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The Outlook

## THE MORTGAGE CORNER

### **“Vacation Homes and Second Family Homes”**

A “vacation home” sounds wonderful this time of year, with our cold winter upon us. The term vacation home conjures up images of family and friend get-togethers, relaxation, scenery, fun and fresh air.

Often people like to have their cabin or vacation home within weekend driving distance, to ensure maximum usage by all family members. In Saskatchewan we are fortunate to have untapped areas of prime lake land to enjoy, within a reasonable distance from our homes.

Vacation Homes generally fall into one of two categories, as far as lenders are concerned.

“Type A” properties are more like a typical home, with year-round access. “Type B” properties may not have a standard heating system and may not have year-round access.

A Vacation Home or Recreational Property can come in different forms: mobile homes, park model homes, cabins on the waterfront, houses – buildings that can be permanently affixed to the ground.

Second Family Homes are purchased for various reasons. The intent is that the property is not the owner’s principal residence and will be occupied by either the owner or a family member on a rent-free basis. Some families may have children attending college in another city. Some people live in one place and work in another. Some may want to provide housing for an elderly parent. Often the cost of a monthly mortgage payment is similar to paying rent.

Maybe a vacation home is more affordable than you think – interest rates are now at historical lows – a great time to lock in a rate for the long-term. You may qualify to purchase a Vacation Home or Second Family Home with as little as a 5% down payment. It is also possible to qualify for financing if you plan to build your dream home. Or financing is available for Purchase-Plus-Improvements, when you have some serious renovations to do. Contact your mortgage broker to see if financing a Vacation Home or Second Family Home is right for you.

Midwestern Mortgage