



MORTGAGE LOAN INSURANCE

CMHC 1-4 UNIT RENTAL PROPERTIES

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.

**Everything
you need
to open
new doors**

Features:

- Purchase - Loan-to-Value ratios up to 100%
- 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, Line of Credit/Interest Only Mortgages and extended amortization periods are available
- Flexibilities available for energy-efficient homes

Benefits to Investors:

- ✓ **Larger Loans** – A CMHC insured mortgage, through an Approved Lender often provides access to larger loans, versus conventional mortgage financing.
- ✓ **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.
- ✓ **Peace of Mind** – Insurance is in place for the full amortization period of the loan including all term renewals

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www.cmhc.ca

Canada

The terms and conditions herein are in addition to and subject to CMHC's mortgage insurance standard terms and conditions and underwriting policies, unless specifically specified otherwise. The terms and conditions may change at any time. © 2007, Canada Mortgage and Housing Corporation.



CMHC 1-4 UNIT RENTAL PROPERTIES

Loan Purpose	<ul style="list-style-type: none"> Purchase and Refinance (including Purchase and Refinance with Improvements) Single and Progress Advances Portability (previous rental MLI 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 - Up to 100% for 1–2 units/90% for 3–4 units Refinance - Up to 95% for 1–2 units/90% for 3–4 units Line of Credit/Interest Only Mortgages - Up to 90% 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.
General Guideline for History of Managing Credit	Recommended minimum Beacon score or comparable guideline*: Purchase: 95.01-100% LTV: 680 90.01-95% (non-traditional sources): 650 Refinance: 90.01- 95% LTV: 650 Line of Credit/Interest Only : 650 Total Debt Service 42.01-44%: 680
Debt Service Guidelines	Total Debt Service Ratio Calculation: $\frac{\text{PITH (all properties)} + \text{All Other Debt Obligations} - 80\% \text{ of Gross Rental Income* (all properties)}}{\text{Gross Annual Household Income}} \leq 42\%$ <i>Flexibility provided for borrowers who have a strong history of managing credit. PITH = Annual Principal, Interest, Tax and Heat payment (where borrower required to pay heat costs).</i> <i>* Rental Income must be verified for all rental properties.</i>
Loan Security	1 st or 2 nd Mortgage, Collateral Mortgage (subject to the requirements of CMHC Line of Credit Only/Interest Only Product)
Max. Amortization	40 yrs. Maximum amortization period 25 years under Line of Credit/Interest-only option.
Interest Rate Types	Fixed, standard variable, capped variable, and adjustable
Energy-Efficiency	Flexibilities for energy-efficient housing 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: <https://www.econsumer.equifax.ca/ca/main>, EXPERIAN: <http://www.experian.ca/>, TRANSUNION: <http://www.transunion.ca/>

Applicable Premiums			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%	CMHC Line of Credit/Interest Only Mortgages Repayment Option: 5 years (5/20) 0.25% 10 years (10/15) 0.50% Conversion from 5/20 to 10/15 0.35% <i>(Product specific terms and conditions apply, see OPIMS 65612)</i>
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	
95.01% to 100% (Purchase)	7.25%	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.

For more information on CMHC products contact your Business Development Officer or call **1 888 GO emili (463-6454)**

CMHC – Everything You Need to Open New Doors

When your goal is to comprehensively serve existing clients and find new ones, it's reassuring to know that you're backed by the wealth of Canada Mortgage and Housing Corporation (CMHC) information, insight, and industry-leading tools. Only CMHC delivers this complete support – support you need to confidently grow your business. After all, your clients aren't the only people who are looking towards the future.