

## Conventional Mortgage

For clients who do not require an insured product, or those who have built up equity in their existing homes, Concentra Financial offers quality mortgage funding at competitive rates.

### Maximum Loan Amount

#### Purchase:

- 80% of the first \$300,000
- 60% of the remainder
- To a maximum of \$750,000

#### Refinance:

- 70% of the first \$300,000
- 60% of the remainder
- To a maximum of \$750,000

### Equity

- A down payment is required from the borrower's own resources or in the form of a gift.

### Applicant Eligibility

- Liabilities cannot exceed 95% of assets, with the exception of student loans.
- Credit Bureau file must be satisfactory.
- Mortgagor must have verifiable source of income.

### Amortization

- Up to 35 years

### Debt Service

#### GDS Ratio

- 32% on all single family residences, including heating costs.
- Condos will include 50% of condo fees.

#### TDS Ratio

- 40% on all single family residences.

## Specific Property Eligibility Requirements for Conventional Mortgages

Properties must meet the following conditions to be eligible for Concentra Financial financing:

- Townhouse condominium and freehold townhouse units are permissible.
- Apartment condos are permissible at 65% loan to value ratio.
- Mobile, mini and modular homes are not eligible

for conventional financing. Please refer to High Ratio mortgages.

- The property must be a minimum of 600 square feet, 800 square feet if partial/no basement and be consistent with the neighbourhood. Properties under this minimum will be considered under High Ratio Mortgages.
- Property eligibility restrictions are subject to change without notice and may vary at any given time between market areas.
- For rural properties, a maximum of 5 acres will be considered when determining the loan to value ratio notwithstanding that larger parcels may be mortgaged. Only the land, principal residence and garage will be considered when determining the loan to value ratio. No other buildings or improvements qualify.

### Second Mortgages

- If the combined loan-to-value ratio on both mortgages exceeds 80%, then the second mortgage must be insured.
- Concentra Financial must hold the first mortgage.

### Property Related Information

- Appraisal by a Concentra approved appraiser (CRA, AACI, DAR or DAC).
- Survey required if mortgage over \$250,000.00. Title insurance is acceptable in lieu of a survey.

#### Rural

- Septic System Certificate for new construction only.

*Note: Other documents may be required at the discretion of the Underwriter.*

### Interest Rates

- Interest rates are guaranteed up to 120 days from the date of application or for a period of 121 to 150 days at a capped rate 1/2 of 1% over the current rate.
- The rate will be set at Interest Adjustment Date (or some other specified date) at the current or committed rate, whichever is less.
- If rates decline prior to disbursement of the loan, the client will automatically receive the lower rate.

### Refinances

- Minimum amount of new funds is \$20,000.

## Mortgage Underwriting Guide

- The combined new and old funds cannot exceed 80% loan-to-value ratio.

### Interim (Bridge) Financing

Concentra Financial will finance the equity requirement for a purchase pending sale of the applicant's previous principal residence under the following conditions:

- Mortgage for new purchase must be with Concentra Financial.
- Unconditional Offer to Purchase with a minimum deposit of \$1,000.
- Assignment of Sales Proceeds and Letter of Comfort.
- Maximum ninety day term.
- The interest rate for interim financing will be Chartered Bank Prime plus 2%.
- A fee will be charged.
- The maximum loan shall be the lesser of:
  - a) Eighty five percent of the net equity in the sold residence (sale price less existing mortgages, sales commissions, etc.), *or*
  - b) The difference between the purchase price of the new residence and the new first mortgage amount granted by Concentra Financial.
- All conditions of the Concentra Financial first mortgage commitment to be met.

### Construction

- Interest rate during construction and until final advance will be 1% over the one year closed rate, adjusted every 90 days. The mortgage term will begin at final advance or 12 months from the date the final commitment letter is issued. The take out interest rate will be set within 120 days prior to the final advance (but not to precede commitment date).
- Advances based on cost to complete.
- Multi or single advances available.
- Minimum term available for progress draw mortgages is 3 years.
- No self built properties.

### Rental

#### Purchase:

- 80% of the first \$300,000
- 60% of the remainder
- To a maximum of \$750,000

#### Refinance:

- 70% of the first \$300,000
- 60% of the remainder
- To a maximum of \$750,000
  - Single family homes, duplexes, town house condos.
  - No mobile homes, triplexes, fourplexes, apartment condos, etc.
  - Not available under Vision.
  - Applicable to purchases, refinances and ETO's.
  - Maximum of 3 mortgages with Concentra Financial.
  - Borrowers can own a maximum of four rental

properties (two units or less each).

- Properties must be located in an urban centre with a population 15,000 or more, no rural properties.
- Credit to be good.
- GDS is not applicable. Calculate TDS (max 40%) on all debts including the new mortgage on the revenue property being underwritten. 100% of income from revenue property is included in qualifying income. Non-interest expenses related to the rental property need to be deducted from rental income or included with payments in the TDS calculation.
- Instead of requiring a lease to be in place, please request that the appraiser indicate their opinion of Fair Market Rent for the property.

### Vision Mortgage

The Concentra Financial Vision Mortgage sees beyond the application to the person applying for the mortgage. If your borrower has an impaired credit rating, high debt, or unusual income, our Vision Mortgage may be the funding alternative you need.

### Maximum Loan Amount

#### Purchase:

- 75% of the first \$300,000
- 60% of the remainder
- To a maximum of \$500,000

#### Refinance:

- 65% of the first \$300,000
- 60% of the remainder
- To a maximum of \$500,000

### Terms

- 1-5 year closed; no open or adjustable terms available.
- Maximum amortization is 25 years.

### Equity

- Down payment must be verified.
- Gift letter is acceptable for verification of down payment.
- Down payment may come from a second mortgage with another financial institution. Details of the second mortgage are required and used for qualification purposes.

### Applicant Eligibility

- Income verification required:
  - a) salaried, income letter and pay slip.
  - b) self-employed, 2 years financial statements and Canada Revenue Agency assessments.
- Landed immigrant status is not required.
- Guarantor/Covenantor – spousal income may be used

to qualify for mortgage, however the spouse may elect to be registered as a guarantor/covenantor only.

- Credit requirement - minimum beacon score of 540. Concentra Financial utilizes an internal scoring model. Notwithstanding the minimum beacon score, the internal score determines eligibility.

## Debt Service

### TDS Ratio

- Maximum TDS is 45%.

### Bankruptcy

- Minimum 1 year discharged bankrupt with re-established credit. Consumer proposals must be paid in full.

## Specific Property Eligibility Requirements for Vision Mortgages

- Minimum property value of \$100,000.
- Owner-occupied single family, townhouse and duplex units with unit owner-occupied are eligible. Apartment condos, rentals, recreational, mobile, mini or modular homes and acreages are not eligible for Vision mortgage financing.
- The property must be a minimum of 600 square feet, 800 square feet if partial/no basement and be consistent with the neighbourhood.
- The property must be located in an urban centre having a population of 25,000 or more (exceptions apply). Please refer to [Eligible Urban Locations](#) on the Mortgage Referral Program client site at [www.concentrafinancial.ca](http://www.concentrafinancial.ca).
- Property eligibility restrictions are subject to change without notice and may vary at any given time between market areas.

## Second Mortgages

- Not available.

## Interest Rates

- Interest rates are guaranteed up to 120 days from the date of application.
- No discounting is permitted.
- A minimum premium of 2% will be applied to posted interest rates.

## Acceptance Fee

- An acceptance fee will apply to all Vision Mortgages and can be added to the mortgage amount under certain conditions.

## Interim (Bridge) Financing

- See policy listed under Conventional Mortgage.

## High Ratio Mortgages (Insured)

Concentra Financial offers a high ratio, insured mortgage to those individuals who may not qualify for a conventional mortgage. A low down payment makes this option very attractive to first time home buyers.

Concentra Financial utilizes the following Mortgage Insurers. Please see applicable insurer web site for program details.

- **CMHC** <https://www.cmhc-schl.gc.ca/en/co/moloin/moloin/index>
- **Genworth Financial** <http://www.genworth.ca/content/genworth/ca/en/home.html>

See also the reference sheet [Partnering with Canada's Mortgage Insurers](#) at <http://www.concentrafinancial.ca/Reference%20Materials/800-794.pdf>.

## Maximum Loan Amount

- Refer to insurer policies.

## Equity

- Refer to insurer policies.

## Applicant Eligibility

- No negative networth, with the exception of student loans.
- Credit Bureau file must be satisfactory, one borrower must have minimum beacon score of 600.

## Debt Service

### GDS Ratio

- Refer to insurer policies.

### TDS Ratio

- Refer to insurer policies.

## Specific Property Eligibility Requirements for High Ratio Mortgages

Properties must meet the following conditions to be eligible for Concentra Financial financing:

- Mobile, mini and modular homes are eligible under certain conditions.
- Townhouse condo and freehold townhouses are permitted.
- In the case of rural properties, the insurer's maximum acreage restrictions will be considered when determining the loan to value ratio notwithstanding that larger parcels may be mortgaged. Only the land, principal residence and garage will be considered when determining the loan to value ratio. No other buildings or improvements qualify. Water potability test is required.

- *Property eligibility restrictions are subject to change without notice and may vary at any given time between market areas.*

### Property Related Information

- Survey required if mortgage over \$250,000.00. Title insurance is acceptable in lieu of a survey.
- Listing Agreement, including square footage, age, tenure, type of home and yearly taxes.

#### Rural

- Water Potability Certificate.
- Septic System Certificate and Well Drillers Certificate for new construction only.

*Note: Other documents may be required at the Underwriter's discretion.*

### Interest Rates

- See policy listed under Conventional Mortgage.

### Interim (Bridge) Financing

- See policy listed under Conventional Mortgage.

### Construction

- See policy listed under Conventional Mortgage.

## Property Tax Payments

- Concentra Financial retains the right to collect property taxes on the mortgagor's behalf.
- One twelfth of the annual property taxes can be included in each monthly payment. If the client chooses to pay their own property taxes, Concentra Financial requires annual confirmation that property taxes have been paid.
- On initial mortgage funding, a property tax holdback may be required to ensure that there will be sufficient funds in the property tax account to pay the first property tax bill.
- Participation in TIPP's (Tax Installment Payment Plan) if permitted by your municipality.
- PIT mandatory for Vision Mortgages.

## Advising Borrowers

### Lawyers and Closing Costs

- The applicants are responsible for all legal fees and disbursements.
- Title insurance is permitted.

### Appraisal

- Appraisal by a Concentra Financial approved appraiser (CRA, AACI, DAR or DAC).

### Electronic Approval of Mortgage Insurance

- For High Ratio mortgages only, Concentra Financial utilizes full service electronic mortgage insurance approval and, therefore, no appraisal is required.
- Insurance carriers include CMHC, Genworth Financial and AIG United Guaranty.

### New Homes

- Construction must conform to the National Building Code of Canada and any other code of provincial or local jurisdiction. In case of conflict, the more stringent code requirement shall apply.
- Contractor built homes require the contractor to be a member in good standing of the New Home Warranty program and the unit must be covered by the program (not applicable on Conventional Mortgage).

### Wells and Septic Systems

#### Well Drillers Certificate

- A certificate stating flow rate in litres per minute. Minimum acceptable flow rate is 20 litres per minute maintainable for 1 hour. As an alternative, the appraiser can run the water for 20 minutes or so while doing the appraisal and note whether a good flow was maintained.

#### Water Potability Certificate

- A certificate from a qualified health authority listing water contents i.e. minerals and other solubles and contaminants, in parts per million (PPM), with the maximum recommended and safe levels provided for comparison.

#### Septic Systems

- New septic systems require certification by municipal or provincial health or environment officials that the system meets standards of design and installation.

### Residential Mortgages

333-3rd Avenue N  
Saskatoon SK S7K 2M2

Ph.: (306) 956-5100

Fax: (306) 244-1176

Website: [www.concentrafinancial.ca](http://www.concentrafinancial.ca)

Email: [underwriting@concentrafinancial.ca](mailto:underwriting@concentrafinancial.ca)

Toll Free: 1-800-788-6311

Toll Free Fax: 1-800-575-4013

The information provided in this booklet is intended as a guideline only and while every effort is made to ensure it remains current, it is subject to change. Please contact our Mortgage Services department to verify underwriting details if you have any questions.