

INVESTMENT (NON-OWNER-OCCUPIED)

# RENTAL ADVANTAGE™

Purchasing real estate can be a sensible investment. The Rental Advantage product allows qualified borrowers to purchase residential investment properties with a minimum 20% down payment.

## Transaction Types

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

## Credit Score Requirements

- Strong credit profile required.

## Amortization

- Maximum 25 years

## Loan-to-Value Criteria

- Maximum 80% LTV for Purchase.

## 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 2-4 units only. Single unit properties ineligible.
- Resale or new construction (single advance).
- Restricted to residential units (no commercial properties).

## Borrower Qualifications

- Down payment must be from borrower's own resources.
- Maximum debt service ratios: GDS 39% / TDS 44%
- Minimum personal net worth of \$100,000.
- Personal guarantees are required when the borrower is a corporate entity.

**Rental income must be confirmed with at least one of the following documents:**

- T1 Generals
- Lease Agreements
- Fair Market Rents from an accredited appraiser approved by Canada Guaranty
- Bank Statements showing a 12-month history confirming rental income has been received

## Rental Income Calculation

- 50% of the gross annual rental income may be added to the borrower's gross annual income for debt servicing purposes.

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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

Last Updated: 12/2024

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## Portability Options

### 1. Port from Rental Advantage™ to Rental Advantage™

The premium will be the lesser of:

- The increase in the loan amount multiplied by the applicable Rental top-up premium rate, outlined below.  
OR
- The new loan amount multiplied by the full Rental premium rate.

### 2. Port from Rental Advantage™ to Standard Canada Guaranty-insured Loan

The premium will be the lesser of:

- The increase in the loan amount multiplied by our standard top-up premium rates as described in the Portable Advantage™ product sheet.\*  
OR
- The new loan amount multiplied by the full standard premium rate.

### 3. Port from Standard Canada Guaranty-insured Loan to Rental Advantage™

The premium will be the lesser of:

- The outstanding mortgage balance multiplied by 0.50% plus the top-up amount multiplied by the Rental top-up premium rate.  
OR
- The new loan amount multiplied by the full Rental premium rate.

\*Please see the Portable Advantage™ product sheet for details regarding standard premium rates and the Borrower Loyalty Program.

## Documentation Requirements

- Standard documentation.
- Agreement of Purchase and Sale.
- Equity and asset confirmation.
- Rental income documentation. (Please refer to Borrower Qualifications.)
- Appraisal ordered by Canada Guaranty for each application.

NOTE: Documents may be requested for review on a case-by-case basis.

## Applicable Premium

Loan-to-Value Ratio	Single Premium	Top-Up Premium
</= 65%	1.45%	3.15%
65.01%–75%	2.00%	3.45%
75.01%–80%	2.90%	4.30%

NOTE: Mortgage insurance premiums are non-refundable.



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