

## Does the Lender Matter?

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As many of you know I have access to approximately forty lenders. These lenders range from the Schedule A banks ( include the Big 5 banks ) to Monoline lenders ( focus on only doing one line of business – mortgages ). All Canadians have heard of the Big 5 banks but many of you haven't heard of the Monolines. Sometimes this causes concern in the minds of my clients and they may prefer to have their mortgages brokered to a Big 5 bank. The concern revolves around what happens if the Monoline goes out of business after the mortgage is funded.

This is a valid concern but one with little merit. If a lender does go out of business another lender will come along and purchase the assets. These assets include the existing client database and outstanding mortgage liabilities. Nothing changes for the mortgage client at all. Any future renewals and refinances will be completed by the new lender.

The majority of my mortgage business is placed with Monoline lenders. There are many reasons for this; such as better rates, faster turnaround times and excellent customer service. Many Monoline lenders will offer these advantages however I recently had a situation which highlighted why considering the lender matters.

I had a client come to me to obtain financing to buy his first home. He found the perfect home and following a few days of document gathering and review, all of the lender financing conditions had been satisfied and the final mortgage documents signed. All that remained was to wait for the date when he could take possession.

Unfortunately for him, the company he worked for shut down their entire operations several days prior to his Thursday date of possession. His lawyer heard about the company shutdown and was obligated to contact the client to ask the question as to whether he was still employed. The answer was No, and the lawyer then contacted the lender on the Thursday morning.

Lenders all have a stipulation that a client's financial situation can't change between the time of meeting all financing conditions and the closing date. Obviously my client's financial situation had drastically changed. The lender contacted me to see what we could do. I spoke with the client and by Friday morning he had a new employer but at a lower rate of pay than his previous job. This created more stress but by Friday afternoon we had

a co-signer added to the deal and all paper work satisfied. New instructions were sent to the lawyer and the deal successfully closed on Monday morning!

The comment back from the lawyer was that in all of years of being in the business he had never seen a deal saved that quickly. This all worked because the lender pulled out all the stops to save the deal. They assigned a SWAT team dedicated to just this deal. I had instant contact and feedback from this SWAT team as we worked through the deal.

This proves that the choice of lender does matter. As a result, I would like to give credit where credit is due – the lender was First National Financial LP.