25 years	$329,400
Accelerated bi-weekly	**$1,384**	**21.7 years**	**$280,100**
Accelerated weekly	**$692**	**21.7 years**	**$279,600**

$500,000 mortgage, 25-year amortization, example rate of 4.50% held for the full amortization. Illustration only.

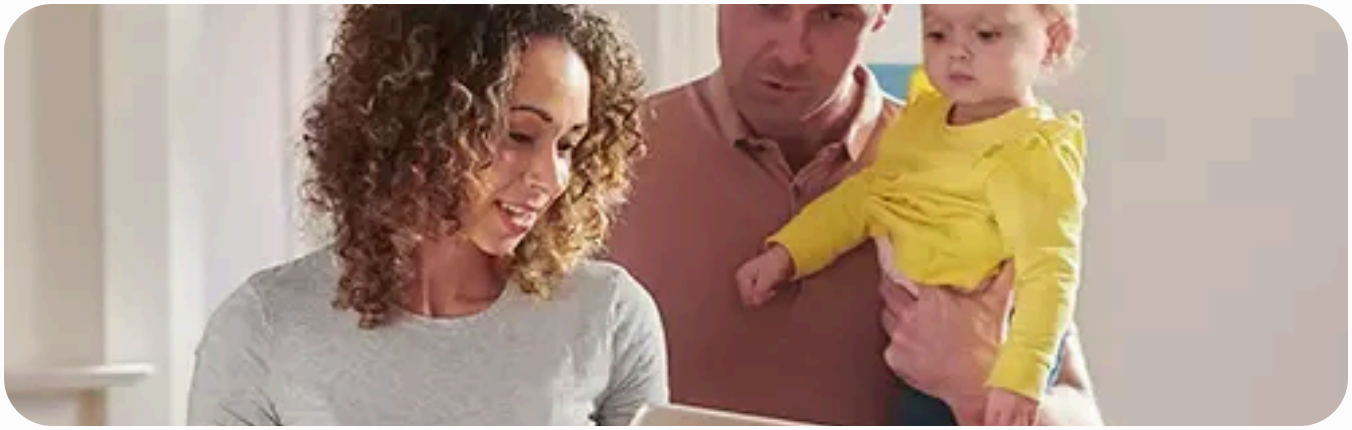
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years sooner mortgage-free with accelerated bi-weekly payments — saving about $50,000 in interest

How accelerated works

You pay half your monthly payment every two weeks. That’s 26 half-payments a year — the same as 13 monthly payments instead of 12. The extra payment goes straight to your principal.

Lump-sum prepayments and small payment increases work the same way. Even $100 more a month adds up.



Your offer was accepted. Now what?

1. **Deliver your deposit** — usually within 24 hours of acceptance, to the listing brokerage.
2. **Send Tim the paperwork** — your Agreement of Purchase and Sale and the MLS® listing, so he can firm up your financing.
3. **Inspection & appraisal** — complete your home inspection; the lender may order an appraisal.
4. **Waive conditions** — once financing is approved and you're happy with the inspection, your deal goes firm.
5. **Meet your lawyer** — about a week before closing, to sign documents and provide the balance of your down payment and closing costs.
6. **Closing day** — the lender sends funds to your lawyer, the transfer is registered, and you pick up your keys.

Until closing — do

- ☐ Keep your job and income steady
- ☐ Keep paying every bill on time
- ☐ Keep your down payment where the lender saw it
- ☐ Arrange home insurance early
- ☐ Book movers and utility transfers
- ☐ Do a final walk-through before closing

Until closing — don't

- ✕ Change jobs or go self-employed
- ✕ Apply for new credit cards or loans
- ✕ Finance a car, furniture or appliances
- ✕ Co-sign for anyone
- ✕ Move large sums without a paper trail
- ✕ Miss calls from Tim, your lawyer or lender

Why it matters: lenders can re-check your credit and employment right up to closing. A new car loan or job change can put your approval at risk. When in doubt, call Tim first.

Mortgage terms, in plain English.

Amortization
The total time it takes to pay off your mortgage — usually 25 or 30 years.

Appraisal
An independent estimate of the home's market value, used by the lender.

Closing date
The day ownership transfers to you and the mortgage funds are advanced.

Conditional offer
An offer that depends on conditions being met, such as financing or a home inspection.

Conventional mortgage
A mortgage with at least 20% down. Default insurance is not required.

Default insurance
Insurance that protects the lender when you put less than 20% down (CMHC, Sagen, Canada Guaranty).

Equity
The part of your home you own outright: its value minus what you owe.

GDS / TDS
Debt ratios lenders use to measure how much of your income goes to housing and to all debts.

HELOC
A home equity line of credit — a revolving credit line secured by your home.

High-ratio mortgage
A mortgage with less than 20% down. Default insurance is required.

Interest rate differential (IRD)
A common penalty for breaking a fixed mortgage early, based on the difference between rates.

Loan-to-value (LTV)
Your mortgage amount as a percentage of the home's value.

Prepayment privilege
The amount you can pay toward your mortgage early without a penalty.

Prime rate
The base rate lenders use to set variable mortgage rates.

Renewal
Signing a new term at the end of your current one. Shop early — Tim can lock a rate up to 120 days ahead.

Stress test
The qualifying rate you must pass: your rate plus 2%, or 5.25%, whichever is higher.

Term
How long your rate and mortgage conditions are locked in — usually 1 to 5 years.

Title insurance
Insurance that protects you and your lender against problems with the property's title.

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Ready when you are.

Every first home starts with a conversation. Call, email or apply online — and let's find the mortgage that's right for you.

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Apply online

Book a call

Each office independently owned and operated Dominion Lending Centres National Ltd. FSRA #12360

This guide is general information only, current as of November 2026, and is not financial, legal or tax advice. Government programs, rates, insurance premiums and lending rules change; all mortgages are subject to lender approval. Examples use illustrative rates and assumptions. Speak with Tim about your situation.