



MORTGAGE LOAN INSURANCE

## CMHC PROGRESS ADVANCE

### *Facilitating New Construction and Large Scale Home Improvements*

CMHC's Progress Advance is designed to meet the housing finance needs of borrowers who are building new homes or who want to undertake large scale home improvements by providing insured financing during the home construction/improvement process.

**Everything  
you need  
to open  
new doors**

#### **Features:**

- Available for New Construction or Large Scale Home Improvements (greater than 10% of the estimated "as-improved" value of the property)
- Insured funds are advanced during construction at different stages of work
- No additional fees or premiums for progress advances – standard product premiums apply
- Eligible borrowers include: individual borrowers, self builders, and home builders where the home is pre-sold.

#### **Benefits of CMHC Progress Advance**

- √ **Funds Advanced when Needed** – Funds are advanced during construction at different stages of work.
- √ **Flexibility** – Flexible number and timing of advances to meet borrower needs.
- √ **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.

OPIMS 65622 04/18/08

**I 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.*



<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Purchase                             <ul style="list-style-type: none"> <li>▪ CMHC Standard Purchase</li> <li>▪ CMHC Flex 100</li> <li>▪ CMHC Flex Down</li> </ul> </li> <li>▪ Portability</li> <li>▪ Refinance</li> <li>▪ Line of Credit / Interest Only Mortgages (except for Homebuilder Pre-sold borrowers)</li> </ul>
<b>Eligible Borrowers</b>	Permanent Residents including Newcomers to Canada
<b>Borrower Types</b>	<ul style="list-style-type: none"> <li>▪ <b>Individual Borrower:</b> The borrower owns the land prior to start of construction, and has a contract with a builder to construct the unit.</li> <li>▪ <b>Self-built:</b> The property is registered in the name of the borrower who does the work / or contracts with one or more subcontractors to build or renovate the property.</li> <li>▪ <b>Homebuilder Pre-sold:</b> The builder retains title during the course of construction. The Approved Lender advances directly to the builder during construction. The builder does not start construction until an agreement of Purchase and Sale for the land and unit has been finalized with the future homeowner (i.e. mortgage loan insurance applicant). Line of Credit not available.</li> </ul>

Applicable Premiums			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>
Up to and including 85%	1.75%	3.50%	Repayment Option: 5 years (5/20) 0.25%
Up to and including 90%	2.00%	4.25%	10 years (10/15) 0.50%
Up to and including 95%			Conversion from 5/20 to 10/15 0.35%
Traditional Down Payment**	2.75%	4.25%*	(Product specific terms and conditions apply, see OPIMS 65612)
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.