

MORTGAGE

REQUIREMENTS



WHAT YOU NEED TO KNOW...



THE TRINIDAD BUILDING & LOAN ASSOCIATION
Housing Finance Institution since 1891

Thrift and Home Ownership

Frequently Asked Questions on Mortgages



Purchasing a property is a major decision and long term responsibility.

It must be carefully and thoroughly planned before making a commitment to access a mortgage.



What is a Mortgage?

A mortgage is a long-term, finance arrangement that allows you to enjoy the comfort of home ownership by making monthly mortgage instalments over a period of 10 to 30 years.

The ability for you to service your mortgage instalment over a period of time depends on your ability to sustain your income and remain employable.



What is a Mortgage pre-assessment?



It is an evaluation on the potential mortgagor that informs of the maximum loan amount for which he/she can qualify. The following would be required for the assessment; monthly income; monthly expenses; liabilities and assets.

What advantages does TBLA offer its customers?

- Mortgage Specialist for over 124 years
- Expert Financial Counselling
- Friendly Environment and Efficient Staff
- Up to 90% financing available
- Easy transfer of mortgage loans from other institutions to TBLA

Factors that influence a Mortgage



Income stability and employment are major factors that affect the outcome of a mortgage.

What part of the country would you like to live or where would you and your family likely spend a great portion of your life?

It would be beneficial to think about the effects of the distance between work and home; how accessible is public transport etc.

Do I have the down payment and/or capital to enter into a Mortgage?



The up-front cash requirement for a mortgage transaction can range from 10% to 30% depending on the application. For instance, a property costing \$800,000 would require a startup cash injection of \$80,000.00 to \$240,000.00.

How does income affect a Mortgage application?

The lender's decision to grant a mortgage is based primarily on the applicant's ability to repay the mortgage within the mortgage period. In order to facilitate the mortgage process, the applicant is advised to have all supporting documents to ascertain his/her income, especially that of additional income.



How do I calculate what my monthly instalment should be?

"The monthly instalment is determined by the loan amount, duration of the loan and the mortgage loan rate. TBLA recommends that 40% of your gross monthly income should not exceed your monthly commitments inclusive of the new mortgage instalment.

For instance, a mortgage of \$800,000.00 over 20 years at 7% would attract an instalment of \$5,272.03 per month.

What are the varying types of Mortgages available?

You can apply for a TBLA mortgage Loan for any of the following purposes:

- House Purchase
- Land Purchase
- Home Construction (Bridging Finance)
- Home Renovation
- Debt Consolidation/Refinancing
- Equity - which is the use of an existing property as collateral for the loan
- Commercial Property

Can I apply for a Mortgage Loan along with my spouse or other relative?

Yes, you can apply for a mortgage singly or with one or more persons.

What are the types of insurance available to Mortgagors?

Home Owners' Insurance. This is a requirement of the mortgage loan. It protects your home against fire and natural disasters.
Term or Life Insurance. This insurance is to liquidate the outstanding loan balance in the event of the untimely passing of the mortgagor.
Other Insurance, as determined by the Association.

Required Documentation



For a Mortgage Application,

the documents required are:

1. Job letter.
2. Recent pay slip.
3. Personal Financial Statement.
4. Copy of two forms of identification (ID/DP/PP).
5. Registered copy of freehold/leasehold Deed or Instrument.
6. Evidence of rates and taxes paid to date.
7. WASA Clearance Certificate.
8. Evidence of recorded assets and liabilities.
9. Current Property Valuation.

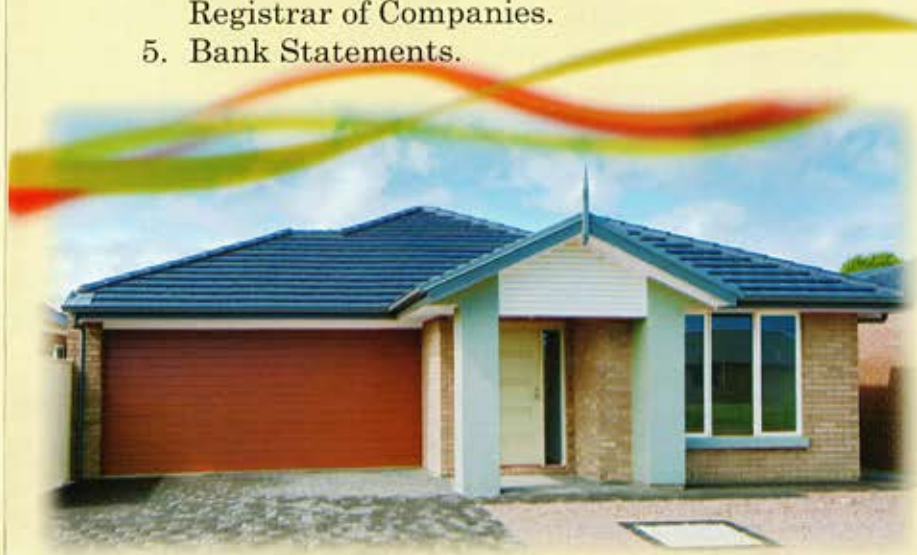
Additional requirements upon Loan Approval:

1. Purchase of Mortgagors' Shares.
2. Coverage of Home Owners Insurance.
3. Assignment of Life/Term insurance of an amount not less than the mortgage.



If Self-employed:

1. Certified Financial Statements.
2. Projected Cash Flow for 2 to 3 years.
3. Memorandum of Incorporation and By-Laws (Company).
4. Last Annual Return filed at the Registrar of Companies.
5. Bank Statements.



For Purchase of Property:

1. Signed Agreement to purchase and evidence of downpayment made.

For Construction/ Renovations:

1. Estimated Valuation before and after construction.
2. Approved Building Plans.
3. Land development approval from relevant authorities.
4. Signed Quantity Surveyor's report (from the Association's panel).
5. Signed Builder's Estimate.

The table below gives examples of the qualifying income and monthly payment for possible Mortgage Loans.

Figures are based on an amortised mortgage over 25 years at 6.5% per annum:

QUALIFYING TABLE FOR MORTGAGE REQUIREMENTS

VALUE OF MORTGAGE LOAN	MONTHLY PAYMENT	QUALIFYING INCOME (BASED ON 40% DSR)
\$ 300,000	\$ 2,026	\$ 5,064
\$ 400,000	\$ 2,295	\$ 6,752
\$ 500,000	\$ 3,376	\$ 8,440
\$ 600,000	\$ 4,051	\$ 10,128
\$ 700,000	\$ 4,726	\$ 11,816
\$ 800,000	\$ 5,402	\$ 13,504
\$ 900,000	\$ 6,077	\$ 15,192
\$ 1 000,000	\$ 6,752	\$ 16,880
\$ 1 200,000	\$ 8,102	\$ 20,256



THE TRINIDAD BUILDING & LOAN ASSOCIATION

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Thrift and Home Ownership

“Easy access to mortgage financing”

89 Queen Street, Port of Spain, Trinidad and Tobago, West Indies

Tel: 1-868-623-1501-4 Fax: 1-868-627-0675

Email: info@tblamortgages.com

Website: www.tblamortgages.com



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