



## Case Study

### **RUSH Deal: Same Day, After-Hours Commitment Letter**

A Mortgage Broker was enjoying their weekend when they got a call from a Realtor who was working with a client who had waived conditions on a purchase (flip project), but unfortunately the Lender who initially committed to the deal had withdrawn their offer of mortgage. The transaction was set to close the next day and there was no longer financing in place. Their client was upset not only because they were excited about the project - they were also at risk for any damages incurred by the seller as a result of the sale not closing.

Luckily, this Mortgage Broker was familiar with Calvert Home Mortgage and made the introduction. In less than four business hours the next day, the underwriter on the file was driving the cheque to the Lawyer's office.

#### Calvert Home Mortgage's Solution

##### Documents Required

- Application
  - Most Recent NOA
  - Purchase Contract & Waiver of Conditions
  - Bank Statements to verify Project Funds
  - Renovation List, Budget & Timeline
- \*Note – Credit Bureau pull was performed internally by Calvert Home Mortgage*

##### Mortgage Details

- Loan Amount: **\$500,000**
- Interest Rate: **12.9%**
- Term: **6 Months**
- Prepayment: **Fully Open (No Payout Penalty)**
- Payments: **Interest Only**
- Commitment Fee: **\$12,500** (Broker and Lender Fee)

#### Approach

Due to the time-sensitive nature of the deal the Mortgage Broker connected the client with a Calvert Home Mortgage underwriter directly. The underwriter outlined the documents they would require to work through the deal. As soon as the documents were received, they were reviewed, and a Commitment Letter was produced that same evening. The next morning the Mortgage Instructions were drawn up and the cheque was driven to the Lawyer's office by the underwriter to ensure the funds were received on time.

#### How Calvert Home Mortgage Added Value

- Completed an In-House Valuation of the property to value the property on an as complete basis at no cost to the Mortgage Broker or the Borrower client. This negated the need for an Appraisal which allowed this transaction to close on time.
- The LTV was calculated against the After Repaired Value which allowed the Borrower to purchase with a lower down payment than they had originally planned for.
- Mortgage Instructions sent to the Borrower's Lawyer streamlined the funding process to meet the urgent deadline. This also saved the Client an additional legal expense.
- Underwriter was available to provide service outside of regular business hours.

For more information please contact Calvert Home Mortgage:

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## Results

- **Mortgage Broker was able to start a relationship with a Realtor by introducing a Lender who could close in a matter of hours.**
- **Calvert Home Mortgage provided a time and cost-efficient solution for the borrower, while also giving further insight on the project by offering another option on the As Complete Value.**
- **Client was able to close the sale on time avoiding potential legal issues with the Seller.**

*"I did a deal with Calvert Home Mortgage over a weekend and they knocked it out of the park! I ran into a Realtor who was somewhat panicked that his clients were in a bad spot with their financing. The underwriter worked directly with the clients and I over the course of the weekend and the cheque was personally delivered to the Lawyer's office the next business day – AMAZING! The team at Calvert saved the day for the clients and helped make me look like a Rock Star. A BIG "Thank You!" to the entire team at Calvert for getting this one done!"*

*-Mortgage Broker*

Calvert Home Mortgage values the trust Mortgage Brokers place in us working for them and their clients. We always seek to provide flexible mortgage solutions that meet the demands of the situation and position the Borrower for success.

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