

Financing your home renovation



 SCU

Transform your home into your dream home

Home renovations can be an exciting opportunity to re-imagine your living space, elevate your home's curb appeal, and increase the dollar value of your investment. Navigating home renovation projects can also be challenging, but with a sound financial strategy, one that leaves room for the unexpected, you can pull together a successful home renovation project.

Why choose SCU?

When you work with us, you'll enjoy some amazing benefits:



Flexible options

We offer flexible financing options and built-in controls that protect you from risks such as unforeseen costs.



Fast, local decision making

We live and work in the same community as you do, so we understand the market, and are passionate about building strong communities with you.



Work with experts

Our lending specialists are trained specifically on renovation mortgages, so you can lean on us for advice and guidance every step of the way.

HIGHLIGHTS OF OUR RENOVATION MORTGAGE

- Spread out the cost of the renovation over the duration of your mortgage
- Our rate guarantee protects you from interest rate increases after your pre-approval meeting
- Leverage your home's current value, or the value of your home upon renovation completion

WHY RENOVATE?

One of the first decisions you will make is to decide why you want to renovate. From a financial perspective, it's important to find the balance between adding your personal style and protecting the value of your investment.

Which of the following make sense for you and your goals?

- Increase the market value of your home
- Add your personal touch and improve the aesthetic appeal of your home
- Create additional living space
- Create your dream home in your existing community
- Save energy
- Modernize your space to elevate functionality
- Decrease and simplify home maintenance

With our renovation mortgage, you can complete renovations yourself, hire a contractor, or a combination of the two.

Renovation project milestones

01 Meet with a lending specialist



In our meeting we will:

- Calculate financing options and give you the tools to build your renovation timeline.
- Discuss financing solutions.



Gather plans, blueprints and quotes for major expenses.

02 Make a plan



Meet with your lender to finalize your mortgage and sign the documentation.



03 Begin project

Consider keeping track of non-construction related expenses as well.

We recommend you have all your permits in place.

If discussed with your lender, make sure you schedule your progress inspections.

04 Stick to the plan



A good plan will build some overage or "wiggle room" into your budget.

05 Enjoy your new space



Your mortgage options.

Real solutions for real life

Our goal is to help make owning a home convenient and affordable. That's why we offer excellent rates on mortgages of all sizes, with both variable- and fixed-rate options, as well as flexible payment schedules that meet your needs.

01 Fixed Rate Mortgage

SECURITY AND CERTAINTY

Offers a guaranteed rate of interest and set payment amounts for a specified period of time.

Advantage

- Easier to plan, budget for expenses
- Protected from rising rates throughout the term length

Consideration

- Generally a higher interest rate
- If rates decrease, you won't take advantage of lower rates

The bottom line

Could be your best bet if you're risk-averse. You can take comfort in knowing exactly how much equity you'll build by the end of your term.

02 Variable Rate Open

FLEXIBILITY TO REPAY

Offers the most flexible repayment options. The amount paid toward principal and interest fluctuates as rates change.

Advantage

- Can be repaid at any time without penalty

Consideration

- Variable open is typically the highest interest rate a financial institution will offer

The bottom line

This option is the clear winner for those who want to pay off their mortgage in less than five years.

03 Variable Rate Closed

GET AHEAD IN AMORTIZATION

Offers a set payment amount each month for the duration of the term. The amount paid toward principal and interest fluctuates as rates change.

Advantage

- Pay your home off faster if rates decrease

Consideration

- As rates increase, more of your payment goes toward interest

The bottom line

Could be your best bet in a declining interest rate market because you'll build more equity as rates decrease. Offers a discounted rate compared to variable open because of your commitment to a 5-year mortgage term at SCU.

04 Variable Rate Capped

THE BEST OF BOTH WORLDS

Offers the flexibility of a variable mortgage, but capped at 1% above the Variable Rate Closed Mortgage at the time of signing.

Advantage

- Enjoy the potential cost savings of a variable-rate mortgage
- Have peace of mind knowing you're protected from rising rates

Consideration

- Only valuable when sufficient difference exists between fixed and variable rates

The bottom line

An option to consider in rising interest markets that offers a protective ceiling while still giving some of the benefits of a variable mortgage.

OTHER FINANCING OPTIONS

Not everyone wants to tap into their existing mortgage to fund a home renovation, particularly if the cost of the renovation is relatively small. SCU offers the perfect solutions, including loans and lines of credit. Regardless of the product you choose, you'll still enjoy competitive interest rates, flexible payment options, and fast, local decision making when you work with your SCU lending specialist.

Ready for renovations part-way through a mortgage term? No problem, we can help! Ask us for details.



Pre-approval meeting

When you've made the decision to renovate your home, your first step will be to sit down with a lending specialist. Together, you will:

- 01 Review your current financial picture
- 02 Define an affordable budget
- 03 Discuss your home's current market value
- 04 Assess your available equity
- 05 Explore the impact of the renovation on your home's value
- 06 Calculate the "high-level" budget
- 07 Explore lending solutions



TAP INTO YOUR HOME'S VALUE

You have the ability to borrow on the "as-complete" value of your home, even before the renovation work is complete.

SCU makes the financing process even easier: You can start the application process online for all SCU loans, lines of credit, and mortgages. Visit scu.mb.ca/renovation to learn more and get started today!

PRE-APPROVAL CHECKLIST

There are a few documents you'll need to gather prior to your meeting. You'll need one piece of legal, government-issued identification and two supporting proof of income documents.

ONE PIECE OF LEGAL, GOVERNMENT-ISSUED PHOTO ID

- | | |
|---|--|
| <input type="checkbox"/> Passport | <input type="checkbox"/> Secure Certificate of Indian Status |
| <input type="checkbox"/> Permanent Resident Card | <input type="checkbox"/> Foreign Passport |
| <input type="checkbox"/> Citizenship Card (<i>only cards issued prior to 2012 are accepted</i>) | <input type="checkbox"/> Foreign Driver's License |
| <input type="checkbox"/> Provincial or Territorial Identity Card (<i>e.g., Manitoba Enhanced Identification Card</i>) | |

PROOF OF INCOME *Two supporting income documents, such as:*

- 2 Recent pay stubs
- Bank statements showing direct deposits OR payroll direct deposit to your SCU account
- Most recent T4
- T1 General (*personal tax return*)
- Current employment letter

If you are self-employed, you'll need to bring 2 years of Personal Income Tax Returns and Financial Statements.

LIST OF LIABILITIES

- Existing mortgages
- Balance of mortgage and monthly payment
- Property tax amount
- Credit card balances
- Car loans
- Lines of credit
- Cosigned or guaranteed loans
- Student loans
- Child support payments
- Spousal support payments

LIST OF ASSETS

- Proof of down payment (*3 months statements of bank account or gift letter*)
- Vehicles (*year, make, model*)
- Recreational vehicles
- Investments/Pension
- RRSP/TFSA/FHSA
- Owned property
- Other real estate holdings

**We'll help you finish
your project within
a reasonable time
frame and a budget
you can afford.**

Estimating your home equity

Use this worksheet to estimate how much equity you'll have available for your renovation.

	Example	Your home
Current value of home	\$400,000	\$
Maximum advance ratio available	x80%	x80%
	\$320,000	
Maximum financing available	\$320,000	\$
Less outstanding mortgage balance	-\$200,000	-\$
Available equity for the renovations	\$120,000	\$



AFTER ESTIMATING EQUITY:

Your second meeting

In the second meeting, we'll finalize your funding, so be sure to bring along quotes for the work to be completed.

Other important things to know about financing a home renovation

Quotes on major expenses

It's a good idea to create a budget regardless of the project size. The more information you collect, the better your estimated costs will be. Talking to at least two contractors and collecting multiple estimates helps you find the right combination of dollar value and working relationship.

Permits and appraisals

Although permits are not part of our approval process, we strongly recommend consulting with your rural municipality or city website to determine if permits are required for your renovation. When securing financing with us, we may require a property appraisal. We have two ways to verify your home's current value, either with a property tax assessment or an independent appraisal. Your lender can help you decide if an appraisal is required, and if so, which option will work best for you.

The importance of progress inspections

If the total cost of your renovation is greater than \$100,000, an appraiser must complete progress inspections prior to funding milestones. These progress inspections are important: they allow us to advance funds at the right time and when the appropriate work is complete.

Cost overruns

Sometimes the unexpected happens and the actual costs are greater than your original budget. We can help you proactively manage these situations. Ask us about the benefits of opening a line of credit to help you manage unforeseen costs.

Our 20% pre-payment privilege

We offer a special pre-payment feature for renovation mortgages, where you have the option to make additional payments, without penalty. These payments can be in the amount of 20% of the initial mortgage balance per anniversary year, regardless of the current mortgage balance. You have complete freedom in what these payments look like, whether it's a single lump-sum payment, or payments over time.

All information in this brochure is subject to change without notice and is not binding on decisions made by SCU. Conditions may apply.



Ready to take the next step?

Get in touch!

BRANCH LOCATIONS

333 Main St

Steinbach, MB R5G 1B1
P: 204.326.3495

2100 McGillivray Blvd

Winnipeg, MB R3Y 1X2
P: 204.222.2100

1575 Lagimodiere Blvd

Winnipeg, MB R3W 0B9
P: 204.661.1575

DRIVE THRU ATMS

Steinbach

Clearspring Mall

Winnipeg

- 2100 McGillivray Blvd
- 1575 Lagimodiere Blvd
- 1665 Henderson Hwy at Gilmore Ave
- 997 St. Mary's Rd

DRIVE THRU TELLERS

- 333 Main St, Steinbach
- 1575 Lagimodiere Blvd, Winnipeg

Call us toll free at 1.800.728.6440 or
visit us online at scu.mb.ca/renovation



EXPLORE THE POSSIBILITIES®

ALTERNATE FORMAT
AVAILABLE UPON REQUEST

HOME RENOVATION | 06.26