

FIRST NATION MARKET BASED HOUSING PROGRAM

Orientation & Applicant Checklist

The First Nation market based housing program has been developed in conjunction with the First Nations Market Housing Fund and approved lenders. The objective of the program is to provide community members access to affordable and competitive mortgages and loans in order to build, purchase, renovate or refinance homes on First Nation.

PROGRAM DETAILS			
	New	Purchase	Renovate
Maximum Loan	\$200,000	\$200,000	\$5,000-\$50,000
Maximum Amortization	25 years	25 years	10 Years
Down payment	5%	5%	N/A
Life Insurance	Mandatory	Mandatory	Mandatory
Fire Insurance	Mandatory	Mandatory	Mandatory
Home Inspection	N/A	Yes	N/A
Serviced Lots only	Yes	N/A	N/A
First Nation Holds CP	Yes	Yes	Yes
Debts owed to First Nation	Reviewed	Reviewed	Reviewed
Renovations	N/A	Yes, within max loan	Yes
North Shore Inspections	Mandatory	Mandatory	Mandatory
CMHC Loan Insurance	Mandatory	Mandatory	N/A
Construction Method	Contractor	Contractor (renos)	Contractor

In order to make the process simple and understandable, this orientation package and checklist has been developed in order to assist you with planning your build, purchase or renovation. You have already completed the first step by submitting your Market Based Housing Application for the program.

Now we will lead you to the next step and, provided you meet all the eligibility requirements, a successful completion of your application.

Stage 1 – Pre-Approved Mortgage and the Application Process

- a) First Nation will conduct an internal credit check on all applicants. For band members in arrears more than 30 days on any accounts, these accounts must be dealt with or a repayment plan must be negotiated. If arrears are too high, or repayment plan is not negotiable applicant is not eligible for the program.
- b) If you have satisfactory credit with First Nation, defined as no account in arrears more than 30 days, the First Nation will provide a Conditional Letter of Guarantee to the bank so you can apply for a pre-approved mortgage. ***This will inform the bank that First Nation is in the position to guarantee your loan, provided you meet the bank's lending requirements.*** This means that you meet the following conditions:
- ✓ Good Credit
 - ✓ Good job tenure (usually minimum 2 years employment)
 - ✓ Income to support loan
 - ✓ Current Debt Load is moderate (credit cards, car, boat, & ski doo payments)

If you do not have any of the above, you should work with the bank to find out how you can qualify. Perhaps you have to pay down some debt or improve your credit score. Credit counselling is also an option.

- c) The final step is to provide proof of life insurance for more than the loan you are applying for. You can apply for this insurance when you are applying for the mortgage, or you can get it from an independent broker.
- d) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

Stage 2 – Approval & Construction/ Renovation/ Purchase / Refinance

If you have met all three of the above prequalification criteria, congratulations you are now approved to proceed with your construction/Renovations/Purchase/ Refinance

Programs specifics and further details will be provided, once you application is approved.

For Refinancing details please enquire at the housing office.

New Construction – First Nation

Draft Policy for Market Based Housing

The market based housing program is designed to provide affordable mortgages for *qualified* First Nation members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, new Construction is defined as the construction of a new home on an existing serviced lot or an increase in the liveable area of an existing home.

Program Details

Maximum Loan	\$200,000
Maximum Amortization	25 years
Down payment	5% down (cash only no sweat equity)
Life Insurance	Mandatory
Fire Insurance	Mandatory
Lots	Serviced Lots only (water, hydro & gas)
Certification of Possession (CPs)	First Nation to hold CPs until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if Band member is in arrears (all programs).
Construction method	General Contractor only.
Hold back on Construction	10%
CMHC Mortgage Insurance	Mandatory

STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is sent by the Band member to First Nation Housing. An orientation package is sent to Band member detailing the eligibility requirements.
- 2) First Nation conducts internal credit check to ensure there are no accounts in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the band member is in good standing a Conditional Letter of Support (Appendix 1) will be issued to the financial institute stating that the First Nation is prepared to guarantee the band member’s mortgage provided they meet the lending requirements.
 - a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.

- b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
 - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 3) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
 - b. Gross up factor on income earned on-reserve will be applied.
 - c. Band member must have satisfactory credit.
 - d. Band member must have good job tenure.
 - e. Band member must demonstrate they have sufficient equity of 5%.

If band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.

- 4) Band member required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 5) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

STAGE 2 – Approval & Construction

- 1) Identification of a serviced lot and CP formally transferred to the First Nation, if First Nation does not already hold CP. A title search will be conducted to ensure that the lot is unencumbered, as well as to ensure the lot is surveyed and registered under Canadian Land Survey Registry (CSLR). CP is transferred to Band member only after the mortgage has been fully amortized.
- 2) Housing Officer or other designated authority will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and housing lot allocation.
- 3) Band member to submit two sets of plans, one for the First Nation and one to be forwarded to the financial institution. Any modifications recommended by the technical review must be implemented.
- a. As a minimum, engineered plans will only be accepted and must be approved by appropriate agency (Health Canada for Septics). In addition, site plan to be provided.
 - b. Plans from local hardware stores may also acceptable, provided they are engineered stamped.

- c. Plans to be reviewed by Technical Services Technical Services to ensure they meet, as a minimum, NBC.
- 4) For Modular/trailers/prefabricated construction, units must meet the following minimum standards before guarantee is issued:
 - a. Contractor not paid until home is in place and inspected.
- 5) Band members get quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WSIB coverage to First Nation. In addition, contractor must be capable of bridge financing construction, as **advances prior to construction are prohibited.**
- 6) Contractor responsible for installing services, water and septic, to the lot line and must be included in the cost of construction.
- 7) Fees for hydro and gas hook-ups are the responsibility of the Band member.
- 8) Final quote along with verification of equity must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 9) Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (November 2015)

Loan to Value	Premium on Total Loan
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.60%

Financial institution confirms CMHC mortgage insurance is in place.

- 10) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 2)
- 11) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 12) Contractor to provide proof of construction insurance to First Nation and Financial Institution.
- 13) Copy of builder's contract forwarded to First Nation and any related correspondence must be forwarded to First Nation.
- 14) **Construction begins.**
- 15) Technical Services Technical Services responsible for progress and compliance inspections. The maximum number of progress advances is six (6). Pictures to be included in the advance documentation. **Fee to be determined and Band member responsible for payment.**
- 16) Health Canada to inspect septic systems and issue certificate, copy to be provided to First Nation.
- 17) Equity (5%) must be drawn down first prior to the first loan advance being processed.

- 18) Holdback of 10% for 45 days will be required and enforced by the lender. General contractor to sign Statutory Declaration stating all subs have been paid.
- 19) Proof of fire insurance provided by Band member to financial institution prior to move in date.

Purchase an Existing Home – First Nation

Draft Policy for Market Based Housing

The market based housing program is designed to provide affordable mortgages for *qualified* First Nation members who wish to purchase, renovate, construct or refinance a home.

Purchase of an existing home on First Nation either from another band member or the First Nation.

Program Details

Maximum Loan	\$200,000
Maximum Amortization	25 years
Down payment	5% down (cash only no sweat equity)
Life Insurance	Mandatory
Fire Insurance	Mandatory
Home Inspection	Mandatory
Appraisal	Mandatory to establish value.
Certification of Possession (CPs)	First Nation to hold CP until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if in arrears
Renovations	Can be included with Purchase price along as within max loan.
Hold Back/Construction method	10% - General Contractor renovations
CMHC Loan Insurance	Mandatory

STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is sent by the Band member to First Nation Housing. An orientation package is sent to Band member detailing the eligibility requirements.
- 2) Ensure seller holds CP for lot and verification of no encumbrances.
- 3) First Nation conducts internal credit check to ensure there are no accounts in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation is prepared to guarantee this individual's mortgage provided they meet the lending requirements.
 - a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.

- b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
 - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 4) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
 - b. Gross up factor on income earned on-reserve will be applied.
 - c. Band member must have satisfactory credit.
 - d. Band member must have good job tenure.
 - e. Band member must demonstrate they have sufficient equity of 5%.

If Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.

- 5) The Band member is required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 6) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

STAGE 2 – Approval & Acquisition

- 7) If private sale, First Nation is not part of the negotiation process. However, the First Nation, as guarantor, must be satisfied with the value of the home as demonstrated by an appraisal and home inspection to be conducted by an independent appraiser and home inspector. This shall also apply if the First Nation is the seller.
- a. Appraisal determines value and whether selling price is reasonable.
 - b. Home inspection determines any serious deficiencies that may impair the value of the home and will need to be rectified to complete the sale. The cost to address these deficiencies can be paid for by the seller prior to sale as a condition, or can be deducted off the sale price and corrected after the sale and incorporated into the mortgage (provided loan does not exceed maximum).
 - c. Band member is required to hire an appraiser and inspector and submit a copy of the report to First nation.
- 8) Sales agreement finalized and CP transferred to First Nation until mortgage is fully discharged.

- 9) Renovations are allowed and can be incorporated into the mortgage, provided the maximum loan is not exceeded. The same conditions applied to renovations of an existing home will be applied to renovations of a purchased home. (review by Technical Services).
- 10) Housing Officer or other designated authority will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and CP allocation.
- 11) Final sale agreement and estimate for renovations, if required, along with verification of equity must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 12) Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (Dated November 2015)

Loan to Value	Premium on Total Loan
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.60%

Financial institution confirms CMHC mortgage insurance is in place.

- 13) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Template attached)
- 14) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 15) **Confirmation Buyer has Fire Insurance sent to financial institute and First Nation.**
- 16) **No transfer of funds until First Nation has received confirmation that CP has been transferred to First Nation for all private sales. Confirmation sent to the financial institution to release funds.**

Renovations – First Nation

Draft Policy for Market Based Housing

The market based housing program is designed to provide affordable mortgages to *qualified* First Nation members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, renovations refer to any improvements and modifications to an existing home that does not increase the liveable area.

Program Details

Maximum Loan	\$5,000 - \$50,000
Maximum Amortization	10 years
Life Insurance	Mandatory
Fire Insurance	Mandatory
Certification of Possession (CPs)	Transferred to First Nation
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if Band member is in arrears
Construction method	General Contractor/Do-it-yourself for certain items/Subs

STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is sent by the band member to First Nation Housing. An orientation package is sent to Band member detailing the eligibility requirements.
- 2) Confirmation that the Band member holds CP on property and must consent to transferring to First Nation for the duration of the loan.
- 3) First Nation conducts internal credit check to ensure there are no accounts are in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation is prepared to guarantee this individual’s mortgage provided they meet the lending requirements.
 - a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
 - b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.

- c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 4) The Band member to submit quotes and a general description of renovations , which will be reviewed by Technical Services for the following:
 - a. To ensure work is compliant with, as a minimum, NBC and construction standards.
 - b. Provide a professional opinion on whether work can be done by Band member.
 - c. Determine which work **MUST** be done by Trades (I.e. structural, electrical, plumbing, HVAC) which will be communicated to First Nation.
- 5) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
 - a. Total Debt Servicing (TDS) ratio not to exceed 40%.
 - b. Gross up factor on income earned on-reserve will be applied.
 - c. Band member must have satisfactory credit.
 - d. Band member must have good job tenure.

If the Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.

- 6) The Band member is required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 7) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

STAGE 2 – Approval & Construction

- 8) Provided the Band member meets all the pre-qualification criteria, and confirmation that the Band member holds the CP, the Band member must consent to a legal transfer of CP to the First Nation until the loan is fully amortized.
- 9) Housing Officer or other designated authority will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee.
- 10) The Band member gets quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WSIB coverage to First Nation. In addition, contractor must capable of bridge financing construction, as **advances prior to construction are prohibited.**
- 11) Final quotes, for contractor and building supplies must be forwarded to financial institution for final approval. Must be below maximum loan amount.

- 12) Proof of fire insurance provided by the Band member to financial institution.
- 13) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 3)
- 14) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 15) Contractor to provide proof of construction insurance to First Nation and Financial Institution.
- 16) **Renovations begin.**
- 17) Technical Services responsible for progress and compliance inspections. The maximum numbers of inspections are two; one at 50% complete and the final inspection. Pictures to be included in the advance documentation. Advances could also be processed by the submission of invoices by Band member to the financial institution.
- 18) Holdback of 10% for 45 days will be required and enforced by the lender for work done by general contractor. General contractor to sign Statutory Declaration stating all subs have been paid.

Refinance of an Existing Home – First Nation

Draft Policy for Market Based Housing

The market based housing program is designed to provide affordable mortgages for *qualified* First Nation members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, refinancing refers to the transfer of an existing mortgaged property on First Nation into the market based housing program. In order to qualify for the refinancing of an existing home, an additional loan for renovations must be included into the mortgage subject minimum and maximum amount.

Program Details

Maximum Loan	\$200,000
Renovations	Minimum \$10,000 up to a Maximum of \$50,000
Maximum Amortization	25 years
Life Insurance	Mandatory
Fire Insurance	Mandatory
Certification of Possession (CPs)	Transferred to First Nation until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Construction method	General Contractor/Do-it-yourself for certain items/subs
Hold back on Construction	10% - General Contractor
CMHC Insurance	Mandatory

STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is sent by the band member to First Nation Housing. An orientation package is sent to Band member detailing the eligibility requirements.
- 2) Confirmation that Band member holds CP and existing mortgage amount. Any penalties for early discharge on an existing mortgage will be borne by the Band member.
- 3) The Band member is required to increase mortgage by a minimum of \$10,000 and up to a maximum of \$50,000 for renovations in order to be eligible. In addition, this additional increase plus the amount of the existing mortgage being refinanced must be below the maximum mortgage amount of \$200,000.
- 4) First Nation conducts internal credit check to ensure there are no accounts are in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation

is prepared to guarantee this individual's mortgage provided they meet the lending requirements.

- a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
 - b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
 - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 5) Band member to submit quotes and a general description of renovations , which will be reviewed by Technical Services for the following:
- a. To ensure work is compliant with, as a minimum, NBC and construction standards.
 - b. Provide a professional opinion on whether work can be done by the Band member.
 - c. Determine which work **MUST** be done by General Contractor (I.e. structural, electrical, plumbing, HVAC) which will be communicated to First Nation.
- 6) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
 - b. Gross up factor on income earned on-reserve will be applied.
 - c. The Band member must have satisfactory credit.
 - d. The Band member must have good job tenure.
 - e. The Band member must demonstrate they have sufficient equity of 5% for renovations.
- If the Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.**
- 7) Band member required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 8) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

STAGE 2 – Approval & Renovation

- 9) Provided the Band member meets all the pre-qualification criteria, and confirmation that the Band member holds the CP, the Band member must consent to a legal transfer of CP to the First Nation until the loan is fully amortized.
- 10) Housing Officer or other designated authority will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and CP allocation, (if required)
- 11) The Band member gets quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WSIB coverage to First Nation. In addition, contractor must capable of bridge financing construction, as **advances prior to construction are prohibited.**
- 12) Final quotes, for contractor and building supplies, along with verification of equity must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 13) Proof of fire insurance provided by Band member to financial institution.
- 14) The Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (November 2015)

Loan to Value	Premium on Total Loan
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.60%

Financial institution confirms CMHC mortgage insurance is in place.

- 15) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 3)
- 16) If the existing mortgage is a Ministerial Guarantee, the First Nation will be required to issue a second BCR rescinding this guarantee. This ensures that there are not two guarantees on the same loan.
- 17) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 18) Contractor to provide proof of construction insurance to First Nation and Financial Institution.
- 19) **Renovations begin.**
- 20) Technical Services responsible for progress and compliance inspections. The maximum numbers of inspections are two; one at 50% complete and the final inspection. Pictures to be included in the advance documentation. Advances could also be processed by the submission of invoices by the Band member to the financial institution.

First Nation

Market Based Housing Program

Name: _____ Band Number _____

Co-Applicant: _____ Band Number _____

Phone:(h) _____ (w) _____ (c) _____

Do not apply for a bank loan until you have submitted an application to housing and you have received a conditional support letter from First Nation.

What are you applying for?

New Construction: _____	Max loan \$150,000 – 5% down
Service Lot Identified: _____	(water, sewer, septic, hydro, road access)
Do you hold Certificate of Possession: _____	
Do you have House Plans? _____	

Renovations: _____	Max Loan \$75,000 – 5% down on loans over \$25,000
Do you hold Certificate of Possession on your home? _____	
What kind of Renovations are you going to invest in?	

Purchase: _____ Max Loan \$150,000 – 5% down

Who is the seller: _____

Does seller have Certificate of Possession of lot? _____

If approved, you will be required to hire a qualified independent appraiser and home inspector and provide copy of reports to Housing.

Has a sale price been negotiated? _____

Will you be including renovations in loan? _____

If yes, please provide some details?

Refinance: _____ Max Loan \$150,000

Will you be including renovations? _____ Max Renovations \$10,000 to \$75,000

Which banks holds your mortgage? _____

Approximate balance of mortgage: _____

Existing mortgage plus renovations cannot exceed \$150,000.

What kinds of renovations will you investing in?

CONDITIONAL LETTER OF GUARANTEE

Financial Institution

May 10, 2011

Dear Sir/Madam

Re: **Conditional Support – Market Based Housing Program**
Applicant Name

Please accept this letter as our conditional support for **Applicant Name** loan application with your financial institution for **new construction/renovations/refinance**. The applicant has met our internal pre-qualifications requirements, and is now eligible to apply for a pre-approved mortgage.

This Conditional Letter of Guarantee is **not** to be construed as a final guarantee, but only serves to inform you that First Nation has reviewed this application and is in a position to guarantee this loan, provided the applicant meets your minimum mortgage requirements. As you know, this means satisfactory credit history, job tenure, acceptable TDS ratios and income requirements.

If the applicant meets your credit requirements, along with the other mandatory requirements such as life and fire insurance, a Band Council Resolution, CMHC Certificate of insurance, and a Credit Enhancement Certificate from the First Nations Market Housing Fund will be issued to your financial institution guaranteeing the mortgage.

If you have any questions on the above, please do not hesitate to contact the undersigned at your convenience.

Sincerely,

Market Based Housing Program

Internal Credit Check

Name: _____ Band Number _____

Co-Applicant: _____ Band Number _____

Band members in arrears more than 30 days for any accounts must be dealt with or a repayment plan must be negotiated prior to the issuance of the conditional letter of support.

Finance Use Only

Accounts Receivables Type:

Account Number	Days in Arrears	Amount of Arrears
	Total	\$

Verified by: _____ Date: _____
 Finance Manager

Full Payment Received? Yes _____ No _____

Repayment Plan Negotiated? Yes _____ No _____

