Bridge Loans VS Inter Alia

SUSAN LEE, B.A.

Mortgage Advisor
Origin - DLC
C: 604-725-7725
F: 604-638-7043
susan@asksusanlee.com

550- 2608 Granville Street,
Vancouver, BC, V6H 3V3

www.asksusanlee.com

Bridge Loans

Bridge loans are short-term loans that bridge the gap between two different closing dates. More commonly used when an existing homeowner sells their home, and buys another home, with two different closing dates. Best of all, it's really inexpensive.

In the past, most homebuyers would have their selling and buying dates match. It's always been a bit of a juggling act. Overall total cost of the Bridge Loan would be between $500 and $1500 depending on lawyer's legal fees and Lender admin fees. Bridge loan rate is about Prime plus 2%.

Your lawyer will be required to provide an undertaking to register a mortgage if the sale of your existing home collapses (that's not a common occurrence but it can happen). You must have entered into a firm sale on your current home to qualify for a Bridge Loan. Lenders will only offer a Bridge Loan equal to the down payment required for your new home. This amount cannot be greater than the equity remaining in your current home.

Inter Alia

An Inter Alia Mortgage is a mortgage that is secured by more than one property. A single mortgage document is executed and registered against each property that is used as security. An inter-alia mortgage is set up as a blanket mortgage over two or more properties. We use this type of mortgage to take an existing property that a client has for sale and inter alia it with the home they are buying. This enables the client to obtain a mortgage financing when qualification for a new purchase is not possible prior to sale of their existing property. Once their property sells the inter alia is discharged and the new home purchase is the only charge registered against (if needed).

If you need more information on how these two solutions work, please call me. Always happy to help.