HOME IMPROVEMENT / NEW CONSTRUCTION

PURCHASE ADVANTAGE PLUS™

The Purchase Advantage Plus program is designed to assist borrowers who are purchasing and want to make value-added improvements to their home, while including these costs within their first mortgage.

Transaction Types

- Purchase transactions.
- Portable eligible.
- Single or multiple advances are permitted and may be managed by Lenders. To be eligible for Canada Guaranty managed draws, the improvement amount should be greater than 10% of the as-improved value.

Amortization

- Maximum 25 years; or
- Maximum 30 years for first-time homebuyers purchasing a newly constructed home.

Loan-to-Value Criteria

- 95% LTV for Purchase: 1-2 units
  - Purchase Price </= $500,000: Minimum 5% down payment required.
  - Purchase Price > $500,000 and < $1,000,000: 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.
- 90% LTV for Purchase: 3–4 units

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.
- Maximum 4 units, with 1 unit owner-occupied.

Lending Value

- Lending value is based on the lesser of the improved property value or the purchase price, plus direct costs associated with the improvements.

Borrower Qualifications

- Gifted down payment from a close family member is acceptable.
- Borrower must provide the lender with quotes for the work to be completed.
- Standard underwriting guidelines apply.
- Maximum debt service ratios: GDS 39% / TDS 44%

Documentation Requirements

- Standard documentation.
- Lender is responsible for managing holdbacks.
- Lender to confirm improvements are completed. Examples of acceptable documentation include: a third-party report from a qualified professional, paid invoices, or photos confirming improvements completed.

Applicable Premiums

Loan-to-Value Ratio	Single Premium	Top-up Premium	> 25 Year Amort. Single Premium	> 25 Year Amort. Top-up Premium
</= 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.

CANADA GUARANTY

Service you deserve. People you trust.

Canada Guaranty Mortgage Insurance Company
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Main Number 866.414.9109
National Underwriting Centre 877.244.8422

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