

# Tips for raising your Mortgage Deposit

A deposit is usually a requirement in getting a mortgage, particularly with home purchases. CIBC FirstCaribbean is here to help you achieve this goal and move closer to the doors of your own home.

Typically, you will be required to inject at least 5% of the lower of the cost or value of the home you are looking to purchase. You will also be required to show evidence of your deposit and its source.

There are some other costs associated with buying a home you should also consider:

- Application/commitment fees
- Valuation fees
- Legal fees
- Stamp duty (in applicable jurisdictions)
- Home Insurance
- Life Insurance
- Mortgage Indemnity Insurance (where applicable)

If you have not quite raised your deposit and funds to pay the associated costs of your mortgage, we have put together some tips that can help you reach your goal much sooner.

## Saving

It's never too early to start saving if owning a home is one of your goals. A good savings history helps when applying for a CIBC FirstCaribbean loan, as this demonstrates that you have good financial planning and the ability to make your mortgage payments.

Here are a few tips that can help you save for your deposit:

✓ **Budgeting** - This may not seem like much fun, but it can help provide the peace of mind and structure you need when saving for a deposit. Make sure you're not spending more than you earn and take the time to work out where your money is going. Use our [Budget Planner](#) to get you on your way.

✓ **Open a dedicated savings account** - Having a separate savings account exclusively for your down payment allows you to keep this money separate and you'll be less likely to tap into it when you're tight on cash.

✓ **Set up a recurring transfer** - Once you have identified how much you can afford to save and what your savings goal is, use our Online Banking platform to set up a recurring fund transfer so this money is transferred out of your normal account into your dedicated savings account. If it's not easily accessible, you're less likely to spend it.

✓ **Use a saving app** - This can make saving easy and fun. Saving apps can help you see your spending distribution on informative charts and graphs and help you identify bad spending habits. Browse around to find the one that suits you best.



### **Reduce your spending**

This might seem obvious but it will be useful to look at your current spending habits and identify where you can potentially make savings. Even little changes can make a big difference in reducing the amount of money you spend. For example, you can consider cutting down on fast food and dining out.

### **Monitor your spending**

With CIBC FirstCaribbean Online Banking and Mobile App, keeping an eye on your spending is easier than ever. Track where most of your discretionary income is going. Quickly identify areas where you could cut back (e.g. dining out, vacations, online shopping etc.) and instead put that money towards saving for your deposit.

### **Shop around to reduce major monthly expenses**

It's a good idea to check rates for your car insurance, health insurance, cable bills, Internet or phone plans. There may be deals or promotions available that allow you to save hundreds of dollars by adjusting your contracts. Consider eliminating expenses like cable / Netflix subscriptions or gym memberships in the short term. Cutting down on these expenses (even just for a time) can increase your cash flow and can help you pay down existing debt faster.

### **Pay off or consolidate your debt**

Start with repaying the debt with the highest interest rate. Consolidating your debt can allow you to pay a lower interest rate, repay your higher interest debt sooner and free up funds to put towards saving for your deposit. Speak to a CIBC FirstCaribbean Relationship Manager who will be able to assist you.

### **Withdrawal from a Retirement Program**

If you are in a retirement program, some programs allow persons to withdraw funds up to a certain amount for their first home. Ensure you understand any tax implications or stipulations of your withdrawal before doing so.

### **Accept a gift from a family members**

If you're fortunate enough to receive an inheritance, why not put it towards your home deposit. Sometimes family members want to assist you in your home purchase by gifting you funds. If you do accept these funds, you will need to get it in writing that the person gifting has no financial interest in the property and do not require you to repay the funds at a later date. This will have to be disclosed to your Relationship Manager.

### **Moving back home with parents or in with friends**

If you are currently renting, imagine how much you can save if you didn't have this expense. If moving back with your parents or a friend is not an option, consider downsizing your living situation by finding a smaller, more affordable apartment or even consider a roommate. This can sound like a massive inconvenience but in the long term, you can really reap the rewards.



### **Sell stuff you no longer need**

You would be surprised at the amount of money that can be made from second-hand goods. Consider selling items such as clothes, books, DVDs, games and kids toys you no longer need. This can help you earn some extra money and also reduce the amount of junk you carry to your new house.

### **Sell current assets**

If you have investments like stocks or bonds, you may consider cashing them out to help with your deposit. You may also consider selling your vehicle to help with your deposit.

### **Speak to a CIBC FirstCaribbean Relationship Manager or Mortgage Specialist**

It can also help to talk about saving strategies with your financial advisor. They are particularly good at identifying everyday cost savings which can help you reach your goal faster.

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For more details, call us toll free at **1 866 743-2257**



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