



June 18, 2024

CANADA GUARANTY

LENDER UPDATE

Clarification on 30-Year Amortization Eligibility

Effective August 1, 2024

Dear Lender Partners,

We are pleased to provide additional information regarding the extension of the maximum amortization period to 30 years for first-time homebuyers purchasing a newly constructed owner-occupied home.

On June 11, the [Department of Finance released information on 30-year amortization eligibility](#). Applications that meet the following criteria will be eligible for a high-ratio mortgage with an amortization period of up to 30 years.

- At least one borrower must be a first-time homebuyer. To be considered a first-time homebuyer, a borrower must meet one of the following criteria:
 - The borrower has never purchased a home before; or
 - In the last 4 years, the borrower has not occupied a home as a principal place of residence that either they themselves or their current spouse or common-law partner owned; or
 - The borrower recently experienced the breakdown of a marriage or common-law partnership.
- The lender must retain confirmation that the borrower is a first-time homebuyer.
- The loan purpose must be for the purchase of a newly constructed home. To be considered a newly constructed home, the new home must not have been previously occupied for residential purposes. This requirement is not intended to exclude newly constructed condominiums where there has been an interim occupancy period.
- The home must be owner-occupied by the borrower, by someone related to the borrower through marriage, common-law partnership, or any legal parent-child relationship on a rent-free basis.
- The LTV ratio must be greater than 80%.

For mortgage insurance applications submitted on or after August 1, 2024, a premium surcharge of **20 basis points (0.20%)** will apply for amortizations exceeding 25 years.

Additionally, we are preparing a “**Frequently Asked Questions**” (FAQ) reference guide and will distribute it when finalized.



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Please don't hesitate to contact a member of our National Accounts team with any questions.

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Thank you for your continued partnership and support,

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