



CANADA MORTGAGE AND HOUSING CORPORATION

CMHC Second Home

Providing More Financing Choice for Second Homes

Changing lifestyles affect decisions Canadians make on how and where they live. Whether it's family circumstances, work demands, or lifestyle choices, CMHC Mortgage Loan Insurance enables Approved Lenders to offer borrowers more financing choices when purchasing or refinancing a second home.

Features

- Available for 1-4 unit owner occupied properties located anywhere in Canada
- Access to all CMHC 1- 4 unit mortgage loan insurance products except CMHC Income Property
- An individual can be a borrower/co-borrower on a maximum of two owner occupied properties that secure CMHC insured financing
- No additional underwriting requirements or premium surcharges for a second home - standard product specific premiums apply
- Flexible financing options – single advance, progress advances and extended amortization periods are available
- Flexibilities available for energy-efficient homes

Benefits of CMHC Second Home

More Financing Choice

Borrowers can purchase or refinance a mortgage loan covering a second home with their lender, using any of CMHC's mortgage loan insurance products for 1 – 4 unit residential properties.

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 65634 | 1/25/08

www.cmhc.ca

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Everything you need to open new doors



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 (with traditional or non-traditional sources of down payment) ▪ New Construction ▪ Refinance ▪ Purchase or Refinance with Improvements ▪ Single and Progress Advances
Loan-to-Value (LTV) Ratio	Maximum LTV varies by CMHC product and number of units
Maximum House Price	No Maximum
Maximum Amortization	LTV > 80%: 35 years, LTV ≤ 80%: 40 years
Occupancy	At initiation, the property that secures a CMHC-insured mortgage loan must be intended for occupancy at some point during the year by a borrower; or a relative of the borrower on a rent-free basis.
Maximum Number of CMHC Insured Mortgages for Owner-Properties	An individual can be a borrower/co-borrower on a maximum of two owner occupied properties that secure CMHC insured financing
Borrower Eligibility	Permanent Residents including newcomers to Canada, Self-employed borrowers and borrowers earning commission (if income is 100% commissioned).
General Property Requirements	<ul style="list-style-type: none"> ▪ The property can be located anywhere in Canada and must be suitable for, and available for, year-round occupancy. ▪ Properties that are constructed for seasonal use, or have seasonal access, are not eligible. ▪ Properties located on an island must have year-round bridge or ferry access. ▪ Time-share interests, life leases and properties in rental pools are not eligible.
General Guideline for History of Managing Credit	Debt service guidelines vary by CMHC product
Energy-Efficient Housing	Flexibilities include a 10% premium refund and extended amortization periods without surcharge.

Applicable Premiums (Owner-occupied properties)			Surcharges
Loan to Value (LTV) Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Refinance	Extended Amortization Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period Blended Amortization for Refinance*** 0.50%
Up to and including 65%	0.50%	0.50%	
Up to and including 75%	0.65%	2.25%	
Up to and including 80%	1.00%	2.75%	
Up to and including 85%	1.75%	3.50%	
Up to and including 90%	2.00%	4.25%	
Up to and including 95%			
Traditional Down Payment* Non-traditional Down Payment**	2.75% 2.90%	4.25% N/A	

For purchase transactions the premium payable is the Premium on Total Loan Amount. For refinance, 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.

*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.

*** Where there is an increase to the loan amount, the amortization period of the existing CMHC insured loan and the loan increase may be blended using a weighted average. A 0.50% blended amortization surcharge to the loan increase applies to the Premium on Increase to Loan Amount.