

Multi-unit

Required Documentation Guide



At-a-glance

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

Is your multi-unit project eligible for affordability, accessibility or energy efficiency incentives? Check out the **MLI Select page** on our website for more information.

For more information, please visit cmhc.ca/mliproducts or call **1-877 multi GO** (1-877-685-8446).

Loan-Related Documentation

For all loan purposes:

- A completed Request for Certificate of Insurance authorized by the Approved Lender.
- Substantiation of the amount and source of equity/down payment.

For purchase transactions of existing properties:

- Copy of the executed purchase and sale agreement, including all signed and dated amendments, schedules, etc.

For new construction (construction financing/ completion take-out financing):

- Most current/final construction budget including a detailed breakdown of costs (for example, land value/cost, hard costs, soft costs, contingency, taxes, etc.).
- For purchase transactions of newly constructed properties, a copy of the executed purchase and sale agreement, including all signed and dated amendments, schedules, etc.

To request an alternate format, please contact us at:

1-800-668-2642
contactcentre@cmhc.ca

700 Montreal Road,
Ottawa, Ontario K1A 0P7

Canada



For refinance transactions:

- Existing loan balance(s) (at estimated date of funding).
- 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.
- Confirmation that the subject mortgage debt repayment and real estate taxes of the borrowers/guarantors are current.

Additional Requirements (if applicable):

- Pari passu or second mortgage amount requested.
- Details of any vendor take-back or second mortgage (amount, interest rate, amortization, repayment terms).

Property-Related Documentation**General 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.).
- Actual or projected income/expense analysis including an explanation of the income, expenses, vacancy rate and capitalization rate used in Approved Lender's valuation.
- Recommendation on property value, with market data to support.
- Current property appraisal report, accompanied by a signed reliance letter from the third-party appraiser confirming that the appraisal report can be relied upon by the Approved Lender and CMHC for the purposes of the insured loan.
- Current or pro forma rent roll of the subject property with the following:
 - rent effective dates (for new construction, move-in dates).
 - unit numbers, unit type, square footage, etc.
 - any vacant and/or 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).
- Contact information for inspection, including name, telephone number and e-mail address of the person to be contacted.



For existing properties:

- Three years of detailed operating statements with actual income and expenses for the subject property.
- Copies of property taxes, insurance and utilities invoices for the most recent 12-month period.
- Appropriate documentation (contracts, plans, specifications, quantity surveyor's report, capital expenditures plan, etc.) to support the cost of any repairs.

For new construction projects:

- In the case of confirmed soil or ground water contamination, the Environmental Site Assessment (ESA) report(s) for the subject property and a signed reliance letter from the third-party assessor confirming that the ESA report(s) can be relied upon for the purposes of the insured loan.

Additional requirements (if applicable):**For properties with non-residential space:**

- 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, details (sq. ft.) 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.

For bulk leases:

- Number of units covered, copies of the lease and any other pertinent details.

For retirement housing projects:

- Project description including history and background of facility, number and type of units or rooms, amenities and services offered.

For properties with leasehold tenure:

- 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 social or affordable housing projects:

- Third-party contribution agreements.
- Rent supplement agreements.
- Operating subsidy agreements.
- In lieu of the above noted agreements, CMHC may accept letters of intent.

Borrower-Related Documentation**General requirements:**

- Approved Lender's validation of substantive asset values (bank statements, property tax assessments, etc.).
- 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.).
- Portfolio summary analysis:
 - for all borrowers/guarantors with existing rental properties: a complete portfolio summary analysis including property type, address, number of units, sq. ft., description, actual income and expenses, mortgage balance, mortgage payment, value, and calculation of DCR and LTV based on actual operating results.
 - for all borrowers with active construction projects: a listing of all projects under construction, including type, number of units, location, completion date, construction cost/budget, current debt, and current value.

Individual borrowers/guarantors:

- Up-to-date personal net worth statements.
- Copy of the previous year's income tax return, including the statement of real estate rentals (Canada Revenue Agency form T776) for all rental properties, including the subject property, as applicable.
- Current credit reports.

Corporate entities:*Borrowers:*

- Organization chart describing the relationship with associated entities/subsidiaries, and identification of any beneficial owners of the subject property.
- Type of organizational structure (corporation, partnership, REIT, trust, etc.); the ownership of the entity (including percentage ownership); key individuals and their responsibilities and reporting relationships.

Borrowers and guarantors:

- Financial statements for the most recent three years.
- Current credit reports.

Trusts:

- Names of the beneficiaries and trustees of the trust, with net worth information, and indication if the guarantee of a beneficiary/trustee of the trust is unavailable or if the beneficiaries/trustees are unable to provide a guarantee for the loan.

Market-Related Documentation

- Feasibility/market study, when market demand and pricing cannot be adequately substantiated by the Approved Lender/borrower, or for the following:
 - larger new construction projects.
 - larger existing properties undergoing substantial changes or conversions.
 - new retirement housing projects.
 - new student housing projects including non-stabilized properties.
 - single room occupancy projects.
 - supportive housing projects.

MLI Select-Related Documentation

Additional documentation is required for those applying for MLI Select. For more information on these requirements, please consult the MLI Select Required Documentation Guide.

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

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