



CMHC Purchase

Helping to Make Dreams of Homeownership Come True

For most people, the hardest part of buying a home – especially a first home – is saving the necessary down payment. CMHC-insured financing can help open the doors to homeownership by enabling homebuyers to purchase a home with a minimum down payment of 5%.

Features

- Loan-to-value ratios up to 95% for 1 – 2 unit owner-occupied properties.
- Loan-to-value ratios up to 90% for 3 – 4 unit owner-occupied properties.
- Down payment flexibility – In addition to traditional sources, non-traditional sources of down payment are permitted for loans with loan-to-value ratios from 90.01% - 95%.
- Flexible financing options – single advance and progress advances are available.
- CMHC-insured mortgages are portable – helping to reduce or eliminate the premium on the purchase of a subsequent home.
- CMHC homeowner mortgage loan insurance is available to a maximum of one property (1 – 4 units) per borrower/co-borrower at any given time.
- CMHC offers mortgage loan insurance premium refunds for homeowners who purchase an energy-efficient home or purchase and make energy-saving renovations to an existing home. See CMHC Green Home for more information.

Benefits of CMHC Purchase

Access to Homeownership

With a minimum down payment of 5% from flexible sources.

Competitive Interest Rates

Access to CMHC-insured financing, and as a result, competitive interest rates.

Availability

Products and services available coast-to-coast-to-coast.

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www.cmhc.ca
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This information provides product highlights on CMHC's Mortgage Loan Insurance products. Any requirements that are described would be subject to CMHC's mortgage insurance terms and conditions and underwriting policies. Products and their terms and conditions may change at any time. © 2015, Canada Mortgage and Housing Corporation.



Everything you need to open new doors



Product Highlights:

	Traditional Sources of Down Payment	Non-Trad. Sources of Down Payment
Loan Purpose	Purchase	
Loan-to-Value Ratio	Up to 95% for 1 – 2 units; Up to 90% for 3 – 4 units	90.01% to 95% for 1 – 2 units
Down Payment	Applicant 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 from federal, provincial or municipal agency).	Any source that is arm's length to and not tied to the purchase or sale of the property such as borrowed funds, gifts and 100% sweat equity.
Number of Units	1 – 4 units	1 – 2 units
Maximum Amortization	25 years	25 years
Maximum Purchase Price	Maximum purchase price or as-improved property value must be below \$1,000,000.	
Occupancy	At initiation, the property that secures a CMHC-insured mortgage loan must be intended for occupancy at some point during the year by a borrower; or a relative of the borrower on a rent-free basis. Lenders must confirm owner occupancy and maintain the confirmation on file.	
Borrower Eligibility	Permanent residents including newcomers to Canada. Self-employed borrowers with 3 rd party documentation to support their income. Non-permanent residents are limited to 1 unit owner occupied property and a maximum LTV of 90%.	Permanent residents including newcomers to Canada. Self-employed borrowers with 3 rd party documentation to support their income. Not available for non-permanent residents.
	Approved Lenders are to verify, prior to submitting an application to CMHC, that the borrower(s) does not have existing CMHC-insured homeowner financing.	
General Property Requirements	The property can be located anywhere in Canada and must be suitable for, and available for, year-round occupancy. Properties that are constructed for seasonal use, or have seasonal access, are not eligible. Properties located on an island must have year-round bridge or ferry access. Time-share interests, life leases and properties in rental pools are not eligible.	
General Guideline for History of Managing Credit* (Credit Score)	LTV > 80%: Recommended min. score of 600 LTV 60.01 - 80%: Min. score of 580 LTV ≤ 60%: No min. score required Standard variable rate mortgages (LTV 90.01% - 95%): Recommended min. score of 610	Recommended min. credit score of 650
Debt Service Guideline*	Credit score: GDS/TDS: < 680 : 35% / 42%, 680+ : 39% / 44%* *Debt service flexibilities are based on an assessment of the strength of the overall application. Satisfying the minimum credit score alone does not automatically entitle the borrower to debt service flexibilities.	
Loan Security	First Mortgages and Chattel Mortgages	First Mortgages Only
Interest Rate Types	Fixed, capped and standard variable, and adjustable	

* Individuals can access their scores and credit reports from the following credit reporting agencies: www.equifax.ca or www.transunion.ca

Applicable Premiums (Owner-occupied properties)	
Loan-to-Value Ratio	Premium on Total Loan Amount
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	
Traditional Down Payment	3.60%
Non-Traditional Down Payment	3.85%

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