



CMHC Newcomer

Facilitating Housing Choice for Newcomers to Canada

Newcomers to Canada play an increasing role in Canada's future population growth, creating new market opportunities. CMHC-insured financing is available to borrowers with permanent and non-permanent residence status, helping newcomers to realize their dream of homeownership in Canada.

Features

- Newcomers with permanent resident status have access to all CMHC Mortgage Loan Insurance products (subject to product specific eligibility requirements)
- For permanent residents, where there is limited Canadian credit history and where foreign credit bureaus are not available, CMHC continues to consider alternative sources of payment history for Loan-to-Value ratios between 80.01% and 95%.
- Newcomers with non-permanent resident status have access to CMHC-insured financing of up to 90% loan-to-value ratio for the purchase of a 1 unit owner-occupied residential property.
- No additional fees or premiums as a result of residency status – standard product specific premiums apply.
- No minimum period of residency required.
- 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 CMHC Newcomer

Access to Homeownership

Newcomers with permanent residence status can purchase a home with a minimum down payment starting at 5%.

Competitive Interest Rates

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

Availability

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

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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:

	Permanent Residents	Non-Permanent Residents
Loan Purpose	Purchase, purchase with improvements, single and progress advances	Purchase, single advance only
Loan-to-Value (LTV) Ratio	Purchase up to: 95% 1– 2 units, 90% 3– 4 units	Up to 90% – 1 unit, owner-occupied
Down Payment	Traditional* and Non-Traditional** sources	Traditional* sources
Maximum Amortization	25 years	
Minimum Equity Requirement	5% down payment for the purchase price (or lending value) portion ≤ \$500,000. 10% down payment for the purchase price (or lending value) portion > \$500,000.	
Maximum Purchase Price	Maximum purchase price or as-improved property value must be below \$1,000,000.	
General Guideline for History of Managing Credit*** (Credit score)	At least one borrower (or guarantor) must have a minimum credit score of 600. Standard variable rate mortgages (LTV 90.01% - 95%): Recommended min. score of 610.	
	For borrowers without a Canadian credit history alternative sources of credit history may be considered.***	Where the U.S. is the country of origin, CMHC will obtain an int'l credit report. For all other countries, where the creditworthiness cannot be verified through an int'l credit report, Approved Lenders should ask the borrower to provide a letter of reference from their previous financial institution.
Debt Service Guideline***	Credit Score: GDS/TDS: < 680: 35% / 42%, 680+ : 39% / 44% 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.	
Loan Security	First Mortgages and Chattel Mortgages	First Mortgages and Chattel Mortgages Only
Interest Rate Types	Fixed, capped and standard variable, and adjustable	
Borrower Eligibility	<ul style="list-style-type: none"> ■ Borrowers without a credit history could include: Newcomers to Canada, newly divorced borrowers whose credit activities were under their ex-spouse's name and recent graduates. ■ Borrowers without third party validation of income are not eligible. 	<ul style="list-style-type: none"> ■ Foreign workers with a valid Canadian Employment Authorization Form (Work Permit) ■ Borrowers without third party validation of income and individuals with diplomatic immunity are not eligible.

Applicable Premiums (Owner-occupied properties)	
Loan-to-Value Ratio	Premium on Total Loan Amount
Up to and including 65%	0.60%
Up to and including 75%	1.70%
Up to and including 80%	2.40%
Up to and including 85%	2.80%
Up to and including 90%	3.10%
Up to and including 95%	
Traditional Down Payment*	4.00%
Non-traditional Down Payment**	4.50%

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

* 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 and 100% sweat equity.

*** Individuals can access their scores and credit reports from the following credit reporting agencies: www.equifax.ca or www.transunion.ca.

**** Examples of alternative sources of credit: confirmation of payment of rent or room and board, plus one additional obligation or documented regular savings, for the preceding 12 months. If confirmation of rent payments is not available, payment over the preceding 12 month period of any three regular periodic obligations including but not limited to: utilities, cable, childcare expenses, insurance premiums, documented regular savings. Payments should be regular and direct (i.e. not payroll-deducted). Rent payments should be timely (i.e. no thirty-day late payments). No more than one thirty-day late payment on non-rent obligations. Applications that fall outside the late payment guidelines above will be considered on a case-by-case basis. Other Considerations: CMHC will also consider factors that indicate the borrower's ability to repay debt, including but not limited to: the borrower's history of dealing with a financial institution; net worth; and unencumbered liquid asset or investments.