

Homeowner

CMHC Quick Reference



CMHC is committed to working with mortgage industry professionals to help homebuyers and current homeowners 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 products:

- **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 Home Start** allows borrowers who are either first-time homebuyers or purchasing a newly built home to use a 30-year amortization period.
- **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. It 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 Refinance** enables current homeowners to add secondary suites to their existing homes.

For more information, please visit cmhc.ca/mlipproducts or call **1-888 GO emili** (1-888-463-6454).

To request an alternate format, please contact us at:

1-800-668-2642
contactcentre@cmhc.ca

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Ottawa, Ontario K1A 0P7

Canada



- **CMHC Eco Plus** offers a partial premium refund of 25% directly to borrowers who either buy or build climate-friendly housing using CMHC-insured financing.
- **CMHC Eco Improvement** offers a partial premium refund of 25% directly to borrowers who invest a minimum of \$20,000 on energy efficiency improvements.
- **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.

	Homeowner Purchase Loans (owner-occupied)¹	Small Rental Loans (non-owner occupied)	Homeowner Refinance Loans (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	Up to 4 units, including the existing unit(s) Up to 90% LTV
Minimum Equity Requirement	1 – 2 units: 5% of the first \$500,000 of the lending value and 10% of the remainder of the lending value. 3 – 4 units: 10%	20%	N/A
Purchase Price / Lending Value	The maximum purchase price / lending value or as-improved property value must be below \$1,500,000.	The maximum purchase price / lending value or as-improved property value must be below \$1,000,000.	The maximum lending value or as-improved property value must be below \$2,000,000.
Amortization	The maximum amortization period is 25 years or 30 years in the case of CMHC Home Start.	The maximum amortization period is 25 years.	The maximum amortization period is 30 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	The down payment can come from sources such as savings, sale of a property, or a non-repayable financial gift from a relative.		N/A
Non-Traditional Down Payment (purchase loans only)	• 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, for borrowers with a strong history of managing credit. • Non-permanent residents and loans under the chattel loan insurance program are not eligible.	N/A	N/A

¹ CMHC-insured financing is available for one property per borrower/co-borrower at any given time.

	Homeowner Purchase Loans (owner-occupied) ¹	Small Rental Loans (non-owner occupied)	Homeowner Refinance Loans (owner-occupied)
Creditworthiness	- At least one borrower (or guarantor) must have a minimum credit score of 600. - CMHC may consider alternative methods of establishing creditworthiness for borrowers without a credit history.		At least one borrower (or guarantor) must have a minimum credit score of 600.
Debt Service	Maximum threshold: GDS 39% / TDS 44%.		
Interest Rate	The GDS and TDS ratios must be calculated using an interest rate which is the greater of the contract interest rate plus 2 per cent, or 5.25 per cent.		
Advancing Options	Single advances: improvement costs ≤ 10% of the <i>as-improved</i> value.		N/A
	- Progress advances: new construction financing or improvement costs > 10% of the <i>as-improved</i> value. - 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* (purchase loan and refinance loans only).	Must be legally authorized to work in Canada (e.g. work permit).		

¹ CMHC-insured financing is available for one property per borrower/co-borrower at any given time.

* Only borrowers who are exempt from the prohibition under the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and the accompanying regulations may be considered for mortgage loan insurance.