



January 30, 2017

CANADA GUARANTY

LENDER UPDATE

Mortgage Insurance Premium Rate Changes

Effective March 17, 2017

As a result of new regulatory capital adequacy requirements, instituted by the Office of the Superintendent of Financial Institutions (OSFI) for mortgage default insurers on January 1, 2017, Canada Guaranty will be implementing the following transactional mortgage insurance premium changes.

Effective March 17, 2017, high- and low-ratio, consumer-paid mortgage insurance premium rates applied to all Standard*, Flex 95 Advantage™, and Low Doc Advantage™ mortgage loans, will increase. Applications submitted to Canada Guaranty by 11:59 PM (ET) on March 16, 2017 will be eligible for the current premium rates; however, applications submitted on or after March 17, 2017 will be subject to the new premium rates, as highlighted below.

TRANSACTIONAL MORTGAGE PREMIUM RATES | Effective March 17, 2017

LOAN-TO-VALUE RATIO	[CURRENT] Standard Premiums		[NEW] Standard Premiums		[CURRENT] Low Doc Advantage™ (Self-Employed)		[NEW] Low Doc Advantage™ (Self-Employed)	
	Single	Port. Top-up	Single	Port. Top-up	Single	Port. Top-up	Single	Port. Top-up
	≤ 65%	0.60%	0.60%	0.60%	0.60%	0.90%	1.75%	1.50%
65.01% – 75%	0.75%	2.60%	1.70%	5.90%	1.15%	3.00%	2.60%	6.50%
75.01% – 80%	1.25%	3.15%	2.40%	6.05%	1.90%	4.45%	3.30%	7.00%
80.01% – 85%	1.80%	4.00%	2.80%	6.20%	3.35%	6.35%	3.75%	7.50%
85.01% – 90%	2.40%	4.90%	3.10%	6.25%	5.45%	8.05%	5.85%	9.00%
90.01% – 95%	3.60%	5.65%	4.00%	6.30%				
Flex 95 Advantage™	3.85%	5.65%	4.50%	6.60%				

*Standard Premiums apply to: Downpayment Advantage™, Lifestyle Advantage™ (second home), Maple Leaf Advantage™ (new to Canada), Progress Draw Advantage™, and Purchase Advantage Plus™.



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LENDER UPDATE

B.C. HOME PARTNERSHIP PROGRAM PREMIUM RATES | Effective March 17, 2017

Effective March 17, 2017, premium rates applied to the new B.C. Home Owner Mortgage and Equity Partnership (HOME) Program will increase, as follows:

LOAN-TO-VALUE RATIO	[CURRENT] Premium Rates	[NEW] Premium Rates
80.01% – 85%	1.80%	2.80%
85.01% – 90%	3.60%	4.00%
90.01% – 95%	3.85%	4.50%

PORTABILITY SURCHARGES | Effective March 17, 2017

A. LOW DOC ADVANTAGE™

When porting a mortgage from a Standard Product to a Low Doc Advantage product, the following surcharge will apply:

The premium will be the lesser of:

- The outstanding mortgage balance multiplied by **2.30%**, plus the top-up amount multiplied by the Low Doc top-up premium rate.

OR

- The new loan amount multiplied by the full Low Doc premium rate.

B. RENTAL ADVANTAGE™

When porting a mortgage from a Standard Product to a Rental Advantage product, the following surcharge will apply:

The premium will be the lesser of:

- The outstanding mortgage balance multiplied by **0.50%**, plus the top-up amount multiplied by the Rental Advantage top-up premium rate.

OR

- The new loan amount multiplied by the full Rental Advantage premium rate.

C. FLEX 95 ADVANTAGE™

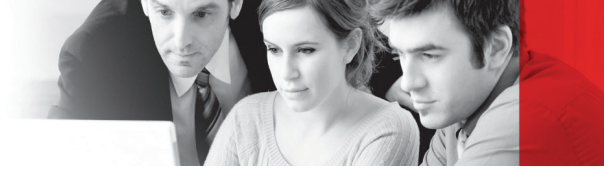
When porting a mortgage from a Standard Product to a Flex 95 Advantage product, the following surcharge will apply:

The premium will be the lesser of:

- The outstanding mortgage balance multiplied by **0.50%**, plus the top-up amount multiplied by the Flex 95 Advantage premium rate.

OR

- The new loan amount multiplied by the full Flex 95 Advantage premium rate.



LENDER UPDATE

Throughout this implementation, Canada Guaranty remains committed to working with our partners to ensure a seamless transition. Please do not hesitate to contact a member of our Business Development Team with any questions.

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Thank You,

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