



BRINGING HOMEOWNERSHIP WITHIN REACH

... With CMHC Mortgage Loan Insurance



Everything you need to open new doors

Canada 





What if you could buy the home you want...

- With a minimum down payment of 5%
- At a lower interest rate

You can!

With mortgage loan insurance from Canada Mortgage and Housing Corporation (CMHC).

What is Mortgage Loan Insurance?

Available for mortgages on properties with one to four units, mortgage loan insurance insures lenders against payment default by the homeowner. Most financial institutions require it where the homebuyer has less than 20% of the purchase price as a down payment.

Advantages for Homebuyers

With a minimum down payment of 5%

For most people, the hardest part of buying a home – especially a first home – is saving the necessary down payment. With mortgage loan insurance from CMHC, you can own your home with a minimum down payment of 5%.

Most mortgage loan insurance products require homebuyers to provide the down payment from their own resources, such as savings and RRSPs. Gift down payments from immediate relatives are also acceptable.

For down payments of less than 10%, CMHC also enables lenders to offer homebuyers the flexibility to use additional sources (non-traditional) of down payment such as borrowed funds or lender incentives.



Lower interest rates for the life of your mortgage

Mortgage loan insurance from CMHC helps you to access the most competitive interest rates in the market – comparable to those typically reserved for homebuyers with a down payment of 20% or more, and the interest rate savings are usually available for the life of the mortgage loan, including renewals. The cost of mortgage loan insurance is generally more than offset by the savings you get from lower interest rates. Lower interest rates mean lower payments and lower interest costs for you!

How Much Can You Afford?

The amount of the mortgage loan you can afford will depend on a number of factors. The most important are your gross household income, your down payment and the mortgage interest rate. Lenders will also consider your assets and liabilities. Your own lifestyle and debt comfort zone also come into play.

The table below gives you an idea of potential maximum home prices taking into account household income and expenses and assumes a 5% downpayment is made.

Household Income	5% Down Payment	Maximum Home Price* (rounded to nearest \$1,000)
\$ 30,000	\$ 3,900	\$ 78,000
\$ 40,000	\$ 5,700	\$114,000
\$ 50,000	\$ 7,500	\$150,000
\$ 60,000	\$ 9,300	\$186,000
\$ 70,000	\$11,050	\$221,000
\$ 80,000	\$12,500	\$250,000
\$ 90,000	\$14,400	\$288,000
\$100,000	\$16,275	\$326,000

**These figures are general guidelines of maximum mortgage amounts assuming an 8% interest rate, 25 year amortization, average property taxes and heating costs for Canada, and the amount of mortgage a person would qualify for based on a 32% Gross Debt Service (a figure used by many lenders in calculating mortgage loan eligibility). Longer amortization periods may increase the maximum house price you can afford.*

Visit www.cmhc.ca and use search keywords “mortgage calculator” to access CMHC’s easy to use on-line mortgage calculator to help you estimate the maximum house price you can afford, the maximum mortgage amount you can borrow, and your monthly mortgage payments. Alternatively you can speak to your mortgage professional.



Mortgage Loan Insurance Premiums

To obtain mortgage loan insurance, lenders pay an insurance premium. Typically, your lender will pass this cost on to you. The premium payable is based on the percentage of the home's purchase price that is financed by a mortgage. The premium can be paid in a single lump sum or it can be added to your mortgage and included in your monthly payments.



CMHC's current premiums for purchase transactions are:

Loan size (% of purchase price that requires financing)	Premium (%) on total loan amount
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%

Additional product specific premiums and surcharges may apply.
Loan-to-value restrictions apply for certain CMHC products

For example, if a mortgage loan of \$100,000 represents 85% of a home's purchase price the mortgage loan insurance premium payable is 1.75%, or \$1,750 ($\$100,000 \times 1.75\%$).

Meeting Your Individual Needs – Today and in the Future

Looking for smaller monthly payments?

Mortgage loans with extended amortization periods are available when purchasing or refinancing a home and can be insured by CMHC. Premium surcharges apply for amortization periods beyond 25 years.

Purchasing a home and making improvements?

Work with your mortgage professional to obtain CMHC insured mortgage financing of up to 95% of the home's "as improved/renovated" value.

Purchasing an energy-efficient home?

Extended amortization periods without surcharge and a 10% premium refund may be available when CMHC insured financing is used to purchase an energy-efficient home.

New to Canada?

Welcome home. Newcomers to Canada with permanent resident status are eligible under all CMHC Homeowner Mortgage Loan Insurance products – regardless of how long they have been in Canada. Non-permanent residents can also purchase a home with a minimum down payment of 10%.

Self employed?

CMHC is on your side. With CMHC, self employed borrowers, who have documentation to support their income, are eligible under all existing mortgage loan insurance products with the same eligibility criteria and insurance premiums as salaried borrowers.

You may also be eligible for CMHC mortgage loan insurance even if you have difficulty providing third party income validation.



Buying a second home?

CMHC understands that changing lifestyles affect the decisions you make on how and where you live. That is why CMHC offers mortgage loan insurance on loans made to help you buy a second home (one unit) with a minimum down payment of 5%.

Relocating?

Transferring a CMHC insured mortgage from an existing home to a new home can help to reduce or eliminate the premium on the financing of the new home.



Need to access the equity in your home?

CMHC Mortgage Loan Insurance can help you increase the amount of financing on your home up to 90% of its market value.

Need mortgage funds during construction?

For CMHC-insured loans, your lender can advance mortgage proceeds quickly during construction or major renovations.

Products available from individual lenders may vary and are subject to the lender's eligibility rules.

For more details on these and other CMHC products, visit **www.cmhc.ca** or ask your mortgage professional for qualifying criteria and availability.



Want more information?

Homebuying Step by Step

CMHC's Homebuying Step by Step Guide provides you with a wealth of information and tools to help you make smart homebuying decisions from the moment you decide to buy a home to the moment the movers carry the first box through the front door. Check out our interactive version available on-line at **www.cmhc.ca**.

@ HOME with CMHC

CMHC offers a free monthly e-newsletter full of practical tips and helpful advice on a wide variety of home ownership topics ranging from home renovation to cost saving maintenance and energy-efficient tips. Subscribe today at **www.cmhc.ca/enewsletters**.

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Everything you need to open new doors

As Canada's national housing agency and leading source of objective and reliable housing information, we can also help to open the world of housing information – all under one roof.

Our publications cover every facet of owning, maintaining or renovating a home. For information on our products, services and publications, **visit www.cmhc.ca** or call CMHC at 1-800-668-2642 to get the answers from someone you can trust.

Ask your mortgage
professional about CMHC.

www.cmhc.ca