

Homeowner

# CMHC Quick Reference



**CMHC is committed to working with mortgage industry professionals to help homebuyers meet their housing needs**

CMHC provides a full range of mortgage loan insurance offerings, training and tools, supported by reliable and efficient client service and expertise throughout the life of the mortgage.

This handy quick reference tool provides helpful information in submitting applications to CMHC for homeowner and small rental loans. Here are some of the benefits of CMHC's mortgage loan insurance products:

- **CMHC Purchase** can help open the doors to homeownership by enabling homebuyers to buy a home with a minimum down payment from flexible sources.
- **CMHC Home Start** allows borrowers who are first-time homebuyers to purchase a newly built home using a 30-year amortization period.
- **CMHC Improvement** allows the purchase of an existing residential property with improvements and new construction financing.
- **CMHC Newcomers** is available to borrowers with permanent and non-permanent residence status. It helps them access housing they can afford and meets their needs.
- **CMHC Self-Employed** enables self-employed borrowers with documentation to support their income access CMHC mortgage loan insurance.

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)

700 Montreal Road,  
Ottawa, ON K1A 0P7

Canada



- **CMHC Eco Plus** offers a partial premium refund of 25% directly to borrowers who either buy or build climate-friendly housing using CMHC-insured financing.
- **CMHC Eco Improvement** offers a partial premium refund of 25% directly to borrowers who invest a minimum of \$20,000 on energy efficiency improvements.
- **CMHC's Portability** feature saves money for repeat users of mortgage loan insurance by reducing or eliminating the premium payable on the new insured loan for the purchase of a subsequent home.
- **CMHC Income Property** provides investors with more housing finance choice when purchasing a rental property.

For applicable premium costs please refer to the Premium Information sheet.

	<b>Homeowner Loans (owner-occupied)<sup>1</sup></b>	<b>Small Rental Loans (non-owner occupied)</b>
<b>Loan-to-Value (LTV) Ratio</b>	1 – 2 units: up to 95% LTV 3 – 4 units: up to 90% LTV	Up to 80% LTV 2 – 4 units
<b>Minimum Equity Requirement</b>	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%
<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 or 30 years in the case of CMHC Home Start.	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.</li> </ul>	

<sup>1</sup> CMHC-insured financing is available for one property per borrower/co-borrower at any given time.

	<b>Homeowner Loans (owner-occupied)<sup>1</sup></b>	<b>Small Rental Loans (non-owner occupied)</b>
<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> </ul>	
<b>Advancing options</b>	<ul style="list-style-type: none"> <li>Single advances: improvement costs ≤ 10% of the <i>as-improved</i> value.</li> <li>Progress advances: new construction financing or improvement costs &gt; 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>	
<b>Non-permanent residents* (homeowner loans only)</b>	<ul style="list-style-type: none"> <li>Must be legally authorized to work in Canada (e.g. work permit).</li> <li>Available for 1-4 unit properties. At least one housing unit must be owner-occupied.</li> <li>In cases where a credit report from a Canadian credit reporting agency is not available, an international credit report, letter of reference from the borrower's financial institution in their country of origin or alternative methods of establishing creditworthiness may be considered.</li> </ul>	

<sup>1</sup> CMHC-insured financing is available for one property per borrower/co-borrower at any given time.

\* Only borrowers who are exempt from the prohibition under the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and the accompanying regulations may be considered for mortgage loan insurance.