

Homeowner

# CMHC Income Property



**Open the door to a range of financing options for investors in all markets**

CMHC Income Property provides investors with more housing finance choice when purchasing a rental property.

## Highlights



### Accessible to a variety of borrowers

Individuals who are Canadian citizens, permanent residents, self-employed borrowers and corporate borrowers if the individual/shareholder provides their personal guarantee or is a co-borrower.



### Flexible debt service qualification

Up to 50% gross rental income or a net rental income approach may be used.

**Gross rental income:** For the subject property, up to 50% of the gross rental income may be included and taxes & heat for the property can be excluded from the GDS and TDS ratios.

PITH\* + Other Debt

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Borrower's Gross Annual Income

\* PITH means principal, interest, property taxes and heat costs.

For more information, please visit [cmhc.ca/mlipproducts](https://cmhc.ca/mlipproducts) 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](mailto:contactcentre@cmhc.ca)

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Ottawa, Ontario K1A 0P7

Canada



**Net rental income approach:** Lenders may use their own internal guidelines for determining net rental income (gross rents less operating expenses) for the subject property and other residential investment properties; any portion of heat payments that is the responsibility of the tenant can be excluded.



### Applicable premiums

Premium schedule for small rental loans (non-owner occupied property with 2–4 units):

Loan-to-Value Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Portability*
Up to and incl. 65%	1.45%	3.15%
65.01% to 75%	2.00%	3.45%
75.01% to 80%	2.90%	4.30%

\* The premium is calculated by multiplying the applicable Premium Rate by the Total Loan Amount (less any available Premium Credits), or the applicable Premium Rate to the Increase to Loan Amount, whichever is less.

*The back page contains eligibility requirements applicable to this product.*



# Eligibility Requirements

<b>Loan-to-Value (LTV) Ratio</b>	Up to 80% LTV 2 – 4 units
<b>Minimum Equity Requirement</b>	20%
<b>Purchase Price / Lending Value</b>	The maximum purchase price / lending value or as-improved property value must be below \$1,000,000
<b>Amortization</b>	The maximum amortization period is 25 years.
<b>Location</b>	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).
<b>Down payment</b>	The down payment can come from sources such as savings, sale of a property, or a non-repayable financial gift from a relative.
<b>Creditworthiness</b>	<ul style="list-style-type: none"> <li>• At least one borrower (or guarantor) must have a minimum credit score of 600.</li> <li>• 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.</li> </ul>
<b>Debt Service</b>	Maximum threshold: GDS 39% / TDS 44%.
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Fixed, capped and standard variable, and adjustable.</li> </ul>
<b>Advancing options</b>	<ul style="list-style-type: none"> <li>• Single advances: improvement costs <math>\leq</math> 10% of the <i>as-improved</i> value.</li> <li>• Progress advances: new construction financing or improvement costs <math>&gt;</math> 10% of the <i>as-improved</i> value. <ul style="list-style-type: none"> <li>– Full Service: CMHC validation of advances for up to 4 consecutive advances at no cost.</li> <li>– Basic Service: Lender validation of advances without pre-approval from CMHC.</li> </ul> </li> </ul>