

**INDIGENOUS
& NORTHERN
HOUSING**

On-Reserve Non Profit Housing Program (Section 95)

Project Delivery Guide



To request an alternate format, please contact us at:

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

700 Montreal Road,
Ottawa, Ontario K1A 0P7

CMHC.ca

Canada



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Program Description

The On-Reserve Non Profit Housing Program (Section 95) is delivered annually and provides financial assistance to First Nation communities in order to construct, purchase and rehabilitate housing On-Reserve. Financial assistance from CMHC comes in the form of a subsidy to help operate and administer housing. Loans are also offered through CMHC's Direct Lending program for up to 100% of the total eligible capital cost of the housing project.

This guide provides an overview of the project delivery process from pre-application to project completion. It describes the documents needed and provides CMHC contact information for each step in the project delivery process.

DISCLAIMER: The information in this guide is solely intended to assist First Nations in understanding CMHC's requirements for the delivery of the On-Reserve Non Profit Housing Program. The information is subject to change without notice. This document is not intended to be exhaustive and should be used in conjunction with the *National Housing Act*, the Section 95 Operating Agreement, the Loan Agreement, and any other policies and procedures that CMHC issues from time to time.

Step 1: Confirm program eligibility

Overview:

Program eligibility criteria aligns with the terms and conditions of the loan and operating agreements.

- Review program eligibility with your CMHC Indigenous and Northern Housing Specialist
- Program eligibility considers the following:
 - Do you have any Section 95 projects where the Interest Adjustment Date (IAD) is not set and it has been 2 years or more since the project was approved?
 - Is your CMHC subsidy currently suspended?
 - Are your Section 95 audited financial statements overdue?
 - Do you have any CMHC loan arrears?
 - Are you able to access a Ministerial Loan Guarantee from Indigenous Services Canada (ISC) or an alternative form of loan security?¹
- Have you responded to the CMHC request for expressions of interest? (Please verify with your CMHC Indigenous and Northern Housing Specialist to determine if this step is applicable in your region)

Who can help?

CMHC Indigenous and Northern Housing Specialist
<https://www.cmhc-schl.gc.ca/about-us/contact-us/indigenous-housing-specialists>

Step 2: Receive funding allocation letter

Overview:

- The Section 95 Allocation Letter will specify the amount of lifetime subsidy available and provide instructions on how to apply.
 - It is important to keep in mind that the lifetime subsidy is not the same as the loan amount. Lifetime subsidy is affected by your project Operating Cost Benchmarks, Minimum Revenue Contribution, borrowing costs and amortization period.
- Start planning your project and consider the following:
 - Will you build new housing or renovate?
 - What type of housing is needed in your community? (e.g. family housing, seniors housing, etc.)
 - What building type will you construct? (e.g. single-family homes, semi-detached, duplex, apartment).
 - What type of units? (i.e. number of bedrooms)
 - Does the First Nation have tenant selection criteria in place to prioritize new housing?
- Where will the homes be located? Are the sites available, suitable and ready for housing development?
 - Are there any site development restrictions?
 - Does the project comply with community land management policies?
 - Are there any environmental factors that need to be considered for the project?
 - Have you completed an Impact Assessment Act Project Description form?
 - Have you completed an Environmental Site Assessment? Are there any concerns about site contamination (e.g. buried oil tank)?
 - Is a geotechnical report available for the project site(s)?
 - Is the site fully serviced? (access, electrical, water, sewage)

- Will the homes be constructed on-site (i.e. stick built), or in a factory (e.g. ready to move, modular)?
- For new build projects, do you have drawings available that could be used for the design?
- For renovation projects, have you had an inspector issue a comprehensive report of what needs to be repaired to extend the occupiable life of the building by at least 15 years?
- Are there any features you wish to incorporate into the project designs and specifications such as accessibility or energy efficiency?
- Who is the project team (e.g. project management, contractor, design team, code compliance inspector, etc.)
- How are you determining the cost of the project?
- How will the project costs be funded?
 - If the full cost of the project cannot be covered by the loan, how will the remaining costs be covered?
- Is the First Nation willing to contribute financially to the project?
- Are other funding sources available?
- Do you wish to access CMHC's Direct Lending program to finance the loan?
- How much time is needed to repay the loan? The amortization period can range from 15 - 25 years for new construction.
- How will the First Nation secure the loan? (Ministerial Loan Guarantee or alternative option?)
- When do you expect the project to start construction and how long will it take to complete?
- Your CMHC Client Solutions Specialist can assist with any questions you may have about the application process.

Who can help?

CMHC Client Solutions Specialist <https://www.cmhc-schl.gc.ca/about-us/contact-us/indigenous-housing-specialists>



Step 3: Prepare application using the CMHC Housing Portal

Overview:

- Gather and complete application supporting documents, including:
 - Section 95 Budget Take-Up and Project Planning Form
 - Community map identifying lot locations
 - Project Description form for *Impact Assessment Act*
 - If the project involves an alternative security type, the proposal along with supporting documents are required with the Section 95 application. Details can be found on the [CMHC website](#)².
 - If the project is more than 6 homes in a row: Environmental Site Assessment
 - If project involves acquisition, repair or conversion: Building Condition Assessment prepared by a qualified building professional and hired by the First Nation. A Building Condition Assessment will confirm the suitability and structural soundness of the building as well as a detailed scope of work with the estimated cost of each work item. The report shall also include the pre and post-renovation life expectancy of the building.
 - If project involves multiple units buildings with four or more stories and footprint of more than 600 m²: Confirmation of National Building Code compliance by a qualified building professional.
- Once you have all application supporting documents ready, navigate to the [CMHC Portal](#)³ to complete your application.
- Please contact your CMHC Specialist to review your application before clicking the 'Submit Now' button in the Portal.
- Should you require assistance using the Portal, please contact your CMHC Indigenous and Northern Housing Specialist.

Who can help?

CMHC Indigenous and Northern Housing Specialist
(<https://www.cmhc-schl.gc.ca/about-us/contact-us/indigenous-housing-specialists>)



RESOURCES

[How to Create a Profile and Start an Application](#)⁴

[On-Reserve Non Profit Housing Program \(Section 95\) Portal Guide](#)⁵

[Alternative Types of Security](#)⁶

Step 4: Review application with CMHC Specialist

Overview:

- Once you are ready, contact your CMHC Specialist to review your application.
- Your CMHC Specialist will let you know if any changes are needed. This step will help ensure your application is approved as quickly as possible.
- If you are requesting a loan from CMHC, your CMHC Specialist will also review loan security options with you.



Who can help?

CMHC Indigenous and Northern Housing Specialist
<https://www.cmhc-schl.gc.ca/about-us/contact-us/indigenous-housing-specialists>

Step 5: Submit your application

Overview:

- Upload the application supporting documents to the Portal (see list in Step 3) and click the 'Submit Now' button.
- You will receive an application receipt by e-mail.
- Once your application is assigned to our Financial Solutions team, a representative may contact you if they have any questions about your application.
- If you wish to view the status of your application, you can do so in the CMHC Portal.



Who can help?

Once your application is submitted, you may contact our Financial Solutions team for assistance:
indigenoufs-autochtonessf@cmhc-schl.gc.ca



RESOURCES

[Alternative Loan Security Options⁷](#)

[Ministerial Loan Guarantees⁸](#)



Step 6: Sign & Return Agreement Documents

Overview:

- Once your application is approved, you will receive your Section 95 Agreements by e-mail.
- You will receive the following documents from our Contracts team:
 - Offer to Lend (only if CMHC is your chosen lender)
 - Loan Agreement (only if CMHC is your chosen lender)
 - Operating Agreement
 - Subsidy Commitment Letter (Schedule C)
 - Signature card
 - Pre-Authorized Debits form and void cheque (only required if changes to current banking information is needed for loan repayment)
 - Ensure all agreements are signed by a quorum of council within 30 days and send to core-contracting@cmhc-schl.gc.ca.
- Sign all documents and return them to core-contracting@cmhc-schl.gc.ca. Our Contracts team will arrange for CMHC signature and will send you the fully executed agreements.



Who can help?

Once you receive the agreements, please contact our Contracts team for assistance: core-contracting@cmhc-schl.gc.ca.

Step 7: Finalize Loan Security

Overview:

- Finalize any outstanding loan security application details.
- Once the loan security is in place, you may request loan advances.
- Project details in the loan security application must match the project details included in your CMHC agreements. If any aspect of your project has changed since agreements were issued, please notify our Contracts team.



Who can help?

For Ministerial Loan Guarantees, please contact your local Indigenous Services Canada housing team for assistance with the MLG application.

For alternative types of loan security, contact CMHC's Financial Solutions team: indigenoufs-autochtonessf@cmhc-schl.gc.ca.

If your project has changed since the agreements were issued, please contact CMHC's Contracts team: core-contracting@cmhc-schl.gc.ca.

Step 8: Request Loan Advances

Overview:

Accountable advances and progress advances can be requested through the [CMHC Housing Portal](#)⁹. The advantage of using the portal is that the amount requested is clearly spelled out and it is easy and convenient to attach all supporting documents to the request.

It is important to keep in mind that for all projects, regardless of when CMHC funds are required, CMHC does require a pre-backfill, pre-drywall, and final code compliance confirmation.

If the project involves **site-built construction**, please ensure the following are ready prior to requesting an inspection:

Type of Advance	Required Information
Accountable Advance	<ul style="list-style-type: none"> • CMHC Account Number • Confirmation no change to the units to be constructed (number of units and locations) from those listed on executed agreement • Confirmation of accountable advance needed (dollar value/% of total project value) • Declaration form • Builder's risk insurance
Progress Advance	<ul style="list-style-type: none"> • CMHC Account Number • Current builder's risk insurance showing: <ul style="list-style-type: none"> – CMHC as first loss payee – lots and locations covered – Replacement value for all units – Confirmation of coverage period • Declaration form (required at every advance) • Building code compliance certificate (if at or past the following stages of construction: Pre-backfill, Pre-drywall, Final once project at 100% completion) • If any equity or funding from other sources were identified, provide confirmation that this funding has been provided to the project. <p>* CMHC will have also received a progress inspection report</p>
Final Advance	<ul style="list-style-type: none"> • CMHC Account Number • Code Compliance Certificates for all three stages (Pre-backfill, Pre-drywall if not already submitted and Final) • Current property Insurance showing: <ul style="list-style-type: none"> – CMHC as first loss payee – lots and locations covered – Replacement value for all units – Insurance coverage period • Declaration Form <p>* CMHC will have also received a progress inspection report confirming 100% project completion</p>

If the project involves **Ready to Move (RTM) construction**, please ensure the following are ready prior to requesting an advance:

Type of Advance	Required Information
Accountable Advance	<ul style="list-style-type: none"> • CMHC Account Number • Confirmation of the units to be constructed (number of units and locations) • Confirmation of accountable advance needed (dollar value/% of total project value) • Executed contract between the First Nation and the RTM builder
Progress Advance	<p>Ready to Move (RTM) units during off-site construction stage:</p> <ul style="list-style-type: none"> • CMHC Account Number • Executed contract between the First Nation and the RTM builder (if not already provided) • Confirmation and pictures of construction progress from the manufacturer • Confirmation of “in-transit” Insurance from the facility to the site • Declaration form (required at every advance) • Building code compliance certificate or manufacturer’s certification that the units are meeting the National Building Code of Canada • If any equity or funding from other sources was identified, provide confirmation that this funding has been provided to the project.
Final Advance	<ul style="list-style-type: none"> • CMHC Account Number • Code Compliance Certificates (Pre-Backfill, CSA sticker, and Final) • Current property Insurance showing: <ul style="list-style-type: none"> – CMHC as first loss payee – lots and locations covered – insurable value for all units – Confirmation of insurance coverage period • Declaration Form <p>* CMHC will have also received a progress inspection report confirming 100% project completion</p>

A note about inspections: Our Advancing team will arrange for site inspections when required. An inspector will contact you to arrange a time to visit your community. You can still request an advance through the CMHC Housing Portal with supporting documents; CMHC will arrange for the inspection as required.



Who can help?

Please contact our Advancing team for assistance:
nhs-advances@cmhc-schl.gc.ca.

Step 9: Project Completion: Commencement of Subsidy Payments & Final Certificate of Capital Costs

Overview:

- Once the CMHC loan is at least 90% advanced, the Interest Adjustment Date (IAD) will be set. This means that you will start receiving monthly subsidy payments and you will start making monthly loan payments.
- Subsidy is adjusted at each loan renewal, every 5 years. Agreement Management will send a letter confirming the newly calculated subsidy amount at the beginning of each term.
- Your representative from our Agreements Management team will notify you about subsidy payments. The letter will also provide instructions for the Final Certificate of Capital Costs which is due 6 months after the IAD.



Who can help?

Please contact your assigned Agreements Management representative for assistance. If you are unsure, please email: amonreserve-gesurreserve@cmhc-schl.gc.ca.

Operating Agreement Administration

Overview:

Once your project begins receiving subsidy payments, the project is in the administration phase and the Operating Agreement comes into effect. The Operating Agreement remains in effect for the life of the loan (loan amortization period) which is 15 – 25 years. The loan amortization period can be found in your loan agreement. The main point of contact for the Operating Agreement is the Agreement Management team.

Financial Statement Reviews

- CMHC requires audited financial statements for your Section 95 portfolio on an annual basis. The audited financial statements are due on July 31st of each year.
- At the end of April, you will receive a call package from Agreement Management with information on subsidy, Minimum Revenue Contribution (MRC), accounts paid in full during the reporting period.

Physical Condition Reviews

- CMHC will also coordinate with you to complete Physical Condition Reviews of the projects every five (5) years to ensure the homes under administration are well maintained.
- Agreement Management will send a notification including the phases to be reviewed by the end of April. An inspector representing CMHC will reach out to you directly to coordinate the visit, and will also provide the addresses of the homes selected for review.



Who can help?

Please contact your assigned Agreements Management representative for assistance. If you are unsure, please email: amonreserve-gesurreserve@cmhc-schl.gc.ca.

Loan Administration

Overview:

- Once the Interest Adjustment Date (IAD) is set, the loan is administered by CMHC's lending team.
- The lending team looks after activities such as loan repayment, loan renewals, default management, loan arrears, insurance events (e.g. fire, property loss).



Who can help?

Please contact CMHC's lending team for assistance.

Area	Topic	Email Address
All provinces/territories except Quebec and BC (English accounts/correspondence)	General loan administration	loansadm@cmhc-schl.gc.ca
Quebec and all French accounts/correspondence	General loan administration	admpretmtl@cmhc-schl.gc.ca
BC First Nation accounts	General loan administration	antcocdl@antco.ca
Direct Lending renewals	Loan renewals	dlfunding@cmhc-schl.gc.ca
Fire Insurance	Fire events	fireinsurance@cmhc-schl.gc.ca
Projects in Difficulty accounts	General loan administration	lendingDM@cmhc-schl.gc.ca

Endnotes

- ¹ <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/indigenous/alternative-types-of-security>
- ² <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/indigenous/alternative-types-of-security>
- ³ <https://port-cmhc-schl.microsoftcrmportals.com/en-CA/>
- ⁴ <https://www.cmhc-schl.gc.ca/-/media/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/nhs-portal-application-guide-en.ashx>
- ⁵ https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/on-reserve-non-profit-housing-program-section-95/section-95-portal-application-guide-en.pdf?rev=3cd30b9e-59f0-4214-b789-7dc68f047060&_gl=1*1xbdbboy*_ga*_MTczNTY5MDUyMC4xNjY5MTUzMzU5*_ga_CY7T7RT5C4*MTcwODcwMzM5MTi44My4xLjE3MDg3MDU1MzEuNTYuMC4w*_gcl__au*NzkzNjA1NTI2LjE3MDI5MTk0MzQ
- ⁶ <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/indigenous/alternative-types-of-security>
- ⁷ <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/indigenous/alternative-types-of-security>
- ⁸ <https://www.sac-isc.gc.ca/eng/1100100010759/1533297595541>
- ⁹ <https://port-cmhc-schl.microsoftcrmportals.com/en-CA/>

About CMHC

CMHC plays a critical role as a national convenor to promote stability and sustainability in Canada's housing finance system. Our mortgage insurance products support access to home ownership and the creation and maintenance of rental supply. Our research and data help inform housing policy. By facilitating cooperation between all levels of government, private and non-profit sectors, we contribute to advancing housing affordability, equity, and climate compatibility. And we actively support the Government of Canada in delivering on its commitment to make housing more affordable.

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CMHC helps Canadians meet their housing needs

Canada Mortgage and Housing Corporation (CMHC) has been helping Canadians meet their housing needs for more than 75 years. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer unbiased housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

Reach us by phone at **1-800-668-2642** or by fax at **1-800-245-9274**.