



Renewal  
newsletter



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*Top 10 Favourite Things to do this Holiday Season*

Christmas by Lamplight  
Black Creek Pioneer Village  
Dec. 6th, 13th & 20th, 6:00-9:30 p.m.  
[www.blackcreek.ca](http://www.blackcreek.ca)

Elves in the Workshop  
Casa Loma  
Saturdays: Dec. 6, 13 & 20th  
[www.casaloma.org](http://www.casaloma.org)

The 32nd Annual Christmas  
Treats Walk, Toronto Zoo  
Dec. 26th 10:00 AM  
[www.torontozoo.ca](http://www.torontozoo.ca)

Aladdin  
Dec. 13-Jan. 4  
Solar Stage Children's Theatre  
[www.solarstage.on.ca](http://www.solarstage.on.ca)

Cavalcade of Lights  
Concerts & Fireworks  
Dec. 6, 13 & 20th  
Nathan Phillips Square  
[www.toronto.ca/events](http://www.toronto.ca/events)

Toronto Symphony Orchestra  
Messiah  
Roy Thomson Hall Dec. 16, 17, 19, 20, 21  
[www.tso.ca](http://www.tso.ca)

New Year's Eve Family Countdown  
Rainforest Pavillion - Toronto Zoo  
Dec. 31 6:00-9:00 PM  
[www.torontozoo.ca](http://www.torontozoo.ca)

CityTV New Year's Eve  
Nathan Phillips Square  
Dec. 31, 2008 [www.citytv.com](http://www.citytv.com)

Public Skating, Public rinks in the GTA  
Check local listings

Spending time with friends & family  
ANYWHERE - ANYTIME

# Outlook or Lookout?

## Recession-proof strategies for 2009



Well, 2008 has proven to be an interesting year. We had a federal election, a new President of the United States, a new prime rate and a financial mess that knows no borders. 2009 is shaping up to be a difficult year but we have seen some of this before. Let me share a few strategies and concepts that we have learned from the 1992 recession that will keep more money in your pocket and less in the banks.

### Strategy #1

First and foremost, if you have a variable rate mortgage at any rate "under prime" – **Do Not Lock It In** to a fixed rate mortgage. I recognize that with all of this uncertainty in the market, having a guaranteed rate and payment may help you sleep better at night but beware as the banks have eliminated their "prime minus" variable rate products. Today's new variable rate mortgages start at prime plus 1%! For most MonsterMortgage.ca clients, this is a rate increase of 1.60% to 1.90%. So, if you need more comfort at night, take the \$1,000's of dollars you are saving in interest and buy a new mattress, because the mortgage product you currently have has become extinct.

### Strategy #2

Your real estate agent may not like my next idea but if you are planning on moving, be sure to sell your existing home before you purchase your next one. There may be some great opportunities for buyers as the market softens in 2009. Most economists believe that the GTA will face a modest decline in both units sold and average price to more normal levels. Many clients who experienced problems in 1992 did so because they were forced to sell their home under pressure at artificially low prices in order to have the down payment to purchase their next home. You can choose to eliminate the entire problem by selling your home first and knowing exactly how much equity you have available for your next purchase.

*More strategies on the back.*



## play hockey WITH DOUG GILMOUR

Win a chance to play hockey with Doug Gilmour for you or a friend in our 4rd Annual **Monster Cup Contest**. Every time you refer someone to use our services, your name will be entered into the draw. Contest ends January 31, 2009. Call and ask us for more details.

# Outlook or Lookout?



## Strategy #3

A third way to hold onto more of your hard earned money is to consider "porting" or moving your mortgage with you to your next home. Be careful here as well, because if you move this mortgage to your new property and need to increase your mortgage amount, you may very well lose your current interest rate. With all of the financial turmoil in the market, even the most level headed banks (ING for example), do incredibly stupid things. Most banks have changed their policy and will not blend a rate ("blend and extend") especially with variable rate mortgages; so before you lose a good mortgage, if there is such a thing, give MonsterMortgage.ca a call and we can walk you through the process.

## Strategy #4

If you are renewing your mortgage in 2009, you will save yourself a lot of money by allowing MonsterMortgage.ca shop your mortgage renewal for you to the entire market place. If you try this on your own, you will find yourself running into a different lending environment than you did a few years ago. Trying to negotiate directly with your bank or any other lending institution is becoming more and more difficult. The level of competition amongst the big five banks is withering. Whether you are renewing your mortgage or purchasing another property, we continue to offer 120 Day Rate Guarantees which you should take advantage of. Start today by knowing your renewal date, you can do this by reviewing your mortgage documents or by calling your MonsterMortgage.ca mortgage agent.

## Strategy #5

Finally, 2009 will be a great year to simply pay down your mortgage. In today's stock market environment in particular there is no better or safer investment you can make than paying down your mortgage. Take advantage of pre-payment options, cash gifts during the holidays, year-end bonuses, a raise at work and use those extra dollars to pay down your mortgage faster. In 1992, interest rates were 10% so making your basic payment was sometimes a challenge. 2009 will be another year of record low interest rates, at least until the third quarter. Set a reasonable goal – say increase your payment by 5% in 2009. This will go directly towards principle reduction and will significantly reduce the amount of interest which you will pay. If you are renewing your mortgage in 2009, consider the PDQ plan which we featured in our Fall newsletter - it can help eliminate your mortgage in eight years.

**Call MonsterMortgage.ca and we will be happy to walk you through the details of one or all of these strategies which will help you pay your mortgage off quicker in 2009.**

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**HAPPY HOLIDAYS  
TO YOU AND YOUR  
FAMILY FROM ALL  
OF US AT  
MONSTERMORTGAGE.CA**

## Is **Now** the Time to **Buy U.S. Property**?

We have received many inquiries over the past couple of months from clients wanting to know if it is a good time to buy property in the U.S. Here is a sample of a recent inquiry and our response... ***I trust you'll find it informative:***

### **MONSTERMORTGAGE.CA CLIENT:**

*Thanks again for all your help. Just one more question. My wife and I have been considering purchasing a home in a golf course community in Arizona or Hilton Head Island. I have thought it best to wait until late next winter or early spring as I believe the market will further deteriorate in the U.S. by then. Now with the bank failures perhaps I need to wait longer. However, with the bank failures comes the concern that mortgage financing may not be available in the U.S. Do you have any thoughts on this? Would I be better to purchase something that a bank owns and/or assume a mortgage that is in default rather than try and arrange financing?*

### **FACTS YOUR BANK WON'T TELL YOU ABOUT THE U.S. MORTGAGE MARKET:**

Housing prices in the U.S. have decreased for 21 consecutive months and close to 3 million homeowners are at risk of default. Banks are trying to find ways to not have people completely walk away from their current property as over 20% of American homeowners are living in homes with a negative equity position. *Where is the bottom?* As it stands, the U.S. has approximately 1 million foreclosures and over 4 million homeowners that are currently over 60 days behind on their mortgage payments. Many believe that it won't be until we see approximately 4-5 million foreclosures that we will begin to see the bottom of the market; with the top foreclosure states being Nevada, Michigan, Florida and Arizona. This has had a strong impact on lending and the government bailout **WILL NOT** help the lending market. In fact, it may hurt it because once the banks are paid off it will be hard for them to start lending again (would you want to invest in depreciating assets?). Bottom line, nobody knows what lending in the U.S. will look like a year from now and consumers will need to wait until lenders feel that the housing market has reached its bottom before they are confident in lending out money again. ***And that won't be for a while yet.***