



May 21, 2020

CANADA GUARANTY

# LENDER UPDATE

## Manitoba to Eliminate 7% Retail Sales Tax (RST) on Mortgage Default Insurance Premiums | Effective July 1, 2020

In April, the Manitoba government announced [changes to the provincial Retail Sales Tax \(RST\)](#). Effective July 1, 2020, Manitoba will eliminate its 7% RST on certain residential and commercial property insurance contracts. This new RST exemption will apply to mortgage default insurance premiums on new or renewed insurance contracts that come into effect after June 30, 2020.

In response to this change, Canada Guaranty is pleased to advise that our adjudication system has been updated to reflect the following:

- Applications with closing dates prior to July 1, 2020 will be subject to the existing 7% RST.
- Applications submitted to Canada Guaranty with closing dates on or after July 1, 2020 are exempt and will no longer be subject to the 7% RST.

**Please Note:** Applications approved prior to May 21, 2020, with closing dates on or after July 1, 2020, must be resubmitted to Canada Guaranty in order for the sales tax to be removed.

Please do not hesitate to contact a member of our National Accounts team with any questions:

### CANADA GUARANTY | NATIONAL ACCOUNTS TEAM

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Thank you,

### Mary Putnam

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