

Instructions to Notary

TO: <Name and coordinates of Notary >

Funding date: <Closing Date>

Lender: Canada Mortgage and Housing Corporation ("CMHC")

Homebuyer(s): <Insert name of homebuyer> (individually or collectively, the "Homebuyer")

Guarantor(s): <Guarantor Names>

Shared Equity Mortgage Number: <Mortgage Number>

First Insured Lender: <First Insured Lender Name > (the "First Insured Lender")

Property Address: <Property Address> (the "Property")

FNF Reference Number: <FNF Ref No.>

CMHC, in its capacity as Program Administrator of the First-Time Home Buyer Incentive program, has agreed to provide a second-ranking mortgage/hypothecary loan to the Homebuyer (the "Shared Equity Mortgage Loan") and, at the Homebuyer's request, would be pleased to have you act on our behalf in this matter. The Homebuyer is responsible for the payment of all legal fees.

Mandate

We have retained your firm to act on our behalf in this transaction, including in regards to the preparation and publication of a second-ranking immovable hypothec against the Property (the "Shared Equity Mortgage"). By accepting this mandate, you also accept the First Insured Lender's mandate, which includes an immovable hypothec against the Property (the "First Insured Mortgage"), and the mandate relating to the purchase of the above-mentioned Property.

You are obliged to raise all issues, which may be of importance to us or to the Homebuyer, and to explain the legal effect of such issues to all parties who may be affected by them. We also understand that any information received in connection with this matter from us or the Homebuyer cannot, in any circumstances, be treated as confidential insofar as the other party is concerned.

The Homebuyer is responsible for all costs incurred in connection with the Shared Equity Mortgage including fees, disbursements and registration costs whether or not the Incentive (as such term is defined in the Agreement for a Shared Equity Mortgage and Borrowing Disclosure Statement) is advanced.

Notary's responsibilities

You are responsible for:

- (a) Identification: Confirming the identity of each Homebuyer and guarantor in accordance with your professional, provincial or territorial regulations as well as the requirements of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations (as amended from time to time);
- (b) Suspicious/fraudulent activity: Reporting any suspicious or fraudulent activity as soon as you become aware of same and advising us of any material facts brought to your attention and that may affect our decision to provide the Incentive including, without limitation, the Homebuyer is not a first-time homebuyer in accordance with the eligibility criteria set out in the Information Package or any other circumstance that you report to the First Insured Lender; and
- (c) Preparation of Documentation: The complete and accurate completion of all documentation referred to herein or required in connection with the Shared Equity Mortgage. We will not review any documentation prior to the advance of the Incentive. The documents provided to you by CMHC, through FNF Canada Company ("FNF") or the First Insured Lender, are not to be amended, revised or altered without our prior written consent. **IMPORTANT:** In order to comply with Article 3006 of the Civil Code of Québec, please ensure you complete and publish the Shared Equity Mortgage in accordance with the instructions outlined below (see section entitled "Instructions re: Completion and Publication of Deed of Hypothec").

Reviewing the Accepted Offer to Purchase, Title Search, and Agreement for a Shared Equity Mortgage and Borrowing Disclosure Statement (if applicable)

Complete title search and all other off title searches in accordance with the requirements of the First Insured Lender in connection with the First Insured Mortgage and review the offer of purchase and advise FNF of any of the following:

- Schedules or amendments of the accepted offer to purchase are missing;
- The purchase will not close in accordance with the accepted offer to purchase or material changes were made to the accepted offer to purchase;
- The vendor(s) shown on the accepted offer to purchase is (are) not the same as shown on the current title;
- There is a discrepancy between the registered information contained in the title, these Instructions and the accepted offer to purchase, including, but not limited to, the purchase price; or
- A significant increase in the price of the Property over a short period of time according to your land title search.

Please note that obtaining title insurance on behalf of CMHC is not mandatory for the Shared Equity Mortgage.

CMHC acknowledges that your mandate is limited to what is provided in these Instructions.

Power of Attorney

Unless acceptable to the First Insured Lender, the Homebuyer must not sign any of the documents, including the mortgage documents, by way of Power of Attorney.

A partner or employee of the notary is authorized to execute the second-ranking hypothec, the Agreement for a Shared Equity Mortgage and Borrowing Disclosure Statement and the related documents, on behalf of CMHC. If you do not have a partner or an employee, any other notary who is a member in good standing of the Chambre des notaires du Québec is authorized to sign.

Family Law Requirements

All requirements indicated in the *Civil Code of Québec*, including the consent of a spouse not on title to the property, must be met and the status does not, in any way, affect the validity of the Shared Equity Mortgage.

Notary's Conditions and Documents Checklist:

Please ensure that all conditions outlined in these Instructions are duly noted and provided to FNF, where required, and that full compliance is confirmed within three (3) days prior to the advance to allow time for Lender review.	
Notary Conditions to be satisfied prior to funding. Please retain copies for your records.	
1.	Information Package executed by the Homebuyer.
2.	Receipt and review of an Insurance Binder/Certificate showing adequate Property insurance coverage in place, which insurance binder/certificate must include the standard mortgage clause of the Insurance Bureau of Canada and show CMHC, 700, Montreal Road, Ottawa, Ontario, K1P 0P7, as second loss payee. Please advise FNF of any issues with the Insurance Binder/Certificate prior to funding.
3.	If the Property is a newly constructed property, a copy of the Certificate of Occupancy, or other provincial/territorial equivalent, issued by the local government or building department as appropriate confirming that the Property complies with applicable building codes and other relevant laws and is in a condition suitable for occupancy.
Documents required to be sent to FNF prior to funding.	
1.	Statutory Declaration executed by the Homebuyer confirming the first-time homebuyer status of the Homebuyer; total qualifying income of the Homebuyer; the Homebuyer has not previously received an Incentive; and, the Property is intended to be used as the Homebuyer's primary place of residence. The required form of Statutory Declaration is available from FNF.
2.	Subordination Agreement/Cession of Rank. If the First Insured Mortgage is a collateral hypothec securing an amount that is not insured by a mortgage loan insurer, the First Insured Lender must enter into a Global (Program Level) or Transactional Subordination Agreement/Cession of Rank. The Notary must contact FNF directly to be advised if a Transactional Subordination Agreement is required for this transaction or if a Global (Program Level) Subordination Agreement has already been signed by the First Insured Lender.
3.	Agreement for a Shared Equity Mortgage and Borrowing Disclosure Statement (the " Agreement ") executed by the Homebuyer and by CMHC. This Agreement will be sent to you by FNF along with these Instructions and all other related documents. As a first step, you must send a copy of this Agreement to the Homebuyer as soon as possible, but no later than forty-eight (48) hours before the signing of the deed of the second-ranking hypothec. Upon signing the deed of the second-ranking hypothec, you must have the Agreement executed by the Homebuyer and by CMHC, which shall be represented by one of your partners or employees, or by another notary who is a member in good standing of the Chambre des notaires du Québec.

INSTRUCTIONS RE: COMPLETION AND PUBLICATION OF DEED OF HYPOTHEC

You are hereby instructed to complete the English and French portions of the deed of hypothec as outlined below:

Details for English portion of the deed of hypothec (to be completed in the English language only):	
HYPOTHECARY CREDITOR:	Canada Mortgage and Housing Corporation
NOTICE OF ADDRESS:	700, rue Chemin Montréal, Ottawa (Ontario) K1P 0P7
HOMEBUYER:	Insert the name of each homebuyer and his/her address in the first page of the deed.
AGREEMENT FOR A SHARED EQUITY MORTGAGE AND BORROWING DISCLOSURE STATEMENT:	Insert the date of this Agreement in the preamble. This Agreement must be attached to the deed of hypothec after having been acknowledged as true and signed for identification by the representatives of the parties, with and in the presence of the notary.
HYPOTHEC AMOUNT:	\$ (to be inserted in Section 1)
SPOUSAL CONSENT:	Insert the name of spouse in the intervention of the spouse, as applicable, in Section 17. Please select either paragraph A or B.
SCHEDULE:	Insert the cadastral description of the property and address thereof (Section 1). Insert details related to borrower's marital status (Section 2).

DATE OF CLOSING OF PURCHASE:	
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Details for French portion of the deed of hypothec (to be completed in the French language only):	
TITULAIRE : (créancier hypothécaire)	Société canadienne d'hypothèques et de logement
AVIS D'ADRESSE :	700, Chemin Montréal, Ottawa, ON K1P 0P7
CONSTITUANT : (acheteur)	Indiquer le nom du ou des propriétaires avec leur adresse dans la comparution à la première page de l'acte.
CONVENTION DE PRÊT HYPOTHÉCAIRE AVEC PARTICIPATION À LA MISE DE FONDS ET DÉCLARATION DU COÛT D'EMPRUNT :	Insérer la date de cette Convention au préambule. Cette Convention doit être annexée à l'acte après avoir été reconnue véritable et signée pour identification par les représentants des parties avec et en présence du notaire.
MONTANT DE L'HYPOTHÈQUE :	\$ (à insérer à l'article 1)
CONSENTEMENT DU CONJOINT :	Inscrire le nom du conjoint dans l'intervention du conjoint, le cas échéant, à l'article 17. Veuillez choisir entre les paragraphes A. ou B.
MENTIONS – RÉFÉRENCE À L'ACTE CONSTITUTIF :	Insérer la description cadastrale de la propriété et l'adresse de la propriété (article 1). Insérer les détails concernant l'état matrimonial de l'emprunteur (article 2).

DATE DE LA CLÔTURE DE L'ACHAT :	
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IMPORTANT: IN ORDER TO COMPLY WITH ARTICLE 3006 OF THE CIVIL CODE OF QUÉBEC, YOU ARE REQUESTED TO PUBLISH THE DEED OF HYPOTHEC IN THE LAND REGISTER BY WAY OF AN EXTRACT, WHICH INCLUDES ONLY THE FRENCH PORTION OF THE DEED OF HYPOTHEC.

BREAKDOWN OF THE MORTGAGE ADVANCE

TOTAL LOAN AMOUNT	\$ XXXX
TRANSFER TO NOTARY	\$ XXXX

NOTE: If there is any delay in closing the deed of purchase, FNF must be notified immediately. In the event closing is delayed 2 business days beyond the original closing date, funds must be returned to FNF, unless otherwise instructed by FNF. Under no circumstance are funds advanced under the Shared Equity Mortgage Loan to be released unless done so concurrently with the funds advanced under the First Insured Lender's mortgage/hypothecary loan (the "First Insured Loan") following your receipt of confirmation from the First Insured Lender that the conditions of the First Insured Mortgage have been met and the funds under the First Insured Loan are authorized for release. The Shared Equity Mortgage must be registered in tandem with the First Insured Mortgage. If the First Insured Mortgage is not registered for whatever reason, the Shared Equity Mortgage is not to be registered.

The advance of funds is made to you UPON STRICT ESCROW CONDITIONS that the funds will not be advanced unless the purchase price set out in the deed of purchase and in the Statement of Adjustments is the price set forth in the accepted offer to purchase provided to us at the time of the application for the Shared Equity Mortgage to support the amount of the loan being requested.

New Construction Progress Advances

In the case of new construction, the funds advanced under the Shared Equity Mortgage Loan shall be released concurrently with the final draw of the funds advanced under the First Insured Loan, provided that the construction of the home is determined to be complete or substantially complete in accordance with the applicable requirements of the First Insured Lender and its mortgage loan insurer and all applicable legislation.

Final Reporting

All Final Report documents listed below are required within 30 days of closing/funds advanced:

[NTD: FNF TO COMPLETE INFORMATION BELOW]

- Notary's Final Report to be submitted via fax to FNF at [•]; and
- A copy of the published/registered Shared Equity Mortgage or equivalent.

If you are unable to comply with our requirements or that of FNF's, do not proceed with the transaction and contact FNF immediately.

Yours truly,

Canada Mortgage and Housing Corporation, as Program Administrator