



THE  
**ARULDASON**  
GROUP

Realty . Legal . Financial

# Mortgage Options Snapshot

Understanding the different types of mortgage lenders.

# MORTGAGE OPTIONS

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Many buyers assume there is only one type of mortgage available. In reality, the mortgage market includes several categories of lenders, each with different underwriting criteria and flexibility.

Understanding how these lenders operate helps borrowers choose the financing structure best suited to their financial situation.



## A Lenders – Institutional Banks

“A lenders” are typically Canada’s major banks and large financial institutions.

These lenders focus primarily on the **\*\*borrower’s financial profile\*\***, including:

- Income stability
- Credit score
- Debt-to-income ratios
- Employment history

Interest rates from A lenders are usually the lowest available, but qualification requirements are strict.



## B Lenders – Alternative Institutional Lenders

B lenders include:

- Credit unions
- Trust companies
- Alternative institutional lenders

These lenders often provide greater flexibility for borrowers who may not meet traditional bank criteria.

For example:

- Self-employed borrowers
- Borrowers with irregular income
- Borrowers rebuilding credit

Interest rates are typically higher than A lenders but lower than private lenders.



## C Lenders – Private Mortgage Market

Private lenders focus primarily on the **value of the property itself**, rather than the borrower’s income.

The key metric private lenders consider is **loan-to-value ratio (LTV)**.

For example:

- A \$1,000,000 property with an \$800,000 loan represents 80% LTV.

Private lenders typically limit loans to 70–80% of property value and charge higher interest rates in exchange for flexibility.

## Choosing the Right Mortgage Strategy

The best mortgage option depends on the borrower's individual circumstances.

Factors influencing the best choice include:

- Income structure
- Credit history
- Property type
- Investment strategy
- Long-term financial goals

There is no universal "best" mortgage, only the mortgage best suited to the borrower's situation.

## Why The Aruldason Group

Because The Aruldason Group integrates **real estate, legal, and financial services**, our team can help clients evaluate mortgage options in the context of the entire transaction.

This allows clients to:

- Understand financing before making offers
- Avoid surprises during closing
- Structure mortgages that support long-term financial goals

Our goal is to ensure that the financing strategy supports the overall real estate strategy.