

The Roles of Key People in the Buying Process

When buying a home or other property, you will have to rely on a range of professionals to guide you through the process. For first time home buyers in particular, it helps to be acquainted with these specialists and their roles.

Mortgage Broker - a mortgage expert who introduces buyers to a full range of mortgage products, interest rate options, and strategies to pay off a mortgage more quickly. This professional works only on his or her client's behalf, and may also be known as a mortgage agent or mortgage consultant.

Lender - financial institutions, such as banks, credit unions, trust companies, pension funds, and life insurance companies which lend money to home buyers.

Realtor - a real estate representative who can find properties in your price range and who arranges the purchase transaction in return for a portion of the sale price as a commission.

Appraiser - this property specialist determines a property's market value, based on its condition and the selling price of comparable properties recently sold in the area. The market value enables the lender to determine the loan to value ratio of the mortgage (the amount of the mortgage versus the value of the home), and in many cases the mortgage broker will arrange for the appraisal.

Property Inspector - examines the home you intend to buy to evaluate its roof and structural stability, electrical work, plumbing, appliances, fireplaces and furnace. This inspection is usually arranged by the buyer, and allows him or her to address any issues with the seller prior to closing, as well as anticipate any repairs that may be required.

Lawyer / Notary Public - your lawyer or notary will review the Agreement of Purchase and Sale, ensure that all closing documents have been completed correctly (including the title search and title insurance), as well as file documents with the provincial land title office. Your lawyer or notary will also ensure your property is clear of all existing mortgages, judgments and builder's liens.

Default Mortgage Insurer - mortgage insurers protect lenders from a borrower defaulting on a mortgage at any time during the amortization period. Home buyers with down payments of less than 25% must purchase mortgage insurance from the Canada Mortgage and Housing Corporation (CMHC) or GE Mortgage Insurance Canada.