

## CANADA GUARANTY

# LENDER UPDATE

## Underwriting Policy Enhancements

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On an ongoing basis, we review our policies and programs to support our customers' needs and to align with industry best practices. Effective immediately, Canada Guaranty has made the following updates to our underwriting guidelines and select products:

- **Maple Leaf Advantage:** We have expanded our alternative credit options:
  - 12 months verifiable bank statements from a recognized Canadian financial institution or a financial institution from the country of origin confirming satisfactory savings and repayment habits may be used at 95% LTV. For 90% LTV or less, 6 months verifiable bank statements may continue to be used.
  - A letter of reference from the borrower's financial institution from the country of origin confirming a minimum of 6 months satisfactory banking relationship may now be used at 95% LTV.
- **Purchase Advantage Plus:** We have added examples of documentation to confirm completion of improvements (a third-party report from a qualified professional, paid invoices, or photos confirming improvements completed), and removed our mandatory appraisal threshold.
- **Low Doc Advantage and Rental Advantage:** Loan limits have been removed from these products.
- **Progress Draw Advantage:** Increased the maximum number of units from 2 to 4 units.
- **Variable Income:** If the most recent full year's income is within 20% of the 2-year average, the 2-year average may be used.
- **Rental Income:** Rental income from an unauthorized suite may be considered on a case-by-case basis.

Our guidelines on the following remain unchanged:

- Guidance for a borrower employed by a relative remains within our fixed income guidelines.
- The subject property must be zoned to allow residential use.
- Canada Guaranty provides coverage for mobile and modular homes as outlined in our underwriting guidelines.
- Builder and seller contributions, including interest rate buy downs, should be deducted from the purchase price.

Please visit the Canada Guaranty website or click to view our updated [Underwriting Guidelines](#) and [Complete Product Suite](#) for direct access to all details regarding these updates.

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As always, we remain available to answer any questions or to discuss your borrowers' unique circumstances. Please do not hesitate to contact a member of our National Accounts team with any questions.

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Thank you,

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