

WHAT YOU NEED TO KNOW...

AS A FIRST TIME HOME BUYER

LISA J. GRYBA - A.M.P



LISA J. GRYBA

A.M.P.

EMAIL. lisag@onelinkmortgage.com

PHONE. 204.371.9284

WWW.LISAGRYBA.COM

WHAT YOU NEED TO KNOW...

AS A FIRST TIME HOME BUYER

LISA J. GRYBA- A.M.P

- *All three insurers are participating in the FTHBI program (CMHC, Genworth and Canada Guaranty)
- *The government will provide up to \$1.25 billion over three years to eligible homebuyers by sharing in the cost of a mortgage.
- *Submissions beginning September 2, 2019 with closing dates taking effect on or after November 1, 2019.
- *Maximum closing date is March 31, 2024
- *Incentive applications will be approved on a first come first serve basis.
- *The total down payment must be less than 20% (own resources and government incentive)
- *There is not a surplus added onto the insurance premium.

What is the FTHBI Program?

Allows eligible first-time homebuyer's, who have the minimum down payment for an insured mortgage, to receive between 5%-10% of the purchase price of the home as an additional down payment.

Used homes

FTHB need to have traditional 5% down payment.

The government incentive will be 5% down payment.

New construction homes

FTHB need to have traditional 5% down payment

The government incentive will be 5-10% down payment

WHAT YOU NEED TO KNOW...

AS A FIRST TIME HOME BUYER

LISA J. GRYBA- A.M.P

Mobile homes (new or used, owned or leased land)

FTHB need to have traditional 5% down payment

The government incentive will be 5% down payment

How does the FTHBI Program work?

The government incentive program will be entitled to share in the upside or downside of the market value of the home at the time of repayment.

No on-going repayments are required.

The Incentive is not interest bearing

The homeowner can repay the Incentive at any time without a pre-payment penalty.

What amount is owing under the Incentive at the time of repayment?

If a homebuyer receives an Incentive of 5% of the home value @ time of purchase, the Homebuyer must repay the 5% of the current market value of the home at the time of repayment.

If a homebuyer receives an Incentive of 10% of the home value@ time of purchase, the Homebuyer must repay the 10% of the current market value of the home at the time of repayment.

IMPORTANT: The repayment will be initiated by the borrower. They will need to contact their lawyer and a CRA appraisal will be ordered to verify the current market value of their home. If the insurer feels that CRA appraisal is sufficient and shows a accurate market value of the home, the client can simply repay the insurer. IF the insurer feels that this appraisal is inaccurate, they can order their own appraisal at the clients expense.

WHAT YOU NEED TO KNOW...

AS A FIRST TIME HOME BUYER

LISA J. GRYBA- A.M.P

What are the First-Time Homebuyer Requirements?

At least one homeowner must be a first-time homebuyer, which is considered as the following:

- Have never purchased a home before
- Are experiencing a breakdown of marriage or common-law partnership (even if the other first-time home buyer requirements are not met)
- In the last 4 years did not occupy a home that was occupied by the homebuyer or their spouse

Eligible Properties

The home must be the homebuyer's primary place of residence, be suitable and available for full-time, year-round occupancy and be located in Canada. Investment properties are not eligible.

Borrower Eligibility

Canadian citizens, permanent residents, and non-permanent residents who are legally authorized to work in Canada.

Income Requirement

Total qualifying income must be \$120,000 per year or less.

The combined mortgage and Incentive amount cannot exceed four times the qualifying income.

WHAT YOU NEED TO KNOW...

AS A FIRST TIME HOME BUYER

LISA J. GRYBA- A.M.P

Down Payment Requirements

The down payment must be from a traditional source such as:

- Savings
- Withdrawal of a RRSP
- A non-repayable financial gift from an immediate relative

A non-traditional down payment source, such as unsecured personal loans or unsecured lines of credit used to satisfy minimum down payment requirements is **not eligible** for the Program.

Security

The Incentive will be a second mortgage on the title of the property, with no regular principal payments, is not interest bearing and has a maximum term of 25 years.

Repayment Requirement

Trigger for repayment: the Incentive will need to be repaid after 25 years, or when the property is sold, whichever is earlier. Refinancing of the first mortgage will not trigger repayment but will trigger a postponement request.