



MORTGAGE LOAN INSURANCE

## CMHC SECOND HOMES

### *Providing More Financing Choices for Second Homes*

Changing lifestyles affect decisions Canadians make on how and where they live. Whether it's family circumstances, work demands, or lifestyle choices, CMHC Mortgage Loan Insurance enables Approved Lenders to offer borrowers more financing choices when purchasing or refinancing a second home.

**Everything  
you need  
to open  
new doors**

#### **Features:**

- Access to all CMHC homeowner mortgage loan insurance products
- Available for 1-4 unit homeowner properties located anywhere in Canada
- An individual can be a borrower/co-borrower on a maximum of two CMHC insured homeowner properties
- No additional underwriting requirements or premium surcharges for a second home - standard product specific premiums apply
- Flexible financing options – single advance, progress advances, line of credit and extended amortization periods are available
- Flexibilities available for energy-efficient homes

#### **Benefits of CMHC Second Home:**

- ✓ **More Financing Choice** – Borrowers can purchase or refinance a mortgage loan covering a second home with their lender, using any of CMHC's mortgage loan insurance products for 1-4 unit residential properties.
- ✓ **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**

The terms and conditions herein are in addition to and subject to CMHC's mortgage insurance standard terms and conditions and underwriting policies, unless specifically specified otherwise. The terms and conditions may change at any time. © 2008, Canada Mortgage and Housing Corporation.



# CMHC SECOND HOMES

<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Purchase (CMHC Standard Purchase, CMHC Flex 100, CMHC Flex Down, and CMHC Purchase with Improvements)</li> <li>▪ Portability</li> <li>▪ Refinance</li> <li>▪ Single and Progress Advances</li> <li>▪ Line of Credit/Interest Only Mortgages</li> </ul>
<b>Occupancy</b>	At initiation, the property that secures a CMHC-insured mortgage loan must be intended for occupancy at some point during the year by a borrower; or a relative of the borrower on a rent-free basis.
<b>Maximum Amortization</b>	40 years. Maximum 25 years for Line of Credit/Interest Only Mortgages.
<b>Maximum Number of CMHC Insured Mortgages for Owner-Properties</b>	An individual can be a borrower/co-borrower on a maximum of two CMHC insured mortgages secured by an owner occupied property.
<b>Borrower Eligibility</b>	Permanent Residents including Newcomers to Canada, Self-Employed Borrowers and Commissioned (100% if income is commissioned).
<b>General Property Requirements</b>	<ul style="list-style-type: none"> <li>▪ The property can be located anywhere in Canada and must be suitable for, and available for, year-round occupancy.</li> <li>▪ Properties that are constructed for seasonal use, or have seasonal access, are not eligible.</li> <li>▪ Properties located on an island must have year-round bridge or ferry access.</li> <li>▪ Time-share interests, life leases and properties in rental pools are not eligible.</li> </ul>
<b>Energy-Efficient Housing</b>	Flexibilities for energy-efficient housing include a 10% premium refund and extended amortization periods without surcharge.

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. For portability, 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.