



# Broker Reference Guide

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Broker Team



## Transaction Types

- Purchase, Refinance, Switch, Equity Take Out.
- First mortgages only.

## Terms

- Closed, Fixed Rate: 1-5, 7, 10 years.
- Convertible, Variable Rate: 5 years.

## Rates

- Highly competitive.
- Clients will receive ING DIRECT's already low rate for the term selected – no need for negotiating.
- Current rates are available on our website, <http://www.ingdirectbrokerteam.ca/en/rescurrentrates.html>

## Rate Guarantee

- Rates are guaranteed from the date of submission of the original application up to the closing date, to a maximum of 120 days. The lowest ING DIRECT rate within that period will automatically apply.

## Amortization

- Minimum – the term of the mortgage.
- Maximum – 30 years (Insured).
- Maximum – 35 years (Conventional).

## Payment Frequencies

- Monthly, Semi-Monthly, Weekly, Bi-weekly.
- Accelerated Weekly, Accelerated Bi-weekly.

## Prepayment Options

- 25/25 prepayment privileges:
  1. Lump sum payments of up to 25% of the original principal amount may be made in each year of the term. The minimum acceptable lump sum payment is \$100. (If such repayment privilege is not used in any 12-month period, it cannot be carried forward to the next or any future 12-month period.)
  2. Regular payment amount may also be increased annually, providing the maximum amount of the increase is no more than 25% of the original regular principal and interest payment.

## Skip-a-Payment Option

- Only available on conventional mortgages.
- If a mortgage is in good standing and no payments have been missed and the mortgage is not in default, the borrower has the ability to skip one regular payment annually.
- Interest of the missed payment will be added to the mortgage principal and interest will accrue.

## Property Taxes

- All Borrowers are responsible for payment of their own property taxes, unless an arrangement is made with ING DIRECT to do so. Proof of property taxes paid must be provided annually to ING DIRECT by clients who pay taxes directly to the municipality.

## Assumable

- All ING DIRECT unmortgages are assumable upon application and qualification.

## Portable

- All ING DIRECT unmortgages are portable.
- Borrower and new property must be re-qualified and approved. There should not be more than 120 days from the sale of the existing home to the closing of the new home.

## Blend and increase

- Offered on all terms.
- At any time within their term your clients have the option of blending the rate of the existing mortgage balance with the rate of the remaining or new term and mortgage and increasing the amount.
- Usual credit criteria must be met.

## Applications

- To be submitted via MorWeb or Expert.

## Current Finder's Fees:

TERM	FINDER'S FEE
1 to 3 Years	50 bps
4-Year	60 bps
5-Year (incl. VRM)	80 bps
7-Year	105 bps
10-Year	120 bps

\* Rates and Finder's Fees are subject to change without notice.

## Borrower Qualifications

- Gainfully employed (Past Probation).
- Minimum Beacon score of 620.
- Qualified down payment.

## Down Payment

- Down payment must be from borrower's own funds.
- A three-month history of the funds must be provided via bank statements.
- Any portion of the down payment that is a gift must be confirmed by way of gift letter.
- Gift must be from an immediate family member only.
- Gift must show in the bank account prior to funding.

## Bankruptcies

- Discharged with a minimum Beacon score of 620 and satisfactory payment history on re-established credit for minimum 2 years.

## Lending Area

- All provinces and territories in Canada.

## Property Types

- Single family dwellings, up to and including fourplexes.
- Owner-occupied or rental properties.
- Rentals to a max. of 80%.

## Appraisals

- Drive-by appraisal required for conventional mortgages under \$250,000 with an LTV ratio equal or less than 65%.
- Full appraisal required for conventional mortgages over \$250,000 and/or with an LTV ratio greater than 65%.
- A full appraisal is required regardless of loan-to-value or mortgage amount for all Rural, Rental, Construction properties, Edmonton properties and EIQ deals.
- The appraisal is based on the property and up to a maximum of 5 acres.
- Appraisal must be performed by an appraiser holding an AACI, CRA, DAR, or DAC designation.
- Appraisals must be sent directly to ING DIRECT from Centract [www.BrokerWorx.ca](http://www.BrokerWorx.ca), NAS [www.nationwideappraisals.com](http://www.nationwideappraisals.com) or Solidifi [www.solidifi.com](http://www.solidifi.com)

## Loan Amounts

- Minimum: \$50,000 Maximum: \$3,000,000 (excluding EIQ).
- Amounts over \$750,000 uninsured will be considered on an exception basis (excluding EIQ).

## Loan-to-Value

- Up to 80% of property value for conventional (up to 75% for Windsor-area, and Condominium apartment Properties).
- Up to 95% of property value for high-ratio purchases.
- Up to 85% of property value for re-finances.

## GDS & TDS Ratios

- High Ratio 32%/ 42% and Conventional 35%/ 45%.
- Preapprovals are 32%/42%.
- All deals are underwritten based on a minimum 3-year rate.

## Salaried Borrowers

- A pay stub (less than 30 days old) plus a letter of employment will be verified by ING DIRECT.
- Salaried employees must be employed for a minimum of one year and must not be on probation.

## Self-Employed, Commissioned or Seasonal Borrowers

- The previous two years' CRA Notices of Assessment, using the Total Income figure on line 150 (does not apply for EIQ).

## Property Taxes

- For calculation purposes, 1.25% of the property value for clients who pay their taxes directly to the municipality. GTA properties are calculated at 1.00% and BC properties at 0.75%.
- If using use less than 1.25% this must confirmed by way of tax bill or listing

## Heating Costs

- The following heating costs will be used when calculating debt serving ratios:

Property Value	Condominiums	Houses
\$50,000 - \$1,000,000	\$100.00	\$150.00
\$1,000,000.00 +	\$125.00	\$200.00

**Remember all documents must be submitted in good order 10 days prior to closing date. We cannot guarantee funding date for deals with documents received less than 10 days prior to closing. Deals with outstanding documents at 5 days may be cancelled or postponed.**

# 5-Year Variable Rate unmortgage

There are no gimmicks or teasers, just one great rate. Plus, this mortgage is one of the most flexible terms offered with built-in features that can help your clients not only save their money, but adjust to fluctuating rates.

## FEATURES

### Rate

- Highly Competitive Rate – Current rates posted on [www.ingdirectbrokerteam.ca](http://www.ingdirectbrokerteam.ca).
- Interest rate and payments are set every 3 months from IAD.
- Must qualify using BOC benchmark rate for high ratio mortgages.

### Terms

- 5-year term.

### Prepayment Features

- Convertible at no cost to a fixed term equal to or greater than three years (regardless of the remaining term on the original mortgage), at our already low rates.

- Open for repayment subject to a 3-month interest penalty.
- 25/25 prepayment privileges apply.

### Payment Frequency

- Monthly, Semi-Monthly, Weekly, Bi-weekly.
- Accelerated Weekly, Accelerated Bi-weekly.
- Ability to skip a payment annually for conventional mortgages only, (mortgage must be in good standing – meaning no payments have been missed and mortgage is not in default).

### Available Financing

- Financing available up to 95% of the value.

### Finder's Fee

- 5-year fixed commission payable.

The above terms, rate and conditions are subject to change without notice. All features of residential mortgages apply.

# unmortgage Options for the Self-Employed (stated Income) 4

ING DIRECT has enhanced its mortgage options for those Business for Self applicants who have difficulty meeting traditional income guidelines. Now your clients who have a good credit history and self-employed, can access up to 90% LTV on purchases & Ports, and up to 85% for refinances with minimal income verification.

## HIGH-RATIO UNMORTGAGE OPTIONS

### Available for

- Purchase
- Refinance
- Owner-occupied, maximum 2 units
- Ports
- Assumptions

### Maximum mortgage amount

- Metro Toronto, Metro Calgary and Metro Vancouver: \$750,000
- Rest of Canada: \$600,000

### Terms

- Available on all fixed and variable rate terms

### Restrictions

- Non-occupant, co-borrowers or guarantors not permitted
- Borrowed down payments are not permitted
- Minimum 5% down payment from the borrowers own savings. The remainder may be gifted from an immediate family member.
- Rental properties

### Additional requirements for borrower qualification

- The income reported by the borrower must be reasonable based on the industry, length of operation and type of business.
- Strong credit and credit score with minimum 2 trades with at least two years history.

- No mortgage, installment or revolving credit delinquencies appearing on the credit bureau in the past 12 months.
- Maximum one Genworth or CMHC-insured Alt-A mortgage

### Requirements

- Recent Notice of Assessment to confirm no income tax arrears
- Self-employed for 2 years or more confirmed by any 1 of the following documents:
  - Business Licence
  - GST/HST Return Summary
  - T1 Generals with statement of business activities for 2 years (must be prepared by an arm's length third-party)
  - Financial Statement for the last 2 years, must be prepared and signed by a Certified Accountant.
  - CIDREQ (Québec only)
  - Personal Credit Report\*
  - Articles of incorporation\*

\* Documents accepted for applicants who are incorporated.

### Premiums

LTV Ratio	Bureau Scores	Purchase	Refinance	Top Up
85.01% to 90%	650	4.75%	N/A	7.00%
80.01% to 85%	620	2.90%	2.90%	5.50%
75.01% to 80%	620	1.64%	1.64%	3.85%
65.01% to 75%	620	1.00%	1.00%	2.60%
65% and below	620	.80%	.80%	1.50%

The above terms, rate and conditions are subject to change without notice. All residential mortgage features apply.

## Express Income Qualifier - "EIQ"

Help your clients get their financing faster!

### Requirements

- Loan-to-value of 65% or less.
- Minimum bureau score of 700 or more.
- Confirmation of no tax arrears via recent Notice of Assessment.
- self-employed or 100% commission applicants only
- Down payment must be from applicant's own resources. Does not apply to gifted down payments.
- Minimum net worth of \$100,000.

- Does not apply to rental properties.
- A full appraisal is required regardless of LTV or mortgage amount.
- Maximum mortgage amount is \$750,000.
- All fixed and variable rate term products are available with this program.

If the client does not fit into the Express Income Qualifier mortgage, 2 years of CCRA Notices of Assessment may be requested. Our underwriters will work with you and keep you informed of what will be required.

## Bridge Financing

A secure short-term solution for your clients' long-term investment. Bridge Financing enables your clients to "bridge" the gap between the purchase of their new home and the sale of their existing home.

### FEATURES

#### Rate

- Highly Competitive Rate – ING Prime rate + 2.00%.

#### Term

- 30-day maximum term.

### Requirements

- \$250 credit facility charge for all bridge loans over \$250,000.
- Bridge loans over \$250,000 require the Solicitor to register on title at client's expense.
- An additional \$250 credit facility charge will apply if the term of the bridge exceeds 30 days. A \$250 credit facility charge will be applicable.
- Bridge finance registration is required when the bridge loan amount is over \$250,000 and/ or the term longer than 30 days.

The above terms, rate and conditions are subject to change without notice.

“DND/GOC” unmortgages are for Department of National Defence and Government of Canada Employees.

## FEATURES

### Rates

- ING DIRECT’s already low rates with no need for negotiation.

### Prepayment Options

- Open for a pay out at any time subject to conditions of relocation, with a 3-month interest penalty.
- 25/25 prepayment privileges.

### Terms

- Fixed rate terms of 1– 5

### Payment Frequencies

- Monthly, Semi-monthly, Bi-weekly and Weekly.
- Accelerated payment options available on bi-weekly and weekly payment frequencies.
- Ability to skip a payment on conventional mortgages annually (mortgage must be in good standing – meaning no payments have been missed and mortgage is not in default).

### Requirements

- Standard CMHC/Genworth premiums apply.
- Proof of the client's need to relocate.

The above terms, rate and conditions are subject to change without notice. All residential mortgage features apply.

## High-Ratio unmortgage Refinance Program

This program allows you to offer your clients refinancing of owner-occupied property up to 85% Loan-to-Value without restrictions on the use of funds.

### Requirements

- Refinances will be considered as a new first mortgage only, up to 85% of the value.
- Borrowers may use the funds for any purpose as long as the insured loan is a mortgage on the borrowers’ occupied property.
- Maximum increase of additional funds is \$200,000 as stipulated by CMHC/Genworth.

### If original mortgage is already CMHC/Genworth insured:

- A new first mortgage will be drawn to discharge the original mortgage.
- A premium will be charged on the increased amount based on the schedule below:

Loan-to-Value (LTV)	Top Up	Full Premium
Up to and including 65% LTV	0.50%	0.50%
Up to and including 75% LTV	2.25%	0.65%
Up to and including 80% LTV	2.75%	1.00%
Up to and including 85% LTV	3.50%	1.75%

### Top Up

Refinance Existing High Ratio unmortgage Premium charged on increased amount if original or blended amortization is chosen.

### Full Premium

Refinance Conventional to High Ratio unmortgage Premium charged on full amount.

### FOR EXISTING CMHC MORTGAGES ONLY

- If the amortization period is the blended average of the remaining amortization period on the original mortgage with an amortization of more than 25 years, a premium surcharge to CMHC of 0.5% is required.
- If the amortization period requested is more than the blended average, a premium on the full amount will be applied.

The above terms, rate and conditions are subject to change without notice. All residential mortgage features apply.

## Conventional Full Rental Properties

### Mortgage Types

- Conventional

### Property types

- One to four units, fully self-contained legal units that meet municipal zoning requirements. No basement income is to be used unless legal or legal non-conforming.

### Loan Purpose

- Purchase and refinance

### Title

- Guarantor not permitted (spousal guarantor allowed, may need ILA)

### Corporate borrowers

- Not permitted

### Beacon score

- Minimum beacon of 680 for primary applicant. No prior bankruptcy.

### Maximum number of mortgages

- Maximum of two rental properties financed by ING DIRECT per client.

### Maximum loan to value

- Conventional up to 80% LTV  
Maximum ETO \$200,000.

### Amortization

- The maximum amortization period is 35 years or 5 years less than the remaining economic life of the property, which ever is less.

### Down payment

- Must be from own resources, gifted down payment is not allowed.

### Net worth

- No minimum net worth requirement.

### GDS/TDS

- No GDS, maximum TDS = 42%

### Borrower income

- Full documented income verification

### Rental income subject property

- 80% rental income add-on from subject property:

$$\frac{(\text{PIT residence}) + (\text{PIT rental}) + \text{other debts}}$$

$$\text{Gross income} + (\text{rental income} \times 0.80)$$

PIT: Also include 50% of condo fees

### Income from Other rental properties

- If income from other rental properties is required for qualification purposes, 80% of the rental income can be added-on from other rental properties with 100% PIT added.

### Rental income confirmation

- Lesser of actual rent by way of lease agreement or appraiser's fair market rent. We will also accept as confirmation of rental income: cancelled rent cheques; borrower T1 Generals; financial statements prepared by a practicing accountant; or bank statements

## Conventional Owner-Occupied Rental Properties (2-4 units):

Owner occupied rental properties are residential rental properties of 2 to 4 units where the owner resides in one of the units. All of the above conventional full rental property guidelines are applicable to conventional owner occupied rental properties.

The above terms, rate and conditions are subject to change without notice.

## Insured Owner-Occupied Rental Properties (2-4 units):

ING DIRECT will generally follow Genworth's revised guidelines except for applications where a mortgage is already insured by CMHC. Under the new guidelines, taxes and heat will no longer be included in the TDSR and only 50% of gross rent can be added to the gross annual income.

## Rental Income Calculations

### 1. Subject property is an owner-occupied up to 4 units:

$$\text{TDS} = \frac{\text{PI} + \text{other debts (Heating costs are not required)}}{\text{Gross income} + 50\% \text{ of gross rent}}$$

### 2. Subject property is an owner-occupied Single Family Dwelling and client has other rental property(s) and we need the rental income to qualify:

$$\text{TDS} = \frac{\text{PI}(\text{subject}) + \text{PI}(\text{rental}) + \text{other debts}}{\text{Gross income} + 50\% \text{ of gross rent}}$$

### 3. Subject property is an owner-occupied up to 4 units and client has other rental property(s) and we need the rental income to qualify:

$$\text{TDS} = \frac{\text{PI}(\text{subject}) + \text{PI}(\text{other rental}) + \text{other debts}}{\text{Gross income} + 50\% \text{ of gross rent}(\text{subject}) + 50\% \text{ gross rent (other rental)}}$$

## Premium Calculations:

Loan-to-Value (LTV)	Premium Rate	Port Top-up Premium
75.01 - 80% LTV	2.50%	3.75%
65.01 - 75% LTV	1.75%	3.00%
65% and below	1.25%	2.75%

A 0.20% premium surcharge will be applied for every 5 years of amortization beyond the traditional 25 – year mortgage amortization period.

## Second Homes and Recreational Properties

- Second homes are generally vacation homes, but in some cases may also serve as the primary residence for other family members (e.g., children attending college or university) or as a second home in another part of Canada.
  - High ratio applications (over 80% LTV) must qualify under insurer guidelines, and as with conventional applications for secondary homes (LTV 80% or lower), must be qualified considering both the primary and secondary home.
  - Borrower must show verifiable income which could service both properties. GDS 32%, TDS 42%.
  - Recreational / Cottage properties may be considered provided the subject property meets the following guidelines:
    - o Property is accessible with year round road access and is suitable for occupancy all four seasons
    - o Must have standard features such as full insulation, and conventional services such as electricity (100 AMP minimum), plumbing, sewage, heating system, Municipal services and/or septic.
- Municipal water or, at minimum, well water (With a Water Potability Certificate). Lake drawn water at the primary source will be looked at on a case by case basis.

Transfer your clients' mortgage to ING DIRECT and help them save tens of thousands of dollars.

### Advantages of switching

- Competitive rates.
- Most flexible prepayment features of all the major banks.
- Ability to skip a payment annually should they need to (for conventional mortgages only).
- Penalties for conventional mortgages can be included in the switch amount (up to \$5000).
- We'll pay the legal fees and up to \$200 of the discharge fees charged by the other financial institution.
- No Appraisal Required! ING DIRECT will utilize an AVM for property valuations.
- For properties that do not receive a successful valuation or for non-AVM eligible transactions, ING DIRECT will order and cover the full cost of the appraisal!

### The Basics

- All fixed and variable rate terms and mortgage features available.

### Requirements

- Must be owner-occupied (rentals on exception).
- No switches from builders or private lenders or collateral charges.
- No switch & increase. A switch & increase will be treated as a refinance.
- Penalties (up to \$5000) for conventional mortgages can be included in switch amount but can't exceed original amount of mortgage.

- Remaining amortization amount cannot be increased to original.
- Title must remain the same. The same names must appear on application as on title. If not, it will be considered a new mortgage application.
- High Ratio switches insured by CMHC and Genworth Financial Canada.
- Borrowers must meet our usual credit criteria.
- A third party provider (First Canadian Title) will contact Client to set up an appointment to see a Solicitor for ID Verification.

### Express Switches

ING DIRECT's new "Express Switch" program is for your triple A Clients where Income confirmation is no longer required!

### Express Switch Qualifications:

- Owner occupied properties only.
- Loan-to-Value < = 75%
- Mortgage amount < \$500K
- Beacon Score > 650

### Conditions:

- No Income confirmation required!
- Automated Valuation Model (AVM) or Appraisal required .
- A copy of the most recent Property Tax bill or the Mortgage Charge Statement to confirm the registered owners, legal description and tax roll number.

## Other Important Information – NEW

**Online customizable mortgage sales tool and Buy-Down calculator available now at [www.ingdirectbrokerteam.ca](http://www.ingdirectbrokerteam.ca)**

To help you show how much money an ING DIRECT mortgage can save your clients, we've developed an online mortgage calculator. Calculate mortgage payments, print amortization schedules, show how using the 25/25 prepayment options can save your clients tens of thousands of dollars. Plus you can print an overview of standard documents your clients would need to provide to obtain an ING DIRECT mortgage.

Would you like to become a member of the ING DIRECT Broker Team?

Visit [www.ingdirectbrokerteam.ca](http://www.ingdirectbrokerteam.ca) or contact the Regional Sales Manager for your area:

**British Columbia Interior & Lower Mainland,  
Vancouver Island**

Dedicated Broker Service: 1-866-420-7562  
Catherine Halkyard, Regional Sales Manager  
Phone: 1-866-302-3325 / 250-508-5816  
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E-Mail: [chalkyard@ingdirect.ca](mailto:chalkyard@ingdirect.ca)

**Prairies & Territories**

Dedicated Broker Service: 1-866-899-6425  
David Napoleone, Regional Sales Manager  
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Fax: 1-877-658-9649  
E-Mail: [dnapoleone@ingdirect.ca](mailto:dnapoleone@ingdirect.ca)

**Alberta**

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Jimmy Lee, Regional Sales Manager  
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**Southwest Ontario**

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