



RATEScore grades every application you submit across 15 risk categories.



Your client can score up to 100 points in each category.



A perfect score would be 1500 points but only 900 points are required to get approved.



From there, the higher the RATEScore, the lower the rate and lender fee.

RATEScore gets you approved faster at the best price from coast to coast.

RISKFactors



Borrower

Income	Provable, guaranteed income will score the highest in this category. Part-time, seasonal, unregistered BFS, alimony/child support and other irregular forms of income will score on the lower end.
Employment	Permanent, full-time employment is the ideal here. Temporary, seasonal or less stable employment situations will score on the lower end.
Ability to Pay	Provable income where the borrower's debt ratios are in line with bank guidelines (35/42 GDS/TDS) will score the highest in this category. As the debt ratios increase, the score in this category decreases.
Credit Score	The highest score in this category would go to an applicant with a beacon score over 800. The lowest score would go to someone who's beacon score was 499 or less.
Mortgage Repayment History	The applicant's score in this category will be highest if they show no late payments or arrears with an existing or previous mortgage over a 12-month period or more. Late payments, arrears or a mortgage in power of sale will score much lower.
Consume Debt Repayment History	A clean repayment history with other creditors and no current ratings worse than R3 along with at least 2 bank trade lines, no judgements, collections, or past bankruptcies will garner a very high score in this category. Bruising or more significant delinquency will bring the applicant's score down in this category.



Property

Location	Unlike when you're buying a property, lenders look for strong sellers markets because in the worst case scenario, the property must be sold in order for them to recover their investment. Strong seller's markets score highest in this category, followed by neutral markets.
Type	The easiest property to sell is a single-family home and the strongest form of collateral is owner occupied so those properties are most desirable for private mortgage investors and they score the highest in this category. That said, don't be shy to apply for mortgages on condos, rentals, student housing or multi-unit residential properties. We do them all.
Marketability	It's rare that borrower's default on their residential mortgages, but when they do the marketability of the property becomes really important to investors. A competitive market analysis by our real estate partners that reveals a marketplace where comparable properties are selling in 30 days or less on average will get the highest score in this category.
Current State	Its much easier to sell a property that's in great condition than it is to sell something that needs work. The better condition the property is in, the more points your client can pick up in this category. It's that simple.
Pride of Ownership	Pictures are worth a thousand words, and its easy to tell how much pride an owner has in their property. The property can be old, even outdated, but you can still tell how much love it's getting, and you don't need to be an appraiser to do it. More pride equals more points and a better price.
Rootedness	How long has your client lived in their home? How rooted are they in the neighborhood? Rootedness is a subjective measure of how attached someone is to their property and it matters to us. The more attached they seem to be, the more secure investors feel and the higher your client scores.





Loan Request

Loan To Value Ratio	This one's easy. It's all about skin in the game. The more equity your client has left after they borrower from Switch, the lower their LTV. The lower the LTV, the higher they score.
Exit Strategy	There are only two ways out of a private mortgage – refinance and sale. At Switch we're rooting borrowers on from the day they borrow from us because a safe, swift exit is good for them and great for investors. The more viable the exit strategy the higher the score in this category.
Use of Funds	If the funds we're lending are going to improve the value of the property, your client is going to score high in this category. If they're primarily being used to deal with debt or mortgage and tax arrears, the score will be a little lower because the risk is a little higher.

Pricing:

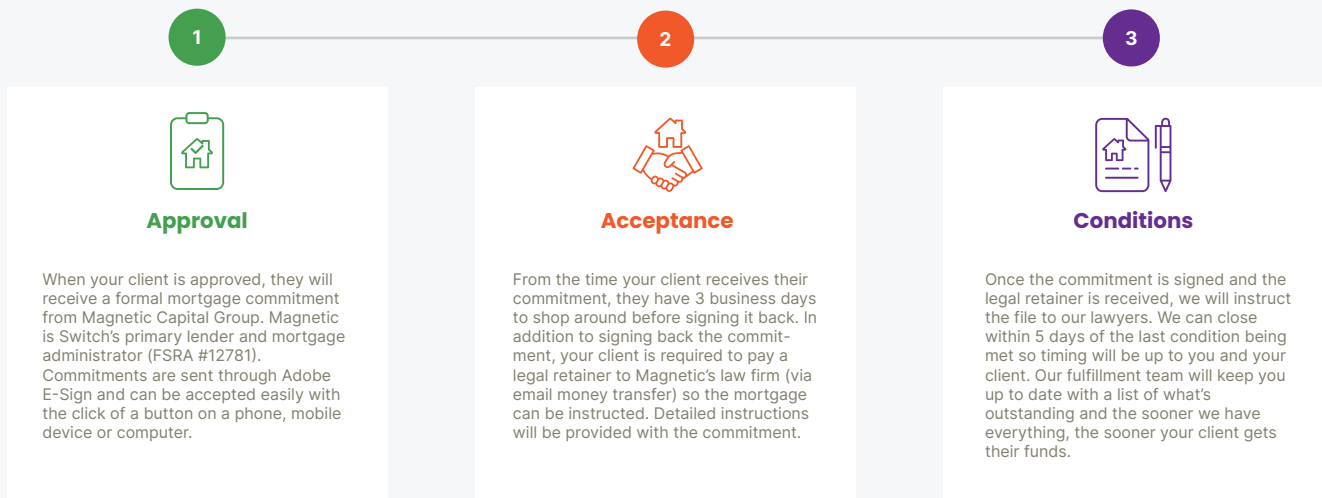
The highest score possible in each category is 100 and the lowest score is 0. Since each category is weighted equally, borrowers who score high in most categories and low in only a few can still get approved at an affordable price. The lender fee for each approved mortgage is the greater of the percentage listed in the chart below or \$3,500.

					
RATEScore	900 - 999	1000 - 1099	1100 - 1199	1200 - 1349	1350 - 1500
1st Mortgage Rate	9.00%	8.50%	8.00%	7.50%	7.00%
2nd Mortgage Rate	11.00%	10.50%	10.00%	9.50%	9.00%
Lender Fee	3.00%	2.75%	2.50%	2.25%	2.00%

We make it easier to get from approval to funding.

Getting approved is only the first step towards filling your client's need.

We've streamlined the fulfillment process to make sure they get money in their hands as quickly as possible with the least amount of hassle.



Need further information? Visit:

switchmortgages.ca