



CMHC QUICK REFERENCE MORTGAGE LOAN INSURANCE

CMHC is committed to working with mortgage industry professionals to help homebuyers meet their housing needs. CMHC provides a full range of mortgage loan insurance offerings, training and tools, supported by reliable and efficient client service and expertise throughout the life of the mortgage.

This handy quick reference tool provides helpful information in submitting applications to CMHC for homeowner and small rental loans. Here are some of the benefits of CMHC's mortgage loan insurance programs:

- **CMHC Purchase** can help open the doors to homeownership by enabling homebuyers to buy a home with a minimum down payment from flexible sources.
- **CMHC Improvement** allows the purchase of an existing residential property with improvements and new construction financing.
- **CMHC Newcomers** is available to borrowers with permanent and non-permanent residence status. The program helps them access housing they can afford and meets their needs.
- **CMHC Self-Employed** enables self-employed borrowers with documentation to support their income access CMHC mortgage loan insurance.

- **CMHC Green Home** offers a partial premium refund of up to 25% directly to borrowers who either buy, build or renovate for energy efficiency using CMHC-insured financing. More information can be found at cmhc.ca/greenhome.
- **CMHC's Portability** feature saves money for repeat users of mortgage loan insurance by reducing or eliminating the premium payable on the new insured loan for the purchase of a subsequent home.
- **CMHC Income Property** provides investors with more housing finance choice when purchasing a rental property.

For applicable premium costs please refer to the Premium Information sheet.

For more information about CMHC mortgage loan insurance, contact your Account Manager, Client Relations or call 1-888 GO **emili** (463-6454).

The back page contains information that is applicable to all **CMHC programs** mentioned above. ►



	HOMEOWNER LOANS (OWNER-OCCUPIED)*	SMALL RENTAL LOANS (NON-OWNER OCCUPIED)
Loan-to-Value (LTV) Ratio	1 – 2 units: up to 95% LTV 3 – 4 units: up to 90% LTV	Up to 80% LTV 2 – 4 units
Minimum Equity Requirement	1 – 2 units: 5% of the first \$500,000 of lending value and 10% of the remainder of the lending value. 3 – 4 units: 10%	20%
Purchase Price / Lending Value	The maximum purchase price / lending value or as-improved property value must be below \$1,000,000.	
Amortization	The maximum amortization period is 25 years.	
Location	The property must be located in Canada, be suitable and available for full time / year round occupancy and have year round access including homes located on an island (via a vehicular bridge or ferry).	
Traditional down payment	A traditional down payment comes from sources such as savings, sale of a property, or a non-repayable financial gift from a relative.	
Non-traditional down payment (homeowner loans only)	<ul style="list-style-type: none">• The down payment must be arm's length and not tied to the purchase and sale of the property, either directly or indirectly such as unsecured personal loans or unsecured lines of credit.• Available for 1 – 2 units, 90.01% to 95% LTV, with a recommended minimum credit score of 650.	
Creditworthiness	<ul style="list-style-type: none">• At least one borrower (or guarantor) must have a minimum credit score of 600. In certain circumstances a higher recommended minimum credit score may be required.• CMHC may consider alternative methods of establishing creditworthiness for borrowers without a credit history.	
Debt Service Guideline	<ul style="list-style-type: none">• Standard threshold: GDS 35% / TDS 42%.• Maximum threshold: GDS 39% / TDS 44% (recommended minimum credit score of 680).• CMHC considers the strength of the overall loan insurance application including the recommended minimum credit scores.	
Interest Rate	<ul style="list-style-type: none">• The GDS and TDS ratios must be calculated using an interest rate which is the greater of the contract interest rate or the Bank of Canada's 5-year conventional mortgage interest rate.	
Advancing Options	<ul style="list-style-type: none">• Single advances: improvement costs ≤ 10% of the <i>as-improved</i> value.• Progress advances: new construction financing or improvement costs > 10% of the <i>as-improved</i> value.<ul style="list-style-type: none">- Full Service: CMHC validation of advances for up to 4 consecutive advances at no cost.- Basic Service: Lender validation of advances without pre-approval from CMHC.	
Non-permanent residents (homeowner loans only)	<ul style="list-style-type: none">• Must be legally authorized to work in Canada (i.e. work permit).• Available for 1 unit, up to 90% LTV, with a down payment from traditional sources.• Not eligible for alternative methods of establishing creditworthiness. In cases where a credit report is not available, a letter of reference from the borrower's financial institution in their country of origin may be considered.	

*CMHC-insured financing is available for one property per borrower/co-borrower at any given time.