



CANADA MORTGAGE AND HOUSING CORPORATION

CMHC Purchase

Helping to Make Dreams of Homeownership Come True

For most people, the hardest part of buying a home – especially a first home – is saving the necessary down payment. CMHC insured financing can help open the doors to homeownership by enabling homebuyers to purchase a home with as little as 5% down payment from traditional and non-traditional sources.

Features

- Loan-to-value ratios up to 95% for 1 – 2 unit residential properties
- Loan-to-value ratios up to 90% for 3 – 4 unit residential properties
- Down payment flexibility – In addition to traditional sources, non-traditional sources of down payment are permitted for loans with loan-to-value ratios from 90.01% - 95%
- Flexible financing options – single advance, progress advances and extended amortization periods are available
- CMHC insured mortgages are portable – helping to reduce or eliminate the premium on the purchase of a subsequent home
- Flexibilities available for the purchase of energy-efficient homes

Benefits of CMHC Purchase

Access to Homeownership

With as little as 5% down payment from flexible sources.

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:

	Traditional Sources of Down Payment	Non-Traditional Sources of Down Payment
Loan Purpose	Purchase	
Loan-to-Value (LTV) Ratio	Up to 95% for 1-2 Units Up to 90% for 3-4 Units	90.01% to 95%
Maximum House Price	No Maximum	
Down Payment	Traditional Sources: Applicant 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 from federal, provincial or municipal agency).	Non-traditional Sources: 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.
Number of Units	1- 4 units	1- 2 units
Maximum Amortization	LTV > 80%: 35 years LTV ≤ 80%: 40 years Maximum 25 years for Chattel Mortgages	35 years
Borrower Eligibility	Permanent residents including newcomers to Canada. Self-employed borrowers with third-party documentation to support their income. Non-permanent residents are limited to 1 unit owner-occupied property and a maximum LTV of 90%.	Permanent residents including newcomers to Canada. Self-employed borrowers with third-party documentation to support their income. Not available for non-permanent residents.
General Guideline for History of Managing Credit* (Beacon score or equivalent)	LTV > 80%: Recommended minimum score of 600 LTV 60.01 - 80%: Minimum score of 580 LTV ≤ 60%: No minimum score required Standard variable rate mortgages (LTV 90.01% - 95%): Recommended minimum score of 610	Recommended minimum credit score of 650
Debt Service Guidelines*	Recommended Beacon Score or Equivalent: GDS/TDS: < 680 : 35% / 42%, 680+ : n/a / 44%	
Loan Security	First Mortgages and Chattel Mortgages	First Mortgages Only
Interest Rate Types	Fixed, capped and standard variable, and adjustable	
Energy-Efficient Housing	Flexibilities include a 10% premium refund and extended amortization periods without surcharge	

* 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 (Owner-occupied properties)		Surcharges
Loan to Value Ratio	Premium on Total Loan Amount	Extended Amortization Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period
Up to and including 65%	0.50%	
Up to and including 75%	0.65%	
Up to and including 80%	1.00%	
Up to and including 85%	1.75%	
Up to and including 90%	2.00%	
Up to and including 95%		
Traditional Down Payment	2.75%	
Non-Traditional Down Payment	2.90%	

Premiums in Ontario and Quebec are subject to provincial sales tax – the sales tax cannot be added to the loan amount.