



# Reference Guide

AT-A-GLANCE

**CMHC MORTGAGE LOAN INSURANCE FOR  
MULTI-UNIT RESIDENTIAL PROPERTIES  
(5+ UNITS)**



# Contents

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Introduction

Standard Rental Housing

Affordable Housing

Retirement Housing

Supportive Housing

Student Housing

Single Room Occupancy

Energy-Efficient Properties

Fees and Premiums

Required Documentation

Replacement of Covenant

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# Introduction

With over 30% of Canadians relying on rental housing as an alternative to homeownership, continued access to both affordable and market rental housing is critical. CMHC is Canada's provider of mortgage loan insurance for multi-unit residential properties (5+ units) including standard rental housing, student housing, single room occupancy projects, retirement homes and supportive housing projects. CMHC is committed to working with mortgage industry professionals and multi-unit residential housing providers to help Canadians meet their rental housing needs and support government efforts to expand and preserve the supply of affordable housing units.

CMHC mortgage loan insurance provides access to preferred rates that can lower borrowing costs for the construction, purchase and refinancing of multi-unit properties and facilitates renewals throughout the life of the mortgage. In addition to mortgage loan insurance, CMHC offers a variety of services and products to support the development of rental properties, from planning, through construction, and beyond.

The information contained in this guide is solely intended to summarize, in a convenient format the principal products and related requirements taken into consideration by CMHC in its underwriting review to assist in better understanding CMHC's requirements. The reader should be aware that these requirements are subject to CMHC's underwriting and assessment and that, on a case-by-case basis, CMHC may require additional documentation or may impose more restrictive underwriting norms than those listed in this guide. The information contained in this guide is subject to change without notice.



# STANDARD RENTAL HOUSING

## AT-A-GLANCE

CMHC mortgage loan insurance enables Approved Lenders to offer greater financing choices to borrowers providing standard rental housing accommodations in multi-unit residential buildings.

Is your multi-unit project eligible for affordable housing flexibilities or an energy-efficient housing premium refund? Check out the Affordable Housing and Energy-Efficient Properties information sheets for helpful information.

### LOAN PURPOSE

Construction financing, purchase or refinance.

### PROPERTY TYPE AND SIZE

- Projects providing standard rental housing (self-contained units).
- Minimum project size of 5 units.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### MAXIMUM LOAN-TO-VALUE RATIO

**Construction financing:** up to 85% of lending value as determined by CMHC or 100% of cost, whichever amount is less.

**Purchase:** up to 85% of the purchase price or lending value as determined by CMHC, whichever amount is less.

**Refinance:** up to 85% of the lending value as determined by CMHC.

**Purchase/Refinance with improvements:** up to 85% of the 'as is' or 'as improved' lending value, as determined by CMHC.

### LOAN ADVANCING

#### Construction financing:

During construction the loan can be advanced up to 75% of costs or lending value, whichever is less. The advancing of additional funds is subject to rental achievement.

- Construction costs are to be reviewed and recommended by a quantity cost surveyor (flexibility may be provided in small markets).
- Construction must be completed under a fixed price contract with a general contractor or under a construction management arrangement.
- First and last advances must be approved by CMHC. The lender has the option to approve advances occurring between the first and last.

#### Purchase or refinance of existing properties with improvements:

- Where rental income is not disrupted during construction, the loan advances will be limited to the greater of 75% of the "as improved" value or 85% of the "as is" value.
- Where rental income is disrupted, the maximum advance allowed during construction is based on 75% of the "as improved" value. The advancing of additional funds is subject to rental achievement.



## RENTAL ACHIEVEMENT

Where loan advances are required above 75% level, authorization to advance will be given by CMHC once the Approved Lender has provided evidence acceptable to CMHC, that the property has achieved the projected rent level.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|                       |                                     | Minimum DCR                                     |
|-----------------------|-------------------------------------|---|
| Residential space     | Rental properties with 5 or 6 units | 1.10 (for purchase)<br>1.20 (for refinance)     |
|                       | Rental properties with 7+ units     | 1.20 (term 10+ years)<br>1.30 (term < 10 years) |
| Non-residential space | Rental properties 5+ units          | 1.40 (term 10+ years)<br>1.50 (term < 10 years) |

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate).

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

The borrower must demonstrate competence and experience commensurate with the size and type of property for which mortgage loan insurance is being sought. The borrower or a corporation affiliated with the borrower must have at least five years of demonstrated management experience in the operation and management of similar multi-unit residential

properties. Alternatively, a formal property management contract must be in place with a professional third party property management firm.

## BORROWER NET WORTH

The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000.

## GUARANTEE REQUIREMENTS

**Construction financing:** The borrower and guarantor must provide their covenant/guarantee for 100% of the outstanding amount owing under the housing loan from time to time until stabilized rents have been achieved for 12 consecutive months, at which time the additional guarantee required may be reduced to 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Purchase or refinance of existing properties:** For new loans on existing residential rental properties, the guarantee amount required by CMHC is 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Limited recourse:** Where a loan does not exceed 65% of lending value, as determined by CMHC, Approved Lenders may request that the loan be considered non-recourse to the borrower. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower.

CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees).

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**







# AFFORDABLE HOUSING

## AT-A-GLANCE

CMHC mortgage loan insurance offers flexibilities to encourage the construction, preservation and improvement of affordable rental properties, helping Canadians meet their rental housing needs. Flexibilities include higher loan-to-value ratios, lower debt coverage ratios, and reduced premiums.

Is your project eligible for an energy-efficient housing premium refund? Check out the Energy-Efficient Properties information sheet for helpful information.

**Option B:** The affordability requirement may be met if the proposal has been approved under other housing programs/initiatives (federal, provincial, territorial, or municipal) that provide support for development of affordable rental housing such as capital grants, municipal concessions or expedited planning processing.

In all cases, the borrower must commit to maintain affordability for a minimum of 10 years from the date of first occupancy of the project.

### PROPERTY TYPE AND SIZE

- New and existing affordable housing projects including: standard rental housing, single room occupancy (SRO), supportive housing and retirement homes.
- Minimum project size of 5 units except retirement homes where a minimum of 50 units/beds is required.

### AFFORDABILITY CRITERIA FOR EXISTING PROPERTIES

**Option A:** 80% of the units in the project must be at or below the 30<sup>th</sup> percentile of rents (available on [cmhc.ca](http://cmhc.ca)) in the subject market for units of a similar type (i.e. number of bedrooms); OR,

**Option B:** The affordability requirement may be met if the project has been approved under other housing programs/initiatives (federal, provincial, territorial, or municipal) that provide support for development/maintenance of affordable rental housing such as capital grants, municipal concessions, etc.

In all cases, the borrower must commit to maintain affordability for a minimum of 10 years from the interest adjustment date.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### AFFORDABILITY CRITERIA FOR NEW CONSTRUCTION

**Option A:** The total residential rental income of the project must be at least 10% below its potential residential rental income as supported by an appraisal report; and a minimum of 20% of the units must be affordable with rents at or below 30% of the median household income in the subject market (available on [Statistics Canada](http://Statistics Canada) website); OR



## ELIGIBLE TRANSACTIONS FOR EXISTING PROPERTIES

Financing must result in the preservation of affordable units.

**Option A:** eligible transactions are limited to refinance for capital repairs/improvements to the subject property.

**Options B:** eligible transactions include:

- Purchase of an affordable housing project (subject property).
- Refinance of subject property (with limitations on use of funds) restricted to:
  1. Completion of capital repairs/improvements on the subject property.
  2. Purchase and/or capital repairs/improvements to another existing affordable property.
  3. Construction of a new affordable housing property.

## MAXIMUM LOAN-TO-VALUE RATIO

**New construction:** residential component up to 95% loan-to-cost; non-residential component up to 75% loan-to-cost.

**Existing properties:** residential component up to 85% loan-to-value; non-residential component up to 75% loan-to-value.

## LOAN ADVANCING

**New construction:** the loan may be advanced up to 95% of costs during construction.

**Existing properties:** the loan may be advanced up to 85% of value.

The full loan is available once construction/improvement is complete.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|   | Minimum DCR* |
|---|--------------|
| Residential space:  |              |
| • Standard rental housing with 5+ units                   | 1.10         |
| • Other shelter models:                                   |              |
| • single room occupancy and supportive housing (5+ units) |              |
| • retirement homes (50+ units)                            | 1.20         |
| Non-residential space                                     | 1.40         |

\*Regardless of loan term, based on actual rents. Includes fees, premiums, and replacement reserves.

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate).

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## REPLACEMENT RESERVE REQUIREMENTS

To mitigate the risk from cash flow fluctuations and to ensure adequate funds are available for future capital repairs, replacement reserves have been established at a minimum of 2% effective gross income (EGI). Flexibility in reserve requirements may be considered and at CMHC's discretion, a higher replacement reserve could be required.





## PREMIUMS

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Reduced premiums apply. Please refer to the fees and premiums information sheet.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

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**Property Management Experience:** at least 5 years' experience operating a housing property of similar type and size.

**Credit and Repayment History:** at least break even cash flow over past 5 years with excellent credit and repayment history.

**Construction Management Experience:** have successfully completed a similar project on time and within budget. Alternatively, borrowers must enter into a fixed price contract with a general contractor who has experience building projects of similar size, cost, building form and construction type in the same market area. Borrowers must have a demonstrated ability to withstand unexpected increases in construction cost.

For newly formed groups, substitutes will be considered.

## BORROWER NET WORTH

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The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000. Flexibility in CMHC's standard net worth requirements may be available.

## GUARANTEE REQUIREMENTS

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**Construction financing:** the borrower and guarantor must provide their covenant / guarantee for 100% of the loan during construction and rent-up. After rent-up, when the project has achieved the rental income used in the underwriting of the loan, the loan may become non-recourse to the borrowers and guarantors for deficiency after enforcing the security on default.

**Purchase or refinance of existing properties:** for existing properties, with a LTV ratio up to 85%, the loan may be non-recourse to the borrowers and guarantors for deficiency after enforcing the security on default.

**Limited recourse:** CMHC will assess the application to determine eligibility for non-recourse lending. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower. Note that in accordance with CMHC policy, the borrower remains liable under a non-recourse loan for fraud and environmental liability.

In all cases, CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees).

## PREMIUM DISCOUNT TRANSFER

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The intent of the premium discount transfer is to create an incentive for housing investors to donate funds to non-profit groups without charitable status who are developing affordable housing. CMHC will provide additional information regarding premium discount upon request.

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*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

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**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**

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# RETIREMENT HOUSING

## AT-A-GLANCE

CMHC mortgage loan insurance helps Approved Lenders to provide greater financing options to borrowers offering retirement housing for seniors.

Is your multi-unit project eligible for affordable housing flexibilities or an energy-efficient housing premium refund? Check out the Affordable Housing and Energy-Efficient Properties information sheets for helpful information.

### LOAN PURPOSE

Construction financing, purchase or refinance.

### PROPERTY TYPE AND SIZE

- Projects providing accommodation for seniors requiring minimal to moderate levels of care in order to live independently.
- With minimum of 50+ units/beds and at least 75% providing single/private occupancy.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### MAXIMUM LOAN-TO-VALUE RATIO

Construction financing: up to 85% of lending value as determined by CMHC or 100% of cost, whichever amount is less.

Purchase: up to 85% of the purchase price or lending value as determined by CMHC, whichever amount is less.

Refinance: up to 85% of the lending value, as determined by CMHC.

Purchase/Refinance with improvements: up to 85% of the 'as is' or 'as improved' lending value as determined by CMHC.

### LOAN ADVANCING

#### Construction financing:

During construction the loan can be advanced up to 70% of costs or lending value, whichever is less. The advancing of additional funds is subject to rental achievement.

- Construction costs are to be reviewed and recommended by a quantity cost surveyor (flexibility may be provided in small markets).
- Construction must be completed under a fixed price contract with a general contractor or under a construction management arrangement.
- First and last advances must be approved by CMHC. The lender has the option to approve advances occurring between the first and last.

#### Purchase or refinance of existing properties with improvements:

- Where rental income is not disrupted during construction, the loan advances will be limited to the greater of 70% of the "as improved" value or 85% of the "as is" value.
- Where rental income is disrupted, the maximum advance allowed during construction is based on 70% of the "as improved" value. The advancing of additional funds is subject to rental achievement.

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## RENTAL ACHIEVEMENT

Where loan advances are required above 70% level, authorization to advance will be given by CMHC once the Approved Lender has provided evidence acceptable to CMHC, that the property has achieved the projected rent level.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|                                       | Minimum DCR                                     |
|---------------------------------------|---|
| Residential and non-residential space | 1.40 (term 10+ years)<br>1.50 (term < 10 years) |

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate)

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

The borrower or co-borrower must have a minimum of five years' experience in owning and operating similar facilities. Alternatively, the borrower may enter into a long term contract (minimum five years) with a third party property management firm that has demonstrated five years of successful experience in operating similar size and type of facilities.

## BORROWER NET WORTH

The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000.

## GUARANTEE REQUIREMENTS

**Construction financing:** The borrower and guarantor must provide their covenant / guarantee for 100% of the outstanding amount owing under the housing loan from time to time until stabilized rents have been achieved for 12 consecutive months, at which time the additional guarantee required may be reduced to 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Purchase or refinance of existing properties:** For new loans on existing residential rental properties, the guarantee amount required by CMHC is 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Limited recourse:** Where a loan does not exceed 65% of lending value, as determined by CMHC, Approved Lenders may request that the loan be considered non-recourse to the borrower. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower.

CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees).

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**



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The terms and conditions herein are in addition to and subject to CMHC's mortgage insurance standard terms and conditions and underwriting policies, unless specifically specified otherwise. The terms and conditions may change at any time.

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# SUPPORTIVE HOUSING

## AT-A-GLANCE

CMHC mortgage loan insurance assists Approved Lenders to offer financing options to borrowers providing supportive housing to help tenants stabilize their lives, enhance their independent living skills, and reconnect them with their communities.

Is your multi-unit project eligible for affordable housing flexibilities or an energy-efficient housing premium refund? Check out the Affordable Housing and Energy-Efficient Properties information sheets for helpful information.

**Purchase/Refinance with improvements:** up to 85% of the 'as is' or 'as improved' lending value, as determined by CMHC.

### LOAN PURPOSE

Construction financing, purchase or refinance.

### PROPERTY TYPE AND SIZE

- Projects providing tenants with housing that may include access to support staff onsite or offsite. The type of services provided to tenants may vary by project.
- Minimum project size of 5 units.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### MAXIMUM LOAN-TO-VALUE RATIO

**Construction financing:** up to 85% of lending value as determined by CMHC or 100% of cost, whichever amount is less.

**Purchase:** up to 85% of the purchase price or lending value as determined by CMHC, whichever amount is less.

**Refinance:** up to 85% of the lending value, as determined by CMHC.

### LOAN ADVANCING

#### Construction financing:

During construction the loan can be advanced up to 70% of costs or lending value, whichever is less. The advancing of additional funds is subject to rental achievement.

- Construction costs are to be reviewed and recommended by a quantity cost surveyor (flexibility may be provided in small markets).
- Construction must be completed under a fixed price contract with a general contractor or under a construction management arrangement.
- First and last advances must be approved by CMHC. The lender has the option to approve advances occurring between the first and last.

#### Purchase or refinance of existing properties with improvements:

- Where rental income is not disrupted during construction, the loan advances will be limited to the greater of 70% of the "as improved" value or 85% of the "as is" value.
- Where rental income is disrupted, the maximum advance allowed during construction is based on 70% of the "as improved" value. The advancing of additional funds is subject to rental achievement.



## RENTAL ACHIEVEMENT

Where loan advances are required above 70% level, authorization to advance will be given by CMHC once the Approved Lender has provided evidence acceptable to CMHC, that the property has achieved the projected rent level.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|                       |                                     | Minimum DCR  |
|-----------------------|-------------------------------------|--|
| Residential Space     | Rental properties with 5 or 6 units | 1.20   |
|                       | Rental properties with 7+ units     | 1.40 (term of 10+ years )<br>1.50 (term of less than 10 years) |
| Non-Residential Space | Rental properties 5+ units          | 1.40 (term of 10+ years )<br>1.50 (term of less than 10 years) |

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate).

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

The borrower or co-borrower must have a minimum of five years' experience in owning and operating similar facilities. Alternatively, the borrower may enter into a long term contract (minimum five years) with a third party property management firm that has demonstrated five years of successful experience in operating similar size and type of facilities.

## BORROWER NET WORTH

The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000.

## GUARANTEE REQUIREMENTS

**Construction financing:** The borrower and guarantor must provide their covenant / guarantee for 100% of the outstanding amount owing under the housing loan from time to time until stabilized rents have been achieved for 12 consecutive months, at which time the additional guarantee required may be reduced to 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Purchase or refinance of existing properties:** For new loans on existing residential rental properties, the guarantee amount required by CMHC is 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Limited recourse:** Where a loan does not exceed 65% of lending value, as determined by CMHC, Approved Lenders may request that the loan be considered non-recourse to the borrower. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower.

CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees).

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**



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# STUDENT HOUSING

## AT-A-GLANCE

CMHC mortgage loan insurance enables Approved Lenders to offer flexible loans for the construction, purchase and refinance of purpose-built student housing projects both on- and off-campus.

Is your student housing project eligible for an energy-efficient housing premium refund? Check out the Energy-Efficient Properties information sheets for helpful information.

**Purchase/Refinance with improvements:** up to 85% of the 'as is' or 'as improved' lending value, as determined by CMHC.

### LOAN PURPOSE

Construction financing, purchase or refinance.

### PROPERTY TYPE AND SIZE

- Purpose-built student housing projects with a minimum project size of 5 units.
- **On-campus:** self-contained and non self-contained units.
- **Off-campus:** only self-contained units with a maximum of 4 bedrooms per unit. Must be conveniently serviced by public transportation or within walking distance to campus.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### MAXIMUM LOAN-TO-VALUE RATIO

**Construction financing:** up to 85% of lending value as determined by CMHC or 100% of cost, whichever amount is less.

**Purchase:** up to 85% of the purchase price or lending value as determined by CMHC, whichever amount is less.

**Refinance:** up to 85% of the lending value, as determined by CMHC.

### LOAN ADVANCING

#### Construction financing:

During construction the loan can be advanced up to 75% of costs or lending value, whichever is less. The advancing of additional funds is subject to rental achievement.

- Construction costs are to be reviewed and recommended by a quantity cost surveyor (flexibility may be provided in small markets).
- Construction must be completed under a fixed price contract with a general contractor or under a construction management arrangement.
- First and last advances must be approved by CMHC. The lender has the option to approve advances occurring between the first and last.

#### Purchase or refinance of existing properties with improvements:

- Where rental income is not disrupted during construction, the loan advances will be limited to the greater of 75% of the "as improved" value or 85% of the "as is" value.
- Where rental income is disrupted, the maximum advance allowed during construction is based on 75% of the "as improved" value. The advancing of additional funds is subject to rental achievement.





## RENTAL ACHIEVEMENT

Where loan advances are required above 75% level, authorization to advance will be given by CMHC once the Approved Lender has provided evidence acceptable to CMHC, that the property has achieved the projected rent level.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|                       |                                     | Minimum DCR  |
|-----------------------|-------------------------------------|--|
| Residential Space     | Rental properties with 5 or 6 units | 1.20   |
|                       | Rental properties with 7+ units     | 1.30 (term of 10+ years )<br>1.40 (term of less than 10 years) |
| Non-Residential Space | Rental properties 5+ units          | 1.40 (term of 10+ years )<br>1.50 (term of less than 10 years) |

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate).

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

The borrower must demonstrate competence and experience commensurate with the size and type of property for which mortgage loan insurance is being sought. The borrower or a corporation affiliated with the borrower must have at least five years of demonstrated management experience in the operation and management of similar multi-unit residential

properties. Alternatively, a formal property management contract must be in place with a professional third party property management firm.

## BORROWER NET WORTH

- The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000.
- For construction of new student housing projects, the borrower must have the financial capacity to sustain one full year of operations including at 100% vacancy, assuming the property is not ready for occupancy at the beginning of the school year.

## GUARANTEE REQUIREMENTS

**Construction financing:** The borrower and guarantor must provide their covenant / guarantee for 100% of the outstanding amount owing under the housing loan from time to time until stabilized rents have been achieved for 12 consecutive months, at which time the additional guarantee required may be reduced to 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Purchase or refinance of existing properties:** For new loans on existing residential rental properties, the guarantee amount required by CMHC is 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Limited recourse:** Where a loan does not exceed 65% of lending value, as determined by CMHC, Approved Lenders may request that the loan be considered non-recourse to the borrower. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower.

CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees, guarantee from the educational institution).

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**



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# SINGLE ROOM OCCUPANCY

## AT-A-GLANCE

CMHC mortgage loan insurance assists Approved Lenders to offer greater financing choices to borrowers providing single private room accommodations within a multiple tenant building.

Is your multi-unit project eligible for affordable housing flexibilities or an energy-efficient housing premium refund? Check out the Affordable Housing and Energy-Efficient Properties information sheets for helpful information.

### LOAN PURPOSE

Construction financing, purchase or refinance.

### PROPERTY TYPE AND SIZE

- Single room occupancy (SRO) projects with a minimum of 5+ units.
- Provides short- to long-term accommodation as a single private room within a multiple tenant building. Residents have access to shared bathrooms and sometimes shared cooking facilities.
- Co-living is assessed using the same underwriting principles as SRO applications. Furnished suites may be considered as part of co-living applications.

### NON-RESIDENTIAL COMPONENT

Not to exceed 30% of gross floor area nor 30% of total lending value. Loan relating to non-residential component must not exceed 75% of lending value of non-residential component.

### MAXIMUM LOAN-TO-VALUE RATIO

**Construction financing:** up to 85% of lending value as determined by CMHC or 100% of cost, whichever amount is less.

**Purchase:** up to 85% of the purchase price or lending value as determined by CMHC, whichever amount is less.

**Refinance:** up to 85% of the lending value, as determined by CMHC.

**Purchase/Refinance with improvements:** up to 85% of the 'as is' or 'as improved' lending value, as determined by CMHC.

### LOAN ADVANCING

#### Construction financing:

During construction the loan can be advanced up to 75% of costs or lending value, whichever is less. The advancing of additional funds is subject to rental achievement.

- Construction costs are to be reviewed and recommended by a quantity cost surveyor (flexibility may be provided in small markets).
- Construction must be completed under a fixed price contract with a general contractor or under a construction management arrangement.
- First and last advances must be approved by CMHC. The lender has the option to approve advances occurring between the first and last.

#### Purchase or refinance of existing properties with improvements:

- Where rental income is not disrupted during construction, the loan advances will be limited to the greater of 75% of the "as improved" value or 85% of the "as is" value.
- Where rental income is disrupted, the maximum advance allowed during construction is based on 75% of the "as improved" value. The advancing of additional funds is subject to rental achievement.



## RENTAL ACHIEVEMENT

Where loan advances are required above 75% level, authorization to advance will be given by CMHC once the Approved Lender has provided evidence acceptable to CMHC, that the property has achieved the projected rent level.

## MINIMUM DEBT COVERAGE RATIO REQUIREMENTS

|                       |                                     | Minimum DCR                                     |
|-----------------------|-------------------------------------|---|
| Residential space     | Rental properties with 5 or 6 units | 1.20  |
|                       | Rental properties with 7+ units     | 1.20 (term 10+ years)<br>1.30 (term < 10 years) |
| Non-residential space | Rental properties 5+ units          | 1.40 (term 10+ years)<br>1.50 (term < 10 years) |

## INTEREST RATE

Fixed interest rate or floating (with ceiling rate).

## AMORTIZATION

CMHC may consider amortization periods of up to 40 years. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC.

## SECURITY TYPE

First, second and pari passu mortgages are permitted. Second mortgages are permitted as an interim measure.

## GENERAL GUIDELINES FOR BORROWER ELIGIBILITY

The borrower must demonstrate competence and experience commensurate with the size and type of property for which mortgage loan insurance is being sought. The borrower or a corporation affiliated with the borrower must have at least five years of demonstrated management experience in the operation and management of similar multi-unit residential properties. Alternatively, a formal property management contract must be in place with a professional third party property management firm.

## BORROWER NET WORTH

The borrower must have minimum net worth equal to at least 25% of the loan amount being requested, with a minimum of \$100,000.

## GUARANTEE REQUIREMENTS

**Construction financing:** The borrower and guarantor must provide their covenant/guarantee for 100% of the outstanding amount owing under the housing loan from time to time until stabilized rents have been achieved for 12 consecutive months, at which time the additional guarantee required may be reduced to 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Purchase or refinance of existing properties:** For new loans on existing residential rental properties, the guarantee amount required by CMHC is 40% of the outstanding loan amount owing under the mortgage, from time to time.

**Limited recourse:** Where a loan does not exceed 65% of lending value, as determined by CMHC, Approved Lenders may request that the loan be considered non-recourse to the borrower. The recourse of the Approved Lender shall be limited to the property and the other assets taken as security and not personally against the borrower.

CMHC may require additional risk mitigation measures as it deems appropriate (e.g. equity retention, replacement reserves, collateral security, personal guarantees).

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**





# ENERGY-EFFICIENT PROPERTIES

## AT-A-GLANCE

CMHC offers mortgage loan insurance premium savings of up to 15% through a premium reduction or refund, when constructing multi-unit housing or improving the energy efficiency of existing projects.

CMHC's website offers a wealth of energy-saving information and ideas on reducing energy and water consumption in multi-unit residential buildings.

### LOAN PURPOSE

New construction, purchase or refinance where energy efficiency improvements are being undertaken.

### ENERGY-EFFICIENT PREMIUM REFUND

Based on when energy efficiency savings are demonstrated, borrowers have the option of either receiving an upfront premium reduction or a premium refund as follows:

- **New Construction:** 10% premium reduction/refund to the total premium due or paid, including any surcharges, will be provided for all qualified new construction projects.
- **Existing Buildings (retrofit):** A premium reduction/refund will be limited to the lesser of
  1. the overall percentage reduction in energy consumption up to a maximum of 15%; or
  2. total eligible energy-efficient capital investment expenditures.

### ENERGY-EFFICIENT CRITERIA

- **New Construction:** The building is required to be the higher of 5% more energy-efficient than if constructed to meet provincial/territorial requirements (where they exist) **OR** 5% more energy-efficient than if constructed to meet the National Energy Code for Buildings (NECB).
- **Existing Buildings (retrofit):** No minimum threshold for the anticipated reduction in energy consumption. The reduction in energy consumption must be the result of the owner's or builder's capital investment in the structure.

### RECOGNITION OF ENERGY SAVINGS IN VALUATION

CMHC will continue to include the anticipated lower energy costs when calculating net operating income to determine property lending value.



## DOCUMENTATION REQUIREMENTS

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The anticipated or actual reduction in energy consumption is required to be demonstrated to CMHC. This can be shown through a variety of documents, but not limited to:

- Design proposals or energy retrofit plan and post commissioning reports or post retrofit reports prepared by qualified energy management professionals (in-house reports must be validated) and signed by a Licensed Professional Engineer or a Certified Engineering Technologist); or
- Reports from other government agencies and energy companies that provide grants; or
- To demonstrate a reduction in annual energy consumption, the borrower may provide invoices/bills. These are to be provided for the 12-month period prior to the improvements and the 12-month period after the improvements have been completed, for comparison.
- For existing buildings, all requests must include at minimum, information on energy consumption volumes (costs for the various energy sources) and the costs related to energy-efficient improvements.

## TIMING FOR PREMIUM REDUCTION/ REFUND REQUESTS

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The Approved Lender is responsible for submitting all the required documentation to CMHC no later than 15 months after all the improvements have been completed.

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**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**

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MULTI-UNIT

# CMHC MULTI-UNIT FEES AND PREMIUMS

## AT-A-GLANCE

CMHC mortgage loan insurance helps Approved Lenders offer insured financing at interest rates comparable to those generally reserved for borrowers with larger down payments. The premiums are generally more than offset by the savings from lower interest rates. The complete set of application fees and premiums are provided below.

### APPLICATION FEES

The application fees are based on a per unit/bed basis and are payable by the lender at the time of the application. If the application is declined by CMHC or withdrawn by the lender, CMHC will retain a portion of the application fee (minimum of 10%) which in its opinion covers the work done and resources used in processing and reviewing the application. CMHC will retain the full fee once a certificate of insurance is issued. The application fee may be added to the insured loan amount. After issuance of the Certificate of Insurance, subsequent changes to the loan will be subject to post approval fees.

|  | Construction Advances  | No Construction Advances                      |
|--|--|---|
| Properties with 5+ units:  | \$200 per unit or bed  | \$150 per unit or \$100 per bed               |
| For the first (number of units/beds):  | 100 units or beds  | 100 units or beds                             |
| Then:  | \$100 per unit or bed  | \$100 per unit or bed                         |
| To a maximum of:   | \$55,000 per loan  | \$50,000 per loan                             |
| Additional fee for CMHC-approved advances:   | \$350 per advance (beginning with the 3 <sup>rd</sup> advance) | Not applicable (two advances are permissible) |
| Additional fee for non-residential components when the loan amount relating to non-residential components exceeds \$100,000: | 0.30% of the non-residential loan amount                       | 0.30% of the non-residential loan amount      |

### INSURANCE PREMIUMS

The mortgage loan insurance premium, including any applicable surcharges, is an up-front charge to the lender which represents the total cost of insuring a mortgage. The premium may be added to the mortgage and is non-refundable (provincial tax cannot be added to the insured loan amount). For progress advances the premium is due and payable by the lender to CMHC as the mortgage funds are advanced.

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### Standard Rental Housing

| Loan-to-value           | Market Rental      |                        | Affordable Rental  |                        |
|-------------------------|--------------------|------------------------|--------------------|------------------------|
|                         | Purchase/Refinance | Construction Financing | Purchase/Refinance | Construction Financing |
| Up to and including 65% | 1.75%              | 2.50%                  | 1.50%              | 1.85%                  |
| Up to and including 70% | 2.00%              | 3.00%                  | 1.60%              | 1.95%                  |
| Up to and including 75% | 2.50%              | 3.50%                  | 1.70%              | 2.10%                  |
| Up to and including 80% | 3.50%              | 4.25%                  | 1.85%              | 2.30%                  |
| Up to and including 85% | 4.50%              | 5.25%                  | 2.05%              | 2.50%                  |
| Up to and including 90% |                    |                        |                    | 2.75%                  |
| Greater than 90%        |                    |                        |                    | 3.00%                  |

### Student Housing\*/Single Room Occupancy (SRO)

| Loan-to-value           | Market Rental      |                        | Affordable Rental (SRO only) |                        |
|-------------------------|--------------------|------------------------|------------------------------|------------------------|
|                         | Purchase/Refinance | Construction Financing | Purchase/Refinance           | Construction Financing |
| Up to and including 65% | 2.50%              | 3.25%                  | 1.85%                        | 2.15%                  |
| Up to and including 70% | 3.00%              | 3.75%                  | 1.95%                        | 2.25%                  |
| Up to and including 75% | 3.50%              | 4.25%                  | 2.10%                        | 2.45%                  |
| Up to and including 80% | 4.25%              | 5.00%                  | 2.30%                        | 2.65%                  |
| Up to and including 85% | 5.25%              | 5.75%                  | 2.50%                        | 2.85%                  |
| Up to and including 90% |                    |                        |                              | 3.05%                  |
| Greater than 90%        |                    |                        |                              | 3.30%                  |

\*Student housing is not eligible for affordable housing flexibilities.

### Retirement and Supportive Housing

| Loan-to-value           | Market Rental      |                        | Affordable Rental  |                        |
|-------------------------|--------------------|------------------------|--------------------|------------------------|
|                         | Purchase/Refinance | Construction Financing | Purchase/Refinance | Construction Financing |
| Up to and including 65% | 3.25%              | 4.00%                  | 2.15%              | 2.25%                  |
| Up to and including 70% | 3.75%              | 4.50%                  | 2.25%              | 2.45%                  |
| Up to and including 75% | 4.25%              | 5.00%                  | 2.45%              | 2.65%                  |
| Up to and including 80% | 5.00%              | 5.50%                  | 2.65%              | 2.85%                  |
| Up to and including 85% | 5.75%              | 6.25%                  | 2.85%              | 3.10%                  |
| Up to and including 90% |                    |                        |                    | 3.35%                  |
| Greater than 90%        |                    |                        |                    | 3.60%                  |





## PREMIUM SURCHARGES

The following surcharges may apply:

- **Amortization extensions:** 0.25% for each five-year period beyond 25 years, up to and including 40 years.
- **Non-residential spaces:** 1% applied to the portion of the loan attributable to the non-residential spaces.
- **Second mortgages:** 0.50% is applicable to the outstanding balance of the first mortgage loan only.

## PREMIUM CREDIT FOR THE REFINANCE OF AN EXISTING CMHC-INSURED LOAN

- The premium payable on a refinance application is the full applicable rental premium on the total loan amount (additional funds plus outstanding balance of existing mortgage).
- The borrower may be entitled to a premium credit if the refinance application is received within 7 years on a mortgage that was previously CMHC-insured.
- The credit is not available on second mortgage surcharges and a minimum premium applies.

| Years since previous transaction | Credit (% of original premium) |
|----------------------------------|--------------------------------|
| Up to and including 1            | 75%                            |
| Up to and including 2            | 70%                            |
| Up to and including 3            | 60%                            |
| Up to and including 4            | 50%                            |
| Up to and including 5            | 40%                            |
| Up to and including 6            | 30%                            |
| Up to and including 7            | 20%                            |

### Top-Up Option:

When refinancing an existing CMHC-insured loan, where the new loan-to-value ratio is equal to or less than 65%, an option is to pay the premium on the incremental amount (top-up) only. Premium credits are not available under this scenario. The amortization period on both the existing mortgage and the additional funds are limited to the remaining amortization period of the existing loan.

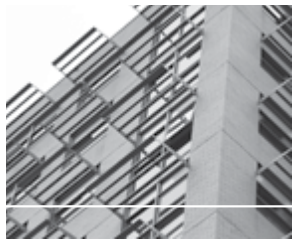
## ENERGY-EFFICIENT PREMIUM REDUCTIONS/REFUNDS

Premium reductions and refunds are available with CMHC multi-unit insured financing for new construction, refinance or purchase where energy efficiency improvements are being undertaken. Check out the Energy-Efficient Properties information sheet for more details.

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**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**





# REQUIRED DOCUMENTATION

## AT-A-GLANCE

Your time is important. To avoid unnecessary delays, the required documentation list provided below will help you prepare the information package needed to initiate the underwriting review.

Is your multi-unit project eligible for affordable housing flexibilities or an energy-efficient housing premium refund? Check out the Affordable Housing and Energy-Efficient Properties information sheets for helpful information.

### LOAN-RELATED DOCUMENTATION AND APPLICATION FEE

- Signed Request—Certificate of Insurance (CMHC 60335).
- Application fee

#### Confirmation of the following:

- Existing loan balance(s) (at estimated date of funding) related to a refinance application scenario.
- Pari passu or second mortgage amount requested (if applicable).
- Details regarding all existing registered encumbrances including outstanding balances, term and amortization remaining, interest rate and monthly payments (principal and interest) and, if applicable, intended use of funds.

### PROPERTY-RELATED DOCUMENTATION

#### General documentation requirements:

- Approved Lender's detailed description of the property including age, construction type, number and type of units, unit size(s), condition, number of parking spaces (interior/ exterior), heating type and any amenities (fitness room, etc.).

- Income/expense analysis on lender's form or CMHC 60335; recommendation on value, with market data to support; an explanation of the income, expenses, vacancy rate and capitalization rate used in lender's valuation; and, for building types with 7+ units, interior and exterior photos of the subject property as required.
- Projected income and expenses for new construction.
- Prior to the first advance of the insurable loan, CMHC's standardized letter from the lender confirming the Phase I Environmental Site Assessment for the subject property (building types with 7+ units) conforms to CMHC policy relating to environmental risks.
- For building types with 24-units or less, a current property appraisal report is required. A current property condition report is optional and may facilitate the processing of the application.
- Three years of historical detailed operating statements with actual income and expenses for the subject property.
- Current detailed operating statements for the subject property and/or copies of property taxes, insurance and utilities invoices for the most recent 12-month period.

### **For properties with 5 or 6 units provide the following:**

- For properties with 5 or 6 units, in addition to a current property appraisal report, include forms that outline the income and expenses for the property.

### **For properties with non-residential space, provide the following:**

- Total gross square footage of the building and total gross square footage allocated to non-residential space.
- Copies of non-residential leases, lease renewal options/agreements, number of interior parking spaces designated for commercial tenants.
- Details of ancillary income (antenna/communication installations, etc.).
- Approved Lender's analysis of income/expenses and stand-alone valuation of the non-residential space with market support/comparables.

### **Current rent roll for the subject property with the following:**

- Rent effective dates (for new construction, move-in dates).
- Unit numbers, unit type, square footage, etc.
- Any vacant units identified.
- Any unauthorized or non-compliant units identified.
- Utilities, cable, phone, services, parking, amenities, appliances, etc. included in the rent and any rental incentives.
- Details of any furnished units (unit number, furniture included, base rent and additional charges for furniture).
- For bulk leases: number of units covered, copies of the lease and any other pertinent details.
- For purchase transactions, a copy of the executed purchase and sale agreement, if applicable, including all signed and dated amendments, schedules, etc.
- Appropriate documentation (contracts, plans, specifications, quantity surveyor's report, capital expenditures plan, etc.) to support the cost of any repairs.
- Contact information for inspection, including name, telephone number and e-mail address of the person to be contacted.

### **For new construction projects provide the following:**

- One set of suite layouts and details/specifications regarding finishes and amenities.
- Copies of the following:
  - Most current/final construction budget including breakdown of total cost (for example, land value/cost, hard costs, soft costs, contingency, taxes, etc.).
  - All signed contracts (if available).
  - Documentation supporting the construction budget including specifications and quantity surveyor's report.

### **For retirement housing projects provide the following:**

- Project description including history and background of facility, number and type of units or rooms, amenities and services offered.
- Where applicable, copies of the following:
  - Service agreements.
  - Most recent provincial/territorial authority's inspection report.
  - Licence.
  - Accreditation reports.
  - Union contracts including any new negotiated wage increases.

### **For properties with leasehold tenure provide the following:**

- Copy of ground lease with the Approved Lender's opinion, supported by the Approved Lender's solicitor's opinion, regarding compliance with CMHC policy.

### **For affordable housing projects provide the following:**

- Copies of all the following:
  - Third-party contribution agreements.
  - Rent supplement agreements.
  - Operating subsidy agreements.
- In lieu of the agreements, CMHC may accept letters of intent for the above.
- A property appraisal report is required for properties with 24-units or less, and may also be required in other situations.





## BORROWER-RELATED DOCUMENTATION

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- Current credit reports for borrowers and guarantors (individuals and corporations).
- Up-to-date personal net worth statements for all individual borrowers/guarantors, including details for any real property held: property type, address, number of units or sq. ft., description, actual income and expenses, mortgage balance, mortgage payment and value, and listing of all personal debt, including outstanding balances and monthly payment requirements.
- Approved Lender's validation of substantive asset values (bank statements, property tax assessments, etc.) as well as analysis and calculation of DCR and LTV based on actual operating results.
- For individual borrowers/guarantors, a copy of the previous year's income tax return, including the statement of real estate form for the subject property, and any other rental properties, and Notice of Assessment, if available.
- For corporate borrowers/guarantors, financial statements for the most recent three years.
- For corporate borrowers, the type of organizational structure (sole proprietorship, limited company, partnership, bare trust, etc.), the ownership of the entity (including percentage ownership), key individuals, their responsibilities and reporting relationships. Borrowers to provide an organization chart describing the relationship with associated entities/subsidiaries, and identification of any beneficial owners of the subject property and all borrowers and guarantors.
- For trusts provide names of the beneficiaries and trustees of the trust, with net worth information. If the beneficiaries/trustees are unable to provide a guarantee for the loan, provide rationale as to why.
- Details of the borrower's past property management experience and resumé(s) of the manager if different from the borrower (for example, type and size of projects, years of experience, location, etc.).

- Substantiation of the amount and source of the down payment and, if applicable, details of any vendor take-back or second mortgage (amount, interest rate, amortization, repayment terms).
- For refinance submissions, Lender's confirmation that the subject mortgage debt repayment and real estate taxes of the borrowers/guarantors are current.
- For borrowers with active construction projects, a listing of all projects owned and under construction, including type, number of units, location, completion date for new construction, current debt, current value, and income and expenses as well as number and dollar amount of presales for condo projects.

## MARKET-RELATED DOCUMENTATION

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A feasibility/market study, as required in circumstances where market demand and pricing cannot be adequately substantiated by lender/borrower or for larger new construction, retirement homes, student housing, supportive housing, single room occupancy projects and larger existing properties with substantial changes or conversion projects.

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**CMHC may at its discretion request any additional information it deems necessary to properly assess an application.**

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**For additional information on fees and premiums, and multi-unit products, please refer to the applicable information sheet.**  
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# REPLACEMENT OF COVENANT

## AT-A-GLANCE

As a general rule, CMHC does not permit the outright release of parties from their borrower covenants and guarantees unless they are replaced with satisfactory replacement borrowers or guarantors. A change in borrower structure involving a replacement of a borrower and/or a guarantor for a loan on a multi-unit property requires CMHC approval. Where covenants are replaced, the guarantee amounts remain the same as per the original loan commitment. The Approved Lender is responsible for ensuring the validity and enforceability of the covenants for the full amortization of the loan. In certain circumstances, the conditions of the mortgage loan insurance may be revised, for example, reduction of the loan amount, requirement for replacement reserves, requirement for additional security, etc.

A recommendation to replace the borrower and/or guarantor covenant must be submitted by the Approved Lender to CMHC along with supporting documentation.

## LOAN-RELATED DOCUMENTATION AND APPLICATION FEE

As a minimum, the following support documentation is required for replacement of covenant of borrower and guarantor requests:

- Signed Request—Certificate of Insurance (CMHC 60335).
- A fee of \$100 per unit or bed up to a maximum of \$35,000 per loan. No fee for commercial space.

### Confirmation of the following:

- CMHC account number, current borrower name and address of the property and the reasons for the request.
- Details regarding all existing registered encumbrances on the property including outstanding balances, term and amortization remaining, interest rate and monthly payments.

## PROPERTY-RELATED DOCUMENTATION

- Current market value of the property (income/expense analysis on lender's form or CMHC 60335) including analysis of income/expenses and stand-alone valuation of the non-residential space and details of ancillary income (antenna/communication installations, etc.).
- Current rent roll for the subject property with the following:
  1. Effective date.
  2. Number and type of units.
  3. Any vacant units identified.
  4. Any unauthorized or non-compliant units identified.
  5. Utilities, cable, phone, services, parking, amenities, appliances, etc. included in the rent and any rental incentives.
  6. Details of any furnished units (unit number, furniture included, base rent and additional charges for furniture).
  7. For bulk leases: number of units covered, copies of the lease and any other pertinent details.
- In the case of assumption of mortgage proposals, a copy of the executed purchase and sale agreement and confirmation that the mortgage covenants have been legally assumed by the present owner through an assumption agreement.



## BORROWER/GUARANTOR-RELATED DOCUMENTATION

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- New borrower structure, including name(s) of applicant(s) to be considered for replacement of covenant.
- An opinion as to the ability of the new borrower to continue to carry the mortgage obligation as well as bank references, including the Approved Lender's confirmation that debts are current.
- A summary of the new borrower's real estate and property management experience and capacity to manage a multi-unit property effectively.
- Personal net worth statements for all individual borrowers/guarantors.
- Approved Lender's validation of substantive asset and values (bank statements, property tax assessments, etc.).
- A listing of all other rental properties owned by the borrower(s) and guarantor(s) or under construction, including type, number of units, address, completion date for new construction, mortgage balance, current demonstrated value, debt service costs including mortgage payments, as well as actual income and expenses for each of the properties.
- For individual borrowers/guarantors, a copy of the previous year's income tax return, including the Statement of Real Estate Rentals form for the subject property (if applicable) and any other rental properties, and Notice of Assessment, if available.
- For corporate borrowers, the type of organizational structure (sole proprietorship, limited company, partnership, trust, etc.), the ownership of the entity (including percentage ownership), key individuals, their responsibilities and reporting relationships; borrowers are to provide a current organization chart describing the relationships with associated entities/subsidiaries, and identify any beneficial owners of the subject property.
- For corporate borrowers/guarantors, financial statements for the most recent three years.
- Current credit reports for all borrowers and guarantors (individuals and corporations).

- For trusts, provide names of the beneficiaries and trustees of the trust, with net worth information. If the beneficiaries/trustees are unable to provide a guarantee for the loan, provide rationale as to why.
- Substantiation of the amount and source of the down payment and, if applicable, details of any balance of sale from the vendor or second mortgage (amount, interest rate, amortization, repayment terms).

### **CMHC may at its discretion request any additional information it deems necessary to properly assess an application.**

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**cmhc.ca/multi-unit**

For properties located in Quebec and East: [MultiIns-Servicing\\_QcEast@cmhc.ca](mailto:MultiIns-Servicing_QcEast@cmhc.ca)  
For properties located in Ontario and West: [MultiIns-Servicing\\_OntWest@cmhc.ca](mailto:MultiIns-Servicing_OntWest@cmhc.ca)

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# Funding Opportunities

## Seed Funding

CMHC can help cover some of the soft costs associated with planning your affordable housing project. Seed Funding is available in the form of a non-repayable contribution of up to \$50,000. Additional funds may be made available in the form of a fully repayable, interest-free loan of up to \$200,000. For more information visit [cmhc.ca/seedfunding](http://cmhc.ca/seedfunding).

## Innovation Funding

We're looking for unique ideas that will revolutionize the rental housing sector. CMHC has a \$200M fund to help turn innovative ideas into reality. For more information visit [cmhc.ca/innovationfund](http://cmhc.ca/innovationfund).

## Rental Construction Financing Initiative

Lower-cost loans are available to housing developers and municipalities during the early stages of project development. Starting in 2017, up to \$625 million in loans will be available each year for four years to encourage the construction of more than 14,000 new affordable rental housing units. For more information visit [cmhc.ca/financinginitiative](http://cmhc.ca/financinginitiative).



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