

RMAC CASE STUDY

Questions

Case Study 1 Questions

Section One: Complete the Mortgage Application Form

Sample Mortgages Inc.

Source:

2175 Sheppard Avenue East, Suite 213,
North York, ON, M2J 1W8
Tel: (416) 555-1212

Mortgage Application Form

APPLICANT(S)

Name of Applicant in Full		DOB (MM/DD/YYYY)	SIN
Contact Information			
Tel:		Cel:	Email:
Name of Co-Applicant in Full		DOB (MM/DD/YYYY)	SIN
Contact Information			
Tel:		Cel:	Email:
Present Address			No. of Years
Previous Address			No. of Years

DETAILS OF MORTGAGE REQUEST

Purpose of Mortgage						
Amount	Rate	Term	Frequency	Amortization	Date Required	Rank (1 st , 2 nd 3 rd)

PARTICULARS OF SECURITY

Lot #	Plan #	Municipality	Occupancy	Rental Income
Civic Address (if different from Present Address)				Lot size

PROPERTY TYPE AND CONSTRUCTION

Date Acquired (MM/DD/YYYY)	Purchase Price	Down Payment	Present Value	Annual Taxes
<input type="checkbox"/> Detached	<input type="checkbox"/> Duplex	<input type="checkbox"/> Triplex	<input type="checkbox"/> Semi	<input type="checkbox"/> Condo (Mtc Fee: \$ _____)
<input type="checkbox"/> Townhouse	<input type="checkbox"/> Other			
Age of Bldg:	Construction:	Storeys:	# of Bedrooms:	
Zoning:	Garage:	Heating:		
Property Extras (Describe)				

DETAILS OF EXISTING FINANCING

Rank	Current Balance	Rate (%)	Payment (P & I)	Lender	Renewal Date	To Remain?
1 st Mtg						
2 nd Mtg						

EMPLOYMENT INFORMATION

APPLICANT'S EMPLOYER'S NAME: <input type="checkbox"/> SELF-EMPLOYED?		TEL:
POSITION:	No. of Years:	FAX:
ADDRESS:		
INCOME:		
APPLICANT'S EMPLOYER'S NAME: <input type="checkbox"/> SELF-EMPLOYED?		TEL:
POSITION:	No. of Years:	FAX:
ADDRESS:		
INCOME:		
OTHER INCOME (SPECIFY SOURCE AND AMOUNT)		

ASSETS AND LIABILITIES

ASSET TYPE	AMOUNT	LIABILITY TYPE	AMOUNT	PAYMENT	TO REMAIN?
					Y / N
					Y / N
					Y / N
					Y / N
					Y / N
					Y / N
					Y / N
					Y / N
					Y / N
TOTALS	(A)		(B)	NET WORTH (A-B)=\$	

NOTES

CONSENT

IN CONNECTION WITH MY APPLICATION FOR CREDIT, I/WE HEREBY AGREE TO YOU PROCURING ANY CREDIT OR OTHER REPORTS TO DETERMINE MY/OUR ABILITY TO OBTAIN MORTGAGE FINANCING AND SHARE THIS INFORMATION WITH OTHER CREDIT GRANTORS OR CONSUMER REPORTING AGENCIES. I/WE FURTHER AGREE THAT YOU MAY ASSIGN THIS APPLICATION TO THE LENDER OF YOUR CHOICE AND MAY DESIGNATE THE CLOSING LAWYER. I/WE ACKNOWLEDGE THAT YOU MAY RECEIVE A FINDER'S FEE FROM THE LENDER. I/WE FURTHER STATE THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. I/WE AUTHORIZE YOU TO USE THE INFORMATION CONTAINED WITHIN THIS APPLICATION AND AS OBTAINED THROUGH THIS TRANSACTION TO PROVIDE ME/US WITH INFORMATION THAT YOU BELIEVE MAY BE OF INTEREST TO ME/US IN THE FUTURE.

DATE: _____ APPLICANT'S SIGNATURE: _____

DATE: _____ CO-APPLICANT'S SIGNATURE: _____

Section Two: Short Answer Questions

1. What question(s) should you ask this couple regarding their previous credit?
2. When was their credit report first opened?
3. Who has a higher credit score?
4. When did they first get their TD Visa Card?
5. Who has more credit?
6. What do the following mean?
 - a) MR
 - b) DLA
 - c) RPTD
7. What two documents are required by the *MBLAA* to be left with your clients once they sign the Borrower Disclosure?
8. You have just learned that this couple has two children, one a 6 year-old-daughter and the other a three-year-old son. Will this have any impact or effect on this application being approved by the Lender? Why or why not?
9. What is the amount of the finder's fee, in dollars, that SuperBank will pay?
10. In whose name does the Lender make the finder's fee cheque payable?

11. Does SuperBank require the borrowers to pay their own property taxes or will they be included in their mortgage payment?
12. Does SuperBank require Title Insurance on this mortgage?
13. Is SuperBank's mortgage fully open, partially open or closed?
14. What are the prepayment privileges of SuperBank's mortgage?
15. How much is the default insurance premium for this mortgage?

Section Three: Borrower Disclosure

1. The Borrower Disclosure requires that all costs associated with the mortgage be disclosed. a) What are the exact costs that must be disclosed in this particular transaction?
b) How does the cost of borrowing have to be disclosed (e.g., dollars and cents, a percentage)?
2. List the specific risks that must be disclosed to the borrower with regards to **this** mortgage.
3. How long before this mortgage transaction closes must the Borrower Disclosure document be provided to the borrower?

