



CANADA MORTGAGE AND HOUSING CORPORATION

CMHC Line of Credit

Providing Greater Advancing and Repayment Flexibility to Borrowers

CMHC's Line of Credit enables Approved Lenders to provide borrowers with greater housing finance choice by offering greater advancing and repayment flexibility than traditional mortgage loans.

Features

- Available for Purchase and Refinance Transactions
- Loan-to-Value ratios up to 80%
- 1 – 4 unit residential properties
- Option of making interest only payments for first 5 or 10 years (premium surcharges apply)
- With CMHC Line of Credit, borrowers can have more flexibility in drawing or repaying funds
- Full repayment required within 25 years of loan initiation

Benefits of CMHC Line of Credit

Flexible Repayment

Borrowers can pay interest only for up to 10 years.

Flexible Advancing

Borrowers can draw funds up to the insured line of credit limit as often as they wish without the need for the lender to reapply for mortgage loan insurance for each advance.

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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www.cmhc.ca

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Everything you need to open new doors

Canada 

This information provides product highlights on CMHC's mortgage loan insurance products. Any requirements that are described would be subject to CMHC's mortgage insurance terms and conditions and underwriting policies. Products and their terms and conditions may change at any time. © 2008, Canada Mortgage and Housing Corporation.



Product Highlights:

Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Refinance
Loan-to-Value (LTV) Ratio	Up to 80%
Repayment Options	<ul style="list-style-type: none"> ▪ Option 5/20: Initial 5 year period of interest only payments followed by 20 year amortizing principal and interest repayment ▪ Option 10/15: Initial 10 year period of interest only payments followed by 15 year amortizing principal and interest repayment Full repayment within 25 years of loan initiation under either option
Down Payment	Traditional sources*
Number of Units	1- 4 units
Maximum Amortization	Full repayment required within 25 years of loan initiation
Borrower Eligibility	Permanent Residents including newcomers to Canada
General Guideline for History of Managing Credit** (Beacon score or equivalent)	Recommended minimum score of 650
Debt Service Guidelines** (Recommended Beacon score or equivalent: GDS/TDS)	650 to 679: 35% / 42% 680+: n/a / 44% Debt Service Ratios must be calculated based on the amortizing principal and interest payments required to repay the insured amount over the life of the loan.
Loan Security Position	First priority; or second priority for refinance transactions
Interest Rate Types	Fixed, capped and standard variable, and adjustable
Energy-Efficient Housing	Flexibilities include a 10% premium refund

* 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).

** Individuals can access their scores and credit reports from the following credit reporting agencies:

EQUIFAX: <https://www.econsumer.equifax.ca/ca/main>, EXPERIAN: <http://www.experian.ca/>, TRANSUNION: <http://www.transunion.ca/>

Applicable Premiums on Approved Limit			Surcharges	
Loan to Value Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Refinance	CMHC Line of Credit	
Up to and including 65%	0.50%	0.50%	Repayment Option:	
Up to and including 75%	0.65%	2.25%	5 years (5/20)	0.25%
Up to and including 80%	1.00%	2.75%	10 years (10/15)	0.50%
			Conversion from 5/20 to 10/15	0.35%

For purchase transactions the premium payable is the Premium on Total Loan Amount. For refinance, where there is no increase to the remaining interest only period, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. Premiums in Ontario and Quebec are subject to provincial sales tax – the sales tax cannot be added to the loan amount.