



CANADA MORTGAGE AND HOUSING CORPORATION

CMHC Income Property

Open the Door to a Range of Financing Options for Investors

CMHC's mortgage loan insurance for 1-4 unit rental (non-owner occupied) properties provides investors with more housing finance choice when purchasing or refinancing a rental property.

Features

- Purchase and Refinance - Loan-to-Value ratios up to 95%
- No application fee or lender appraisal required
- Streamlined automated processing through **emili**
- Flexible financing options - Single advance, progress advances and extended amortization periods are available
- Flexibilities available for energy-efficient homes

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Benefits of CMHC Income Property

Competitive Interest Rates

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

Flexibility

Flexible terms and conditions to meet a variety of financing needs.

Availability

Available coast-to-coast-to-coast with no set maximum loan amount.

Larger Loans

A CMHC insured mortgage, through an Approved Lender often provides access to larger loans, versus conventional mortgage financing.

Peace of Mind

Insurance is in place for the full amortization period of the loan including all term renewals.

www.cmhc.ca
1-888 GO emili

Everything you need to open new doors

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.
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HOME TO CANADIANS

Product Highlights:

Loan Purpose	<ul style="list-style-type: none"> Purchase and Refinance (including Purchase and Refinance with improvements) Single and Progress Advances Portability (previous rental applications approved through emili only)
Number of Units	1- 4 units (no commercial component)
Loan to Value (LTV) Ratio	<ul style="list-style-type: none"> Purchase and Refinance - Up to 95% for 1-2 units / 90% for 3-4 units Standard variable rate loans - Up to 90%
Borrower Eligibility	Permanent Residents including newcomers to Canada, Self-employed borrowers (provided that income is verified through a third party source), Corporate borrowers (must provide a personal guarantee of 100% of the mortgage loan).
General Guideline for History of Managing Credit* (Beacon score or equivalent)	<p>Purchase LTV 90.01-95% (non-traditional sources***): Recommended minimum score of 650</p> <p>Purchase (traditional sources**) LTV 80.01% to 95%: Recommended minimum score of 600</p> <p>Refinance LTV 90.01-95%: Recommended minimum score of 650</p> <p>Refinance LTV 80.01% to 90%: Recommended minimum score of 600</p> <p>Purchase and Refinance LTV 60.01% - 80%: Minimum score of 580</p> <p>Purchase and Refinance LTV \leq 60%: No minimum score required</p>
Debt Service Guidelines*	<p>Total Debt Service Ratio Calculation:</p> $\frac{\text{PITH (all properties)} + \text{All Other Debt Obligations} - 80\% \text{ of Gross Rental Income (all properties)}}{\text{Gross Annual Household Income}} \leq 42\%$ <p>Flexibility provided for borrowers who have a strong history of managing credit. Total Debt Service 42.01-44%: Recommended minimum score of 680.</p> <p>PITH = Annual Principal, Interest, Tax and Heat payment (where borrower required to pay heat costs). Rental Income must be verified for all rental properties.</p>
Loan Security	First or Second Mortgage
Max. Amortization	LTV $>$ 80%: 35 years, LTV \leq 80%: 40 years
Interest Rate Types	Fixed, standard variable, capped variable, and adjustable
Energy-Efficiency	Flexibilities include a 10% premium refund and extended amortization periods without surcharge

* Individuals can access their scores and credit reports from the following credit reporting agencies:

EQUIFAX: www.econsumer.equifax.ca or TRANSUNION: www.transunion.ca

**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.

Applicable Premiums (non-owner occupied)			Surcharges
Loan to Value Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Portability and Refinance	Extended Amortization Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period Blended Amortization for Portability and Refinance**** 0.50%
Up to and including 65%	1.25%	2.75%	
Up to and including 75%	1.75%	3.00%	
Up to and including 80%	2.50%	3.75%	
Up to and including 85%	3.50%	5.00%	
Up to and including 90%	4.75%	6.25%	
Up to and including 95%			
Traditional Down Payment**	6.50%	8.00%	
Non-traditional Down Payment***	6.75%	N/A	

For purchase transactions the premium payable is the Premium on Total Loan Amount. For refinance and portability, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. A premium credit may be available under certain conditions for Portability. Premiums in 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. A 0.50% blended amortization surcharge to the loan increase applies to the Premium on Increase to Loan Amount.