

Homeowner

CMHC Prefab Plus



Offering more choice to homebuyers looking to purchase prefabricated homes.

CMHC Prefab Plus offers mortgage loan insurance for homebuyers looking to purchase a prefabricated home.

Highlights



Accessible to many types of borrowers

Individuals who are Canadian citizens, permanent residents of Canada, or non-permanent residents who are legally authorized to work in Canada are eligible.



Property requirements

Available for the purchase of prefabricated homes including modular, or manufactured homes that are placed on a permanent foundation.*

The property must be located in Canada and must be suitable and available for full-time and year-round occupancy. The property must also have year-round access including homes located on an island (via a vehicular bridge or ferry).

* For prefabricated homes that are designed to be movable, CMHC requirements for chattel financing apply.

For more information, please visit cmhc.ca/mliproducts or call **1-888 GO emili** (1-888-463-6454).

To request an alternate format, please contact us at:

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

700 Montreal Road,
Ottawa, Ontario K1A 0P7

Canada





Advancing

CMHC Prefab Plus allows for up to four progress advances to support the financing of prefabricated homes.

First advance: Land acquisition and site preparation costs including excavation, foundation construction and septic/well installation as required.

Second advance: Prefabricated unit cost on delivery.

Third and fourth advances: Post installation and finishing costs.



Bundle and save

Borrowers purchasing a prefabricated energy efficient home can also leverage CMHC Eco Plus and save on the insurance premium.

Please visit cmhc.ca/ecoproducts for more information.

The back page contains eligibility requirements applicable to this product.



Eligibility Requirements

	Homeowner Loans (owner-occupied)	Small Rental Loans (non-owner occupied)
Loan-to-Value (LTV) Ratio	1 – 2 units: up to 95% LTV 3 – 4 units: up to 90% LTV	Up to 80% LTV 2 – 4 units
Minimum Equity Requirement	1 – 2 units: 5% of the first \$500,000 of the 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 less than: <ul style="list-style-type: none"> • \$1,000,000 if LTV ≤ 80%; or • \$1,500,000 if LTV > 80% 	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; or 30 years if the LTV is greater than 80% and the borrower is either: (i) a first-time homebuyer or (ii) purchasing a newly built home.	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	The down payment can come 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)	<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 for borrowers with a strong history of managing credit. • Non-permanent residents and loans under chattel loan insurance program are not eligible. 	
Creditworthiness	<ul style="list-style-type: none"> • At least one borrower (or guarantor) must have a minimum credit score of 600. • CMHC may consider alternative methods of establishing creditworthiness for borrowers without a credit history. Examples of borrowers without a credit history could include newcomers to Canada, or recent graduates. 	
Debt Service	Maximum threshold: GDS 39% / TDS 44%.	
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 plus 2 per cent, or 5.25 per cent. • Fixed, capped and standard variable, and adjustable. 	