

# SECOND HOME PRODUCT LIFESTYLE ADVANTAGE™

Canada Guaranty recognizes that borrowers may require a secondary home for a variety of reasons. The Lifestyle Advantage program enables borrowers with a strong credit history to own a second home with as little as 5% down.

## Transaction Types

- Purchase transactions.
- Purchase Advantage Plus™.
- Portable eligible.

## Amortization

- Maximum 25 years; or
- Maximum 30-year amortization for owner-occupied homes if LTV > 80% and the borrower is either: (i) a first-time homebuyer or (ii) purchasing a newly constructed home.

## Credit Score Requirements

- Strong credit profile required.

## Loan-to-Value Criteria

- 95% maximum LTV for Purchase.
- Purchase Price  $\leq$  \$500,000: Minimum 5% down payment required.
- Purchase Price > \$500,000: Minimum 5% down payment required on the first \$500,000 of the purchase price, plus an additional 10% down payment required on the portion of the purchase price above \$500,000.

NOTE: Maximum LTV is subject to adjustments based on local housing market conditions.

## Interest Rate Types

- Fixed, standard variable, capped variable and adjustable rate mortgages permitted.
- Borrower(s) must qualify at an interest rate that is the greater of the contract mortgage rate plus 2%, or 5.25%.

## Property Types

- Maximum property value must be less than:
  - \$1,000,000 if LTV  $\leq$  80%; or
  - \$1,500,000 if LTV > 80%.
- Maximum 1 unit for secondary occupancy, owner-occupied or occupied by a member of the owner's immediate family.
- Resale or new construction (single advance).

NOTE: An immediate family member is defined as a person related to the borrower by marriage, common-law partnership, or any legal parent-child or sibling relationship.

## Eligible Property Types and Features

- Modular homes.
- Properties must be winterized and have year-round access.
- Properties must have well and septic systems when municipal services are not available.

## Ineligible Property Types and Features

- Island properties without bridge access.
- Fractional homeownership.
- Condominium hotels.
- Investment, rental pool or timeshare properties.
- Rental properties.
- Non-winterized homes with seasonal access.

## Eligible Sources of Equity

- Equity borrowed from any source that is arm's length to the purchase or sale transaction. This may include personal loans, lines of credit, or lender credit. Loan payments must be included in the TDS calculation.
- Gifts or grants from any party that is arm's length to the transaction.

## Ineligible Sources of Equity

- Sources that are not arm's length to the transaction, either directly or indirectly, are ineligible.
- Ineligible sources include, but are not limited to: builder incentives or loans, Realtor®/mortgage broker incentives, or loans to the borrower that impact the property selling price.

## Borrower Qualifications

- Total Debt Service ratio calculation must include the servicing of both properties, including taxes and 50% of condo fees, if applicable.
- Maximum debt service ratios: GDS 39% / TDS 44%
- Standard underwriting guidelines apply.

## Documentation Requirements

- Standard documentation.

## Applicable Premiums

Loan-to-Value Ratio	Single Premium	Top-up Premium	> 25 Year Amort. Single Premium	> 25 Year Amort. Top-up Premium
$\leq$ 65%	0.60%	0.60%		
65.01% – 75%	1.70%	5.90%		
75.01% – 80%	2.40%	6.05%		
80.01% – 85%	2.80%	6.20%	3.00%	6.40%
85.01% – 90%	3.10%	6.25%	3.30%	6.45%
90.01% – 95%	4.00%	6.30%	4.20%	6.50%
Flex 95 Advantage™	4.50%	6.60%	4.70%	6.80%

NOTE: Mortgage insurance premiums are non-refundable.



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Canada Guaranty Mortgage Insurance Company  
1 Toronto Street, Suite 400, Toronto, Ontario M5C 2V6  
[www.canadaguaranty.ca](http://www.canadaguaranty.ca)

All mortgage insurance is underwritten by Canada Guaranty Mortgage Insurance Company.

Main Number 866.414.9109  
National Underwriting Centre 877.244.8422

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