

2019 Application Guidelines

Loan Prepayment Flexibility for Co-operative and Non-Profit Housing (2016-2020)

Section 15, 15.1, 34.18 (26, 27, 61)



To eliminate the high cost of prepayment, the Government is providing \$150 million over four years (2016-2020) to allow non-profit and co-operative housing providers to prepay their mortgages held with CMHC without penalty.

Application timelines

Budget Year	Open Application Dates	Application Deadline Dates*	Payout Dates
2019-20	December 5, 2018	February 1, 2019	June 3, 2019
	March 1, 2019	April 30, 2019	September 3, 2019
	June 3, 2019	July 31, 2019	December 2, 2019
	September 2, 2019	October 31, 2019	February 1, 2020

*Application (including all key documents and supporting documentation) must be received electronically or postmarked by the deadlines referenced above.

Who can apply?

Co-operative and non-profit social housing providers who hold long-term, non-renewable mortgages with Canada Mortgage and Housing Corporation, under section 15, 15.1, and 34.18 (26, 27 and 61), can submit an application to be considered for the early payout of its CMHC loan without penalty.

How to apply?

Complete the application form and provide all required supporting documentation that will assist CMHC in the assessment of your application. Submit your application by email or by mail. Please note that one application form is required for each loan.

Key Documents:

- A confirmation letter from the new lender to support the financing of the new loan (i.e. term sheet, commitment letter, etc.) is required. The letter should specify the loan amount, interest rate, loan term, loan amortization, and any conditions & terms associated with the loan.
- For housing providers administered by a Province or Territory under a Social Housing Agreement (SHA), an approval letter for prepayment from the Province or Territory is required. In Ontario, an approval letter from the Service Manager is required.
- Completed and signed application form. Only applications completed in full will be considered.

Selection criteria

CMHC will ensure outcomes are maximized by assessing applications on the following criteria:

Criteria	Supporting Documents
Completing repairs to promote housing sustainability	Building Condition Assessment or equivalent documentation to support the required repairs.
Creating new affordable housing units	Business Plan that demonstrates the plan to develop new units.
Maintaining/increasing the level of Rent-Geared-To-Income units	Financial Plan / Cash Flow Analysis or equivalent documentation that demonstrates how Rent-Geared-To-Income units will be financed.

CMHC will review all applications, regardless of the government jurisdiction charged with the administration (Federal, Provincial, Territorial) and prioritize those projects that demonstrate the best results prior to approving the waiving of prepayment penalty.

For approved projects

Following approval of an application, sponsors must be ready to payout the CMHC loan on the date specified on the application. Failing to do so gives CMHC the right to cancel the approval of the waiving of penalty.

Where to send your form?

Mail:
CMHC National Office
Prepayment Application
700 Montreal Road,
Suite D2-680
Ottawa, Ontario
K1A 0P7

E-mail:
Prepayment@cmhc.ca
For updates on this initiative and to download the application form, please visit www.cmhc.ca/prepayment.