



## INSTRUCTIONS TO SOLICITOR

TO: **<Name and Coordinates of Solicitor >**

Funding Date: **<Closing Date>**

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

**Homebuyer(s): <Mortgagor(s) Name(s) > (individually or collectively, the "Homebuyer")**

**Guarantor(s): <Guarantor Name(s)>**

**SEM #: <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 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.

### Acting for CMHC

We have retained your firm to act on our behalf in this transaction, including in regards to the preparation and registration of a second-ranking mortgage against the Property (the "**Shared Equity Mortgage**"). We consent to you also acting on behalf of the Homebuyer in this matter, in connection with the First Insured Lender's mortgage against the Property (the "**First Insured Mortgage**"), and if applicable, to your acting on behalf of the Homebuyer in acquiring title to the Property and to discharging any prior encumbrances on the title to the Property. We will not accept your acting on behalf of any parties other than us, the First Insured Lender and the Homebuyer(s); however, two separate lawyers from the same law firm acting for the Homebuyer (as purchaser) and the vendor respectively, is permitted. Should you also agree to act on behalf of the Homebuyer and the First Insured Lender and a conflict arises, you will be required to obtain our consent to act on our behalf.

The foregoing does not apply in British Columbia for real property transactions that do not qualify as simple conveyances, in such cases you are not permitted to act on both our behalf and that of the Homebuyer.

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 these circumstances, be treated as confidential insofar as the other party is concerned. If you act for us and the Homebuyer in respect of the Shared Equity Mortgage, you may not subsequently act for either party in any foreclosure or other collection proceedings, which may arise in relation to this transaction.

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.

## **Solicitor responsibilities**

You are solely responsible for:

- (a) Identification: Confirming the identity of each Homebuyer and guarantor in accordance with your provincial or territorial law society guidelines 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 to us 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.

## **Reviewing the Agreement of Purchase and Sale, 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 agreement of purchase and sale and advise FNF of any of the following:

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

Please note that obtaining title insurance or providing a title opinion is not mandatory for the Shared Equity Mortgage.

## **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.

## **Family Law/Dower Homestead Requirements**

All requirements of any Family Law legislation or Dower/Homestead legislation, including the consent of a spouse not on title to the property, must be met and that the status does not in any way affect the Shared Equity Mortgage.

**Solicitor Conditions and Documents Checklist:**

<b>Please ensure that all conditions and documents outlined in these Instructions are duly noted and provided to FNF, where required, and that full compliance is confirmed three (3) days prior to the advance to allow time for Lender review.</b>	
<b>Solicitor Conditions to be satisfied prior to funding. Please retain copies for your records.</b>	
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 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.
<b>Documents required to be sent to FNF prior to funding.</b>	
1.	<b>Statutory Declaration</b> 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.	<b>Subordination Agreement.</b> If the First Insured Mortgage is a collateral mortgage or charge 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. The Solicitor <b>must contact FNF directly</b> 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.	<b>Agreement for a Shared Equity Mortgage and Borrowing Disclosure Statement</b> (the "Agreement") executed by the Homebuyer(s) 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, <b>but no later than forty-eight (48) hours before the signing of the Agreement.</b>
4.	<b>Request for Funds:</b> Request for Funds and required documentation must be submitted to FNF at least 3 business days prior to closing. Please submit via: <ol style="list-style-type: none"><li>1. <b>Lawyer Connect Portal:</b> Lawyer Connect is a seamless way to connect with FNF, where you can view the status of your transaction, return completed documents to FNF (scan and upload), and communicate directly with FNF should you have any questions on your transaction.<ol style="list-style-type: none"><li>a. <b>Portal Access:</b> to create an account on the portal, please contact FNF, Support Desk at: 1 (866) 826-7112 (Monday - Friday, from 8:00 AM to 8:00 PM Eastern time).</li></ol></li><li>2. <b>Fax:</b> via 1 (289) 562-2485, please use the FNF cover sheet provided for ALL submissions to ensure your fax is received.</li><li>3. <b>Email:</b> for English - <a href="mailto:FTHBI@fnf.ca">FTHBI@fnf.ca</a> and for French - <a href="mailto:IAPP@fnf.ca">IAPP@fnf.ca</a></li></ol> <p><b>Note:</b> A more secure way to provide signed documentation would be using the FNF <b>Lawyer Connect Portal</b></p>

**MORTGAGE REGISTRATION INSTRUCTIONS**

<b>Notwithstanding the Lender documents enclosed, you are hereby instructed to register the mortgage as outlined below:</b>	
MORTGAGEE:	<Lender Name>
ADDRESS FOR SERVICE:	<Lender Address>
MORTGAGORS:	<Mortgagor(s) Name(s)>
GUARANTORS/COVENANTORS:	<Guarantor Names>
MORTGAGE TYPE:	<Mortgage Product>
MORTGAGE PRIORITY:	<Mortgage Priority>
PROPERTY ADDRESS:	<Property Address>
<b>Mortgage Details; to be registered with the amounts and dates as shown below:</b>	
CLOSING/ADVANCE DATE:	<Closing Date>
PRINCIPAL AMOUNT:	\$<Registered Amount>
INTEREST RATE:	See Schedule
CALCULATION PERIOD:	LEAVE BLANK
INTEREST ADJUSTMENT DATE:	LEAVE BLANK
PAYMENT DATE AND PERIOD:	LEAVE BLANK
FIRST PAYMENT DATE:	LEAVE BLANK
LAST PAYMENT DATE:	LEAVE BLANK
BALANCE DUE DATE:	ON DEMAND
PLACE OF PAYMENT:	Postal Address in Item 4
STANDARD MORTGAGE TERMS:	[Not applicable]
SCHEDULE:	[Note to solicitor, please attach the Terms for the Shared Equity Mortgage attached to these Instructions to Solicitor as a schedule to the Shared Equity Mortgage.]

**BREAKDOWN OF THE MORTGAGE ADVANCE**

<b>TOTAL LOAN AMOUNT</b>	\$ <Mortgage Amount>
<b>TRANSFER TO LAWYER</b>	\$ <Amount Funded by FNF>

**NOTE: If there is any delay in closing of the Shared Equity Mortgage Loan transaction, FNF must be notified immediately. In the event closing is delayed by 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 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 **IN TRUST UPON STRICT ESCROW CONDITIONS** that the funds will not be advanced unless the purchase price set out in the Land Transfer Tax Affidavit (known as Certificate of Value in New Brunswick, the Deed of Conveyance, Affidavit of Value in Newfoundland and Labrador, Deed of Transfer Tax Affidavit in Nova Scotia and/or other provincial/territorial equivalent) and in the Statement of Adjustments is the price set forth in the agreement of purchase and sale 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:**

Please submit the following documents to FNF via fax at 1 (289) 562-2485 or electronically at [FTHBI@fnf.ca](mailto:FTHBI@fnf.ca) or via <https://lawyerconnect.fnf.ca>:

- Solicitor's Final Report; and
- A copy of the 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

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