SASKATOON BUYER GUIDE

GETTING PRE-APPROVED & SETTING YOUR BUDGET

A practical guide to understanding your financing range, planning the cash required and choosing a monthly cost you can comfortably carry.



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A mortgage pre-approval helps define the financing you may qualify for, but it does not decide what you should spend. Your comfortable budget must also reflect your lifestyle, future plans and the full cost of owning a home.

Use this guide to prepare your documents, build a complete cash plan and set a purchase range that leaves room for life after possession.

THE MAXIMUM IS A CEILING - NOT A TARGET.

Choose a range that supports both home ownership and everyday life.

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STEP ONE: UNDERSTAND

What a Mortgage Pre-Approval Tells You

A pre-approval is an early financing review. It can help focus your search, estimate payments and identify issues to address before you write an offer.

1 Your potential range

A lender reviews your finances to estimate the maximum mortgage you may qualify for. The purchase price also depends on your down payment and available cash.

2 An estimated payment

The figures help you compare possible mortgage payments at an assumed rate, amortization and payment schedule. Ask which assumptions were used.

3 A possible rate hold

Some lenders may hold a quoted rate for a limited period. Confirm the length, extension rules and whether a lower rate will apply if rates fall.

4 A preparation checkpoint

The process can reveal missing documents, credit concerns, debt pressure or savings gaps while there is still time to respond.

WHAT YOUR LENDER MAY REVIEW

- Identification, employment details and proof of income
- Assets, savings and the source of the down payment and closing funds
- Credit history, loans, credit cards and other financial obligations
- Recent account statements and additional documents based on your situation

A PRE-APPROVAL IS NOT FINAL APPROVAL

Final mortgage approval usually requires a review of both your updated finances and the specific property. Avoid changing your financial picture without speaking with your lender.

- Do not assume the pre-approved amount is guaranteed.
- Avoid new loans, large credit purchases or missed payments before closing.
- Confirm how job, income, debt or down-payment changes may affect approval.
- Include an appropriate financing condition when advised by your professionals.

STEP TWO: PREPARE

Build the Cash Plan

The down payment is only one part of the money required. Keep purchase funds, transaction costs and your post-possession reserve visible as separate amounts.

1 Down payment

Your down payment reduces the amount you need to borrow. Confirm the minimum, the source-of-funds documentation and how the amount affects your mortgage.

2 Offer deposit

The deposit is paid according to the purchase contract and is generally applied toward the purchase funds at closing. Timing and handling depend on the agreement.

3 Closing-cost reserve

Plan separately for legal services, inspections, adjustments, moving, insurance and other transaction-specific expenses.

4 Ownership buffer

Keep accessible savings for immediate repairs, furnishings, changing utility bills and unexpected costs after possession.

CANADIAN MINIMUM DOWN-PAYMENT GUIDE

- $500,000 or less: 5% of the purchase price.
- $500,000 to $1.5 million: 5% of the first $500,000, plus 10% of the portion above $500,000.
- $1.5 million or more: 20% of the purchase price.
- With less than 20% down, mortgage loan insurance is typically required.

YOUR CASH PLAN

Write the amount beside each category before deciding how much is truly available for the down payment.

Available savings and eligible funds _____

Planned down payment _____

Deposit timing requirement _____

Estimated closing and moving costs _____

Emergency / repair reserve _____

Cash remaining after possession _____

Confirm current requirements and acceptable sources of funds with your lender or mortgage professional.

STEP THREE: DECIDE

Set a Comfortable Monthly Budget

A lender's calculation focuses on qualification. Your household budget should also account for the expenses, priorities and uncertainty that make the payment comfortable or stressful.

1 Complete housing cost

Combine the mortgage payment with property taxes, heating, utilities, insurance, condo fees where applicable and a realistic maintenance allowance.

2 Existing commitments

Include vehicle payments, student loans, credit obligations, childcare, support payments and other recurring responsibilities.

3 Lifestyle and goals

Protect room for groceries, transportation, travel, savings, retirement, hobbies and the parts of life you do not want a home purchase to eliminate.

4 Change and uncertainty

Consider how the budget responds to repairs, income changes, parental leave, renewal rates or a future move. A margin creates options.

MONTHLY OWNERSHIP WORKSHEET

Mortgage payment	Property taxes
Heating and utilities	Home insurance
Condo fees (if applicable)	Maintenance reserve
Existing debts	Savings and future goals

RUN THREE BUDGET TESTS

- The normal month: Can you meet every cost and still save consistently?
- The expensive month: Can you absorb a repair, annual bill or temporary income interruption?
- The future month: Would the payment still work after a rate change or a shift in family plans?
- The honest month: Does the budget fit how you actually spend, not only an idealized version?

STEP FOUR: CONFIRM

Choose Your Search Range

Turn the lender's maximum, your cash plan and your monthly comfort level into a practical price range before listings and competition add pressure.

THE LENDER'S MAXIMUM

- An estimate of what you may qualify to borrow
- Based on lender criteria and documented finances
- Dependent on final verification and the property
- Not a recommendation to spend the full amount

YOUR BUYING BUDGET

- A range built around a comfortable monthly cost
- Includes closing cash and an ownership reserve
- Protects lifestyle, savings and future priorities
- Defines the maximum you choose not to exceed

BEFORE YOU BEGIN THE SEARCH

- [ ] I have a current pre-approval and understand its assumptions.
- [ ] My lender has confirmed the down-payment documents required.
- [ ] I have separated closing costs and reserves from the down payment.
- [ ] I know my comfortable monthly ownership cost.
- [ ] I have set a preferred range and a firm maximum purchase price.

QUESTIONS FOR YOUR LENDER OR BROKER

What rate and term assumptions were used? How long is the rate held? What conditions remain? Which property types may require extra review? What changes must I report before closing?

BUILD YOUR SEARCH AROUND A BUDGET YOU CAN LIVE WITH.

BOOK A BUYER CONSULTATION: 639.317.7700 | josef@lywak.ca | lywak.ca

General educational information only. Confirm current lending requirements and advice with qualified professionals. Sources: Financial Consumer Agency of Canada; CMHC.