



GALE TRACEY AMP- YOUR MORTGAGE PLANNER FOR LIFE

**News To Help You Save Time And Money**

# THE DREAM HOME MAKER!

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## Quote of the Month

*"Charlie Brown is the one person I identify with. C.B. is such a loser. He wasn't even the star of his own Halloween special."*

~Chris Rock

## Collateral mortgages: the devil is in the details.

Many people are unaware that there are two basic types of mortgages: conventional and collateral. With a conventional mortgage, the amount you're borrowing (property value minus down payment) is the amount that's registered. But with a collateral mortgage, the amount that's registered is 100-125% of the property value, and the lender has both a promissory note AND a lien registered against the property for the total registered amount. TD Canada Trust switched to collateral mortgages in 2010, followed by ING DIRECT in 2011.



The advantage of a collateral mortgage is easy access to credit. Since the mortgage is already registered for a larger amount than you need to buy the house, you can access additional funds in the future without any extra steps or legal fees.

But there are also several downsides of collateral mortgages:

- Free transfers or switches to a new lender when your term is up aren't usually available. Most other lenders don't like the fine print and restrictions of collateral mortgages and won't accept them unless they're a refinance, which costs you legal and appraisal fees.
- You could end up paying a higher interest rate at renewal. If your collateral mortgage makes it difficult to switch lenders at renewal, you don't have the ability to shop around for the best rate. That could end up costing you up to 1% more on your mortgage rate.
- Your home may be harder to sell. When buyers see the 100-125% lien that collateral mortgages put on your house, they may not be as motivated to buy.

Obviously, it's very important for you to know up front whether you're getting into a collateral mortgage or a conventional mortgage. Unfortunately, many people don't realize they have a collateral mortgage until it comes time to renew and they don't have the flexibility they need. I'd be happy to help make sure this doesn't happen to you!

Please call me today for a free mortgage consultation.

## A REALTOR YOU CAN TRUST!

If you're considering buying or selling please call me if you would like a referral to a professional, experienced, trustworthy Realtor. I've dealt with several realtors in the Surrey, Langley/Tri-Cities areas for over 13 years and can guarantee you will be happy with the results from all of these "Over Achievers". Why call a stranger, when you can be referred to a professional I "know" "like" & trust"!



*We love giving recognition to our new friends and our wonderful existing clients who are kind enough to refer their friends and relatives to us! We're all helping each other, which is the whole point of all this! Right?*

## **Client News**

Here are the new and loyal repeat clients who we've assisted with their mortgage needs in the last few months! We'd like to welcome and thank you publicly, and send you our best wishes!

**Omar & Natalie G., Port Moody, BC - "Long term security at lowest rate in history!!" – Referred by loyal clients Luly and Kim, Coquitlam, BC**

Darrin & Colleen S, Cloverdale, BC – "Preparing for bigger house- lowest rate!"

**Celso & Chantal G. Coquitlam, BC – "Long term security retirement planning!" – Repeat loyal clients**

Brian & Nicole M, Maple Ridge, BC – "First New Family Home!" – Repeat loyal clients

**Dave E. & Janet W., Cloverdale, BC – "New Garage here we come!" – Repeat loyal client**

Shyamal & Tracy R, Delta, BC – "Family Recreational Retreat!" – Repeat loyal clients

**Hayley & Fernando M, Burnaby, BC – "Brand New Condo!!"**

Rod & Wendy R, Surrey, BC – "Back Home with Family!!"



**THANK YOU!**

## **Seasonal Article of the Month**

### **Stuffed Halloween Peppers**

Transform ordinary bell peppers into scary, but tasty jack-o'-lanterns. Use traditional orange—or try blood red or Martian green!

#### **Ingredients**

- 6 bell peppers
- 1.5 cup cooked brown rice
- 1 egg
- .5 cup chili sauce
- .25 cup prepared mustard
- 3 tbsp Worcestershire sauce
- 3 cloves garlic, minced
- 1 onion, chopped
- 1 tomato, chopped
- .25 tsp sea salt
- .25 tsp fresh ground pepper

#### **Directions**

- Preheat oven to 350° F.
- Mix ingredients in a bowl.
- Wash peppers and cut jack-o'-lantern faces into them with a small knife.
- Slice tops off peppers, scoop out seeds and cores, and stuff lightly with ingredient mix.
- Place on greased baking dish just big enough to hold them all. Lean them against each other.
- Bake until peppers are tender and stuffing is cooked and juicy, about 1 hour.



## Financial Freedom Tip of the Month

### Dividend tax credit: a legal way to cut your taxes.

When you're building savings for a long-term goal like retirement or education, keep in mind the tax implications of your investment. If you're earning bank interest, you pay income tax on that interest. But if you invest in stocks that pay a dividend, you can reduce taxes and keep more money for financial goals.



Dividends are payments made by corporations to their shareholders. Since dividends are paid out of the corporations' after-tax profits, the government recognizes that those dividends shouldn't be taxed again when a shareholder earns them. To avoid double taxation, the federal government subjects dividends to a gross-up, which is then offset by federal and provincial non-refundable dividend tax credits. As a result, dividends end up receiving about the same preferential tax treatment as capital gains. In some cases, you can end up with enough tax credits left over from your dividends to apply to tax from other sources.

It's important to remember that the gross-up and dividend tax credits don't apply to RRSPs. All the dividends earned within your RRSP are taxed as income when withdrawn, so it doesn't make sense to invest registered funds in dividend stocks.

If you'd like some easy-to-understand advice about benefiting from the dividend tax credit, I'd be happy to introduce you to one of my trusted financial planner partners.

## Holistic Health Tip of the Month

### Genetically-modified foods: harmful or helpful?

Genetically-modified foods (GM foods) or genetically-modified organisms (GMOs) are plants that have been engineered in a laboratory. Geneticists isolate a certain gene (sometimes from another organism, like bacteria) and insert it into a plant to increase drought or cold tolerance, nutritional content, insect resistance, etc. Commonly-modified plants include soybeans, sugar beets, corn, cotton, canola, potatoes, strawberries and more.

Obviously, this can have many benefits. As the world's population continues to explode and our climate continues to change, GMOs may be the only way we can produce enough nutritional food for everyone.



But there are also serious concerns with GMOs. Because such plants have only been around for a short time, we're beginning to discover they can cause unintended harm to other organisms, including humans. For instance, the pollen from GM corn can blow onto milkweed plants and kill monarch butterfly caterpillars. As more insect-resistant GMOs are grown, insects could develop immunity and become even more destructive. GMOs can inadvertently cross-pollinate with other species to create "superweeds" that are impervious to treatment. GM foods may introduce new, untreatable allergies and other as-yet-unknown health concerns. And since GMO seeds are patented and expensive, farmers in the developing world may be forced out of farming and into even deeper poverty.

Unfortunately, since most GM foods aren't labeled, it's up to consumers to do the research before deciding whether to buy them. If you're concerned about your health and the environment, consider buying certified organic produce instead.

Quiz Question of the Month

**Halloween Trivia Question**

Which of these Halloween-related holidays is NOT in October?

- a) All Saints' Day
- b) Day of the Dead
- c) All Souls' Day
- d) All of the above



**How does this contest work?**

The first person to respond with the correct answer will win a FREE Dinner for themselves and another guest couple of their choice!

**How do I submit my answer?**

To respond with your answer, email us at: [gale.tracey@mtgarc.ca](mailto:gale.tracey@mtgarc.ca) or fax 1-866-280-9427 in your answer. The contest deadline is Oct 31st.

Resource of the Month

Retirement got you SPOOKED? Find out how you can retire with peace of mind – at an enviable age – using a safe, secure investment plan!

With almost another year behind us, this is a perfect time to starting thinking about creating a retirement plan or reassessing the one you already have. Are you certain that you're on track to reach your retirement financial goals? Do you have a plan in place? These are the kinds of questions you need to be asking yourself now before it's too late.

Most people spend more time planning their next holiday than they do in planning their financial future. Sad but true. As the old saying goes, "Most people don't plan to fail, they simply fail to plan." Don't let that happen to you. With the right plan and the right advisors, you can position yourself, and your family, on the path to financial freedom.

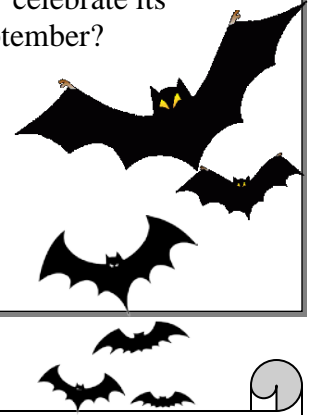
If you're not already working with a financial planner, or if you're not happy with the one you're using, I have a top-notch financial planner that I'd be happy to recommend. They can provide you with a free, no obligation consultation to help you analyze your current situation and map out a solid plan to help you achieve your financial goals. Whether you're looking to plan for retirement, reduce your taxes or increase and protect the wealth in your current plan, here's your chance to consult with a trusted financial advisor at no cost. For more info, call me today!

**Answer to Last Month's Quiz**

Which country does NOT celebrate its Independence Day in September?

- a) Brazil
- b) Uzbekistan
- c) Spain
- d) Mexico

Answer: c) Spain



**ANNOUNCING LAST MONTH'S WINNERS!**

Congratulations to **Robert and Laura H.** of Surrey for winning last month's quiz contest! They have won a won a FREE dinner at the VAULT Restaurant. Enjoy!

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**Halloween Word Search**

w	i	t	c	h	x	b	a	t	t
g	h	o	s	t	c	g	n	j	r
o	v	t	r	e	a	t	x	z	i
a	k	p	b	b	t	t	c	g	c
l	m	a	s	a	c	h	o	z	k
s	u	r	s	a	b	m	f	k	z
b	m	t	g	x	j	o	f	k	y
o	m	y	x	l	k	o	i	b	p
o	y	g	o	f	d	n	n	n	b
j	n	w	k	g	j	n	e	z	h

- coffin      party      trick      treat
- ghost      moon      boo      bat
- cat      witch      mummy