

Homeowner

CMHC Purchase



Helping people in Canada access housing they can afford and that meets their needs

CMHC Purchase can help open the doors to homeownership by enabling homebuyers to buy a home with a minimum down payment of 5%.

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 and Occupancy Requirements

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 homeowner loans, CMHC-insured financing is available for **two properties** per borrower/co-borrower at any given time and must be intended for homeowner occupancy (occupied by the borrower, by a person related to the borrower by marriage, common-law partnership or any legal parent-child relationship on a rent-free basis).

The back page contains eligibility requirements applicable to this product.

For more information, please visit 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

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Ottawa, Ontario K1A 0P7

Canada



Eligibility Requirements

Homeowner Loans (owner-occupied)

Loan-to-Value (LTV) Ratio	1 – 2 units: up to 95% LTV 3 – 4 units: up to 90% LTV
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%
Purchase Price / Lending Value	The maximum purchase price/ lending value or as-improved property value must be less than: • \$1,000,000 if LTV ≤ 80%; or • \$1,500,000 if LTV > 80%
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.
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)	• 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	• 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	• 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.
Advancing Options	• Single advances: improvement costs ≤ 10% of the <i>as-improved</i> value. • Progress advances: new construction financing or improvement costs > 10% of the <i>as-improved</i> value. – 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.