



GENERAL INFORMATION

- **Float/Fixed Mortgages**

Effective April 27, 1998, all new applications received within the 90 day commitment period (excluding Access Mortgages), will be given the FIXED interest rate, unless the Broker advises FirstLine, IN WRITING, that the mortgage is to be on a FLOAT basis.

For applications received outside the 90 day commitment period, the rate will be set AUTOMATICALLY at 90 days, unless the Broker advises FirstLine IN WRITING, that the mortgage is to be on a FLOAT basis until further notice.

When a FLOAT Mortgage is chosen the interest rate will float with our posted FLOAT rates up until 7 days prior to closing, for the applicable product, at which time the current FLOAT rate will apply.

The client may choose to FIX the rate prior to the 7 day lock-in period, at which time the current FIXED rate will apply. Requests to FIX the rate must be made in writing to FirstLine Mortgages. Loan is subject to requalification at the time the final rate is set.

Where purchases are closing outside 90 days and the closing date is going to be moved up in order to FIX a rate, the amended Agreement of Purchase and Sale must be received before a rate will be FIXED. The rate will be FIXED at the rate in effect at the time the Amendment is received.

- **Early Renewals/Refinances/Purchases (existing FLM clients)**

Where a client wishes to renegotiate their mortgage and pay the administration fee to take advantage of a lower rate, FirstLine will pay a commission to the broker based on 1/2 of the commission normally paid for the new term. The request for the early renewal must be received through the broker in order to obtain this fee. The Trailing Commission will be paid to the broker who submits the early renewal request.

No POINTS will be earned for this renewal. Commissions will only be paid after the renewal process is completed and the change is in effect.

- **Conversions after Funding**

When a Broker is requesting a conversion on behalf of a client, after funding (i.e. ARM), the procedures are as follows:

1. The request to convert to a FIX interest rate should be directed to the Mortgage Servicing Dept.

2. FirstLine will accept conversion requests to lock in a fixed interest rate directly from the Broker, acting as agent for the client. The request must include the following: signatures of all clients, guarantors and signing officers (if applicable), the mortgage term, the new fixed interest rate (less any discount being offered by Broker), the Broker number, and the new Principal & Interest (P&I) amount or amortization (only applicable if client is requesting an increase or decrease in amortization). The new interest rate is guaranteed to the client only on the date FirstLine Mortgages received the completed conversion request.

Note: To receive mortgage information about a client, the Broker must ensure FirstLine Mortgage has a completed FirstLine Client Consent form.

- **NEW Home Owner's Advantage Program**

Effective all new applications received January 9, 2002 or later, FirstLine Mortgages Home Owner's Advantage Program is being offered FREE for the first year.

Available on new mortgages with terms of 12 months or greater, and on renewing mortgages with terms of 2 years or greater.

Properties must be located in Manitoba, Ontario, Quebec or the Atlantic provinces, available to any owner-occupied principal residence not already covered by a provincial new home warranty, regardless of age, except a high-rise condominium. and customers may only take advantage of the 12-month complimentary membership.

The Home Owner's Advantage Program offers around-the-clock service support for most major home systems, including all parts and labour. Immediate assistance is just a phone call away for problems involving

- Electrical
- Water heating
- Plumbing
- Central heating
- Central air conditioning

Clients must sign an "Enrolment" form to activate membership in the Home Owner's Advantage Program.

- **Life Insurance**

EARN 750 BONUS POINTS, just by having your client accept the life insurance offered by FirstLine. (Note, if the client does not want to accept the life insurance, they MUST sign the waiver to avoid any disputes in the future).

- **Trailing Points (For Mortgage Brokers only)**

When a trailing commission is paid to a Broker, for a conversion to a longer term, if applicable, TRAILING POINTS, are allocated to the Broker's POINTS account.

Not applicable to Bonus or Travel Points.

STANDARD 2, 3, 4, 5, 7, & 10 MORTGAGE

- **Applicable To**

Owner-occupied/rental properties for High-ratio & conventional mortgages.

- **Equity**

Minimum cash from the client's own resources is 5% of property value.

- **Maximum Loan**

Owner-occupied: 95% of property value for single family purchases (please refer to Regional Maximums for apartment condos). Rental: 85% of property value. Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Qualification**

For 2 year term, client must qualify at current 3 year FLM rate.

- **Amortization**

Minimum 5 years, except 7 and 10 terms, amortizations cannot be less than actual term; Maximum 25 years.

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

1. Additional amounts of principal, not to exceed 20% of the original amount, may be made without penalty on any payment date during any 12 month period following the IAD or anniversary thereof. Minimum prepayment of \$100.00.

2. The original principal and interest payments may be increased annually by up to 25% for the year, non-cumulative.

- **Application Fees**

Full appraisal fee for conventional mortgages, or applicable CMHC application fee if CMHC insurable.

- **CMHC Premiums**

Client pays premium, which is added to the loan.

- **Early Pay Off**

The client may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of 3 months' interest or interest rate differential (an amount equal to the interest rate difference between the rate specified in the mortgage and our then current posted interest rate calculated on the principal amount prepaid, for the remaining term of the mortgage).

For 7 year term or greater, client may prepay the principal amount of the mortgage in full or in part without notice after the 5th anniversary, upon payment of an administration fee equal to 3 months' interest.

- **Rate Drop Policy**

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR FirstLine's current rate for the term/product selected.

2.13 Increase and Blend

Effective all loans funded from May 15, 1996, with terms of 1 year to 5 years (excluding Partner), increase and blend feature available, subject to requalification. Effective April 1, 1998 for all loans funded with terms greater than 5 years.

NEW — TRIGGER 5 YEAR

FirstLine's Standard Mortgage is designed for homebuyers looking for the best available rate. As an added bonus, our Trigger 5 Year happens to offer a much better introductory rate for the first 12 months. Talk to your FirstLine mortgage professional for current rate details. Remember that even though you're locked in, you still have the flexibility of our prepayment options!

Applicable To

Owner-occupied/rental properties for High-ratio & conventional mortgages.

Equity

Minimum cash from the client's own resources is 5% of property value.

Maximum Loan

Owner-occupied: 95% of property value for single family purchases (please refer to Regional Maximums for apartment condos). Rental: 85% of property value. Property value is determined to be the lesser of the purchase price or the appraised value.

Payments

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

Qualification

For 2 year term, client must qualify at current 3 year FLM rate.

Amortization

Minimum 5 years.

Ratios

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

Prepayment Privileges & Options

1. Additional amounts of principal, not to exceed 20% of the original amount, may be made without penalty on any payment date during any 12 month period following the IAD or anniversary thereof. Minimum prepayment of \$100.00.
2. The original principal and interest payments may be increased annually by up to 25% for the year, non-cumulative.

Application Fees

Full appraisal fee for conventional mortgages, or applicable CMHC application fee if CMHC insurable.

CMHC Premiums

Client pays premium, which is added to the loan.

Early Pay Off

The client may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of 3 months' interest or interest rate differential (an amount equal to the interest rate difference between the rate specified in the mortgage and our then current posted interest rate calculated on the principal amount prepaid, for the remaining term of the mortgage).

Rate Drop Policy

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR FirstLine's current rate for the term/product selected.

Increase and Blend

Effective all loans funded from May 15, 1996, with terms of 1 year to 5 years (excluding Partner), increase and blend feature available, subject to requalification. Effective April 1, 1998 for all loans funded with terms greater than 5 years.

5 Year ARM Designer - (Adjustable Rate Mortgage)

- **Applicable To**

Owner-occupied (up to 4 units) and rental properties

- **Equity**

Minimum cash from the client's own resources is 5% of property value (for owner occupied single family detached. Minimum 7.5% for duplex and 10% for 3 to 4 units with at least 1 unit must be occupied by owner). Minimum 25% equity for rentals. Equity take-outs minimum equity 25%.

- **Maximum Loan**

Owner-occupied: 95% of property value; 92.5% for duplex and 90% for 3 to 4 units with 1 unit occupied by owner. Apartment condo's up to provincial maximums (see page 6). Maximum 75% on rentals. For LTV>90%, it must be CMHC insured. Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Qualification**

Client must qualify at greater of current 3 year FLM rate or contract rate.

- **Amortization**

Minimum 5 years, Maximum 25 years

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

1. Client may trigger into one of our fixed rate products without notice or bonus. (3 years and greater, rental properties restricted to 3 and 5 year terms only).
 2. Pay down of the outstanding principal balance by up to 20% per year of the original principal balance, on any payment date, without penalty. Minimum prepayment of \$100. Principal amounts in excess of 20% may be made at any time with 2 months bonus. This privilege is non-cumulative.
 3. Client may increase the monthly payment to an amount not less than a 5 year amortization or decrease the monthly payment to an amount not exceeding original amortization less any payments made. This option is available once during any 12 month period following the IAD or anniversary thereof.
- **Early Pay Off**
 1. Mortgage may be paid out subject to payment of an administration fee equal to 3 months interest
 2. Mortgage can be assumed by purchaser pending qualification by FirstLine.

- **Home Warranty**

Free home warranty is NOT available on this product.

- **Application Fees.**

Loan to value 75.1% or greater, CMHC Application Fee. All conventional full appraisal fees.

- **CMHC Premiums**

Loan to value 75.1% or greater, client pays premium. No 0.25% surcharge on CMHC premium.

- **Rate Drop Policy**

There is NO rate drop on this product.

- **Increase and Blend**

Available on the ARM-Designer Mortgage with no penalty under the following guidelines:

1. Minimum increase of \$10,000.

2. Must extend to a new 5 year ARM OR a new 3 year term or greater.
3. If ARM-Designer is selected as the new term, there is no discount for the initial period and interest is charged at at CIBC prime rate minus 0.40% (for all sources of business, including Mortgage Centre) for the full term and no rate drop.
4. 75 BP of finders fees will be paid on the net increase in loan amount (e.g. Outstanding balance is \$100,000 and new mortgage is \$160,000, Finders fees due = $(\$160,000 - \$100,000) \times 75 \text{ BP} = \450.00).
5. No POINTS will be awarded on the new mortgage.

- **Portability**

Conventional 5 year mortgages are fully portable. Regular underwriting guidelines apply to the new property.

- **Trailing Commission**

If the client triggers to a term 7 years or greater, in the first two years, an automatic trailing commission of 25BP will be paid to the Broker.

- **Interest Rate Formula**

This mortgage has a floating rate which is adjusted whenever CIBC prime rate changes. The interest rate charged per annum is equal to CIBC prime rate less 0.5% for the first 6 months from the interest adjustment date and less 0.40% for the remainder of the term.

The Principal and Interest payment is re-calculated every time CIBC prime rate changes based on the current mortgage rate and then remaining amortization period of the mortgage. The initial Principal and Interest payment will be set seven (7) days prior to the mortgage advance date based on the then CIBC prime rate less 0.50%.

AUTO 6 or 12 PLUS

- **Applicable To**

Owner-occupied, purchases, refinances & equity take-outs only

- **Equity**

Minimum cash from the client's own resources is 5% of property value. Equity take-outs minimum equity 25%.

- **Maximum Loan**

Owner-occupied: 95% of property value property value. Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Qualification**

Client must qualify at current 3 year FLM rate.

- **Amortization**

Minimum 5 years, maximum 25 years

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

1. Additional amounts of principal, not to exceed 10% on the Auto 6 PLUS or 20% on the Auto 12 PLUS of the original amount, may be made without penalty on any payment date during any 6/12 month period following the IAD or anniversary thereof. Minimum prepayment of \$100.00.

2. The original principal & interest payments may be increased during term by up to 15% for the Auto6 and 25% for the Auto 12, non cumulative.
3. Mortgage can be triggered to any of FirstLine's products, ARM (to maximum 90%), except AUTO 6/12 PLUS, without penalty during the term.
4. Mortgage is FULLY CLOSED for the term.
5. Mortgage is automatically renewed to a similar term if client has not advised 15 days prior to maturity that renewal is not required. Renewal rate will be set 30 days prior to maturity.

- **Application Fees**

Loan to value 75.1% or greater, CMHC Application Fee. All conventional full appraisal fees.

- **CMHC Premiums**

Loan to value 75.1% or greater, client pays premium.

- **Early Pay Off**

Open upon bonafide arm's length sale with penalty of 1% of the outstanding balance.

- **Rate Drop Policy**

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR FirstLine's current rate for the term/product selected.

- **Trailing Commission**

A trailing commission will automatically be paid if the client converts to a term where the finder's fee paid is greater than the amount originally paid, during the first two years from the Interest Adjustment Date. The fee will be based on the new finder's fee LESS the amount previously paid.

- **Increase and Blend**

Effective all loans funded from May 15, 1996, with terms of 1 year to 5 years (excluding ARM and Partner), increase and blend feature available, subject to requalification.

5 YEAR ARM PRIME- (Adjustable Rate Mortgage)

- **Applicable To**

Owner-occupied properties (Up to a 4-plex), rental properties, (see Equity and Maximum Loan for restrictions) and apartment condo's up to provincial maximums.

- **Equity**

Minimum cash from the client's own resources is 10% of property value. (No second mortgage financing permitted). For rental properties minimum cash is 35%.

- **Maximum Loan**

Maximum advance is 90% of property value. Property value is determined to be the lesser of the purchase price or the appraised value. For rental properties maximum LTV is 65%.

- **Payments**

Blended payments are made monthly.

- **Qualification**

Clients must qualify at current 3 year FLM rate.

- **Interest Rate Formula**

The "5 Year ARM (initial)" rate will be the rate actually charged to the client for the initial period. The "ARM FACE" rate will be the rate registered in the mortgage, principal and interest payments will be calculated on this higher rate. These payments will remain for the term of the ARM unless one of the options under the ARM is utilized. This mortgage is a floating rate mortgage with interest being pegged

at CIBC PRIME less .375. Rate is adjusted initially 3 months after the interest adjustment date and then monthly on the first only if the prime rate has changed.

- **Negative Amortization**

Upset value or trigger point: if the current mortgage balance ever exceeds 105% of the original principal balance, then the mortgagor would have one of the following options:

1. Increase level of payments.
2. Reduce the mortgage balance sufficient to be below 100% of the original balance.
3. Convert the loan to fixed rate equal payments at current interest rates.

- **Amortization**

Minimum 5 years; Maximum 25 years

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

1. Client may trigger into one of our fixed rate products without notice or bonus. (3 years and greater except 25 year terms, rental properties restricted to 3 and 5 year terms only).
2. Paydown of the outstanding principal balance by up to 20% per year of the original principal balance, on any payment date, without penalty. Minimum prepayment of \$100. Principal amounts in excess of 20% may be made at any time with 2 months bonus. This privilege is non-cumulative.
3. Client may increase the monthly payment to an amount not less than a 5 year amortization or decrease the monthly payment to an amount not exceeding original amortization

less any payments made. This option is available once during any 12 month period following the IAD or anniversary thereof.

- **Application Fees**

Full appraisal fee on all conventional loans; on high ratio, Full service or appraisal plus \$75.00.

- **CMHC Premiums**

Loan to value > 75% Client pays premium. CMHC premium subject to .25 surcharge.

- **Early Pay Off:**

1. Loan can be paid out in full or in part upon payment of two months interest penalty.
2. After the third anniversary, the loan can be paid out in part or in full at anytime without notice or bonus.
3. Mortgage can be assumed by purchaser pending qualification by FirstLine Mortgages.

- **Rate Drop Policy**

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR FirstLine's current rate for the product/term selected.

- **Trailing Commission**

If the client triggers to a term 7 years or greater, in the first two years, an automatic trailing commission of 25BP will be paid to the Broker.

- **Increase and Extend**

Effective March 20th, 2000, increase and extend privilege is available on the ARM Mortgage with no penalty under the following guidelines:

1. Minimum increase of \$10,000;

2. Must extend to a new 5 year ARM OR a new 3 year term or greater;
3. If ARM is selected as the new term, the teaser rate for the initial 3 months will be set at Prime minus 0.375% (i.e. the Face Rate will be the teaser rate for the first 3 months) to be set 30 days prior to closing and no rate drop;
4. 75 BP of finders fees will be paid on the net increase in loan amount (e.g. Outstanding balance is \$100,000 and new mortgage is \$160,000, Finders fees due = $(\$160,000 - \$100,000) \times 75 \text{ BP} = \450.00)
5. No POINTS will be awarded on the new mortgage.

ACCESS MORTGAGE (B & C)

Program provides financing for subprime mortgages under a B and C category. Detailed program highlights are provided in our brochure Mortgage Features - Access Mortgage. Please contact your Area Lending Manager for a copy of this brochure.

- **Applicable to:**

Owner occupied and rental up to specific loan to value ratios (refer to brochure). Terms of 1, 3 and 5 year available. Lending areas restricted.

- **Equity**

Depending on purpose of funds.

- **Maximum Loan**

\$500,000.00

- **Payments**

Blended payments made monthly, semi-monthly, bi-weekly or weekly.

- **Qualification**

Client must qualify at a minimum 3 year Access rate or term selected

- **Amortization**

Minimum 5 years, maximum 25 years

- **Ratios**

Flexible depending on LTV, provided deal makes sense.

- **Prepayment Privileges & Options**

15% plus 15%, closed for term. Open upon arm's length sale of property, upon payment of penalty of 3% of the outstanding mortgage.

- **Application Fees**

Cost of Appraisal

- **Acceptance Fees**

Similar to CMHC premiums, based on LTV and occupancy (i.e. rental vs. owner occupied). Can be added to mortgage provided total, including fee does not exceed 90%. Acceptance fee may be required at renewal. NOTE non-refundable fee of 1% of loan amount applicable to 1 year term, in addition to Acceptance fee.

- **Early Payoff**

Closed for term, except on sale.

- **Rate Drop Policy**

Rate drop 7 days prior to closing to lower of current Access rate or committed rate. Maximum commitment period 60 days. If the rate expires it will be reset at the higher of the committed or current rate.

- **Increase & Blend**

Not available

- **Portability**

Not available

SINGLE PRESIDENTIAL MORTGAGE

This is a specialty product launched during the US Presidential election year with a specific maturity date irrespective of the closing date. A Single Presidential mortgage always matures on November 1st , 2008 and Double Presidential mortgage always matures on November 1, 2012 if the products were sold in or after 2004. The term is adjusted based on the closing date.

With the exception of the special maturity date, the Single Presidential product has all of the features and prepayment privileges of our Standard Mortgage. Please refer to the Section on Standard Mortgage for more details.

DOUBLE PRESIDENTIAL

This is a specialty product launched during the US Presidential election year with a specific maturity date irrespective of the closing date. A Double Presidential mortgage always matures on November 1, 2012 if the product were sold in or after 2004. The term is adjusted based on the closing date.

With the exception of the special maturity date, the Double Presidential product has all of the features and prepayment privileges of our Standard Mortgage. Please refer to the Section on Standard Mortgage for more details.

LOAN CLOSER - STANDARD 5, 7, 10 YEAR MORTGAGE

- **Applicable To**

Owner-occupied for High-ratio & conventional mortgages. FirstLine pays an amount equal to 1.5% to 3% (depending on term) of the mortgage amount, on closing, to solicitor.

- **Equity**

Minimum cash from the client's own resources is 5% of property value, (Subject to CMHC approval).

- **Maximum Loan**

Owner-occupied: 95%. Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Qualification**

Client must qualify at current FirstLine Mortgages rate.

- **Amortization**

Minimum equal to term

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (some degree of flexibility is available).

- **Prepayment Privileges & Options**

1. Additional amounts of principal, not to exceed 20% of the original amount, may be made without penalty on any payment date during any 12 month period following the IAD or anniversary thereof. Minimum prepayment of \$100.00.
2. The original principal and interest payments may be increased annually by up to 25% for the year, non cumulative.

- **Application Fees**

Full appraisal fee for conventional mortgages, or applicable CMHC application fee if CMHC insurable or applicable CMHC application fee if CMHC insurable or on all 7 year, Double Presidential and 10 year.

- **Early Pay Off**

a. Client may prepay the principal amount of the mortgage in full or in part, without notice, upon payment of an administration fee equal to the greater of 3 months' interest or Interest rate differential (an amount equals the interest rate difference between the rate specified in the mortgage and our then current posted interest rate, calculated on the principal amount prepaid, for the remaining term of the mortgage).

For 10 year term, client may prepay the principal amount of the mortgage in full or in part, without notice after the fifth anniversary, upon payment of an administration fee equal to 3 months' interest.

b. For cash rebates over 1.5%, repayment of rebate required if paid out prior to end of the term as follows:

5 Year term:	
1st year from IAD	- 100 % of the rebate to be repaid to FirstLine
2nd year from IAD	- 4/5th of rebate to be repaid to FirstLine
3rd year from IAD	- 3/5th of rebate to be repaid to FirstLine
4th year from IAD	- 2/5th of rebate to be repaid to FirstLine
5th year from IAD	- 1/5th of rebate to be repaid to FirstLine
7 Year term:	
1st year from IAD	- 100 % of the rebate to be repaid to FirstLine
2nd year from IAD	- 6/7th of rebate to be repaid to FirstLine
3rd year from IAD	- 5/7th of rebate to be repaid to FirstLine
4th year from IAD	- 4/7th of rebate to be repaid to FirstLine
5th year from IAD	- 3/7th of rebate to be repaid to FirstLine
6th year from IAD	- 2/7 th of rebate to be repaid to FirstLine
7th year from IAD	- 1/7 th of rebate to be repaid to FirstLine
10 Year term:	
1st year from IAD	- 100 % of the rebate to be repaid to FirstLine
2nd year from IAD	- 90% of rebate to be repaid to FirstLine
3rd year from IAD	- 80% of rebate to be repaid to FirstLine
4th year from IAD	- 70% of rebate to be repaid to FirstLine
5th year from IAD	- 60% of rebate to be repaid to FirstLine
6th year from IAD	- 50% of rebate to be repaid to FirstLine
7th year from IAD	- 40% of rebate to be repaid to FirstLine
8th year from IAD	- 30% of rebate to be repaid to FirstLine
9th year from IAD	- 20% of rebate to be repaid to FirstLine
10th year from IAD	- 10% of rebate to be repaid to FirstLine

- **Rate Drop Policy**

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of committed rate or FirstLine's current rate for the term requested.

- **Increase and Blend**

Increase and blend feature available, subject to requalification, on 5 year term. Effective on loans funded April 1, 1998, increase and blend available on terms greater than 5 years, subject to requalification.

STANDARD 2, 3, 4, 5, 7, & 10 MORTGAGE

- **Applicable To**

Owner-occupied/rental properties for High-ratio & conventional mortgages.

- **Equity**

Minimum cash from the client's own resources is 5% of property value.

- **Maximum Loan**

Owner-occupied: 95% of property value for single family purchases (please refer to Regional Maximums for apartment condos). Rental: 85% of property value. Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Qualification**

For 2 year term, client must qualify at current 3 year FLM rate.

- **Amortization**

Minimum 5 years, except 7 and 10 terms, amortizations cannot be less than actual term; Maximum 25 years.

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

1. Additional amounts of principal, not to exceed 20% of the original amount, may be made without penalty on any payment date during any 12 month period following the IAD or anniversary thereof. Minimum prepayment of \$100.00.
2. The original principal and interest payments may be increased annually by up to 25% for the year, non-cumulative.

- **Application Fees**

Full appraisal fee for conventional mortgages, or applicable CMHC application fee if CMHC insurable.

- **CMHC Premiums**

Client pays premium, which is added to the loan.

- **Early Pay Off**

The client may prepay the principal amount of the mortgage in full or part, without notice upon payment of an administration fee equal to the greater of 3 months' interest or interest rate differential (an amount equal to the interest rate difference between the rate specified in the mortgage and are then current posted interest rate calculated on the principal amount prepaid, for the remaining term of the mortgage).

For 7 year term or greater, client may prepay the principal amount of the mortgage in full or in part without notice after the 5th anniversary, upon payment of an administration fee equal to 3 months' interest.

- **Rate Drop Policy**

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR FirstLine's current rate for the term/product selected.

- **Increase and Blend**

Effective all loans funded from May 15, 1996, with terms of 1 year to 5 years (excluding Partner), increase and blend feature available, subject to requalification. Effective April 1, 1998 for all loans funded with terms greater than 5 years.

GUIDELINES FOR HIGH RATIO 90.1 to 95%

- **Term**

Minimum term 6 months years, client must qualify at minimum 3 year rate (ARM Prime-not available).

- **Applicable To**

Owner-occupied only, purchases and refinances Prime properties in urban centres - population 25,000 or greater only OR prime rural properties

- **Equity**

Minimum cash from the client's own resources is 5% of property value

- **Maximum Loan**

90.1 to 95% of property value subject to CMHC maximums. Property value is determined to be the lesser of the purchase price or the appraised value. Maximum House Prices apply to different centres in Canada under this program. Refer to local CMHC Office for maximum level in your area)

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly, or by 2 for semi-monthly and bi-weekly.

- **Amortization**

Minimum 5 years, Maximum 25 years

- **Ratios**

GDS: 32 PITH; TDS: 40 PITH

- **Prepayment Privileges & Options**

Refer to applicable product

- **Application Fees**

Full service CMHC application fees is required for basic service application fee is \$75.00 plus appraisal.

- **Early Pay Off**

Refer to applicable product

BALANCE SHEET

- **Term and Products**

Presently available on all products Auto 6/12, 7, Double Presidential and 10 year for owner occupied only. ARM, 2, 3, Pres and 5 year owner occupied and rental available.

- **Applicable To**

Non-standard loans

1. Equity take-outs
2. GDS and TDS above normal guidelines (call for details).
3. New construction to non-HUDAC builders.

- **Maximum Loan (75% except as noted below)**

1. Equity take-outs 65%, owner occupied and rental
2. Rental property maximum 75% for purchases and refinances

Property value is determined to be the lesser of the purchase price or the appraised value.

- **Payments**

Blended payments are made monthly, semi-monthly, bi-weekly, or weekly

- **Amortization**

Minimum 5 years, Maximum 25 years

- **Ratios**

GDS: 30 PITH; TDS: 40 PITH (Some degree of flexibility is available)

- **Prepayment Privileges & Options**

Depends on product, refer to appropriate section in manual.

- **Application Fees**

Cost of the appraisal to be paid by client. Appraisal arranged by FirstLine Mortgages.

- **Early Pay Off**

Depends on product, refer to appropriate section in manual.

FLEX A PROGRAM

- **Applicable to**

Owner Occupied Properties only; apartment, stacked and walkup condo's not applicable. All regular products 6 month to 10 year, excluding Access, AIM and Loan Closers.

- **Equity**

Minimum cash from the client's own resources is 25% of the property value, no secondary financing.

- **Maximum Loan**

\$500,000

- **Payments**

Blended payments made monthly, semi-monthly, bi-weekly, or weekly. To calculate accelerated payments, divide monthly payment by 4 for weekly or by 2 for semi-monthly and bi-weekly.

- **Qualification**

Client must qualify at greater of 3 year or current FirstLine rate for selected term.

- **Amortization**

Minimum 5 years, Maximum 25 years

- **Ratios**

Flexible provided deal makes sense.

- **Prepayment Privileges & Options**

Refer to applicable product.

- **Application Fees**

Cost of appraisal

- **Early Payoff**

Refer to applicable product.

Rate Drop Policy

For FIXED rate terms, 7 days prior to closing, the rate will be reduced to LESSER of the committed rate OR current FLEX A rate for term selected.

- **Increase and Blend**

Available on Auto12Plus, 3 and 5 year, 7, Double Press, 10 year terms, subject to requalification

- **Portability**

Mortgages are portable, subject to requalification

PORTABILITY

1. Only the outstanding balance of the mortgage can be transferred to the new property (increase of loan and blending of rates is available on terms of 1 - 5 year funded after May 15, 1996 OR terms > 5years that funded after April 1, 1998, excluding Access and Partner.
2. Client must pay the CMHC premium applicable to the new property, if the new LTV is high ratio. The premium cannot be added to the mortgage and must be paid on or prior to closing. Effective all new loans approved after April 1, 1996, CMHC insurance can be transferred to the new property provided the client is the ORIGINAL mortgagor, loan is in good standing and new property is owner occupied. (Other conditions may apply)
3. An application/appraisal fee will be required.
4. Client to be re-qualified and the new property approved, therefore, a complete package must be submitted to FirstLine, including:
 1. Application
 2. Verification of Income (if information on file is still applicable, we can confirm verbally)
 3. Verification of Downpayment iv Agreement of Purchase and Sale v Listing/Photo
 4. Application/Appraisal Fee
5. A commitment letter will be issued and the Solicitor instructed as normal. There will be no funds advanced on closing as the client continues to make regular payments under the new property (some adjustment may be made to the tax component).
6. No additional Finder's Fees are paid. Normally clients would come to FirstLine direct for this request.
7. All terms and conditions of the mortgage must remain same
 1. Amortization
 2. Payments
 3. Interest Rate
 4. Maturity Date

TRANSFER EASE PROGRAM

- **General Conditions**

1. Terms Available: 3 year or longer, including ARMs and Loan Closer products.
2. Applicable to owner occupied principal residences up to a duplex. Condominium apartments and townhouses not acceptable. Transfers on rental properties are acceptable on 3, 5 year term or ARM up to 65% LTV, unless already CMHC insured.
3. No application/appraisal fee (except in Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island where loan to value is less than or equal to 75%, client is responsible to pay for the appraisal cost).
4. Transfers will be acceptable from all Banks, Trust Companies and the following Credit Unions, provided a valid mortgage is being transferred (ie not a collateral or interest only). Civil Service Co-Op, Surrey Credit Union, Richmond Savings Credit Union, North Shore CU, Vancouver City Savings & Pacific Coast Savings CU.
5. Minimum Loan Amount being transferred must be \$80,000 in Quebec and \$50,000 for rest of Canada (no exception).
6. If the mortgage was insured by MICC and loan to value based on current property value is greater than 75%, the clients must pay applicable CMHC insurance premium which cannot be added to the mortgage.
7. Transfers available in all provinces where FirstLine lends and subject to our normal guidelines. Applicant does not require a solicitor for this transaction.
8. The following documentation is to be provided.
 1. Completed and signed Application form (Broker format can be used provided all required information is submitted)
 2. Verification of income and employment

3. Renewal or mortgage statement from the current Lender indicating the amount outstanding at the time of payout.
4. Copy of mortgage document (either draft or registered copy is acceptable. This is not a mandatory document with the original package, however, if not provided, closing may be delayed.
5. Credit bureau.
6. Completed and signed Appendices A & B. This is not a mandatory document, however, if client signs with the application form it makes closing faster.
7. Completed and signed Pre-authorized cheque Form (for Transfer Ease Program) and blank cheque marked VOID.

- **Transfer Ease Process**

1. The broker submits application showing the registered amount of the mortgage in the loan amount box and notes the approximate current loan amount in the comments section.
2. FirstLine's commitment will show the registered mortgage amount but will contain a clause stating that this amount will be reduced to the outstanding principal amount plus any discharge fee and accrued interest to the existing lender not to exceed \$1,000. We will not capitalize IAD interest owe to FirstLine.
3. LSS and Mortgage Centre brokers will print Appendices A & B and the PAC form for Transfer Ease from the Lender Document Library.
4. For ECNi and MORTY brokers, FirstLine will fax copies of Appendix A, B and the PAC form.
5. The broker will have the borrower sign the commitment, Appendix A & B and the PAC form and forward these documents to FirstLine along with a copy of the mortgage document.
6. FirstLine will request the Payout statement and, on receipt, will fax a Modification Letter and Funding Transaction Summary to the broker who can use these documents to advise their client of the amount to be debited from the client's account by EFT

and the actual loan amount being transferred. The client is not required to sign the Modification Letter provided the amount shown is less than the loan amount shown on the commitment.

7. FirstLine will capitalize any discharge fee and accrued interest to the existing lender up to a combined maximum of \$1,000.
8. FirstLine will mail a copy of the Disclosure Statement to the clients prior to closing. A copy will be faxed to the broker for their record.
9. FirstLine will debit the client's bank account by EFT on closing for any interest owe to FirstLine up to the interest adjustment date and any accrued interest owe to existing lender which exceeds the \$1,000 limit.
10. If there is a penalty involved, this amount will also be debited from the client's bank account by EFT on closing or a loan closer product can be selected to provide funds for the penalty.
11. FirstLine funds the transfer and debits the client's bank account by EFT for IAD interest to FirstLine and discharge penalties and places the loan under repayment.

- **Finder's Fees**

Effective November 15, 1999 we pay regular finders fees and POINTS as posted on our rate sheet for all new applications received after this date.

- **Trailing Commissions**

Effective October 19, 1994, if a client triggers to a term 7 years or greater, from an ARM, in the first two years, an automatic trailing commission is paid to the Broker of 25BP.

MISCELLANEOUS

- **Preapproval Program**

FirstLine Mortgages will preapprove your client PLUS guarantee a rate for up to 90 days. If rates go down, a new commitment period will be established at the time the complete package is received.

At the time the complete package is received, the client will get the lower of the current rate for the pre-approved term OR has 3 options:

1. Client can choose to FLOAT the mortgage
2. Client can choose to take a shorter term, they will obtain the lower of FLM current rate for the new term OR the rate at the time of pre-approval
3. Client can choose to increase the term, they will obtain the FLM current rate for the new term

NOTE - Prequal's available on purchases for owner occupancy only. Purchase must close within the 90 day commitment period to retain the committed rate.

- **Increase and Blend or Extend, Increase and Blend**

FirstLine Mortgages introduced the increase and blend/extend policy for new mortgages effective on the following dates:

1-5 year terms funded May 1, 1996 onwards (excluding Auto 6, Flex B, Access, and Partner)
7, Double Presidential, 10, 15 and 25 year funded April 1, 1998 onwards
ARM's - all existing and newly funded ARM's effective March 20, 2000

In cases where a blend is being done, the Mortgage Centre rate for the appropriate term will be used.

The Servicing department handles all ETO's up to the original loan amount where the LTV does not to exceed 75%, and property is not changing. Depending on the existing options of the mortgage the client will either exercise their increase and blend option or pay the penalty to discharge.

Broker Commission: If client is doing an ETO up to the original loan amount, broker will not be paid any commission. If the client is paying the penalty to break the mortgage they will be paid ½ of the applicable

commission on the balance and new term selected provided they originated the request on behalf of the client.

Existing clients can do an ETO over the original or a port with an increase through the Servicing department or through their broker.

The following criteria must be met prior to extending the option:

- Minimum increase of \$10,000
- Increase must be to a term equal to or greater than the remaining term
- ARM mortgage must extend to a new 5 year ARM or a new 3 year term or greater
- When increasing the loan amount, a new application package must be received as the request must be re-underwritten
- If the new mortgage is hi-ratio, it must meet CMHC guidelines

Please [click here](#) to download this text and examples of the increase and blend policy.

- **Non landed immigrants**

Applicable to terms of 5 years or less, maximum LTV 65%, owner occupied properties. Will consider with good employment, own downpayment (with liquid assets in Canada, in excess of downpayment), A1 credit.

- **Illegal Basement Apartments**

Applicable to terms of 5 years or less, maximum LTV 75%. Rents not used to qualify and no value placed on improvements for the apartment.

- **Spousal Guarantors**

Applicable to terms of 5 years or less, maximum LTV 75%. Provided the property is the matrimonial home, the main income earner can guarantee. Independent legal advice is required where funds are taken for business purposes.

- **Title Insurance**

Title Insurance through First Canadian Title, Title Plus, Stewart Title or Land Canada Title are acceptable on transactions involving a solicitor (Freehold/condo 1 - 4 unit properties only). The Solicitor can provide a

"NOTICE OF TITLE INSURANCE" from the above mentioned Title Insurance companies in lieu of many of the normal closing documents. This can save your client many disbursement costs and reduce the amount of work the solicitor is normally required to do.

Title Insurance costs your client \$200 + PST and replaces the need for the following documents:

- an up-to-date survey
- Estoppel Certificate (condo's only)
- zoning confirmation
- Sheriff's Certificate/G.R. Certificate (Alta)
- Independent Legal Advice for spouse of the mortgagor
- Tax certificates
- Incorporated documents for Corporate Borrowers
- Solicitor Opinion on Title after closing (Final Report)
- Certificate of Title or State of Title Certificate

- **Blanket Mortgages**

Blanket mortgages over two properties may be acceptable under the following guidelines:

1. One of the properties must be an owner occupied, principal residence and applicants must own both properties
2. Term of the mortgage must be 1 year or greater up to 5 years
3. LTV of combined properties must not exceed 75%
4. Mortgage must be a first mortgage on the principal residence, blanket can be in second position on secondary property.
5. Secondary property, cannot be recreational unless it is an all year round property and is accessible by roads, serviced by the municipality
6. Clients must qualify, no equity deals
7. Full appraisals required on both properties.

- **Bridge/Interim Loans**

FirstLine will consider Bridge/Interim loans to assist in financing when the closing of a new property is prior to the closing of the existing property (this does not apply to Portable mortgages as there is no money being advanced on a Portable mortgage). Guidelines are as follows:

1. New mortgage financing is with FirstLine
2. Property being sold must meet FirstLine's underwriting policies and lending areas
3. Minimum loan amount is \$10,000
4. Maximum bridge/interim is for 30 days
5. Total financing (i.e. combined LTV), including mortgages on both properties and the bridge financing must not exceed 90% of the combined value of both properties. (Exceptions reviewed on a case by case basis)
6. Maximum bridge cannot exceed required downpayment less real estate deposit AND cannot exceed 100% of the net sales proceeds from the sale of the existing property. Confirmed NET SALE proceeds of the existing property are to be assigned to CMI.
7. FirstLine will no charge an administration fee for bridge loan financing where the bridge requirement is for 2 days or less. The usual fee of \$250.00 for new clients or \$150.00 for current FirstLine clients will apply where bridge requests are for 3 days or longer.
8. Documents required from Clients (in addition to new mortgage application package):
 - Confirmed, unconditional, bona fide sale of existing property (all waivers to be received)
 - MLS listing with photo of existing property
9. Documents required from Solicitor:
 - Requisition for Bridge Financing funds (solicitors own form) and confirmation of amount of net sale proceeds from existing property
 - Irrevocable assignment of sale proceeds of existing property

- Promissory note in registerable form
- Caveat of Equitable Mortgage (Alberta only)