

B.C. Home Owner Mortgage and Equity partnership program information:

Purpose:	<ul style="list-style-type: none"> • To assist first-time homebuyers in BC to enter the real estate market by specifically targeting buyers who may not have sufficient resources to meet capital requirements (down payment)
Eligibility:	<ul style="list-style-type: none"> • Have been a Canadian citizen or permanent resident for at least five years • Have resided in British Columbia for at least one year immediately preceding the date of application • Be a first-time buyer who has not owned an interest in a residence anywhere in the world at any time • Use the property as their principal residence for the first five years • Purchase a home that has a purchase price of \$750,000 or less (excluding taxes and fees) • Obtain a high-ratio insured first mortgage on the property for at least 80% of the purchase price • Have a combined, gross household income of all individuals on title not exceeding \$150,000 • Have saved a down payment amount at least equal to the loan amount for which the buyer applied
Benefits:	<ul style="list-style-type: none"> • Interest free loan for the first 5 years • Allows access into the market today alleviating potential further real estate appreciation while they continue to save
Ideal Candidates for the program:	<ul style="list-style-type: none"> • Individuals/families that may be fresh out of College/University that have excellent earnings potential but minimal capital • Individuals/families that expect an inheritance or a lump sum of money within the next 5 years
Important information to consider:	<ul style="list-style-type: none"> • The loan will ultimately NOT increase buying power as lenders will be required to add a cost of borrowing into the debt servicing calculations (loan amount amortized over 20 years at a rate of 4.64) • This program is in partnership with CMHC/Genworth and Canada Guarantee (applicants will need to pay premiums) even if the down payment is 20% • If loan is not repaid within the first 5 years, the applicant will begin to repay the government at a rate to be determined by current interest rates • The loan can be repaid within the first 5 years penalty free at any time • The government loan will be registered on title as a second mortgage
Process:	<ul style="list-style-type: none"> • Applicant to visit a qualified lender and submit a pre-approval into their financial institution of their choice • Once approved, applicant would then take their pre-approval letter and submit off the government office for review (see below for details) • Documents that need to be sent into the government will include: Proof of residency in Canada and BC, secondary ID, proof of income and tax filings, evidence of pre-approval from their lender • If approved, the applicant will receive notice of eligibility and a home buyers kit which includes information for the lender, real estate agent and solicitor conducting the transaction
For more Information:	<p>http://housingaction.gov.bc.ca/title/home-owner-mortgage-and-equity-partnership/</p>