



HOMEOWNER MORTGAGE LOAN INSURANCE

CMHC QUICK REFERENCE

When your goal is to comprehensively serve existing clients and find new ones, it's reassuring to know that you're backed by the wealth of Canada Mortgage and Housing Corporation (CMHC) information, insight, and industry-leading tools. Only CMHC delivers this complete support—support you need to confidently grow your business. After all, your clients aren't the only people who are looking towards the future.

Working with CMHC provides you with the following benefits:

- Our products and services are available coast-to-coast.
- No maximum loan amount for purchase.
- 1 – 4 unit properties.
- Every deal is considered on its own merit. No auto declined applications.
- Flexibilities for energy-efficient homes.
- Access to a world of housing information to help you grow your business.

Loan-to-Value	Premium on Total Loan		Premium on Increase to Loan Amount for Portability and Refinance	
	Standard Premium	Self-Employed Simplified	Standard Premium	Self-Employed Simplified **
Up to and including 65%	0.50%	0.80%	0.50%	1.50%
Up to and including 75%	0.65%	1.00%	2.25%	2.60%
Up to and including 80%	1.00%	1.64%	2.75%	3.85%
Up to and including 85%	1.75%	2.90%	3.50%	5.50%
Up to and including 90%	2.00%	4.75%	4.25%	7.00%
Up to and including 95%	2.75%	6.00%	4.25%*	*
90.01% to 95% – CMHC Flex Down	2.90%	N/A	4.25%*	N/A
95.01% to 97% ***				
Traditional Down Payment	2.90%	N/A	4.80% *	N/A
Non-Traditional Down Payment	3.00%	N/A	4.80% *	N/A
95.01% to 100% – CMHC Flex 100	3.10%	N/A	4.80%*	N/A

For portability and refinance, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. In the case of portability, a premium credit may be available under certain conditions.

*For portability the maximum LTV ratio is 90%, but CMHC may consider higher LTV ratios when the new ratio is equal to or less than the original LTV.

**For conversion from confirmed income to CMHC Self-Employed Simplified, the premium is the lesser of: a) the Premium on Total Loan Amount or; b) the outstanding balance multiplied by a 1.5% premium plus the Premium on Increase to Loan Amount.

***See reverse for more information on down payment requirements

Premiums in Ontario and Quebec are subject to provincial sales tax – the sales tax cannot be added to the loan amount.

Surcharges		
Extended Amortization:		
Greater than 25 years, up to and including 30 years		0.20%
Greater than 30 years, up to and including 35 years		0.40%
Greater than 35 years, up to and including 40 years		0.60%
Blended Amortization for Portability and Refinance		0.50%
Secured Line of Credit and Interest Only Mortgages		
Repayment Option:		
5 years (5/20)		0.25%
10 years (10/15)		0.50%
Conversion from 5/20 to 10/15		0.35%

Amortization Options—Portability and Refinance Transactions (when paying the Premium on Increase to Loan Amount)

- Maintain the remaining amortization period of the existing CMHC insured loan.
- Where there is an increase to the loan amount, the amortization period of the existing CMHC insured loan and the loan increase may be blended using a weighted average. A 0.50% blended amortization surcharge on the loan increase applies to the Premium Increase to Loan Amount (note: blended amortization not available with the Line of Credit/Interest Only Mortgages).
- Options are available to extend the amortization period of the existing loan or the combined balance of the existing loan and loan increase beyond the amortization permitted when blending. Contact CMHC for information on premium calculations.

Note: Where Premium on Total Loan Amount is paid, amortization can be extended up to the lesser of 25 years or the remaining economic life of the property.

For more information about CMHC's products, contact your Business Development Officer or call **1 888 GO emili (463-6454)**.

©2008, Canada Mortgage and Housing Corporation. This material is a quick reference tool for CMHC's common Mortgage Loan Insurance products. Additional conditions may apply. This information is subject to change at any time. Please verify with CMHC that you have the most up to date information before the loan is processed.

65407 30/04/08

Everything you need to open new doors

Canada



	Standard Purchase	CMHC Flex Down	CMHC Flex 100	CMHC Line of Credit / Interest Only Mortgages	CMHC Self-Employed Simplified	CMHC Refinance
Loan Purpose	Purchase	Purchase	Purchase	Purchase and Refinance	Purchase and Refinance	Refinance
Loan to Value (LTV) Ratio	Up to 95% for 1 – 2 Units Up to 90% for 3 – 4 Units	90.01% to 95%	95.01% to 100%	Up to 90%	Purchase: up to 95% LTV Refinance: up to 90% LTV	Up to 95% for 1 – 2 Units Up to 90% for 3 – 4 Units and Chattel Mortgage
Maximum Purchase Amount or Refinance Amount (New Funds)	No Maximum	No Maximum	No Maximum	No Maximum for Purchase Up to \$200,000 for Refinance	No Maximum for Purchase Up to \$200,000 for Refinance	Up to 90%: \$200,000 90.01% to 95%: \$150,000
Down Payment Requirement *	Traditional Sources	Non-Traditional Sources	100%: None Required < 100%: Traditional and Non-Traditional Sources	Traditional Sources	Traditional Sources (with the exception of gift down payments which are not permitted)	Not Applicable
Number of Units**	1 – 4	1 – 2	1 – 2	1 – 4	1 – 2	1 – 4
Maximum Amortization	40 Years (25 Years for Chattel Mortgages)	40 Years	40 Years	25 Years****	40 Years	40 Years (25 Years for Chattel Mortgages)
Borrower Eligibility***	Permanent Residents and Newcomers to Canada. Non-Permanent Residents are limited to 1 unit only – max 90% LTV.	Permanent Residents and Newcomers to Canada	Permanent Residents and Newcomers to Canada	Permanent Residents and Newcomers to Canada	Permanent Residents: minimum 2 years in same type of work. Not available for borrowers without Cdn credit history and non-permanent residents. No income tax arrears.	Permanent Residents and Newcomers to Canada
General Guideline for History of Managing Credit (Recommended Minimum Beacon Score or equivalent)	Not Applicable except Standard VRM LTV 90.01% to 95%: 610	650	LTV 97.01% to 100%: 680 LTV 95.01% to 97%: 680 with non-traditional source of down payment LTV 95.01% to 97%: 650 with traditional source of down payment	650	LTV up to 75%: 600 LTV 75.01 to 85%: 620 LTV 85.01 to 90%: 650 LTV 90.01 to 95% (purchase only): 700	Not Applicable up to 90% LTV 90.01% to 95%: 650
Debt Service Flexibilities (General Guideline for History of Managing Credit (Recommended Minimum Beacon Score or Equivalent): GDS/TDS)	<680: 35% / 42% 680+: n/a / 44%	<680: 35% / 42% 680+: n/a / 44%	LTV 95.01% to 97%: 650 to 679 35% / 42% 680 +: n/a / 44% LTV 97.01% - 100% <680: Not Available 680+: 32% / 40%	<650: Not Available 650 to 679: 35% / 42% 680+: n/a / 44%	<680: 35% / 42% 680+: n/a / 44%	<680: 35% / 42% 680+: n/a / 44%
Loan Security	1st Mortgage and Chattel Mortgage	1st Mortgage Only	1st Mortgage Only	1st Mortgage or 2nd Mortgage (Refinance) (Collateral Mortgage for LOC)	1st Mortgage or 2nd Mortgage (Refinance)	1st or 2nd Mortgage, Chattel Mortgage
Interest Rate Types (Fixed, Standard, Capped or Adjustable)	All	All	All	All	All	All
CMHC Portability	Yes	Yes	Yes	Yes	Yes	Yes
CMHC Energy-Efficient Homes	Up to 40 year amortization (no surcharge) and 10% premium refund	Up to 40 year amortization (no surcharge) and 10% premium refund	Up to 40 year amortization (no surcharge) and 10% premium refund	Up to 25 year amortization and 10% premium refund	Up to 40 year amortization (no surcharge) and 10% premium refund	Up to 40 year amortization (no surcharge) and 10% premium refund. Refinance loan for improvement only.
CMHC Purchase / Refinance with Improvements	Up to 10% of “as improved value”	Up to 10% of “as improved value”	Up to 10% of “as improved value”	Up to 10% of “as improved value”	Up to 10% of “as improved value”	Up to 10% of “as improved value”
CMHC Progress Advances	New construction and major improvements (>10% of “as improved value”)	New construction and major improvements (>10% of “as improved value”)	New construction and major improvements (>10% of “as improved value”)	New construction and major improvements (>10% of “as improved value”)	New construction and major improvements (>10% of “as improved value”)	New construction and major improvements (>10% of “as improved value”)

***Down Payment Requirements** – Traditional sources of down payment include: Applicant’s savings, RRSP withdrawal, funds borrowed against proven assets, sweat equity (<50% of min. required equity), land unencumbered, proceeds from sale of another property, non-repayable gift from immediate relative, equity grant (non-repayable grant from federal, provincial or municipal agency).

Non-traditional sources of down payment include: Any source that is arm’s length to and not tied to the purchase or sale of the property, such as borrowed funds, gifts, 100% sweat equity, lender cash back incentives.

****Property** – For Homeowner Mortgage Loan Insurance, the home can be located anywhere in Canada and must be suitable for, and available for, year round occupancy. At origination, the home or one unit of the property must be intended for occupancy at some point during the year by the borrower or relative of the borrower on a rent free basis. Maximum of 2 CMHC-insured homeowner properties per borrower (CMHC Second Home). 1-4 Unit Rental Properties: The above products (except CMHC Self-Employed Simplified) are available. Different premiums apply. Some flexibilities of CMHC Flex 100 are not available.

***** Borrower Eligibility** – Permanent residents of Canada include Canadian citizens as well as immigrants that intend to remain permanently in Canada. For borrowers without a Canadian credit history, CMHC considers alternative sources of information to validate ability and willingness to repay debts. *Newcomer to Canada* is a permanent resident to Canada but with no established Canadian credit history. *Non-permanent resident* is a foreign worker with a valid Canadian Work Permit. Self-Employed – 2 year average of total income on NOA grossed up by 15% or add eligible expenses to net income (not applicable to CMHC Self-Employed Simplified).

****** Interest Only Option** – With CMHC’s Line of Credit/ Interest Only Mortgage, borrowers are able to pay interest only for the first 5 or 10 years of their mortgage. Following the interest only period, principal and interest payments begin and will be sufficient to ensure the balance is paid in full within 25 years of the date the mortgage was initiated. Borrowers are qualified based on the full principal and interest payment required to repay the loan in full over the life of the loan.