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# REAL ESTATE NEWS

## Amendments to the Residential Tenancies Act

On September 1, 2021, amendments to the *Residential Tenancies Act, 2006* (RTA) came into effect.

This is a summary of the amendments:

1) **Compensation for landlord's out-of-pocket expenses – substantial interference with landlord's reasonable enjoyment or lawful right, privilege or interest**

A landlord may now apply for an order requiring the tenant to pay the reasonable out-of-pocket expenses incurred by the landlord as a result of conduct by the tenant or someone else visiting or living in the rental unit which substantially interfered with landlord's reasonable enjoyment or lawful right, privilege or interest.

2) **Compensation for landlord's out-of-pocket expenses – unpaid utilities**

A landlord may now apply for an order requiring the tenant to pay the reasonable out-of-pocket expenses incurred by the landlord as a result of the tenant not paying utility costs (utilities means heat, electricity and water) that they were required to pay under the terms of the tenancy agreement.

3) **New Applications to Collect Money a Former Tenant Owes**

A landlord may now file an application if the tenant moved out of the rental unit on or after September 1, 2021 and the landlord believes the former tenant owes:

- rent or compensation
- an amount for charges related to NSF cheques
- costs for unpaid utility bills (utilities mean heat, electricity and water)
- costs for damaging the rental unit

- costs the landlord incurred because the former tenant or someone else visiting or living in the rental unit substantially interfered with the landlord's reasonable enjoyment or lawful right, privilege or interest.

4) **N12 or N13 Notice to End Tenancy – Application to LTB**

Landlords who are filing an L2 Application because the landlord, a purchaser or a family member requires the rental unit, or because they want to demolish the rental unit, repair it or convert it to another use, must now disclose in the application all previous N12 or N13 notices of termination given to any tenant in the last two years. In addition, the landlord must file the required affidavit or declaration at the same time as the L2 Application.

5) **Tenant Application: Notice of Termination given in Bad Faith**

A tenant filing a T5 Application – Landlord Gave a Notice of Termination in Bad Faith can now ask the LTB to order a landlord to pay them up to 12 months' rent in compensation. The tenant does not need to have incurred any actual expenses to make this claim.

For more detailed information and which forms to fill out visit the following websites.

<https://tribunalsontario.ca/ltb/operational-updates/#sept1>

[https://tribunalsontario.ca/documents/ltb/consultations/LTB\\_Backgrounder\\_Sept.2021\\_Amendments\\_to\\_the\\_RT.html](https://tribunalsontario.ca/documents/ltb/consultations/LTB_Backgrounder_Sept.2021_Amendments_to_the_RT.html)

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# 5 Tips To Increase Your Chances Of Getting Your Mortgage Approval

If you are planning on buying a home, you will likely require a mortgage. With the right preparation, getting a mortgage approval can be a relatively easy process.

## 1. Check and work to improve your credit score

Your credit score will be between 300 and 900. According to their latest report, the average credit score of Canadians in 2019 was 648, up 4 points from the previous year. However, 648 falls into the category of a 'low' credit score. A large part of increasing your credit score is understanding how to maintain it. If you make a late payment, apply for credit or default on a loan, credit agencies will report on this and lower your credit score.

## 2. Pay down any existing debts

Lenders will review your debt-to-income ratio when making the decision on whether to lend to you. They want to ensure that your income can cover your mortgage payments along with any existing debt you may have. Debts that would affect your mortgage but are not limited to include car loans, student loans, credit cards, and any other line of credit with monthly payments. By paying off or down any of these debts, you can increase your income-to-debt ratio when applying for a mortgage.

## 3. Save money for a larger down payment

Having a larger down payment means that you need to borrow less and take out a smaller mortgage. A smaller attracts less interest over time, saving you money. With a larger down

payment, your monthly mortgage payments would be less, allowing for a bit more ease in monthly budgeting.

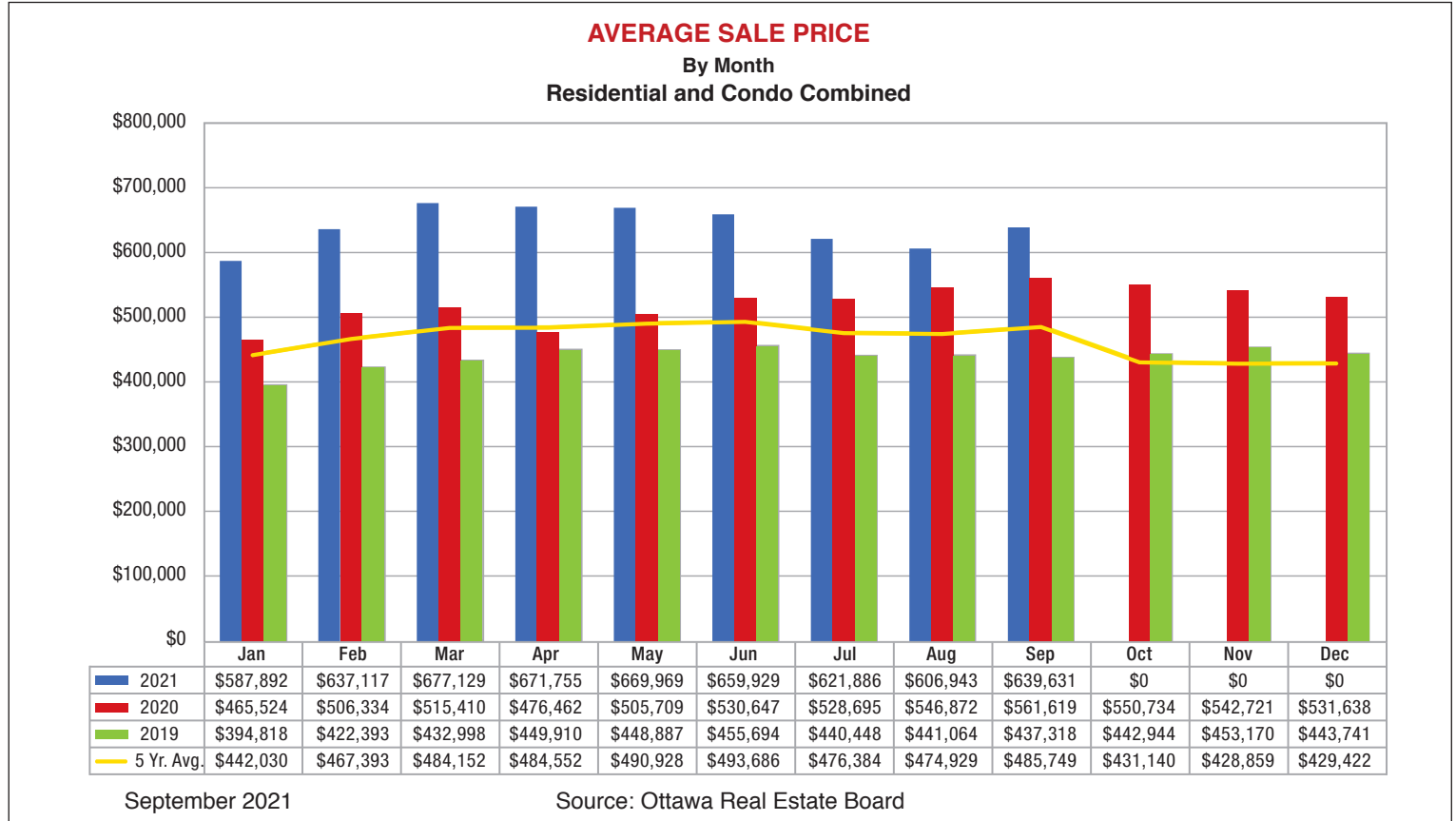
## 4. Know what you can afford

Before even beginning to look for a home, it is important to have a set, realistic budget to save time and avoid any disappointments. After saving for your down payment and minimizing your debts, you must calculate how much you can afford. While doing this you must also include any additional fees that will be included in your closing costs. This includes:

- Legal fees
- Home inspection and appraisal costs
- Land transfer taxes
- Title insurance
- Provincial sales tax on mortgage insurance (if your down payment is less than twenty percent)

## 5. Get a mortgage approval

Once you have everything financially in order, you are ready to begin looking for your home. The first thing you should be doing is getting a mortgage pre-approval. A mortgage pre-approval will show the mortgage amount a lender is willing to loan you and the mortgage rate they are willing to hold for you. This allows for certainty on what you can afford, allowing you to make an offer on the house you would like quickly.



All information believed to be accurate but not warranted. Not intended to solicit properties currently listed for sale.