Your First HOME GUIDE

Helping you make confident homebuying decisions.



tandia financial

a division of | alterna savings

tandia.com

tandia financial
a division of | alterna savings

BUYING YOUR FIRST HOME STARTS WITH UNDERSTANDING WHAT'S RIGHT FOR YOU



Buying your first home is a big step. It often comes with

- How much can I comfortably afford?
- What does the process actually look like?
- How do I know I'm making the right choice?

This guide will walk you through each stage of your homebuying journey in a way that feels clear and manageable, helping you understand what matters at every step so you can move forward with confidence, whether you're just starting to explore or getting ready to make an offer.

MORTGAGE BASICS

Understanding the key elements that shape your options
Before making a decision about your mortgage, it helps to understand the core elements that influence how it works, how it fits into your life and adapts as your situation changes, and what it will cost over time.

What is a Mortgage?

A mortgage is a loan used to purchase or maintain a home or property. You repay it through regular payments that include both principal (the amount you borrowed) and interest (the cost of borrowing).

Your mortgage is structured to support:

- A payment level that feels manageable
- Your longer-term financial plans
- The level of flexibility that works for your life

Amortization and Term

Your mortgage has two timelines that work together.

Amortization
The total time it would take to pay off your mortgage in full, often 25 or 30 years.

Term
The length of your mortgage agreement with your lender. It is typically between 1 and 5 years. At the end of each term, you have an opportunity to renew, switch, or make changes.

What this means for you
Your amortization affects how much you pay overall, while your term determines when you can revisit your mortgage and adjust it based on your needs.

This becomes especially important if:

- Your financial situation has changed
- You expect changes in the near future
- You want flexibility at specific points in time

Fixed or Variable: Choosing What Fits Your Comfort Level

A mortgage rate can be fixed or variable. Your best option depends on a number of things, including your desire for stability or flexibility.

Fixed rate
Your interest rate stays the same for your entire term. This can make planning and budgeting easier, especially if you prefer consistent payments.

Variable rate
Your interest rate changes as market conditions shift. This option offers flexibility and may provide savings over time depending on market conditions. It does require some level of comfort for change.

What to think about when choosing your option:

- Do you prefer predictable payments each month?
- Are you comfortable with rates that may move?
- How long do you plan to stay in this home?

Your mortgage specialist can walk you through these options and explain what they look like based on your situation.

Open and Closed Mortgages

Mortgages can be either open or closed. The difference comes down to how much flexibility you want when it comes to making changes or paying off your mortgage early.

Closed Mortgage
This is the most common type. It typically offers a lower interest rate and includes defined options for making additional payments. There may be limits or costs if you choose to pay off or change your mortgage before your term ends.

Open Mortgage
This option allows you to make larger payments or pay off your mortgage in full at any time without penalty. This added flexibility usually comes with a higher interest rate.

What to think about when choosing your option:

- Do you expect to make significant changes in the near future?
- Do you want the option to pay off your mortgage early?
- Are you comfortable paying a higher rate for more flexibility?

For many homebuyers, a closed mortgage offers the right balance. An open mortgage may be worth considering if you expect your plans to change in the short term.

Monthly Payments and What Shapes Them

Understanding what drives your mortgage cost. Your mortgage payment is influenced by several factors that work together.

These include your:

- Mortgage balance
- Interest rate
- Amortization
- Payment frequency

Even small changes in one of these areas can affect both your monthly payment and the total amount you pay over the life of your mortgage.

What this means for you

When reviewing mortgage options, it helps to look beyond the rate and consider how the overall structure fits your budget.

For example:

- A longer amortization can lower your monthly payment but increase total interest.
- More frequent payments can help reduce the total cost of borrowing.

Looking at the full picture helps you make choices that feel manageable now and sustainable in the long run.



Understanding What You Can Afford

Before you start looking at homes, it helps to understand what fits comfortably within your budget.
Your mortgage amount is based on a few key factors:

- Income and employment
- Existing financial commitments
- Current interest rates
- Down payment

Lenders also use a “stress test” to make sure you can manage your payments if rates increase in the future.

What this means for you
The mortgage you are approved for is one part of the picture. What matters just as much is what feels manageable month to month, once you factor in:

- Property taxes
- Home insurance
- Utilities and maintenance
- Everyday expenses

Many first-time buyers find it helpful to start with a monthly budget, then work backward to a comfortable home price.



tandia financial
a division of | alterna savings



Built-In Flexibility

Giving you options as your situation evolves
Many mortgages include features that allow you to adjust how you pay them down over time.

These options can include:

- Making additional lump-sum payments
- Increasing your regular payment amount
- Choosing a payment schedule that aligns with your income

Why this matters
Your financial situation may change over the course of your mortgage. Flexibility allows you to respond to those changes and take advantage of opportunities when they arise.

For example, some people:

- Put extra funds toward their mortgage when they receive a bonus or tax refund
- Increase their payments as their income grows
- Adjust their approach depending on other financial priorities

Your mortgage specialist can help you understand what options are available and how they could support your plans.

THE HOMEBUYING PROCESS

What to expect, step by step

1 GETTING STARTED

This is where you begin to turn your plans into something more concrete.

At this stage, many people:

- Review their monthly budget to understand what feels comfortable
- Gather key information about their income, savings and expenses
- Start a conversation with an Tandia mortgage specialist

During this step, we take the time to understand your situation. This includes reviewing your income, assets and financial commitments. With your consent, we'll also review your credit report, explain what it means, and how it factors into your application.

Early conversations often make the rest of the process feel more straightforward and predictable.

2 PRE-APPROVAL

A pre-approval helps you understand your price range before you start seriously looking at homes.

It is often the point where things start to feel more real. Instead of guessing what you can afford, you have a clear range to work within.

With a pre-approval, you can:

- Focus your home search on realistic options
- Move more quickly when you find a home you like
- Lock in a rate for up to 120 days

What to keep in mind
A pre-approval is not your final approval. That happens later, once you have an accepted offer and the property details are confirmed.

Your mortgage specialist will walk you through exactly what is included, so there are no surprises later.

alterna savings
tandia financial
a division of | alterna savings

3 FINALIZING YOUR APPLICATION

Once you've found a home and your offer is accepted, your mortgage moves into the final approval stage.

At this point:

- Your application details are confirmed and finalized.
- We review the property information alongside your financial profile.
- Your mortgage approval is completed, subject to any remaining conditions.

What to keep in mind
This step brings everything together. It is also where any remaining questions or requirements are clarified.

Your mortgage specialist will walk you through what is needed and keep you updated, so there are no unexpected surprises.

4 COMPLETING THE FINAL DETAILS

In this step, we complete the remaining requirements needed to move toward closing.

This may include:

- Arranging a property valuation, if required
- Verifying your income, employment and down payment
- Reviewing and satisfying any outstanding conditions

We will provide a clear checklist, so you know exactly what is needed and when.

What this means for you
This stage can feel detail-focused, but it is an important part of ensuring everything is accurate and in place before closing.

Staying organized and responsive during this step helps keep the process moving smoothly.



5 CLOSING AND GETTING YOUR KEYS

This is the moment when everything comes together, and you officially become a homeowner.

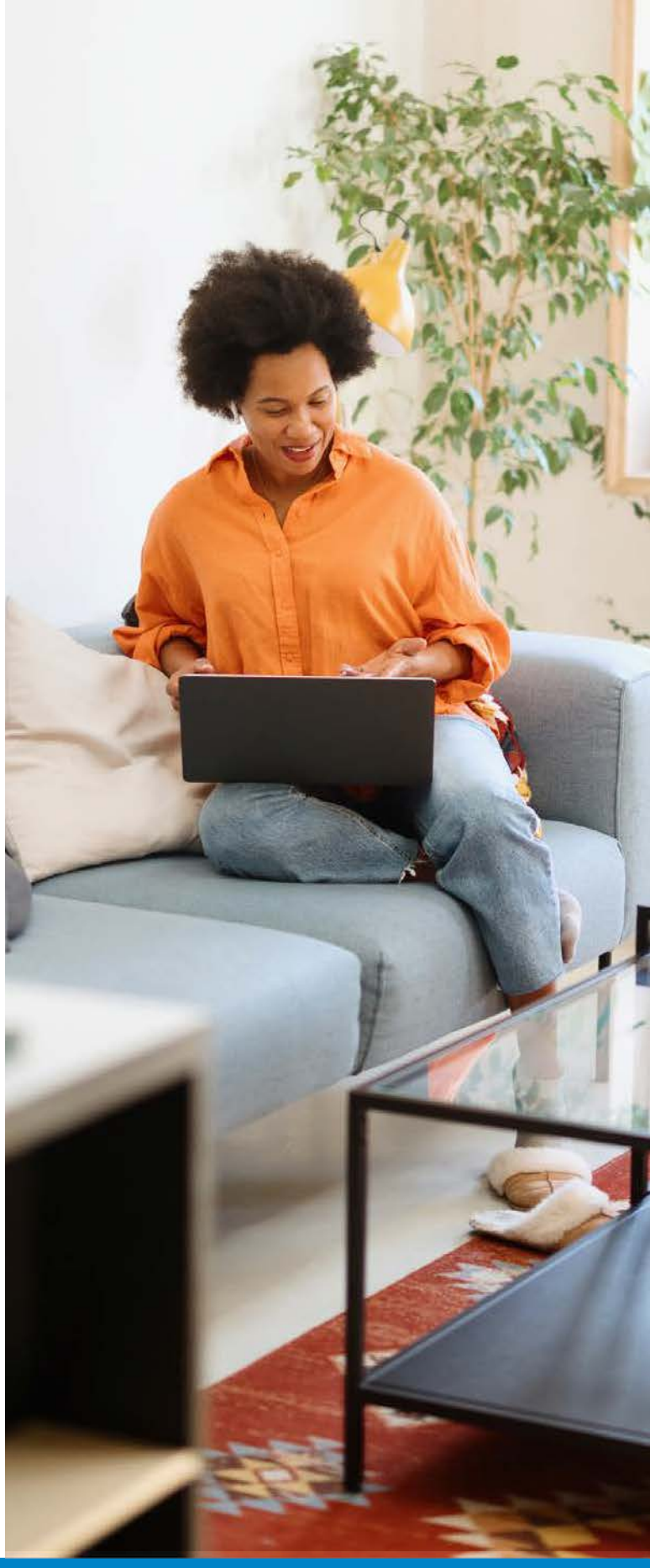
Your lawyer will:

- Prepare and review all legal documents
- Register your mortgage
- Coordinate the transfer of funds on closing day

Once everything is complete, you receive your keys.

What to expect
In the days leading up to closing, you will review and sign final documents and ensure all required funds are available.

Your mortgage specialist and lawyer will guide you through this step, so you know what to expect and when.



tandia financial
a division of | alterna savings

Planning for Closing Costs

In addition to your down payment, there are costs associated with closing your purchase.

These may include:

- Legal fees
- Property valuation fee
- Title insurance
- Land transfer tax

What this means for you
Planning for these costs early can help avoid last-minute pressure.

Your mortgage specialist can walk you through what applies to your situation so you can prepare with confidence.

Support Beyond Closing

Your mortgage does not end on closing day.

As you settle into your new home, your mortgage specialist remains available to:

- Answer questions as they come up.
- Review options like prepayments or payment changes.
- Support future planning as your needs evolve.

Why this matters
Homeownership is a long-term commitment. Having someone you can return to for guidance can make it easier to adjust as your situation changes over time.



FIRST-TIME BUYER PROGRAMS

Support available for your first home purchase

Home Buyers' Plan

Withdraw up to $60,000 from your RRSP to support your down payment. The funds must be repaid to your RRSP over 15 years.

Home Buyers' Amount (First-Time Home Buyers' Tax Credit)

Claim up to $10,000 on your federal tax return (line 31270), providing up to $1,500 in federal tax savings. This is a non-refundable tax credit available if you or your spouse/partner did not own and live in another home in the year of purchase or the four preceding years.

First Home Savings Account (FHSA)

A tax-advantaged savings account designed specifically for first-time buyers. Contributions are tax-deductible, and withdrawals for a qualifying home purchase are tax-free.

Your mortgage specialist can explain which programs you may qualify for and how they



tandia financial
a division of | alterna savings

USING MORTGAGE FLEXIBILITY

Prepayment Options

20% Annual Prepayment

Pay up to 20% of the original principal amount per calendar year without penalty.

100% Payment Increase

Increase your regular payment by up to 100% – effectively doubling your payment.

Payment Frequency

Choosing a payment frequency that aligns with how you earn and manage income can make your mortgage feel more integrated into your financial life.

Options may include:

- Monthly payments
- Semi-monthly payments (twice per month, aligning with semi-monthly pay cycles)
- Bi-weekly payments
- Accelerated bi-weekly or weekly payments

Planning with Flexibility in Mind

Flexibility allows your mortgage to adapt as your goals evolve. Some members use flexibility to:

- Direct extra funds toward their mortgage when available
- Adjust payments during different life stages
- Support a balance between paying down their mortgage and other priorities

A Tandia mortgage specialist can help you explore how these options align with your broader financial picture.



Questions Worth Asking

Asking the right questions can make the homebuying process feel clearer and more manageable. It can also help you understand how different options align with your goals.

You do not need to have all the answers going in. The following questions can guide your conversations and help you make informed decisions at each stage of the process.

Understanding Your Mortgage

- How does this mortgage fit within my monthly budget?
- What term and amortization options are available to me?
- How does this option balance stability and flexibility?

Why this matters
Understanding how your mortgage is structured helps you choose an option that feels manageable today and sustainable over time.

Exploring Flexibility and Features

- What prepayment options are available?
- How can I make additional payments if I choose to?
- What flexibility do I have if my situation changes?

Why this matters
Flexibility can make a meaningful difference, especially if your income or priorities change.

Looking Ahead

- What happens when my term ends?
- What options will I have at renewal?
- How could future life changes affect my mortgage?

Why this matters
Your mortgage is a long-term commitment. Thinking ahead now can help you avoid surprises later.

About the Pre-approval and Rate Guarantee

- How long is my rate guaranteed once I'm preapproved?
- What is the difference between a pre-approval?
- What still needs to happen before final approval?

Why this matters
Understanding the difference between pre-approval and final approval can help you plan your next steps with more confidence.

A Shared Conversation

You do not have to navigate these questions on your own.

A Tandia mortgage specialist will work with you, helping you understand what matters most and how each decision connects to your overall plan.

tandia financial
a division of | alterna savings

WHY TANDIA

Guidance that Feels Personal

When you're buying your first home, having the right support can make a meaningful difference.

At Tandia, you work with one person who takes the time to understand your situation, explain your options clearly, and stay with you through each step.

Support that Adapts with You

Your plans can change over time, and your mortgage should be able to change with them.

We take the time to understand:

- What matters to you today
- What you may need in the future
- How flexibility can support both

Member-First by Design

As a member-owned financial co-operative, our focus is not on a single transaction. It's on helping you make decisions that support your financial well-being over time.

That shows up in how we:

- Have honest conversations about what fits for you and what may not
- Take a long-term view of your goals
- Take the time to be clear and do what's right for you

The Good in Banking®

Banking that respects your intelligence, supports your confidence and helps you move forward with clarity and trust.



READY WHEN YOU ARE

Whether you're just starting to explore homeownership or preparing to make an offer, your Tandia mortgage specialist is here to answer questions and support you throughout your journey.

Visit: tandia.com

Call: 1-800-598-2891

Visit Your Local Branch

Book an Appointment



The information in this guide is for general informational purposes only and does not constitute financial, mortgage, legal, tax, or investment advice. Individual circumstances vary. Please speak with an Tandia Mortgage Specialist or other qualified professional before making any financial or homeownership decisions. Mortgage products and features are subject to eligibility and approval.Tandia Financial, a Division of Alterna Savings and Credit Union Limited. (10/2026)

tandia financial
a division of | alterna savings