

Cash-Out Refinance

Introduced to Canadians by Genworth, this program enables borrowers to take equity out of their homes for a variety of purposes, including asset enhancement, debt consolidation, combining a first and second mortgage, or renovations.

Acceptable loan purpose

- Refinance transactions for repayment of existing financing, debt consolidation, renovation & asset enhancement (this product replaces all other refinance products)
- Renovation loans with multiple advances are acceptable; up to four advances managed by lender

Equity removal limits

- We limit equity removal to \$200,000 (except when the loan purpose is to consolidate existing first and second mortgages, in which case the maximum LTV ratios will apply)
- 90.01-95% LTV; equity removal is limited to \$150,000

Loan-to-value ratio limits

'Loan-to-value' (LTV) is the relationship between the principal balance of a mortgage and the property value. For example, if you have a house valued at \$100,000 with a \$90,000 loan, you have a 90% LTV (\$90,000 divided by \$100,000 = 90%).

- 1 ♦ 2 units: 95% LTV
- 3 ♦ 4 units: 90% LTV
- Secondary Homes: 90% LTV
- Investment Properties: 90% LTV

Eligible properties

- Owner Occupied:
 - Maximum four units with at least one unit occupied as the principal residence
 - Existing properties (not for new construction)
- Secondary Homes:
 - Maximum 2 units
 - Maximum 90% LTV
- Investment Properties:
 - Maximum 4 units
 - Maximum 90% LTV

Terms/qualifying interest rates

- Fixed, [standard variable](#), [capped variable](#) and [adjustable rate](#) mortgages are permitted
- Qualifying interest rate: the contract rate or the three year rate if the term is less than three years

Coverage

- 100% coverage.

- For renovation loans, insurance coverage will be effective for any lender-managed advances (up to 4) provided proper confirmation of work completed is documented and on file.

Amortization options

- Available for extended amortizations up to 40 years
- If a full premium is paid on the entire mortgage the amortization can be up to 40 years (i.e., currently uninsured conventional mortgages)
- Home owner can keep the same amortization remaining on the existing mortgage
- Blended amortization (based on a weighted average of the original mortgage amortization and up to 40 years for the increased mortgage amount). Use our [Refinancing calculator](#) to find out more about blended amortization

Premium rates*

- The new premium payable will be the lesser of the premium as a % of the total new loan amount or the premium as a % of the top-up portion from the current loan amount

The Lesser of Premium as a % of:

LTV Ratio	Total Loan Amount	Top-up Portion
Up to 65%	0.50 %	0.50 %
65.01% - 75%	0.65 %	2.25 %
75.01% - 80%	1.00 %	2.75 %
80.01% - 85%	1.75 %	3.50 %
85.01% - 90%	2.00 %	4.25 %
90.01% - 95%	2.75 %	4.25 %

Premium is non-refundable.

There is no premium surcharge for a blended amortization.

* a .20% premium surcharge will be applied to the above premium rates for every 5 years of amortization beyond the traditional 25-year mortgage amortization period

Borrower qualification

- A minimum credit bureau score of 600, (excluding applications on currently insured Genworth mortgages which are reviewed on a case by case basis)
- A minimum credit bureau score of 650 is required for 95% LTV
- No prior bankruptcy or judgements

- No R3's in the past 24 months
- Mortgage is assumable
- Non-residing guarantors are not permitted. Non-residing co-borrowers are acceptable (must be an immediate family member and on title).
- All other existing requirements related to income and credit worthiness apply

GDS/TDS Guidelines

Bureau Score	GDS	TDS
680+	No limit	44%
600 - 679	35%	42%

Documentation/information requirements

- Employment and income verification required upon request
- To improve turn-around time please include the following in the comments section:
 1. Existing Genworth reference number (if applicable)
 2. Amount of new money being advanced
 3. Outstanding balance of existing mortgage

Eligible Products **

- Alt A
- CreditAssist
- First Mortgage Owner Occupied 1 and 2 units
- First Mortgage Owner Occupied 3 and 4 units
- Extended amortizations up to 40 years
- HELOC
- Secondary homes (Type A)
- Investment Property Program

** For specific underwriting guidelines related to the above eligible products, please refer to the applicable product overview

Ineligible Products

- Cashback Equity
- Family Plan
- Homebuyer 100
- Insured Progress Advance
- New To Canada
- Purchase Plus
- Vacation homes (Type B)

The insurance premium is paid once at the time of closing . The insurance premium is not refundable and may be added onto the mortgage

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