



CMHC Income Property

Open the Door to a Range of Financing Options for Investors

CMHC's mortgage loan insurance for 2 – 4 unit rental (non-owner occupied) properties provides investors with more housing finance choice when purchasing a rental property.

Features

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

Benefits of 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.

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cmhc.ca

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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. © 2017, Canada Mortgage and Housing Corporation.



Everything you need to open new doors



Product Highlights:

Loan Purpose	<ul style="list-style-type: none"> ■ Purchase and purchase with improvements ■ Single and Progress Advances ■ Portability (previous rental applications approved through emili only)
Number of Units	2-4 units (no commercial component)
Loan-to-Value (LTV) Ratio	Purchase up to 80%
Maximum Purchase Price	Maximum purchase price or as-improved property value must be below \$1,000,000.
Down Payment	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)	At least one borrower (or guarantor) must have a minimum credit score of 600.
Debt Service Guideline*	<p>Credit score: GDS/TDS: < 680 : 35% / 42%, 680+ : 39% / 44%</p> <p>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.</p> <p>Total Debt Service Ratio Formula:</p> $\frac{\text{PITH}^1 + \text{Other Debt}}{\text{Borrower's Gross Annual Income}^2}$ <p>¹ PITH 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>² For the subject property: up to 50% of the gross rental income can be included and T&H can be excluded or net rental income (gross rents less operating expenses) can be included. Lenders may use their own internal guidelines for determining net rental income for the subject property or other residential investment properties; any portion of heat payments that is the responsibility of the tenant can be excluded.</p> <p>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.</p>
Loan Security	First Mortgage
Max. Amortization	25 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)		
Loan-to-Value Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Portability**
Up to and including 65%	1.45%	3.15%
Up to and including 75%	2.00%	3.45%
Up to and including 80%	2.90%	4.30%

Premiums in Manitoba, Ontario, Quebec and Saskatchewan are subject to provincial sales tax – the sales tax cannot be added to the loan amount.

** For more information check out the CMHC Portability product highlight sheet.