



CREDIT UNION

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APRIL - JUNE 2022

# Quarterly Newsletter

IN THIS EDITION: MORTGAGES, MONEY & MENTAL HEALTH, NEW MOBILE WALLET

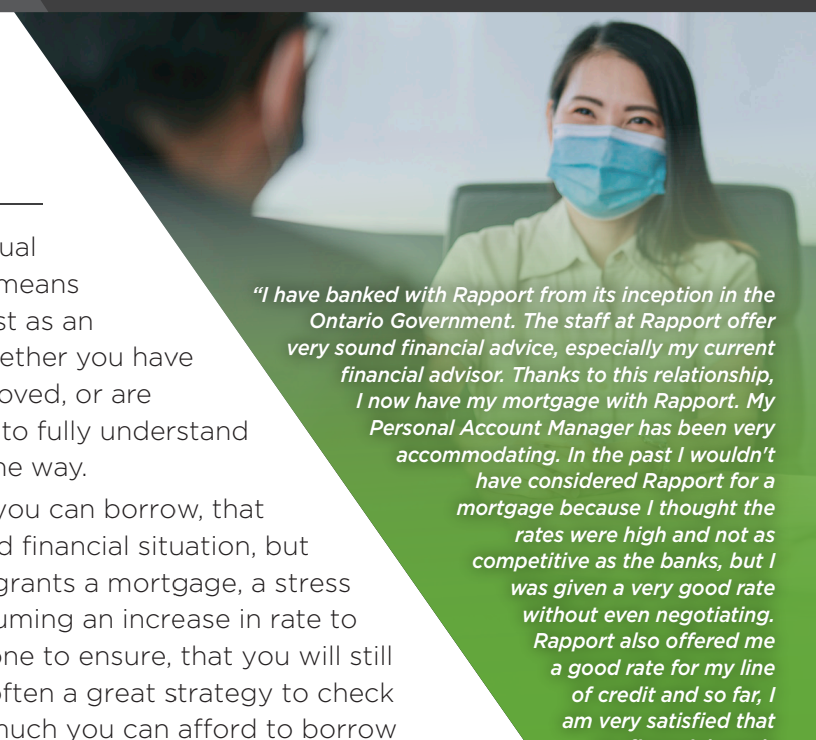
## Financial Wellness and Mortgages

Buying a home is likely the biggest purchase an individual will make in their lifetime and for most Canadians that means borrowing to finance the purchase. Mortgage loans exist as an important way for people to purchase property. So, whether you have picked out your dream home, deciding to get pre-approved, or are re-financing or renewing your mortgage, it's important to fully understand the process and all the choices you must make along the way.

The first thing to understand is just how much money you can borrow, that amount is based not only on your credit worthiness and financial situation, but also on the interest rate environment. Before Rapport grants a mortgage, a stress test is to analyze the affordability of the mortgage assuming an increase in rate to match the Bank of Canada's benchmark rate. This is done to ensure, that you will still be able to afford your payments, if rates increase. It's often a great strategy to check with your financial institution first to understand how much you can afford to borrow before you start looking for your home. That way you can stay within your budget as you shop instead of getting your heart set on a property outside of your price range.

Since Rapport wants members to be mortgage free as quickly as possible, making the right choices are essential. To pay less interest, the total period you will be paying your mortgage (amortization period) should be as short as possible, and you should choose higher frequency payments. The other factors to consider are your term and type of interest rate. It also means thinking about the pros and cons of mortgages. Let's start with mortgages and your financial wellness.

Financial wellness is made up of two parts: financial capability and financial health. Being financially capable means actively making good money management decisions. It is a combination of our knowledge,



*"I have banked with Rapport from its inception in the Ontario Government. The staff at Rapport offer very sound financial advice, especially my current financial advisor. Thanks to this relationship, I now have my mortgage with Rapport. My Personal Account Manager has been very accommodating. In the past I wouldn't have considered Rapport for a mortgage because I thought the rates were high and not as competitive as the banks, but I was given a very good rate without even negotiating. Rapport also offered me a good rate for my line of credit and so far, I am very satisfied that my financial needs are being met."*

- AS TOLD BY  
A RAPPORT  
MEMBER

### Member Assistance

416.925.1107 | 1.888.516.6664 | [help@rapportcu.ca](mailto:help@rapportcu.ca) | [rapportcu.ca](http://rapportcu.ca)

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skills, attitudes towards money, and our sense of control. Financial health measures how we are doing in meeting our financial needs and obligations. Basically, it measures our financial state. It also means being able to meet longer-term goals.

Since owning a home means that you have a large asset, many people believe it is automatically good for their financial wellness. While mortgage loans that improve your financial situation may be positive financially, it is still possible that dependent on the amount of debt you are already carrying, your cash flow, and payment history there could be negative impacts on your financial health.

One way to improve your financial capability around mortgages is understanding some of the terms associated with mortgages and lending. That way, you will be better able to make the right choices to positively impact your financial health.

As our member's financial advocate, we want to make sure that you are knowledgeable when making decisions to borrow for a home. The following section outlines some of the terms you may hear when talking to a financial advisor. You can go to <https://joinrapportcu.ca/financial-wellness> and find an explanation for each term.

Application Process | Net Worth | Cash Flow | Debt Service Ratio & Affordability | Credit Score | Loan to Value | First-Time Home Buyer Incentive | Down Payment Requirements & Mortgage Type | Home Buyers' Plan | High Ratio Insurance | Cost of Borrowing | Term & Amortization Periods | Payment Frequency | Fixed vs. Variable Interest Rates | Open vs. Closed Mortgages | Portable Mortgages | Mortgage Insurance | Appraisals | Security Registration | Closing Costs

## Pros and Cons of Mortgages

Like every decision, there are pros and cons when it comes to borrowing to purchase a home. The table below summarizes some of these.

### PRO

- Makes home ownership possible
- Lower interest rates than other loans so a cost-effective way to borrow money
- Flexible terms and repayment options to suit individual circumstances
- Many mortgages allow for additional payments reducing interest paid over the long term
- Acquire equity as principal is paid down improving net worth

### CON

- As the loan is high, borrowers pay significantly more for their home over time because of the interest paid
- Potential negative impact on credit score and cash flow if not handled appropriately
- Not everyone qualifies for the lowest rate as it is dependent on credit worthiness
- Could lose home if payments not made as required
- Significant fees

There are a lot of decisions to make about borrowing for a home. So, if you find yourself with questions, or you simply just want to have a conversation about your plans, your financial advocate is always just a call, email, or visit away. After all, our mission is to be your financial advocate so that you can be financially well now and into the future.

# NOW AVAILABLE

APPLE PAY AND GOOGLE PAY  
FOR MOBILE WALLETS





# Money and your mental health

According to a recent financial stress survey, money is the number one worry for most Canadians. 79% of those surveyed reported that at least one aspect of their financial lives causes them significant stress, with 49% losing sleep over money worries. Forty-two percent regret how little they've saved for the future and 38% are anxious about how to deal with growing debt when they can't make ends meet. These stressors make their way into other aspects of life as well. Half of the respondents reported that financial stress had impacted their health, job performance and relationships.

Like any other overwhelming and prolonged stressor, money worries can take a toll on physical health, including migraines, high blood pressure, chronic pain, sleep, digestive and heart issues. The Canadian Association for Mental Health (CAMH) warns that stress can also have a dangerous impact on mental health. Sustained worries about money lead to damaged self-esteem, social isolation, anxiety and depression. It can also lead to unhealthy coping strategies, substance abuse and an increased risk of serious self-harm. The sense of shame and helplessness that often accompany sustained financial stress weighs even heavier on someone struggling to maintain their mental health. This deepens isolation and prolongs avoidance, making it even harder to reach out for help when it is most needed.

Is there a way to end this destructive cycle and begin taking steps to repair mental and financial health? Of course, especially when the request for help is met with empathy. According to the Canadian Mental Health Association, "When someone is struggling, they don't always need someone to swoop in and fix things for them. First, they need someone to understand where they're coming from." Knowing that someone "gets" your financial situation, doesn't judge it and waits to establish trust before offering advice plays an important role in recovering from the mental and physical exhaustion of worrying about money.

Meeting our members with compassion regardless of where they are in their financial journey is important to us at Rapport. We recognize that while everyone dreams of financial freedom, each path to arriving there is unique, with challenges to overcome and successes to celebrate. If you or someone you care about is struggling with financial stress, we really do get it. When you reach out to us for advice, we will meet you with empathy and understanding. We're on your side and will do all we can to help alleviate your worries. Helping you navigate your way through financial stress to ease your stress and regain control is part of our commitment to helping you live life on your terms.

Sources: 1. <https://fpcanada.ca/docs/default-source/news/financial-stress-survey.pdf> | 2. <https://pubmed.ncbi.nlm.nih.gov/20550757/> | 3. <https://www.camh.ca/en/health-info/mental-illness-and-addiction-index/stress#:~:text=When%20stress%20becomes%20overwhelming%20and,complaints%20such%20as%20muscle%20tension.> | 4. <https://cmha.ca/this-mental-health-week-is-all-about-empathy>



Our transition to Carte Wealth Management Inc. has been on going over the last several months with over 70% of accounts transferred. The RapportWEALTH team is working on getting members set up with Carte's online and mobile access. We've heard great feedback from our members on the improvements they've seen and experienced so far – check out what they are saying.

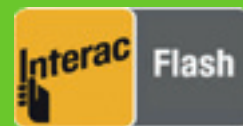
**DocuSign** "That was so easy – This is going to save me on printer ink for sure!"

**Website & Online Access** "I can see everything that is happening in my account, all the documents I signed, I am so informed."

**Mobile App** "It's super clear! It just shows you what you have and everything you need is right there"

Our employees are also seeing a difference with our new partnership saying "Carte really wants to work with us, I give feedback and it feels like its heard and changes are made to address my needs." The RapportWEALTH team is fully staffed and ready to serve members across the province with Certified Financial Planners and Wealth Advisors. Watch for our upcoming newsletter to get to know our team and what we can offer our members.

You could call it the evolution of the 'pay phone'.



Add your Rapport Credit Union debit card or Collabria credit card to your mobile wallet and you can pay with your phone anywhere you see the Apple, Google or contactless pay logos.

It's easy to set up and start using.



## NEW Mobile Wallet

### Apple Pay & Google Pay Now Available!

We're pleased to now offer Rapport members an easy and secure way to make everyday purchases right from their mobile phone.

Apple Pay and Google Pay are fast, simple ways to pay in millions of places – online, in stores, and more. They bring together everything you need at checkout and protect your payment info with multiple layers of security. When you pay in shops, Apple Pay or Google Pay will not share your actual card number, so your information stays secure. Plus, you can check out faster with the device that's already in your hand – no need to dig for your wallet. You can manage your account wherever you want – on the web or in the app.

Apple Pay or Google Pay are great options for any member that uses debit frequently for payment, is an Apple or Android device user, and is driven by convenience. While research suggests that Gen Y

and Gen Z are more likely to become mobile payment users, it also has a broad appeal particularly for any member interested in leading edge products like wearables and the latest model of smartphone.


### How Do Mobile Payments Work?

Apple Pay and Google Pay are based on Near-Field Communication (NFC) technology – the same technology that powers Interac Flash cards. NFC is built into most Apple and Android devices currently in market.

### Using Apple or Google Pay

After a member sets up their Rapport debit card in either Apple Pay or Google Pay, depending on their device, they will be able to make payments by holding their phone or wearable near an NFC enabled terminal. Members will know that a terminal is capable of reading NFC if it has a label that looks a bit like the Wifi symbol or displays the Apple or Google Pay logos.







## Being part of a group just got better

Manage your insurance online with The Personal

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The Personal refers to The Personal General Insurance Inc. in Quebec and The Personal Insurance Company in all other provinces and territories. Certain conditions, exclusions and limitations may apply.  
Auto insurance is not available in MB, SK and BC due to government-run plans.

  
  
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