**Debt Consolidation and Prep for Sale** 

**Background Story**

A Mortgage Broker was working with a Borrower who had debts from income tax, property tax, high-interest Credit Cards and unsecured Lines of Credit debt. The Borrower also experienced a temporary reduction in income due to business challenges - because of this, they did not qualify for a conventional mortgage.

The Mortgage Broker determined that a Second Mortgage was the client’s best option and approached Calvert Home Mortgage; to consolidate the debt, get additional funds to service the mortgage, and to provide funds for a light renovation to prepare the home to be listed competitively for sale.

**Calvert Home Mortgage Solution**

**Approach**

Calvert Home Mortgage was able to value the property on an “As Complete” basis to establish Loan-To-Value (LTV) parameters. This allowed the Borrower to leverage equity they had to build into their home, enabling them to borrow more funds to pay down credit facilities. Further to this, Calvert Home Mortgage suggested that coming up with a deposit for the new purchase would be tough due to limited cash-flow. To remedy this, the Mortgage Broker built in an additional $10,000 draw to be made available for this purpose.

**How Calvert Home Mortgage Added Value**

* An in-house valuation of the home was completed at no cost to the Borrower client.
* **The LTV was calculated against the After Repaired Value which allowed the Borrower to access more funds.**
* Mortgage Broker worked with the borrower to ensure the success for the next mortgage application.
* Calvert Home Mortgage assisted the Mortgage Broker by instructing the Borrower’s Lawyer saving the client an additional set of legal fees (+/- $1,500).

**Results**

* **The new second mortgage payment improved the Borrower’s cashflow and total cost of borrowing.**
* **The credit paydowns increased the Borrower’s Credit Score.**
* **The Mortgage Broker recognized that the Borrower would have difficulty coming up with purchase deposit on next home, so a second draw was made available.**

Calvert Home Mortgage is focused in helping the Mortgage Broker by creating flexible mortgage solutions that meet the demands of the situation and position the Borrower for success.