



MORTGAGE LOAN INSURANCE

CMHC SELF-EMPLOYED SIMPLIFIED

For Borrowers Without Traditional Forms of Income Verification

CMHC Self-Employed Simplified can make it easier for self-employed borrowers, who have difficulty providing third party validation of their income, to realize their dreams of homeownership.

**Everything
you need
to open
new doors**

Features:

- Available for Purchase and Refinance transactions including Line of Credit/Interest Only Mortgages
- 1 and 2 unit residential properties
- No documentation required on a borrower's tax status – CMHC relies on emili's experienced and sophisticated risking models
- Flexible financing options - Single advance, progress advances and extended amortization periods are available
- Flexibilities available for energy-efficient homes

Self-Employed Borrowers Benefit:

- ✓ **Smaller Down Payments** – Purchase a home with as little as a 5% down payment.
- ✓ **Competitive Interest Rates** – Access to CMHC insured financing, and as a result, competitive interest rates.
- ✓ **Availability** – CMHC Self-Employed Simplified is available coast-to-coast-to-coast with no set maximum loan amount.

1 888 GO emili
www.cmhc.ca

Canada

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CMHC SELF-EMPLOYED SIMPLIFIED

Loan Purpose	Purchase, Portability, Refinance, Purchase or Refinance with Improvements, Single and Progress Advances, Line of Credit/Interest Only Mortgages
Loan-to-Value (LTV) Ratio	<ul style="list-style-type: none"> ▪ Purchase – up to 95% LTV ratio ▪ Refinance – up to 90% LTV ratio ▪ Line of Credit/Interest Only Mortgages – up to 90% LTV ratio
Down Payment Requirement	Traditional Sources* (with the exception of gift down payments which are not permitted)
Number of Units/Occupancy	1- 2 units, owner-occupied properties
Maximum Amortization	40 years. Maximum 25 years for Line of Credit.
Borrower Eligibility	Permanent Residents. Self-employed and Commissioned (100% of income is commissioned). Minimum 2 years in same type of work, even if not in a self-employed capacity. Not available for borrowers without a Canadian credit history and non-permanent residents. No income tax arrears.
General Guideline for History of Managing Credit	Recommended minimum Beacon score or comparable guideline**: LTV up to 75%: 600 LTV 75.01% to 85%: 620 LTV 85.01% to 90%: 650 LTV 90.01% to 95% (purchase only): 700
Debt Service Guidelines	Recommended minimum Beacon score or comparable guideline**: GDS/TDS: <680: 35% / 42% 680+: n/a / 44%
Loan Security	First Mortgage or Second Mortgage (Refinance)
Interest Rate Types	Fixed, capped and standard variable, and adjustable
Energy-Efficient Housing	Flexibilities for energy-efficient housing include a 10% premium refund and extended amortization periods without surcharge
Ineligible Products /Borrowers	CMHC Flex 100. CMHC Flex Down. CMHC 1-4 Unit Rental Properties. Borrowers without a Canadian Credit History. Non-Permanent Residents.

* Traditional sources of down payment include: Applicant's savings, RRSP withdrawal, funds borrowed against proven assets, sweat equity (< 50% of minimum required equity), land unencumbered, proceeds from sale of another property, non-repayable gift from immediate relative, equity grant (non-repayable grant from federal, provincial or municipal agency).

** Individuals can access their scores and credit reports from the following credit reporting agencies:

EQUIFAX: <https://www.econsumer.equifax.ca/ca/main>, EXPERIAN: <http://www.experian.ca/>, TRANSUNION: <http://www.transunion.ca/>

Applicable Premiums (Owner-occupied properties)			Surcharges
Loan to Value Ratio	Premium on Total Loan Amount	Premium on Increase to Loan Amount for Portability and Refinance	
Up to and including 65%	0.80%	1.50%	Extended Amortization Add 0.20% for every 5 years of amortization beyond the 25 year mortgage amortization period
Up to and including 75%	1.00%	2.60%	Blended Amortization for Portability and Refinance 0.50%
Up to and including 80%	1.64%	3.85%	CMHC Line of Credit/Interest Only Mortgages Repayment Option: 5 years (5/20) 0.25% 10 years (10/15) 0.50% Conversion from 5/20 to 10/15 0.35% (Product specific terms and conditions apply, see OPIMS 65612)
Up to and including 85%	2.90%	5.50%	
Up to and including 90%	4.75%	7.00%	
Up to and including 95%	6.00%	N/A	

For purchase transactions the premium payable is the Premium on Total Loan Amount. For portability and refinance, the premium is the lesser of Premium on Increase to Loan Amount or the Premium on Total Loan Amount. In the case of portability, a premium credit may be available under certain conditions. Premiums in Ontario and Quebec are subject to provincial sales tax. The sales tax cannot be added to the loan amount.

For portability the maximum LTV ratio is 90%, but CMHC may consider higher LTV ratios when the new ratio is equal to or less than the original LTV.

For conversion from confirmed income to CMHC Self-Employed Simplified, the premium is the lesser of: a) the Premium on Total Loan Amount or; b) the outstanding balance multiplied by a 1.5% premium plus the Premium on Increase to Loan Amount.

For more information on CMHC products contact your Business Development Officer or call **1 888 GO emili (463-6454)**

CMHC – Everything You Need to Open New Doors

When your goal is to comprehensively serve existing clients and find new ones, it's reassuring to know that you're backed by the wealth of Canada Mortgage and Housing Corporation (CMHC) information, insight, and industry-leading tools. Only CMHC delivers this complete support – support you need to confidently grow your business. After all, your clients aren't the only people who are looking towards the future.