

Consumers' Choice Award
Four Years Running



The Capital Insider

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Verico Capital Mortgages is pleased to announce we will be opening a third office on May 1st 2008. The office will be located at Suite 215, 260 Hearst Way (Kanata Square) in Kanata. This office will help serve our west end clients better.

Our business phone and email addresses will stay the same.

OTTAWA:
Suite 200
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ORLEANS:
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2451 St. Joseph Blvd

KANATA:
Suite 215
260 Hearst Way

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BANK OF CANADA

Bank of Canada Interest Rates



Bank of Canada Interest Rate

December 4, 2007 - 4.25%
 January 22, 2008 - 4.00%
 March 4, 2008 - next meeting date

Bank Prime Lending Rate

December 5, 2007 - 6.00%
 January 23, 2008 - 5.75%
 March 5, 2008 - next meeting date



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IS NOW A GOOD TIME TO CHOOSE A VARIABLE RATE MORTGAGE?

With all the news about interest rate cuts recently, many home buyers are wondering if now is the right time to go with a variable rate mortgage. The Globe's Rob Carrick advises that variable is the way to go right now. There are a couple of reasons why Carrick recommends a variable rate mortgage. Firstly, short term interest rates are expected to drop this year. The economic slowdown in the US has already led to drastic interest rate cuts south of the border, and the Bank of Canada is expected to continue trimming rates this year. This means that variable rate mortgages, which are tied to the Bank of Canada rate, are also expected to drop. Another reason variable rate mortgages are more attractive is because banks are charging a lot more for a fixed rate mortgage than they have in the past.



Carrick goes on to outline a creative mortgage strategy for borrowers who eventually want a fixed rate mortgage. He suggests taking a variable rate mortgage with a reduced introductory interest rate for the first 6 months to a year, then converting to a fixed mortgage after that. Sounds great in theory, but there may be a hitch in practice. Melanie McLister at Canadian Mortgage Trends has these words of advise for borrowers interested in this strategy: *Make sure your fixed conversion rate is low enough to make it worthwhile. Many big banks, for example, will only let you convert your variable rate into their posted fixed rate minus 1%. With posted rate at 7.39% that would stick you with an abnormally high rate of roughly 6.39% if you converted today. Today our best fixed rates are under 5.70%. Best advise, TALK TO YOUR MORTGAGE AGENT TODAY!*

At Verico Capital Mortgages our variable terms convert into the lenders best discounted rate at conversion (O.A.C)

COOL COUNTERS TO COME Continued on page 4

Choosing the right counter for your kitchen can be confusing. From silestone to stainless steel, our handy guide covers the pros and cons of the leading types of counters on the market-so you'll be counter-fit in no time.

Granite - A forerunner in countertops, granite looks great, is durable and easy to keep clean (and never looks dirty). For the best look, install one single slab of granite; for a less pricey alternative, install granite tiles (you'll have to seal between tiles and be sure to keep spaces clean and dry).

Soapstone - A popular granite-looking material, soapstone doesn't stain or show marks, but you will have to seal it yearly with mineral oil. It's more prone to scratches than granite and can crack over time, but can't be damaged by hot items. It's also great to use for sinks.

Ceramic Tile - Available in many colours, sizes and patterns, ceramic tile looks clean, modern and unique, since you can create a one-of-a-kind pattern. It's durable, long-lasting and heat-resistant, but can chip or crack. Grout lines can be hard to keep clean so be sure to choose your grout colour wisely.

Marble - Surprisingly, marble is very soft and stains and scratches easily. It must be resealed often but the effect can be worth it. Marble is available in a variety of colours and patterns and like ceramic tile, you can create unique patterns, but you'll have to deal with keeping grout clean.

Laminate - One of the most commonly used kitchen counter materials, laminate is inexpensive and easy to clean. It is a plastic-coated synthetic and comes in a variety of colours, textures and patterns so it can take on the appearance of stone (and is often called "faux-stone" in stores). Light colours, matte finishes and patterned designs are your best bets to keep nicks, which are nearly impossible to repair, less noticeable.



Your 5-minute guide to budgeting

Budgeting isn't a punishment for not being born wealthy. It's an avenue to know where your money goes and help you reach your financial goals, whether it's a new home, a comfortable retirement or just making it to your next paycheque. When all is said and done, you simply can't spend more than you make, at least not for long.

What's going out?

The first step is figuring out where your money goes right now. Use an online worksheet or a plain old notebook to keep track of your spending for a few weeks. Go through your chequebook and credit card statements. Add up the amounts and you'll have a good idea about your spending habits. A few things to consider:

Common budget categories include housing (rent or mortgage, homeowner dues), recurring bills (cable, utilities, insurance and credit card minimums) food and entertainment,

Let your categories fit your life. You might have expenses for school-related items, pet-care or travel. If your hobby is your passion, make it a category. Account for big expenses that occur once or twice a year, such as car insurance.

What's coming in?

When your expenses are tallied, go through your pay stubs and calculate your average monthly income. Don't forget to include interest income, dividends, bonuses and alimony.

Once you know how much you earn and how much you actually spend, decide where and how much you want to spend. Divide by 12 and voila – you've got a monthly budget. Adjust as necessary until your monthly budget equals your monthly income.

Some things to keep in mind:

Figure out which of your expenses are wants and which are needs. Actual needs are fairly limited: food, shelter, clothing etc. Nearly everything else is a want, but, even the way we fulfill our needs



involves choice.

Prioritize. Fund your retirement first, no matter what.

Don't forget an emergency fund. This will go a long way to keeping you out of debt should the unexpected happen. If you don't have funds now, use your income-tax refund or set up a regular electronic transfer from checking to savings.

Take a little off the edges.

Once you're on your way, keep track - at first weekly, then monthly - of where you're going off budget and adjust your allocations.

Food for instance, often goes unchallenged. You might wince at the checkout counter, but you do have to eat. Still there are ways to cut the food budget without sacrificing quality and quantity. Review your habits. Do you need the full-on cable package or caller ID? Do you pay full price at a convenience store for items you could buy for less on your weekly grocery shopping trips? Building the budget habit.

Successful budgeting takes time and persistence so don't be discouraged if you don't hit your monthly goals at first. Here are some ideas to make it easier:

Write it down. If you don't, you probably won't stick to it.

When good fortune comes your way in the form of an extra paycheque or a bonus, pay an annual premium, make an additional mortgage payment or use it for seasonal extras such as summer vacation costs or Christmas presents.

Get into the habit of thinking ahead. If you know your situation is going to change, plan for it and try to pay cash.

Remember budgeting is the means not the end. Keep spending "mistakes" in perspective.

As your income climbs, don't splurge until you're sure you're staying ahead of inflation. A good budget grows with you so it's worth re-evaluating your budget every year.

Courtesy of MSN Money

WHAT AM I?



1. There are no other words like me. I have three letters and one syllable. But add one letter to my end (the same as the first letter) and now I have three syllables.

What am I?

2. First comes my thunder, then comes my lightning, then comes my clouds, then comes my rain.

What am I?

3. My hands quickly wave at you, though I never say goodbye. But you'd be cool to hang with me, especially when I say HI.

What am I?

4. Try to raise only one of my legs. It's impossible. Two, three, or four? Not so hard.

What am I?

5. Head and tail are equal; my middle is barely here. Right side up or upside down, the same I do appear. But if you cut my head off, nothing would be there.

What am I?

6. I am very small, but I help to carry a great weight, even though I walk on my head.

What am I?

7. I am a five-letter word and I am very capable...of murder if you remove my first letter. If you then take away my new first letter, it'll make me sick.

What am I?



8. I surround you, but you rarely ever notice me. Even though I weigh almost nothing, if you move me I'll come right back. And if you bite me, your life you will lack.

What am I?

9. When I am young I am sweet in the Sun. When I am middle-aged I make people happy. When I am old I am valued more than ever.

What am I?

10. My visionary name is both present and past. When I sink, I also rise. But I'll never move until you sit down.

What am I?

Answers on page 4

Courtesy of the "Bathroom Reader Institute"

HOW CREDIT SCORES ARE CALCULATED

HOW CREDIT SCORES ARE CALCULATED

FACTOR	WEIGHT
Payment history Bankruptcies, late payments, past due accounts and wage attachments	35%
Amounts owed Amount owed on accounts, proportion of balances to total credit limits	30%
Length of credit history Time since accounts opened, time since account activity	15%
New credit Number of recent credit inquiries, number of recently opened accounts	10%
Types of credit Number of various types of accounts (credit cards, retail accounts, mortgage)	10%

A GREAT CREDIT SCORE GETS A GREAT MORTGAGE

**Do you need to consolidate high interest debt?
Call me now!**

COOL COUNTERS TO COME continued

Butcher's Block - A popular countertop with chefs, a butcher's block looks and acts like a wood cutting board. However, water damage is an issue, so it's better to use if for an island countertop and away from the sink. When choosing the type of wood, opt for durable maple, oak or beech. Scratches and cuts will be noticeable but can be reduced by treating with mineral or linseed oil periodically.

Stainless Steel - Ideal for a clean, industrial look, stainless steel counters are heatproof, strong and easy to maintain, though you have to clean them with stainless steel cleaner or risk streaks and drip marks. Scratches and cuts are highly visible and not repairable so you shouldn't cut on them. Plus they can be noisy and dent if banged with a pot. If it sounds too high-maintenance for your lifestyle opt instead for stainless sinks and backsplashes.

Corian - A trademarked brand of solid surface material, this type of counter is custom-made to fit your space and since it's not a coating, any nicks and scratches can be sanded out and it's stain-resistant. Available in a wide range of colours, textures and patterns, it's a middle-of-the-money-road alternative.

Answers
 1. AREA, AREA
 2. A volcano
 3. A fan
 4. A table
 5. The number 8
 6. A nail in a horseshoe
 7. SKILL, KILL, ILL
 8. Dust
 9. Wine
 10. A seesaw