

The following excerpt is from the [HomeHomebuying Step by Step](#) > Step 5: Now That You're a Homeowner, published by CMHC.



Your Financial Responsibility

Make Your Mortgage Payments on Time

You can make your mortgage payments monthly, biweekly or weekly. But, whichever timetable you've chosen, it's important to always make payments on time. Making late payments is called delinquency. Delinquency may result in late charges and negatively affect your credit rating. Failing to make payments can even lead to very serious consequences, like foreclosure.

A good way to prevent late payments is to have the amount automatically deducted from your account every month. It's also recommended that you keep at least three months' worth of mortgage payments in savings for emergency situations. If you are having trouble making payments, discuss the situation with your lender.

Plan for the Costs of Operating a Home

Besides your mortgage, property taxes and insurance, operating a home has many other ongoing costs. Maintenance and repair costs are at the top of the list. There may be other costs as well, for example a security alarm monitoring system, snow removal, or gardening. If you have a condominium or strata, some of these expenses may be included as part of your monthly maintenance fee.

Save for Emergencies

Even when you can do repairs yourself, there are costs. When you have to pay for repairs, the costs are higher. As your home ages, it will need major repairs or replacement — this happens to every building. For example, when you bought your home, you might already know that the roof will need to be replaced in a few years because of its age. These are expected repairs and can be planned for. However, many repairs are unexpected, and can sometimes be costly. Set aside an emergency fund to deal with unexpected problems ranging from major repairs to illness and job loss. A good guideline is to save 5% of your take-home pay, and to keep the money in a special account.

Live Within Your Budget

Prepare a monthly budget and stick to it. Take a few minutes every month to check your spending and see if you are meeting your financial goals. If you spend more than you earn, you must find new ways to save. If you are having trouble sticking to your budget, ask a professional money manager for help.

If you haven't already reviewed your budget, *now* is the perfect time. Use the helpful CMHC worksheet [Household Budget as Homeowner](#).

Home Maintenance

Maintenance, repair, and renovations are a normal part of homeownership. You will need to know about your home's basic components, and know the actions you will need to take to adjust these systems or turn them off in case of emergency.

You'll need to inspect your home regularly, and replace, or repair, parts and materials that wear out. And of course, since Canadian seasons can be so extreme, you'll need to do many maintenance tasks on a seasonal basis.

Is your Home Safe?

Fire Evacuation Plan

Do you have a fire evacuation plan? A plan means that you make sure everyone in your home knows how to get out from each room, in case of a fire. If your home has a second floor, you need a special escape plan to get to the ground. Check to see that windows have not been painted shut. Although doors and windows should always be securely locked, you have to be able to open them in an emergency.

Fire Extinguishers

Fire extinguishers must always be easy to reach. If you have a two storey home, there should be a fire extinguisher on each floor. Remember to check your fire extinguishers at least once a year. To help you remember, make a habit of doing it when you set your clocks to Daylight Saving Time. Replace a fire extinguisher that is 10 years or older.

Smoke Alarms

In some areas, it is a legal requirement to have smoke alarms in your home. Whether or not it is a legal requirement, having smoke alarms is an excellent precaution. Check smoke alarm batteries at least once a year.

Carbon Monoxide Detectors

Carbon monoxide is an invisible, odourless, poisonous gas. Carbon monoxide detectors are important to have. They will let you know if there are high levels of carbon monoxide in your home. This can save you from illness, or even death. Check them at least once a year. Make a habit of checking your fire extinguishers, smoke and carbon monoxide detectors all at the same time.

Fire Hazards

Paper, paint, chemicals and other clutter can be a fire hazard. Make sure these are stored in a safe place. When you no longer need the hazardous materials, you must dispose of them at a community toxic waste center. Never put hazardous materials into the garbage.

Valuables

Collect your papers and store them in a safe place — for example, a fireproof box, or a safety deposit box.

Emergency Numbers

Keep a list of emergency phone numbers (including 911, poison prevention line, doctors, relatives, neighbours and friends) close to the phone. Make sure your children are aware of the list.

Home Improvements

Besides doing regular maintenance and repairing your home, you might also want to consider renovating or making improvements. These changes will not only make the home more pleasant for you to live in, they may also increase its value.

How Much is Just Right?

When planning renovations, be careful not to go overboard unless you plan to stay in your home for many years. If you are planning to sell your house, make sure that your changes won't make your home worth a lot more than the other homes around you. The value of your home is closely related to the other homes in your area.

Over time, some renovations can practically pay for themselves, especially if they result in savings on utility bills, a higher selling price or years of greater comfort and enjoyment in your home.

Some Things to Keep in Mind

Here are some things to keep in mind when planning a change or renovation:

Ask yourself, "How appealing will this change be to someone buying my home in the future?" You can make very personalized changes with paint. Paint is inexpensive and can easily be changed. But, flooring, cabinets and countertops have a longer life — make choices that will also appeal to others.

Think about getting your home energy-rated. This will tell you how energy efficient your home is and what improvements are possible. Visit Natural Resources Canada at www.oeenrncan.gc.ca to find information on current energy programs.

Updating the bathrooms and kitchen in an older home can increase its resale value.

Landscaping is important. The right planting can improve the appearance and value of your home.

Updating your exterior paint, installing new roofing, resurfacing your walkways and driveway, and adding attractive mailboxes can help make your home more appealing.