



FREE E-BOOK



learn how to budget



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A Budget Should be Realistic but Flexible

Whether you already own a house or if home ownership is on your wish list, understanding your financial situation and having a budget can help you plan ahead and learn how to save money.

Managing your financing can be stressful but NOT managing your financing will be much worse. In this booklet you will find some budgeting tips, resources to stay on track and inspiration. Take what you need, tweak what doesn't work and take one step, one dime at a time.



USE CREDIT WISELY

Only use credit on purchases you can pay off quickly. Lingering balances accumulate interest quickly and can impact your credit score.



START A SAVINGS ACCOUNT

If you don't have a savings account already, open one! Set a realistic savings goal and stick to it! If an emergency pops up, it'll be a stress reliever knowing you don't have to use credit.



DON'T WASTE MONEY

Be mindful of your spending habits. Make your morning coffee at home or pack your lunch for work each day. You'll be surprised at how much money you will save!



KNOW WHAT YOU MAKE

Review the money in your bank account carefully. Keep track of deposits and withdrawals. Determine a monthly average and budget accordingly.



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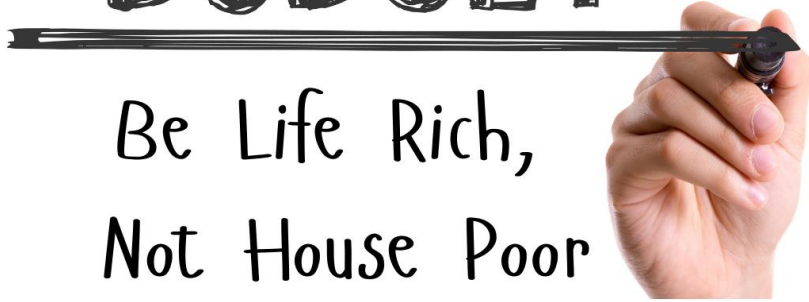
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BUDGET



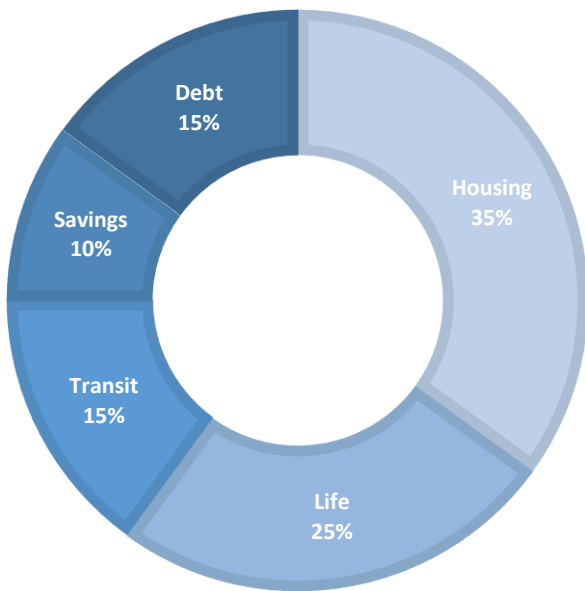
Be Life Rich,
Not House Poor

If you purchase at your maximum pre-approval amount, you could be looking at a mortgage term consisting of financial struggle and unaffordability.

Why?

Because the cost of owning a home is much more than just the monthly mortgage payment! You must consider property taxes, utilities (such as heat, hydro, water), maintenance and more each month. If these costs exceed 35% of your income, you may find yourself sacrificing in other areas to compensate. You may no longer be able to afford to take a family vacation each year, you may not be able to contribute to your RRSPs or repay other debts.

Be sure to check out the below pie chart to see how you can be life rich, instead of house poor!



EXAMPLE BUDGET

Housing	Mortgage, taxes, gas etc.
Transit	Car payments, transit passes, gas etc.
Life	Groceries, medical expenses, childcare, trips etc.
Debt	Credit cards, loans etc.
Savings	Long term savings



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Monthly Budget- Worksheet

Where do you start? Write down all your income and expenses. Once it is written down, it will be much easier to see the bigger picture. Be realistic and flexible with your budget to accomodate changes as life happens.

ITEM	BUDGET	ACTUAL	DIFFERENCE	NOTES
Mortgage				
Property Taxes				
Household Maintenance				
Insurance				
Electricity				
Water/Sewage				
Gas				
Phone (Cell/Home)				
Cable/Internet				
Groceries				
Fuel				
Car Payment				
Car Insurance				
Child Care				
Credit Card/Loan 1				
Credit Card/Loan 2				
Credit Card/Loan 3				
Entertainment				
Gifts				
Clothing				
Donations				
Retirement Savings				
College Savings				
Life Insurance				
Misc. (Other)				
INCOME				
OTHER INCOME				



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52 Week Challenge

52 Week Challenge: Want a challenge to save some money? Look how saving just a little each week will make a big difference within a year! Do you find it hard to save money for Christmas shopping? This year make it your goal to not put your holiday spending on credit! My family really enjoys our family trips so we use the 52 week challenge to stay on track to bring our dreams of a family vacation closer to reality.

For this challenge, consider doing it backwards! Do the heavy lifting upfront with the bigger savings and watch the account grow from day one!

WEEK	DEPOSIT	BALANCE	WEEK	DEPOSIT	BALANCE
1	\$1.00	\$1.00	27	\$27.00	\$378.00
2	\$2.00	\$3.00	28	\$28.00	\$406.00
3	\$3.00	\$6.00	29	\$29.00	\$435.00
4	\$4.00	\$10.00	30	\$30.00	\$465.00
5	\$5.00	\$15.00	31	\$31.00	\$496.00
6	\$6.00	\$21.00	32	\$32.00	\$528.00
7	\$7.00	\$28.00	33	\$33.00	\$561.00
8	\$8.00	\$36.00	34	\$34.00	\$595.00
9	\$9.00	\$45.00	35	\$35.00	\$630.00
10	\$10.00	\$55.00	36	\$36.00	\$666.00
11	\$11.00	\$66.00	37	\$37.00	\$703.00
12	\$12.00	\$78.00	38	\$38.00	\$741.00
13	\$13.00	\$91.00	39	\$39.00	\$780.00
14	\$14.00	\$105.00	40	\$40.00	\$820.00
15	\$15.00	\$120.00	41	\$41.00	\$861.00
16	\$16.00	\$136.00	42	\$42.00	\$903.00
17	\$17.00	\$153.00	43	\$43.00	\$946.00
18	\$18.00	\$171.00	44	\$44.00	\$990.00
19	\$19.00	\$190.00	45	\$45.00	\$1035.00
20	\$20.00	\$210.00	46	\$46.00	\$1081.00
21	\$21.00	\$231.00	47	\$47.00	\$1128.00
22	\$22.00	\$253.00	48	\$48.00	\$1176.00
23	\$23.00	\$276.00	49	\$49.00	\$1225.00
24	\$24.00	\$300.00	50	\$50.00	\$1275.00
25	\$25.00	\$325.00	51	\$51.00	\$1326.00
26	\$26.0	\$351.00	21	\$52.00	\$1378.00



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Tips: Don't Just Survive, Learn to Thrive!

- Shop for new home and auto insurance annually.
- Ditch the bank insurance and look at life insurance. Having insurance is vital but you have to make sure you have the best policy, terms and coverage to protect your family. Review and get independent advice.
- Get a programmable thermostat.
- Go Green on your energy saving light bulbs. They cost more upfront but last a lot longer and will be gentle on your hydro bill.
- Meal Plan: Don't waste food, make your left-overs go further by planning to use last night's dinner for tomorrow's lunch.
- Have an emergency savings plan. Ideal budget is 3 months worth of your household expenses.
- Don't impulse shop! If you really want something, think in about it for a few days before pressing the shopping cart button.
- Don't automatically renew your mortgage. Call your lender for the best rate they can offer, not what they have sent you in the mail. Also shop around with a local mortgage broker who can tell you if the rate you are being offered is fair or not.
- Declutter and pay off debt! Go through your basement, garage and spare bedroom to clear out old stuff and make a bit of cash to pay off your debts.
- You're allowed to say no! If you don't have the funds for a night out, stay in and do something at home. Don't want to lend "that friend" another \$10 for lunch? Saying no is a hard thing to learn, but definitely something that will feel empowering once mastered.



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Credit Cards: Do You REALLY Know How Much You're Spending?

Do you know how long it would take if you only pay the minimum amount on your credit card? On every bill near the end, you should find the calculation.

For instance, on approximately \$2,500, it would take over 20 years to pay this bill off if you only paid the minimum amount of \$10 per month. That's crazy! Imagine if you had a \$20,000 balance or higher. Or multiple cards.

How long would it take you to become debt free? Don't spend the rest of your life paying high-interest debts. If you need help getting back on track with your money, you might want to consider consolidating your debt. Contact me if you want to discuss more about saving money through refinancing.

Your payment information

+ The totals below include any Equal Payments Plan Installments due this statement period

Balance Due	\$2,438.61
--------------------	-------------------

▶ Pay this amount by the Payment due date indicated below to avoid interest charges on new purchases shown on this statement.

Minimum payment due	\$10.00
----------------------------	----------------

▶ Pay this amount by the Payment due date indicated below to avoid going into default.

! If you only pay the minimum payment due each month, it will take you approximately 20 year(s) and 4 month(s) to repay the full balance on this statement.†

Payment due date	Mar 10, 2020
-------------------------	---------------------

▶ Please allow enough time for your payment to reach us by the due date.

Be sure to review the annual fees on your credit cards. Are they really necessary? My favourite credit card is a zero annual fee cash back card! No annual fee (on average this is a \$120 savings vs. the competitors) plus I earn 1%, 2% or up to 5% cash back on my purchases!



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Budget Tips: Make your Money Count!

- Create a Price Book – Track prices of groceries and household products you regularly buy. Then check your book and stock pile when prices are good.
- Increase your Deductible – Save on car insurance by opting for a \$500 deductible instead of \$250.
- Lower Interest Rates – If you are carrying a credit card balance, call and ask for an interest rate reduction. Many will oblige.
- Enjoy Leftovers – Stretch your food value and reduce waste by spicing up leftovers or adding fresh veggies.
- Ask HR – Check to see if your company has employee discounts on insurance, cell phones, internet or other useful things.
- Use a Financial Advisor – Look for someone who specializes in your situation. For example, advisors for teachers' pensions, divorced women, business owners, etc.
- Energy Efficiency – Upgrade to newer energy-saving appliances. A 10 year old fridge may use up to 40% more energy than a new model. You don't have to buy new, just "newer".
- Bring Water – Always carry a reusable water bottle when you leave the house (for work, errands, outings, etc.). It is better for the environment and you'll avoid having to buy a cold drink.
- Always Feed the Parking Meter – Put more time in than you need, even if it costs an extra dollar. It's still cheaper than a \$40 parking ticket.
- Buying a Car? Whether new or used, wait until the end of the month. Sellers will often offer a better deal since they need to make a sale to boost their productivity.
- Help Your Kids – Consider co-signing a credit card for your kids when they reach the appropriate age. It can be a low limit card (IE: \$500) but it will kick start their credit bureau and start building their score for the future.



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USING CREDIT TO IMPROVE YOUR CREDIT SCORE

MAKE CREDIT CARD PAYMENTS ON TIME

It is important to pay all bills by or before their due dates. Payment history accounts for 35% of your credit score. Set up pre-authorized payments where possible to eliminate the possibility of forgetting to make a payment.



KEEP SMALL BALANCES

Credit utilization accounts for 30% of your credit score. Keeping balances under 30% of available credit is best to keep you score from being impacted. The lower the balance, the better.



INCREASE SPENDING LIMIT

By increasing your spending limit and maintaining a low balance, your credit score will reflect the lower utilization ratio. *Use caution - if you think having a higher limit will tempt you to overspend, refrain from increasing your limit.



KEEP YOUR CARD OPEN FOR A LONG TIME

Length of credit history accounts for 15% of your credit score. If your card has no annual fee, consider keeping it open. The longer you can demonstrate responsible use of credit, the better your score will be!



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SNOWBALL DEBT REPAYMENT METHOD

This debt reduction strategy is where you pay off the debts in order of smallest to largest so that you can gain momentum. As each one is eliminated, your efforts pick up speed and grow! When the smallest debt is paid in full, you roll the money you were paying on that debt into the next smallest and so on until you have crushed them all!

1

ORGANIZE YOUR DEBTS

List all your debts from smallest to largest. Include the minimum monthly payments and the interest rates.

2

STRATEGIZE PAYMENTS

Make only minimum payments on all debts, except the smallest, which you will tackle as aggressively as possible until it is paid off.

3

START ROLLING

Once the smallest is paid off, take what you were paying towards it and roll it into the next debt you want to tackle. Continue to make the minimum payments on all outstanding debts.



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Example of the Snowball Method in Practice

\$500 credit card (\$50 min. payment)

\$1800 credit card (\$70 min. payment)

\$4500 student loan (\$55 min. payment)

\$12,000 car loan (\$280 min. payment)

Credit Card	Credit Card	Student Loan	Car Loan
Balance: \$500	Balance: \$1800	Balance: \$4500	Balance: \$12,000
Minimum Payment: \$50	Minimum Payment: \$70	Minimum Payment: \$55	Minimum Payment: \$280
Interest Rate: \$21.0%	Interest Rate: 18.0%	Interest Rate: 5.50%	Interest Rate: 1.90%

Month	Payment	Balance	Payment	Balance	Payment	Balance	Payment	Balance
1	\$450.00	\$50.00	\$70.00	\$1,730.00	\$55.00	\$4,445.00	\$280.00	\$11,720.00
2	\$50.00	PAID OFF	\$470.00	\$1,278.90	\$55.00	\$4,410.12	\$280.00	\$11,458.11
3			\$520.00	\$770.28	\$55.00	\$4,375.08	\$280.00	\$11,195.81
4			\$520.00	\$254.04	\$55.00	\$4,339.88	\$280.00	\$10,933.10
5			\$254.04	PAID OFF	\$320.96	\$4,037.34	\$280.00	\$10,669.96
6					\$575.00	\$2,916.52	\$280.00	\$10,406.41
7					\$575.00	\$2,352.25	\$280.00	\$10,142.45
8					\$575.00	\$1,785.39	\$280.00	\$9,878.06
9					\$575.00	\$1,215.94	\$280.00	\$9,613.26
10					\$575.00	\$643.88	\$280.00	\$9,348.04
11					\$575.00	\$68.88	\$280.00	\$9,082.39
12					\$575.00	\$69.19	\$280.00	\$8,816.33
13					\$69.19	PAID OFF	\$785.81	\$8,043.24
14							\$855.00	\$7,199.62
15							\$855.00	\$6,345.00
16							\$855.00	\$5,508.38
17							\$855.00	\$4,660.74
18							\$855.00	\$3,811.77
19							\$855.00	\$2,961.45
20							\$855.00	\$2,109.79
21							\$855.00	\$1,256.77
22							\$855.00	\$402.41
23							\$402.41	PAID OFF

Congratulations! Thanks to your hard work, you have paid off \$18,000 in monthly debt in only 23 months! You now have \$855.00 back into your budget (\$400 debt payment plus \$455 you were making in the four monthly payments).



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Want to See how a Bank Looks at Your Credit Worthiness From Their Perspective?

Here are the 5 C's credit lenders review when deciding to lend you a mortgage:

Capacity

This is the ability of borrowers to repay loans, and is the most critical of the 5 C's. It can be assessed by evaluating the debt amounts when they really look at your credit repayment history to make sure you don't routinely miss payments.

Capital

This is the amount of money borrowers have invested in the property. Lenders want to see that borrowers are committing their own capital's sources. This is where your down payment is from. They are looking to see if you have some "skin in the game" and have saved your own money toward the purchase.

Character

This is the general impression of how trustworthy borrowers are to repay the loans. Assessing length of employment, propensity to save, and responsible credit utilization all help to establish character.

Collateral

This is the guarantee in the form of additional security that can be provided to the lender. For mortgages, collateral is the property itself. The more down payment you have, the more collateral you have.

Credit

What is the borrower's credit history? More particularly, what does the repayment history show? This is where your credit score comes into play. It is important to maintain a good credit score and it is advised that you do an annual review of your credit score with a free report. You can check for free [here](#).



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\$ MONEY CHART \$

Use This Chart to Save \$1000 This Year!

\$20	\$7	\$33	\$51	\$9	\$17	\$22	\$3
\$25	\$19	\$11	\$34	\$12	\$40	\$15	\$21
\$8	\$0	\$23	\$5	\$27	\$22	\$18	\$31
\$60	\$21	\$9	\$19	\$11	\$17	\$5	\$29
\$15	\$19	\$26	\$8	\$20	\$4	\$22	\$18
\$17	\$20	\$28	\$6	\$15	\$35	\$19	\$22
\$28	\$19					\$9	\$6

**CROSS OFF ONE BOX
PER WEEK!**

Food for Thought



What does it take to blow \$10,000 a year? Just \$27.40 a day in miscellaneous spending. Ouch! But wait, what does it take to save \$10,000 a year? Just \$27.40 a day into a savings account! What benefits you more? Think about it!



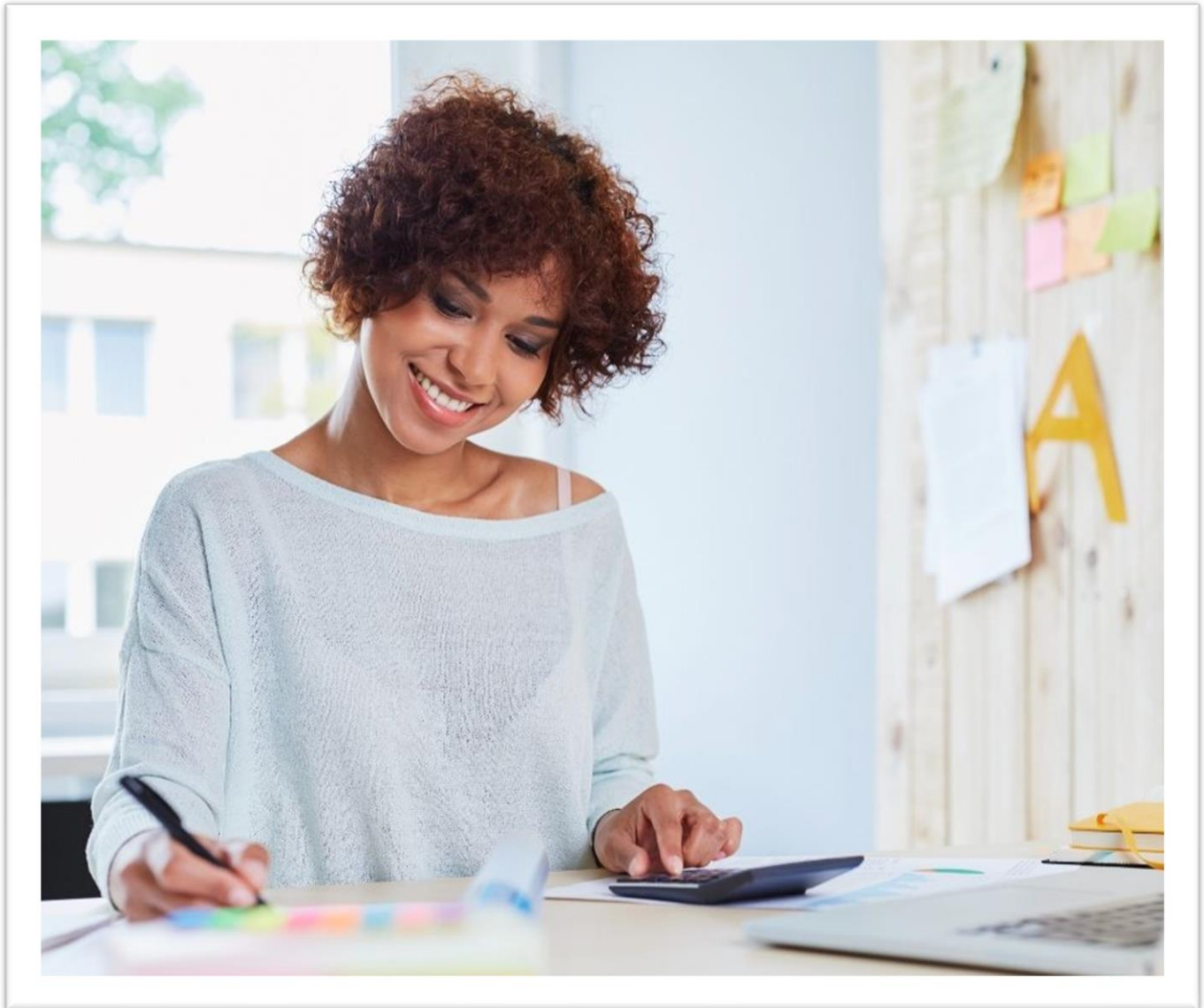
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Final Thoughts

Having control over your debt is possible. If you want to achieve it, you can. Believe, work hard, and be ruthless in making it happen and it will. Setbacks will happen, as life gets in the way, but take each step back with a deep breath before refocusing on your goals.



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