

## 2nd Mortgage Program

### HOW TO USE THIS CHART

1	Minimum Property Values	
Determine value of Property	House value <\$150,000	Max 70% LTV
	Ontario	\$80,000
	Alberta	\$60,000
	BC	\$100,000

Mortgage amount	
Minimum	20K
Maximum	100+

2	Credit Class:	Limitations							
Borrower with the better credit can be used to price as long as they make 50% of the household income (Approx.)  Review current Equifax Credit Bureau to determine Class.  Perfect repayment of mortgage may allow for Borrower to be upped a Class	<b>Strongest Borrower used.</b>	Years on bureau & # trade lines	Current credit	Previous credit months ( 12)	Bankruptcy (discharged/re-established)	Mtge history (6 mo. Reviewed) # days late	Maximum amortization.	Type of documentations available	BFS # of years
	Class 1	5 yrs 2 lines	Perfect	R2 50%	Never	Not required	35	all	2 (1 Professional)
	Class 2	3 years, 2 lines or 1 line & rent/mtge	R2	R3	36/12	Not required	35	all	1 (.50 Professional)
	Class 3	No active credit but 5 years on bureau	R3	R4	24/12	30	30	all	2
	Class 4	2 years, 1 line or 1 year, 2 lines	R4	R5	12/12 or 12/6	60	30	full or alt	2
	Class 5	1 year, 1 line	R5	>R5	12/0 or 6/6	Case by Case	25	full	2

3	Geographic Location:		Population	LTV	Classes	Kms	Properties	Docs
Using Broadband <a href="http://broadband.gc.ca/pub/index.html">http://broadband.gc.ca/pub/index.html</a> determine population  Does the required LTV fit with location?  Does the Borrower's Credit Class and Income documentation fit?	A locations	Max \$100,000	City has 500,000 people plus	85%	All	25	All	All
	A- locations	Max \$100,000	City has at least 150,000 <b>OR</b> is within 40 km of 250,000 people	85%		25	All	All
	B locations	Max \$75,000	City has <b>more</b> than 50,000 people <b>AND</b> has <b>more</b> than 100,000 people within 40 kms.	80%	All	20	All	All
	C locations	Max \$60,000	City has <b>more</b> than 50,000 people <b>OR</b> there are <b>more</b> than 100,000 people within 40	75%	1, 2, 3, 4	10	No rental, multiplex or condos	No Doc N/A
	D locations	Max \$50,000	City is <b>less</b> than 50,000 people <b>AND</b> there are <b>less</b> than 100,000 in 40 kms	65%	1, 2, 3	5		Full only
	E locations	<i>Exception only</i>	City is <b>less</b> than 25,000 <b>AND</b> there are <b>less</b> than 50,000 people within 40 kms	60%	1, 2, 3	0		Full only

4	Property type:					5	Documentation (Based on A Location)			
Determine property type and then ensure LTV required and Borrower's Credit Class etc. allows.	Type	LTV reductions	Classes	Location	other		Class	Full Income	NIV/BFS	No DOC
	SFD/TH	85% ( in A location)	All	All	700 sq ft		1	85	85	75
	High Condo	-5%	All	A, A-, B, C	Vanc/TO 450 ft		2	85	85	75
	Low Condo	-5%	All	A, A-, B, C			3	80	75	70
	Rental SFD	-5%	1, 2, 3 only	A, A-,B			4	80	70	N/A
	Rental Condo	<i>Exception only</i>					5	75	60	N/A
	Acreage>2	-5%	1, 2, 3 only	Exception						
	Multiplex-Owner must occupy 1 Unit	75%	1, 2, 3 only	A, A-,B						
	Vacation	<i>Exception only</i>								
	Manufactured	Considered SFD	All	All						

<b>DSR:</b>	<b>45%, Exceptions to 50%</b>
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