

Shared Equity Mortgage Providers Fund

The Shared Equity Mortgage Providers (SEMP) Fund helps eligible Canadians achieve affordable home ownership.

This \$100-million lending fund supports existing shared equity mortgage providers. The Fund will also encourage additional housing supply and help attract new providers of shared equity mortgages.

The SEMP Fund aims to assist in the completion of 1,500 new units and help at least 1,500 homebuyers buy their first home.

WHO CAN APPLY?

- Non-profit organizations (public or private)
- Other levels of government (municipal, provincial, territorial)
- Indigenous governments or organizations
- For-profit organizations (CMHC may prioritize non-profit and government providers before for-profit organizations)



The program offers eligible proponents repayable loans from one of two possible funding streams*:

STREAM 1 – PRECONSTRUCTION

Funding for eligible preconstruction costs to commence new housing projects in which shared equity mortgages will be provided to first-time homebuyers.

LOAN DETAILS

Maximum loan amount per project: \$4 million.

Maximum loan term: 5 years. CMHC may permit repayment at the time the property is 100% complete on a case-by-case basis.

Interest rate: Fixed or floating rate.

Prepayment options: Closed to prepayment.

ELIGIBILITY REQUIREMENTS

Preconstruction Activities

The requested financing must be used exclusively to cover the cost of eligible preconstruction activities. Visit cmhc.ca/sempp for the list of eligible preconstruction activities.

Applicant Qualification

An applicant must demonstrate that:

- It has the capacity to fulfil the loan repayment obligation;
- It is financially sound and has the requisite authority, experience, capability and resources to administer a shared equity mortgage program.

Criteria for Recipients

Applicants must agree that shared equity mortgages related to the project will be provided to recipients who purchase with a minimum 5% down payment from their own resources.

A commitment to reserving a certain percentage of units for first-time homebuyers as defined by the Government of Canada's Home Buyers' Plan will be considered a strength on the application.

STREAM 2 – SHARED EQUITY MORTGAGES

Funding of shared equity mortgages that will be provided by the proponent directly to first-time homebuyers.

LOAN DETAILS

Maximum loan amount per borrower per year: \$5 million. CMHC may consider a higher amount on an exception basis.

Maximum loan term: 5 or 10-year renewable loan term. 25-year maximum amortization.

Interest rate: Fixed or floating rate.

Prepayment options: Partial principal repayment will be required without penalty, as first-time homebuyers repay shared equity mortgages, to be remitted to CMHC on a quarterly basis.

ELIGIBILITY REQUIREMENTS

Applicant Qualification

An applicant must demonstrate that:

- It has the capacity to fulfil the loan repayment obligation;
- It is financially sound and has the requisite authority, experience, capability and resources to administer a shared equity mortgage program.

Criteria for Recipients

Applicants must agree that the shared equity mortgages offered will be made available to first-time homebuyers who meet the following criteria:

- Provide a minimum 5% down payment from their own resources;
- Meet the definition of a first-time homebuyer under the Government of Canada Home Buyers' Plan, which includes the dissolution of a marital or common law relationship (at least one of the first-time homebuyers);
- CMHC's preference is for the first mortgages to be with a lender approved by CMHC for mortgage loan insurance. CMHC may consider exceptions on a case-by-case basis.

* There is no stacking permitted between Stream 1 and Stream 2 under the SEMP Fund.

APPLY TODAY

Submit your application for funding through the **secure online application portal**. Once submitted, your application will no longer be editable.

It is your responsibility to ensure that all information provided is complete and accurate to the best of your ability. CMHC may, at any time in the review process, contact you for additional information and documentation.

Please carefully review and respond to all questions in the application form and ensure that you submit all supporting documentation. CMHC cannot process or consider your application if incomplete. To assist you, here is a checklist:

1. Complete the application form (PDF)
2. Gather requested supporting documentation as outlined on the application form
3. Complete and sign the Integrity Declaration (PDF)
4. Register and upload application and all documents using the online application portal

APPLICATION PROCESS AND TIMELINES

CMHC will assess each application on its own merit, and in consideration of available funding. Applications will be assessed at the end of each monthly intake window, followed by underwriting and execution of agreements for successful applicants before funding can be advanced.

If there is more demand than available funding, CMHC may prioritize eligible applications to determine where commitments will be made.

FOR MORE INFORMATION

Visit cmhc.ca/semp for more details and to access all documents.

