

Homeowner

CMHC Eco Improvement



Helping make energy-efficient and low carbon housing choices more affordable

CMHC Eco Improvement offers a partial premium refund of 25% directly to borrowers who buy existing homes intended for energy efficiency improvements using CMHC-insured or separate financing.

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

Highlights



Partial Premium Refund of 25%

Energy Efficiency improvements can be completed with CMHC-insured financing, separate financing or from the borrower's own funds.

Applications are accepted from the borrower within 2 years of the closing date of the mortgage.

The supporting documentation must be no more than 5 years old as at the closing date of the mortgage.

Supporting documentation may be used by a subsequent purchaser.

Please visit cmhc.ca/ecoimprovement to obtain information on how to apply for the refund and download the application form.

To request an alternate format, please contact us at:

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

700 Montreal Road,
Ottawa, Ontario K1A 0P7

Canada





Eligibility Requirements for Energy Efficiency Improvements

A partial premium refund is available based on the following requirements:

Purchase of existing housing including individual residential condominium units in low-rise buildings

An existing home is eligible if a minimum of \$20,000 of intended improvement budget is allocated for energy efficiency improvements that fall within any of the following 3 main categories:

- Building envelope (e.g., insulation, windows, doors, roof, attic, air tightness and foundation)
- Mechanical systems (e.g., HVAC - Heating, Ventilation and Air Conditioning, heat pump systems)
- Renewable energy systems (e.g., solar, wind, geothermal)

For additional information on qualifying requirements, visit cmhc.ca/ecimprovement.

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: • \$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)	• 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.	