CMHC Newcomer

Facilitating Housing Choice for Newcomers to Canada

Newcomers to Canada play an increasing role in Canada's future population growth, creating new market opportunities. CMHC-insured financing is available to borrowers with permanent and non-permanent residence status, helping newcomers to realize their dream of homeownership in Canada.

Features

- Newcomers with permanent resident status have access to all CMHC Mortgage Loan Insurance products (subject to product specific eligibility requirements).
- For permanent residents, where there is limited Canadian credit history and where foreign credit bureaus are not available, CMHC continues to consider alternative sources of payment history for Loan-to-Value ratios between 80.01% and 95%.
- Newcomers with non-permanent resident status have access to CMHC-insured financing of up to 90% loan-to-value ratio for the purchase of a 1 unit owner-occupied residential property.
- No additional fees or premiums as a result of residency status - standard product specific premiums apply.
- No minimum period of residency required.
- 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 Newcomer

Access to Homeownership
Newcomers with permanent residence status can purchase a home with a minimum down payment of 5%.

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.

OPIMS 65628 24/10/13

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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.

Canada

Everything you need to open new doors

CMHC SCHL
HOME TO CANADIANS

CMHC Newcomer

Product Highlights:

	Permanent Residents	**Non-Permanent Residents**
Loan Purpose	Purchase, refinance, purchase or refinance with improvements, single and progress advances	Purchase, single advance only
Loan-to-Value (LTV) Ratio	Purchase up to: 95% 1- 2 units, 90% 3- 4 units Refinance up to: 80% for 1- 4 units	Up to 90% - 1 unit, owner-occupied
Down Payment	Traditional* and Non-Traditional** sources	Traditional* sources
Maximum Amortization	LTV > 80%: 25 years, LTV ≤ 80%: 40 years	
Maximum Purchase Price	LTV > 80%: maximum purchase price or as-improved property value must be below $1,000,000.	
General Guideline for History of Managing Credit* (Credit score)**	**LTV > 80%**: Minimum score of 600. **LTV 60.01% - 80%**: Minimum score of 580. **LTV ≤ 60%:** No minimum score required.	*Note: Subject to product specific eligibility requirements.*
	For borrowers without a Canadian credit history alternative sources of credit history may be considered.****	Where the U.S. is the country of origin, CMHC will obtain an int'l credit report. For all other countries, where the creditworthiness cannot be verified through an int'l credit report, Approved Lenders should ask the borrower to provide a letter of reference from their previous financial institution.
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 or Second Mortgage (Refinance)	First Mortgage Only
Interest Rate Types	Fixed, capped and standard variable, and adjustable	
Borrower Eligibility	▪ Borrowers without a credit history could include: Newcomers to Canada, newly divorced borrowers whose credit activities were under their ex-spouse's name and recent graduates. ▪ Borrowers without third party validation of income are not eligible.	▪ Foreign workers with a valid Canadian Employment Authorization Form (Work Permit) ▪ Borrowers without third party validation of income and individuals with diplomatic immunity are not eligible.

*Traditional sources of down payment include: Applicant's savings, RRSP withdrawal, funds borrowed against proven assets, sweat equity (< 50% of minimum 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 and lender cash back incentives. *** Individuals can access their scores and credit reports from the following credit reporting agencies: www.equifax.ca or www.transunion.ca **** Examples of alternative sources of credit: confirmation of payment of rent or room and board, plus one additional obligation or documented regular savings, for the preceding 12 months. If confirmation of rent payments is not available, payment over the preceding 12 month period of any three regular periodic obligations including but not limited to: utilities, cable, childcare expenses, insurance premiums, documented regular savings. Payments should be regular and direct (i.e. not payroll-deducted). Rent payments should be timely (i.e. no thirty-day late payments). No more than one thirty-day late payment on non-rent obligations. Applications that fall outside the late payment guidelines above will be considered on a case-by-case basis. Other Considerations: CMHC will also consider factors that indicate the borrower's ability to repay debt, including but not limited to: the borrower's history of dealing with a financial institution; net worth; and unencumbered liquid asset or investments.

Applicable Premiums (Owner-occupied properties)			**Surcharges**
Loan to Value (LTV) Ratio	**Premium on Total Loan Amount**	**Premium on Increase to Loan Amount for Refinance**	**Extended Amortization** Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period Note: The amortization cannot exceed 25 years for mortgage loan-to-value ratios > 80%. **Blended Amortization** for Refinance***** 0.50%
Up to and including 65%	0.50%	0.50%	
Up to and including 75%	0.65%	2.25%	
Up to and including 80%	1.00%	2.75%	
Up to and including 85%	1.75%	N/A	
Up to and including 90%	2.00%	N/A	
Up to and including 95% Traditional Down Payment* Non-traditional Down Payment**	 2.75% 2.90%	 N/A N/A	

For purchase transactions the premium payable is the Premium on Total Loan Amount. For refinance, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. Premiums in Manitoba, Ontario and Quebec are subject to provincial sales tax – the sales tax cannot be added to the loan amount. ***** 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 provided the resulting amortization does not exceed the maximum amortization in effect at the time of blending. A 0.50% blended amortization surcharge to the loan increase applies to the Premium on Increase to Loan Amount.