

Uninsurable Purchase/Refinance Plus Improvements

DESCRIPTION

A program that allows borrows to include improvement costs within their first mortgage.

Loan Purpose	Purchase and Refinance			<ul style="list-style-type: none"> The increase in the market value of the property is limited to the lesser of 10% of the property's as improved market value, or \$40,000. If sweat equity (owner labor) is requested, the increase to market value is limited to the lesser of 5% of the property's as improved value, or \$20,000 The initial advance of funds will be up to 80% of the approved value of the property minus the cost of improvements Balance of the funds to be held in trust by the solicitor until completion of the approved improvements is confirmed via: <ul style="list-style-type: none"> an inspection report, and/or confirmation from a certified appraiser and/or an invoice from the contractor who completed the improvements In addition to above, proof that contractor has been paid is also required for release of funds The final advance of funds will occur only if the improvements have been completed as per the original quote/contract approved at the time of application Usual sub-search and Construction Lien Act requirements are to be adhered to at the time of release of holdback No progress advances
Maximum LTV	Up to 80%			
Property type	Owner occupied residential 1-4 units			
Amortization	Up to 30 years			
Term	Fixed: All terms available Adjustable: 5 years			
Rate Guarantee	120 days			
Debt Servicing	Beacon	GDS	TDS	
	< 680	35%	42%	
	680+	39%	44%	
Appraisals	Full appraisal completed by a First National Approved Appraiser is required. <ul style="list-style-type: none"> Appraisal must include the following <ul style="list-style-type: none"> Appraised value must include improvements (improved value) Appraiser to review contractor cost estimates, quotes, invoices. 			
Payment Options	Frequency: Weekly, bi-weekly, semi-monthly or monthly Realty taxes may be collected with regular payments			
Qualifying rate	Qualification will be determined using the greater of the contract interest rate plus 2% or the Qualifying rate			
Title Insurance	Title Insurance is required (optional in Quebec except for private purchases)			
ID Requirements	One piece of government-issued photo identification required. Please refer to approved list and identification guidelines.			
Down payment	Down payment required will be based on the as improved value			
Documentation and Advance of Funds	<ul style="list-style-type: none"> Borrower must provide a list of improvements with quotes at the time of application Any change of contractor, quote or improvements must be approved by First National prior to start of work 			
	Prepayment Options	Adjustable: 15% + Double-up Fixed: 15% +15% + Double-up		
	Convertible Options ARM	<ul style="list-style-type: none"> To First National's current published rates for a similar mortgage product The term selected less time elapsed must be equal to or greater than 5 years 		
	Early Payout	Adjustable: Three months interest fee for the entire term Fixed: The greater of 3 months interest or Interest Rate Differential (IRD)		

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*Please see most recent rate sheet for current Qualifying Rate

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