



MORTGAGE LOAN INSURANCE

# CMHC PURCHASE OR REFINANCE WITH IMPROVEMENTS

## *Facilitating the Financing of Smaller Scale Home Improvements*

CMHC provides mortgage loan insurance for the purchase of a home and the cost of any immediate renovations, or for refinancing where funds are used to make improvements which increase the market value of the property.

**Everything  
you need  
to open  
new doors**

### **Features:**

- Available for Purchase or Refinance Transactions
- Used when the loan includes improvement costs that are less than or equal to 10% of the property's estimated as-improved value.
- One easy transaction - once application is approved, Approved Lenders can advance funds as needed without requiring CMHC authorization

### **Benefits of CMHC Purchase or Refinance with Improvements:**

- √ **Flexibility** – Ideal for small scale renovation projects financed in conjunction with a home purchase or a refinance transaction.
- √ **Competitive Interest Rates** – Access to CMHC insured financing, and as a result, competitive interest rates.
- √ **Availability** – Available coast-to-coast-to-coast with no set maximum loan amount.

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**1 888 GO emili**  
**www.cmhc.ca**

**Canada**

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# CMHC PURCHASE OR REFINANCE WITH IMPROVEMENTS

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>▪ CMHC Standard Purchase</li> <li>▪ CMHC Flex 100</li> <li>▪ CMHC Flex Down</li> <li>▪ CMHC Line of Credit / Interest Only Mortgages</li> <li>▪ CMHC Self-Employed Simplified</li> <li>▪ CMHC Refinance</li> </ul>
<b>Increase in Market Value</b>	▪ Increase to the market value of the property is limited to 10% of the property's as-improved market value. Where the increase is greater than 10%, CMHC's Progress Advance process is to be used
<b>As Improved Value</b>	<ul style="list-style-type: none"> <li>▪ Lender's estimate of the property's value, once the improvements are completed.</li> <li>▪ Down payment requirements are based on the as-improved value.</li> <li>▪ The as-improved value is used to determine maximum loan amount subject to Loan to Value (LTV) limitations.</li> </ul>
<b>Mortgage Advances</b>	▪ First advance up to 100% of current (as-is) market value and subsequent advance(s) up to 100% of as-improved value (maximum LTV varies by product).

Applicable Premiums (Owner-occupied properties)			Surcharges
Loan to Value (LTV) Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Portability and Refinance	
Up to and including 65%	0.50%	0.50%	<b>Extended Amortization</b> Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period
Up to and including 75%	0.65%	2.25%	<b>Blended Amortization</b> for Portability and Refinance 0.50%
Up to and including 80%	1.00%	2.75%	<b>CMHC Line of Credit/Interest Only Mortgages</b> Repayment Option: 5 years (5/20) 0.25% 10 years (10/15) 0.50% Conversion from 5/20 to 10/15 0.35% (Product specific terms and conditions apply, see OPIMS 65612)
Up to and including 85%	1.75%	3.50%	
Up to and including 90%	2.00%	4.25%	
Up to and including 95%			
Traditional Down Payment**	2.75%	4.25%*	
Non-traditional Down Payment***	2.90%	4.25%*	
Up to and including 97%			
Traditional Down Payment**	2.90%	4.80%*	
Non-Traditional Down Payment***	3.00%	4.80%*	
Up to and including 100%	3.10%	4.80%*	

For purchase transactions the premium payable is the Premium on Total Loan Amount. For portability and Refinance, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. A premium credit may be available under certain conditions. Premiums in Ontario and Quebec are subject to provincial sales tax – the sales tax cannot be added to the loan amount.

\* For portability the maximum LTV ratio is 90%, but CMHC may consider higher LTV ratios when the new ratio is equal to or less than the original LTV.

\*\*Traditional sources of down payment include: Applicant's savings, RRSP withdrawal, funds borrowed against proven assets, sweat equity (< 50% of minimum required equity), land unencumbered, proceeds from sale of another property, non-repayable gift from immediate relative, equity grant (non-repayable grant from federal, provincial or municipal agency).

\*\*\* Non-traditional sources of down payment include: Any source that is arm's length to and not tied to the purchase or sale of the property such as borrowed funds, gifts, 100% sweat equity and lender cash back incentives.

For more information on CMHC products contact your Business Development Officer or call **1 888 GO emili (463-6454)**

## CMHC – Everything You Need to Open New Doors

When your goal is to comprehensively serve existing clients and find new ones, it's reassuring to know that you're backed by the wealth of Canada Mortgage and Housing Corporation (CMHC) information, insight, and industry-leading tools. Only CMHC delivers this complete support – support you need to confidently grow your business. After all, your clients aren't the only people who are looking towards the future.