



ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

August 24th 2010

Guaranteed Mortgage Savings Plan

This week we present a term which will be beneficial to you if you are thinking of taking a mortgage some time in the near future. This week's term is: **Guaranteed Mortgage Savings Plan**

A **Guaranteed Mortgage Savings Plan** is a type of savings account offered by financial institutions which allows a potential homeowner to save towards the deposit on the mortgage. One of the benefits of this type of account is that the prospective homeowner is guaranteed a tax credit of up to \$6,000.00 annually.

What does this mean for you?

Building or buying your home is usually a large financial investment that demands significant resources. The **Guaranteed Mortgage Savings Plan** gives you the opportunity to start saving for this by putting funds aside for the deposit on your mortgage. Withdrawals are not allowed on the account until after an agreed upon maturity date and the funds must then be used exclusively for the deposit towards a mortgage. As a prospective homeowner, you benefit significantly because based on your salary you can decide how much you want to save towards that deposit. Thus the strain of trying to obtain cash for your deposit when you are ready to build or buy is removed. Several financial institutions offer this type of mortgage savings plan such as Bank of Saint Lucia's Home Start account.