



MORTGAGE LOAN INSURANCE CMHC NEWCOMERS

Facilitating housing choice for newcomers to Canada

The CMHC Newcomers program is available to borrowers with permanent and non-permanent residence status. The program helps them access housing they can afford and meets their needs.

HIGHLIGHTS

✓ ACCESSIBLE TO PERMANENT AND NON-PERMANENT RESIDENTS

A **permanent resident** is someone who has been given permanent resident status by immigrating to Canada, but is not a Canadian citizen. Permanent residents are citizens of other countries (source: Citizenship and Immigration Canada Website).

A **non-permanent resident** is legally authorized to work in Canada (i.e. work permit).

✓ ESTABLISHING CREDITWORTHINESS

Permanent residents

- At least one borrower (or guarantor) must have a minimum credit score of 600. In certain circumstances, a higher recommended minimum credit score may be required.
- CMHC may consider alternative methods* of establishing creditworthiness for borrowers without a credit history. Examples of borrowers without a credit history could include recent graduates and newly divorced.

Non-permanent residents

- **U.S. country of origin:** In the absence of a sufficient credit report from a Canadian credit reporting agency, CMHC will obtain an international credit report.
- **For all other countries:** where the creditworthiness cannot be verified through an int'l credit record, mortgage professionals should ask the borrower to provide a letter of reference from their financial institution in their country of origin.

*Examples of alternative sources of credit may include confirmation of payment of rent or room and board, plus one additional financial obligation or documented regular savings, for the preceding 12 months. If confirmation of rent payments is not available, the borrower should provide verification of three other types of obligations, over the preceding 12 month period, including but not limited to: utilities, cable, childcare expenses, insurance premiums, or documented regular savings.

The back page contains eligibility requirements applicable to this program.

For more information about CMHC mortgage loan insurance programs, please visit cmhc.ca/mliprograms or call **1-888 GO emili** (463-6454).



ELIGIBILITY REQUIREMENTS

		HOMEOWNER LOANS (OWNER-OCCUPIED)*	SMALL RENTAL LOANS (NON-OWNER OCCUPIED)
Loan-to-Value (LTV) Ratio	PERMANENT RESIDENTS	1 – 2 units: up to 95% LTV 3 – 4 units: up to 90% LTV	Up to 80% LTV 2 – 4 units
	NON-PERMANENT RESIDENTS	1 unit, owner occupied: up to 90% LTV	
Minimum Equity Requirement		1 – 2 units: 5% of the first \$500,000 of lending value and 10% of the remainder of the lending value. 3 – 4 units: 10%	20%
Purchase Price / Lending Value		The maximum purchase price / lending value or as-improved property value must be below \$1,000,000.	
Amortization		The maximum amortization period is 25 years.	
Location		The property must be located in Canada, be suitable and available for full time / year round occupancy and have year round access including homes located on an island (via a vehicular bridge or ferry).	
Traditional down payment		A traditional down payment comes from sources such as savings, sale of a property, or a non-repayable financial gift from a relative.	
Non-traditional down payment (homeowner loans only)	PERMANENT RESIDENTS	<ul style="list-style-type: none"> ▪ The down payment must be arm's length and not tied to the purchase and sale of the property, either directly or indirectly such as unsecured personal loans or unsecured lines of credit. ▪ Available for 1 – 2 units, 90.01% to 95% LTV, with a recommended minimum credit score of 650. ▪ Not available for chattel mortgages. 	
Debt Service Guideline		<ul style="list-style-type: none"> ▪ Standard threshold: GDS 35% / TDS 42%. ▪ Maximum threshold: GDS 39% / TDS 44% (recommended minimum credit score of 680). ▪ CMHC considers the strength of the overall loan insurance application including the recommended minimum credit scores. 	
Interest Rate		<ul style="list-style-type: none"> ▪ The GDS and TDS ratios must be calculated using an interest rate which is the greater of the contract interest rate or the Bank of Canada's 5-year conventional mortgage interest rate. ▪ Fixed, capped and standard variable, and adjustable. 	
Advancing options	PERMANENT RESIDENTS	<ul style="list-style-type: none"> ▪ Single advances: improvement costs ≤ 10% of the as-improved value. ▪ Progress advances: new construction financing or improvement costs > 10% of the as-improved value. <ul style="list-style-type: none"> - Full Service: CMHC validation of advances for up to 4 consecutive advances at no cost. - Basic Service: Lender validation of advances without pre-approval from CMHC. 	

*CMHC-insured financing is available for one property per borrower/co-borrower at any given time.