

COMMON SCENARIOS

Example #1: Home purchase price - \$500,000 (2.5% + 2.5%)

This first-time buyer has saved \$12,500 towards their down payment, or 2.5% of the home's purchase price. Through the program, the Province will contribute \$12,500, equal to the buyer's 2.5% down payment. This brings the total down payment to \$25,000 or 5% of the home's purchase price. This loan is interest and payment-free for the first five years.

Premium Calculation should be applied as follows:

Purchase Price: \$500,000

Minimum Equity Required: \$25,000. (i.e. 5% of \$500,000)

Down Payment Sources: \$12,500 Traditional & \$12,500 Non-traditional .

LTV: 95%

To process (Non-traditional Downpayment Source) indicator selected by Lender

Premium Rate Due: **3.85%** (non-traditional source premium rate applied)

Example #2: Home purchase price - \$500,000 (5% + 5%)

This first-time buyer has saved \$25,000 towards their down payment, or 5% of the home's purchase price. Through the program, the Province will contribute \$25,000., equal to the buyer's 5% down payment. This brings the total down payment to \$50,000 or 10% of the home's purchase price, . In this example, the buyer has met the minimum downpayment requirements from traditional sources, CMHC's supplemental down payments premium calculation applies.

Premium Calculation should be applied as follows:

Purchase Price: \$500,000

Minimum Equity Required: \$25,000. (i.e. 5% of \$500,000)

Down Payment Sources: \$25,000 Traditional & \$25,000 Non-traditional

LTV: 90%

Premium Rate Due: **3.60%** (traditional sources)

** CMHC's supplemental down payments premium calculation applies - in this case the down payment from traditional sources is less than 10 percent of the lending value therefore the premium must be calculated based on the LTV taking into consideration the down payment from traditional sources only. LTV based on traditional sources only is 95% and you would NEED to refer this to our underwriter for review.

Example #3: Home purchase price - \$500,000 (10% + 5%)

The first-time buyer in this example has saved 10% of the home's purchase price as a down payment, or \$50,000.

The minimum down payment required for a home valued at \$500,000 is \$25,000.

The Province will meet the buyer's contribution up to 5% of the home's purchase price. In this example, the program will contribute \$25,000 towards the down payment, allowing this buyer to put a total of \$75,000 towards the down payment of their first home.

Premium Calculation should be applied as follows:

Purchase Price: \$500,000

Minimum Equity Required: \$25,000

Down Payment: \$50,000 Traditional Source & \$25,000 Non-Traditional Source

LTV: 85%

Premium Rate Due: **1.80%** (traditional down payment)

** CMHC's supplemental down payments premium calculation **DOES NOT** apply - as in this case the borrower has a down payment from traditional sources that equals 10 percent of the lending value. Therefore, the premium charged is based on the actual LTV (traditional and non-traditional).