



PRESS RELEASE



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Mortgage Intelligence introduces 107 per cent financing to Canadian Marketplace

Mississauga, Ont. (June 4, 2003) -- Mortgage Intelligence Inc., Canada's largest mortgage broker, is set to launch the *i 107* – the country's first mortgage product that allows for financing above and beyond the value of the home.

i 107 has a loan to value ratio of 107 per cent, including 100 per cent financing, three per cent cash back, and a four per cent service fee. Potential homeowners can finance 100 per cent of the home and use the cash back to cover expenses such as closing costs and land transfer fees or purchase appliances and furniture. Some may choose to pay off other, more expensive debt such as credit cards with the cash back.

“With homeownership levels on the rise across the country, the timing is ideal for the introduction of *i 107*,” says Bob Ord, President, Mortgage Intelligence Inc. “This mortgage will allow consumers with an overall solid credit history to be stakeholders in residential real estate with no money down. In a housing market where prices have upward momentum, the *i 107* offers home buyers an opportunity to seize the day.”

Features of the *i 107* are as follows:

- Minimum \$75,000, maximum \$400,000 (\$500,000 in major centres).
- Three and five-year fixed-rate terms.
- 25-year amortization period.
- Rate guaranteed for 60 days after approval.
- Up to 20 per cent prepayment and 20 per cent increase in payments annually.
- Single-family up to a four-plex (no condominium apartments).
- Must be owner-occupied, and purchases only.
- Not available in Alberta and Saskatchewan.

Fairly stringent loan criteria is in place with the *i 107* product, given rising consumer debt in Canada. Applicants must be Canadian citizens, landed immigrants, or U.S. citizens living in Canada with minimum beacon scores of 680, and no history of previous bankruptcies. Qualifying is based on two years of employment history or three years for applicants who are self-employed.

Ord suspects the *i 107* product will appeal to professionals and other high-income earners who are early in their careers and may have large student loans. First-time buyers, renters, as well as a good percentage of dual income families who have put off their real estate purchases because they haven't had a chance to save up for a downpayment will also be attracted to the *i 107*. They can now start to put their monthly cheque towards building equity in a home and no longer worry that they won't be able to find an affordable home by the time they've saved enough for a downpayment.

The earning potential of today's real estate consumer is greater than ever before, explains Ord. According to Statistics Canada, Canadians ranked fourth among developed countries in university-educated populations, lagging behind only

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the United States, Norway, and the Netherlands. In 2001, more than half of Canadians aged 25 to 64 had post secondary education, up from just two percent in 1951.

Average incomes have increased in tandem with the number of post-secondary graduates entering the Canadian workforce. University graduates working full-time averaged \$61,000 annually in 2000, while college grads earned \$41,825 and high school graduates made an average of \$36,278.

“Demand clearly exists for niche products in the marketplace,” says Ord. “Over the past year, we’ve identified several underserved areas of borrowing and we’ve worked hard to develop products that respond to these requirements. As a result, today’s borrowers have greater access to a cache of mortgage products and services from Mortgage Intelligence, including the stated income mortgage *i declare*, the recreational property mortgage *i relax*, the second mortgage *i second*, and the *i invest* investment property mortgage. Also introduced with the *i 107* is the *i 95* mortgage, which allows homebuyers to exceed the mortgage insurer limits for their area and purchase the home they want with five per cent down. Typically, if they want to buy a home in excess of mortgage insurer limits, they are required to put down a minimum of ten per cent.”

ABOUT MORTGAGE INTELLIGENCE

Mortgage Intelligence Inc., a wholly-owned subsidiary of GMAC Residential Funding of Canada, is the largest and fastest growing mortgage broker in Canada, with close to 600 independent consultants, associates, and assistants in offices throughout British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and the Atlantic Provinces. The company is committed to introducing niche products to the market to better meet the needs of Canadian homeowners. The company funded volumes of close to C\$5 billion in fiscal year 2002. www.mortgageintelligence.ca