



CREDIT UNION

*Be true to your money.™*

APRIL - JUNE 2021

# Quarterly Newsletter

## Purchase-Plus-Improvements

### Buying a fixer-upper? Consider a purchase-plus-improvements mortgage

After saving for a down payment and getting pre-approved to purchase their first home, Lance and Marion were excited to start house-hunting. They viewed several properties, from new builds to complete fixer-uppers and ultimately fell in love with a character home on a beautiful lot in a lovely neighbourhood. The house had great bones but had been on the market for months because it needed updating. While the couple was able to do some of the work, they weren't sure where they'd get the money for additional improvements.

This is a common challenge for many homebuyers, however the Canadian Housing and Mortgage Corporation (CMHC) and Sagen (previously Genworth) offer an ideal solution for those who qualify. A Purchase-Plus-Improvements Mortgage, offers qualified borrowers up to 10% of the value of the post-renovation value of a home to a maximum of \$40,000 to cover the costs of improvements.

In Lance and Marion's case, the home they wanted to buy cost \$300,000. Their realtor estimated that their renovation would improve the home's value by \$30,000 for an "as improved" value of \$330,000. A Purchase-Plus-Improvements Mortgage allowed them to borrow \$33,000 - or 10% - of their home's post-renovation value. After satisfying all of the lending requirements, Lance and Marion were able to move into their new home and began working on their improvements right away. They installed a new kitchen and updated flooring, lighting, plumbing and electrical throughout the house.

*Last year in the midst of COVID-19 my husband and I found our dream home and retirement home all in one. While we found our dream retirement home, we also needed to assist one of our children who had suffered a severe concussion - we needed to create a space where they could be independent but still be close by. With the assistance of the great employees in Rapport's Kingston branch who recommended a Purchase Plus Improvement Plan, we were able to buy our dream retirement home and build a living space suitable for our injured child all in one. We've been in our new home for 7 months and couldn't be happier. Thanks to Rapport! Great people providing great service and making dreams come true!*

- AS TOLD BY A  
RAPPORT MEMBER

### Member Assistance

416.925.1107 | 1.888.516.6664 | [help@rapportcu.ca](mailto:help@rapportcu.ca) | [rapportcu.ca](http://rapportcu.ca)



Because the couple completed a lot of the work on their own, they saved on labour costs, making it possible to replace some windows as well. Within three short months, Lance and Marion were living in their newly renovated home. If not for the Purchase-Plus-Improvements Mortgage, they would not have had the funds to get all of this done so quickly. By simply adding \$33,000 to their low-interest mortgage, their monthly payment increased by less than \$200 and improved their living experience from the start. This is the power of a Purchase-Plus-Improvements Mortgage. This is just one example of how this program can work. There are many different options and it's best to speak with your Rapport Financial Advocate so we can help you determine the right amount to borrow.

## Here's How It Works

### 1. Get pre-approved

You will need to be pre-approved by Rapport first to determine your maximum approval amount.

### 2. Determine your down payment

As with every house purchase, you will need a minimum of 5% of the total purchase price as a down payment. In a Purchase-Plus-Improvements Mortgage, your down payment is calculated based on the purchase price plus the amount of the approved renovation.

### 3. Find your house and determine a plan for improvements

Start shopping for your home. Once you find it, Rapport will request written quotes for the improvements, detailing the cost, work to be done and timeline (usually 90 days). Keep in mind that the purchase price plus the renovation cost cannot exceed your maximum approval amount.

### 4. Make an offer

Once Rapport approves your plan for improvements, you can negotiate an offer on the house. If your offer is accepted, you can determine the closing date, when you can move in and start putting your plan in motion.

### 5. Renovation funds are put in trust

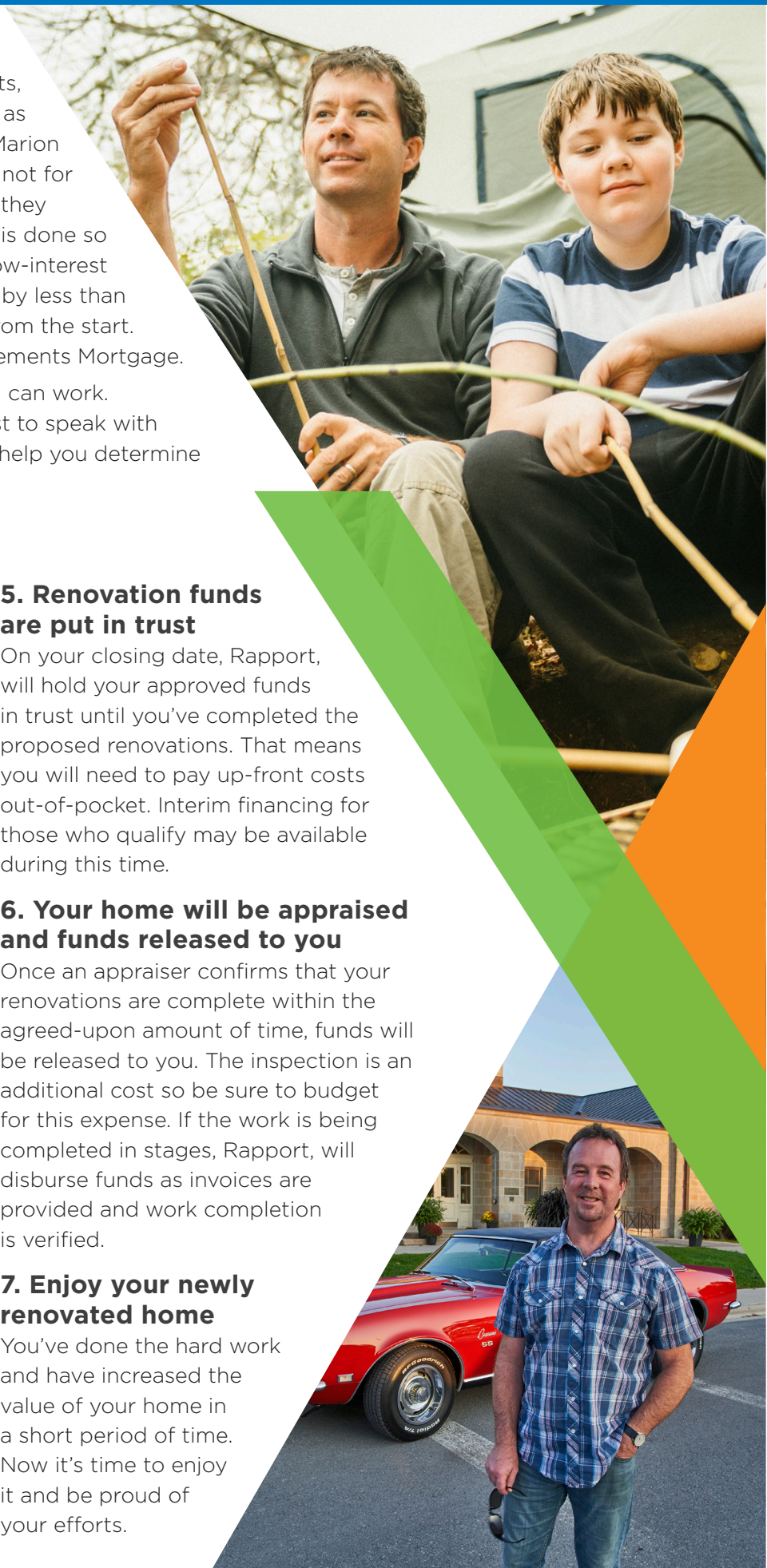
On your closing date, Rapport, will hold your approved funds in trust until you've completed the proposed renovations. That means you will need to pay up-front costs out-of-pocket. Interim financing for those who qualify may be available during this time.

### 6. Your home will be appraised and funds released to you

Once an appraiser confirms that your renovations are complete within the agreed-upon amount of time, funds will be released to you. The inspection is an additional cost so be sure to budget for this expense. If the work is being completed in stages, Rapport, will disburse funds as invoices are provided and work completion is verified.

### 7. Enjoy your newly renovated home

You've done the hard work and have increased the value of your home in a short period of time. Now it's time to enjoy it and be proud of your efforts.





## Is A Purchase-Plus-Improvement Mortgage Right For You?

If you are looking for a way to get into the increasingly expensive housing market, this program opens you to a broader array of structurally-sound, affordable homes that are simply in need of cosmetic upgrades or repairs. With a Purchase-Plus-Improvements Mortgage, you have far more buying options to consider backed by the funds to complete the renovations that will make your new house your dream home.

If you'd like to know more about this program, a Rapport Financial Advocate is ready to explain your mortgage options and help you determine if the Purchase-Plus-Improvements Mortgage is the best option for you.

## Benefits of working with a Financial Advisor during the COVID 19 Pandemic

The COVID-19 pandemic has followed us into 2021 and continues to take a toll on all aspects of our lives. Our members are balancing worrying about their own and their loved ones health and safety while managing concerns about their current and future financial wellness. RapportWEALTH can help you navigate your finances, secure your future and ease your mind.

### A New Normal

A year into the pandemic, we all feel the pressure of navigating this new normal. Many households have seen big changes in their finances through job losses, changes in income, investment volatility, etc. Now is the time to meet with your advisor to review your investments and financial plan. If you do not have an advisor, it's time to get one. Advisors can help you in the short-term with budgeting, prioritizing your goals, and easing your mind while keeping your long-term goals on track. In the spirit of social distancing we are happy to meet with you virtually. This allows for you to get the same level of advice and service while prioritizing everyone's health and safety.

### Complete Wealth Management Plan

A strong financial future is about more than just an investment portfolio. RapportWEALTH can assist you in making a full financial plan. It can be daunting to look at the whole picture in a time with such uncertainty however our RapportWEALTH team members have the expertise required to guide you from meeting your current obligations to achieving your future goals. A comprehensive financial plan can ease your mind, put meeting your goals on autopilot and create a level of control when you feel like you don't have any.

### Focus on the Long-Term

It is easy to lose focus on the long-term when we are living through such uncertainty. Working with an advisor can help you keep your emotions in check and focus on the long-term plan. RapportWEALTH can create a well-diversified plan within your risk tolerance and then continue to support you in staying the course. Working with an advisor can make all the difference in managing the emotional rollercoaster of the current economic environment. At RapportWealth we are here to help you make sense of your money.

**Contact RapportWEALTH at [wealth@rapportcu.ca](mailto:wealth@rapportcu.ca) or 1-888-516-6664 to review or get started on your financial plan now!**



# Protect Yourself From e-Transfer Fraud


Interac's e-Transfer has transformed the way many of us send and receive money. This has been especially true during the COVID-19 pandemic. In fact, first-time Interac e-Transfer users increased by 43% in 2020 and hit an all-time high in December with more than 77 million transactions in a single month. While there's no denying the convenience of e-Transfers, there's also a risk: interception fraud. Did you know in 2020, fraudsters managed to steal nearly 1,800 e-Transfers totaling almost \$3 million in reported losses? This amount was 13% higher than what was stolen in 2019.

Interac has worked hard to ensure that e-Transfers are secure, but they are not entirely foolproof. The vulnerability actually lies in the innovative process Interac has developed for sending money without exposing any banking information. As long as the recipient has a Canadian bank account, the sender only needs their name, email address or mobile phone number and a security question for them to answer. Fraud occurs when cyber thieves (aka fraudsters, hackers, etc.) find a way to intercept the transfer. They do this by hacking an email and password. Then they reroute the funds to a different bank account.

While this type of cyber theft is both frustrating and worrisome, the safety of your financial information, data, and activity is our number one priority at Rapport. We show this commitment by using secure tools and sophisticated technologies to protect your banking transactions from fraudsters. However, you have a pivotal role to play as well and it's important to understand your responsibilities when sending and receiving e-Transfers. Following the steps below will help safeguard your accounts from fraudulent activity.

- Only send e-Transfers to people and businesses you know. Transactions can't be reversed once a recipient has deposited the funds.
- Create strong security questions, avoiding common words and passwords that could be easy to guess and preferably choose a challenging question that only your recipient would know how to answer correctly.
- If a transfer comes from someone you don't know, or you know you're not owed any money, or just seems out of the ordinary, never reply or click on any links.
- Always use a secure internet connection to make yourself less susceptible to hackers.
- Sign up for autodeposit to block fraudsters from hacking your e-Transfers. With autodeposit, transactions sent to your email address are automatically deposited into your account, and fraudsters can't intercept the transfer.
- If someone or a business you know is sending you money, but you're not sure why contact them through another channel to confirm that the transfer is legitimate.
- Keep your email passwords safe and difficult to guess. Gaining access to your email account gives fraudsters the best opportunity to access your e-Transfers.


Adopting these simple precautions will allow you to enjoy all of the benefits of e-Transfers safely. If you suspect fraudulent activity with any of your e-Transfers, contact Rapport immediately. We will investigate the matter and do all that we can to advocate on your behalf.



5-YEAR FIXED MORTGAGE  
AS LOW AS  
**1.69%\***  
\*Some conditions apply.  
Rates may change at any time.

*Mortgages can be complicated.  
We're here to help.*

If you're looking for a new mortgage or renewing your existing one we can help. We're just a call, a click or a virtual visit away.



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