



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 80%.
- No application fee required.
- Streamlined automated processing through **emili**.
- Flexible financing options - Single advance, progress advances and extended amortization periods are available.
- CMHC offers mortgage loan insurance premium refunds for homeowners who purchase an energy-efficient home or make energy-saving renovations to an existing home. See CMHC Green Home for more information.

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

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

Peace of Mind

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

OPIMS 65630 08/11/11

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 80% for 1- 4 units
Downpayment	Traditional sources of down payment: 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).
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* (Credit Score)	Purchase and Refinance LTV 60.01% - 80%: Minimum score of 580 Purchase and Refinance LTV ≤ 60%: No minimum score required
Debt Service Guideline*	<p>Total Debt Service Ratio Formula:</p> $\frac{\text{PITH}^1 + \text{Other Debt}}{\text{Borrower's Gross Annual Income}^2}$ <p>¹PITH means principal, interest, property taxes and heat costs plus 50% of the condominium fees. For chattel or leasehold loans, include 100% of site or ground rents.</p> <p>²50% of subject property gross rental income can be included. T+H for the property generating rental income can be excluded. Visit www.cmhc.ca and search key words "TDS formula" for more information. Flexibility provided for borrowers who have a strong history of managing credit. Total Debt Service Ratio 42.01- 44%: Recommended minimum score of 680.</p>
Loan Security	First or Second Mortgage (Refinance)
Max. Amortization	LTV ≤ 80%: 40 years
Interest Rate Types	Fixed, standard variable, capped 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 (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
Up to and including 65%	1.25%	2.75%	Blended Amortization for Portability and Refinance** 0.50%
Up to and including 75%	1.75%	3.00%	
Up to and including 80%	2.50%	3.75%	

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 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.