YOUR GUIDE TO MORTGAGE PRE-APPROVAL

Know your budget. Shop with confidence. Prepare for your next home.

Jeremy Romano Real Estate & Mortgages | Ontario Homebuyer Resource

What is a mortgage pre-approval?

A mortgage pre-approval is a lender's preliminary review of your financial situation to estimate how much you may be able to borrow. Depending on the lender and application, it may include a credit check, document review and a conditional rate hold. It is not a guarantee of final mortgage approval.

Why get pre-approved before shopping?

- Understand your price range: plan for a comfortable monthly payment, not just the maximum loan amount.
- Identify issues early: review income, debts, credit and down-payment documentation before making an offer.
- Move with confidence: be ready to discuss financing timelines when you find the right property.
- Explore mortgage options: compare lender requirements, terms and available rate-hold options.

Documents to have ready

- Identification: valid government-issued ID and your current contact details.
- Income: recent pay stubs, employment letter and, where requested, T4s or Notices of Assessment. Self-employed applicants may need two years of tax and business-income records.
- Down payment: recent bank or investment statements showing the source and history of funds; gift letters or sale proceeds documentation if applicable.
- Debts and obligations: details of car loans, lines of credit, credit cards, student loans and support payments, if applicable.
- Property costs: estimated property taxes, condo fees (if applicable), heating costs and available savings for closing costs.

Your lender may request additional documents based on your employment, credit profile, down-payment source or property.

How the process works

- Step 1: Discuss your goals, target purchase price, savings and preferred monthly payment.
- Step 2: Submit the application and supporting financial documents.
- Step 3: Review available mortgage options and any conditions or rate-hold terms.
- Step 4: Receive an estimated borrowing range and shop for a suitable property.
- Step 5: After an accepted offer, complete property-specific underwriting, appraisal if required and final lender conditions.

What lenders typically assess

Lenders generally review income stability, credit history, existing debt payments, down-payment source, and the expected housing costs. They also apply qualification rules, including the applicable mortgage stress test where required. Final approval depends on both the borrower and the property.

Important: Pre-approval is not final approval

A lender may still need to verify your income and funds, review the property, obtain an appraisal and confirm all conditions. Do not waive a financing condition solely because you have a pre-approval; obtain advice about your specific offer and risk.

PRE-APPROVAL CHECKLIST

☐ Confirm budget and comfortable payment ☐ Gather income documents ☐ Verify down-payment funds

☐ List outstanding debts ☐ Discuss closing costs ☐ Review lender conditions

Protect your approval while house hunting

- Avoid taking on new debt, financing a vehicle or opening new credit without discussing it with your mortgage professional.
- Avoid major employment changes or large unexplained deposits before final approval.
- Keep your down payment and closing-cost funds accessible and document any transfers.
- Respond promptly to lender document requests, and avoid making assumptions about a rate hold or approval expiry.

Questions to ask your mortgage professional

- What purchase price and payment fit my budget after taxes, insurance, utilities and other expenses?
- What down payment and closing costs should I plan for?
- Is there a rate hold? For how long, and what are its conditions?
- What could cause a final approval to change or be declined?

Ready to take the next step?
Contact Jeremy Romano to discuss your mortgage pre-approval and homebuying goals.
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