

The Effort Trust Company

Lending Guide

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Conventional guidelines

- Conventional mortgages LTV (we allow private 2nd mortgages behind us up to 85% LTV):
 - Up to 75% on Residential Homes for Purchase and Refinances
 - Up to 70% on Condominium apartments
 - 65% LTV on Rental properties (up to 75% LTV on review)
- Lender Fees:
 - Typically a 1% fee, split 50/50
- Beacon Score:

Conventional mortgages must have at least one applicant with beacon over 500
- GDS/TDS:

Maximums are 45% & 50% respectively. Exceptions can be made in some cases

High Ratio guidelines

- Mortgages between 75 - 95% LTV will be submitted to CMHC
 - Only salaried income can be used at this time to qualify the deal
 - Must be an owner occupied purchase. CMHC currently does not lend on refinances, rentals or student housing
- Beacon Score:
 - CMHC Insured mortgages must have beacon over 680
- GDS/TDS:

Maximums are 35% & 42% respectively, no exceptions can be made

Income Confirmation

- Self Employed:
 - We require 2 years history of NOA's and T1 Generals
 - In many cases, we include add-backs from the Statement of Business income for sole proprietors
 - We require 3 months bank statements to confirm current levels of income due to pandemic
 - We require a few invoices that tie in with bank statements
- Employed:
 - For salaried employees, we require an employment letter along with 2 most recent pay stubs. Pay stubs must be within 60 days
 - Applicants can not be on probation

Down Payment Confirmation

- 90 day history of all bank accounts used for down payment
- Gift Letters - any template will work
- Down payment must be in Canadian bank account for at least 90 days.
- Investments must be redeemed and deposited in current bank account
- Large deposits and large gifts require proof of deposit along with 90 day donor (giftor) bank statements

Rentals

- No limit on the rental portfolio
- We require a current Lease Agreement, Mortgage Statement and Property Tax Bill for each rental property, up front
- Surplus income is included in total income and any Deficits are added to TDS
- The maximum LTV for student rentals is 65%
- We allow Rental purchases under a corporation name with applicants being guarantors on the deal.
- Large rental portfolio deals may be accepted at lower LTV (65%)

Lending Areas

- We are an Ontario-based lender only and are unable to fund deals outside the province.
- We are mainly focused on urban population areas, mostly within GTA & Southern Ontario
- We do not lend on:
 - Agricultural zoned properties or cottages
 - Properties surrounded by farms, livestock or otherwise
 - Properties within close distance to environmentally hazardous areas (gas stations, mechanic shops, etc.)

Lending Areas

- *Western Ontario: London; Woodstock; Kitchener; Waterloo; Cambridge; Guelph; Brantford; Waterdown; Ancaster; Hamilton; Stoney Creek; Grimsby; St. Catherines;*
- *Burlington; Oakville; Milton; Georgetown; Mississauga; Brampton; Caledon*
- *North: Kleinburg; King City; Stouffville; Aurora; Newmarket; Barrie; Orangeville; Alliston; Angus; East Gwillimbury; West Gwillimbury; Bradford; Keswick; Innisfil*
- *Central GTA: Toronto; Vaughan; Richmond Hill; Markham;*
- *East GTA: Pickering; Ajax; Whitby; Oshawa; Bowmanville; Clarington; New Castle; Ottawa; Kingston*

Getting started with your first deal

- We do not require you to sign any documents prior to dealing with us.
- Please scan and email all applications and supporting documents. If you are unsure about your deal, we encourage you to email us first to discuss if we have the right product for the client.
- When submitting a file via email please remember to include: **Application, Credit Bureau, Supporting Income, MLS & Offer** (for purchases).
- **RUSH CLOSINGS:** must be file complete (including appraisal) at the time of submission, along with explanation as to why it's a rush. We can accommodate 3-5 business day closing on most of the rush deals, as long as all the parties are available.

Q&A

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