

MORTGAGE BROKERS

Servicing self-employed homebuyers

With millions of Canadians identifying as self-employed, **Home Trust** commits to listening to their unique financial stories

FIGURES FROM Statistics Canada showed that more than 2.6 million Canadians identified as self-employed in 2022. But when applying for a mortgage from a bank, self-employed homebuyers face more challenges than their salaried counterparts because the nature of their income makes it harder for banks to verify it.

A good way for self-employed homebuyers to overcome these challenges is by working with brokers and lenders who understand their homeownership goals and take the time to listen to their unique financial situation.

For Cristie Smith, this is where Home Trust steps in. As director of the inside sales team at Home Trust, Smith is a tireless advocate for working with her broker partners to offer the best possible options around their clients' stories.

"It's our job to make sure our brokers and their clients know what all of their options are," says Smith. "So, if you're self-employed, you have options. Don't just go to the bank. Consult with a mortgage broker, too."

According to Smith, the advantage of working with Home Trust is that they will take the time to listen to a borrower's story. This

is particularly beneficial for self-employed homebuyers – such as entrepreneurs, small business owners, consultants, gig-workers, or tradespeople – with unique income flows.

"Not everybody fits in the same box," says Smith. "Traditional financial institutions can be quite linear. But we have solutions for different borrowers, either in the prime space or the alternative space."

It is for this reason that Smith says Home Trust is "very much an advocate for the broker channel."



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Cristie Smith, Home Trust

"Our broker partners are the subject matter experts and are central to our committing to providing a mortgage to a self-employed borrower," says Smith. "They're what drives us forward, and we have solutions for their self-employed clients."

Listening to a borrower's story

In the case of self-employed borrowers, Smith says Home Trust's approach is to listen to a borrower's entire financial story, starting with one of the foundations of any mortgage process: stated income. Smith says that Home Trust will then work with brokers to learn more about how that income is earned and determine its sustainability.

Smith adds that brokers can help with the process by structuring deals around the right questions. "It is important for the broker to get in there and ask the right questions, understand what it is that their client does," she says.

Smith says an experienced broker would then ask if their client is a sole proprietor and what their HST situation looks like, adding that these details can change how a lender evaluates the deal and can ultimately determine the type of solution that can be offered.

The Home Trust Advantage

Smith says that the advantage of working with Home Trust is "we're a one-stop shop" that offers sufficient latitude to suit the different needs of many self-employed borrowers.

Smith adds that another great benefit to working with Home Trust is that "we can go as high as 70 percent loan-to-value" for self-employed borrowers in the prime space.

Working with an alternative lender that takes the time to understand a borrower's unique story is the first step toward providing self-employed homebuyers with the best possible solution. To learn more about what Home Trust can offer your clients, please visit hometrust.ca/mortgages. **CMP**

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