

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.

Amortization

- Maximum 25 years.

Loan-to-Value Criteria

- 95% LTV for Purchase: 1-2 units
 - Purchase Price \leq \$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.
- Full appraisal required for improvements exceeding 20% of “as is” value or \$40,000.

Borrower Qualifications

- Gifted down payment from immediate 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.

Applicable Premiums

Loan-to-Value Ratio	Single Premium	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%
85.01%–90%	3.10%	6.25%
90.01%–95%	4.00%	6.30%
Flex 95 Advantage™	4.50%	6.60%

NOTE: Mortgage insurance premiums are non-refundable.



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

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