

# Scotiabank StartRight<sup>®</sup> Mortgage Program - Temporary Residents

## Key Features:

- Temporary foreign residents entering Canada with a valid work permit
- Foreign workers who are non-permanent residents of Canada

## Borrower Qualifications

- Must provide a work permit from Citizenship and Immigration Canada (IMM 1442) that is valid for a period of one year or greater, with a minimum of six months time remaining from the date of credit application **OR**, a letter from the current Canadian employer confirming customer is exempt from the requirement to obtain a work permit and the reason for this exemption
- Principal residence in country of origin doesn't have to be sold
- Must have no derogatory credit history
- Not available to diplomats or any other political appointed individuals who do not pay income tax in Canada
- **GNW Insured:** a minimum of 3 months full time employment in Canada is required (borrowers being transferred under a corporate relocation program are exempt)
- **GNW Insured:** provide a copy of passport from the country of origin confirming date of entry to Canada within 5 years of application date

## Eligible Loan Purpose

- Purchase
- Switch<sup>1</sup> with no additional funds

## Eligible Properties

- Owner occupied single unit properties up to 4 units (up to 2 units available insured by GNW) in a good market
- Owner occupied single-unit properties insured by CMHC

## Scotia STEP<sup>®</sup> Program Eligible

- Not available

## Mortgage Products Available

- Fixed rate mortgage terms from 6 months to 10 years
- *Scotia Flex Value Mortgage* (Closed term)
- *Scotia Ultimate Variable Rate<sup>®</sup> Mortgage*

## Maximum Gross Debt to Service Ratio / Total Debt to Service Ratio (GDSR/TDSR)

- Standard GDSR/TDSR requirements
- All debts held outside Canada must be included in the total debt servicing ratios
- **CMHC Insured:** Proof of steady rental income from the principal residence in the country of origin is only required if the rental income is being used in the GDSR/TDSR calculation

## Property Tax Payments

- Property taxes must be administered by Scotiabank

## Down Payment

- **Uninsured:** Minimum 35% from own resources; no gifted down payment; no secondary financing
- **CMHC Insured:** Minimum 10% from own resources; gifted funds in addition to the minimum from own resources are acceptable; no secondary financing
- **GNW Insured:** Minimum 5% from own resources; for LVR's less of 85% or less, up to 10% can be a gift from a non-occupying guarantor; no secondary financing
- Sources of down payment must be located in Canada or be on deposit with a Canadian financial institution at least 30 days before the closing date, including gifted funds from out-of-country family members

## Maximum Loan to Value Ratio

- **Uninsured:** maximum 65% for property values less than \$1.5MM; maximum 50% of the balance
- **CMHC Insured:** Maximum 90%
- **GNW Insured:** Maximum 95%

## Maximum Amortization

- **Insured:** 25 years mortgages for LVR greater than 80%; 30 years for insured mortgages with LVR not higher than 80% (premium surcharge of 0.20% applies)
- **Uninsured:** 30 years

## Maximum Mortgage Amount

- **Uninsured:** \$2 million
- **Insured:** Maximum purchase price must be less than \$1 million when LVR is over 80%

## Exclusions

- *Scotia Flex Value Mortgage* (Open term)
- *The Long and Short<sup>®</sup> Mortgage*
- Progress Advance Loans
- Purchase plus Improvements
- Loans with secondary financing
- Mobile homes
- *Scotia Secondary Home<sup>®</sup> Financing Program*
- *Scotia<sup>®</sup> Mortgage for Self-Employed*
- On Reserve Lending Program
- Family Home Purchase Program
- *Scotia<sup>®</sup> Rental Property Financing Program*
- Net Worth Lending Program
- *Scotia STEP Program*
- Default management purposes
- Preapprovals
- Canada Guaranty Insured

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## Borrower Documentation Requirements

- Must have a valid work visa (Work Permit #1442 only) or a letter from the current Canadian employer
- Applicants with no Canadian credit history, who possess a Canadian Credit Bureau with No Hit or No Score, must also provide any one of the following as a financial reference
- **CMHC insured applications with LVRs up to and including 90%:**
  - U.S. or international credit bureau report demonstrating no derogatory credit history. The borrower must provide a complete address from their country of origin for this purpose
- **GNW insured applications with LVR's up to and including 90% :**
  - A written reference from the current employer, or;
  - Letter of reference from a recognized Canadian financial institution, or;
  - The last 6 months of Canadian bank statements from a primary bank account, or;
  - U.S. or International Credit Bureau Report demonstrating no derogatory credit history. The borrower must provide a complete address from their country of origin for this purpose.
- **GNW insured applications with LVR's from 90.01% - 95% one of the following:**

Proof of timely payments (no arrears) for the past 12 months from two sources of credit. Acceptable sources include the following:

  - Canadian rental payment history confirmed via letter from landlord and supporting bank statements, and;
  - A Canadian utility payment history from an acceptable source such as hydro, gas, telephone or cable via a letter from the service provider confirming a satisfactory payment history for the past 12 months or 12 months billing statements; **OR**
  - U.S. or International Credit Bureau Report demonstrating no derogatory credit history. The borrower must provide a complete address from their country of origin for this purpose.
- If the borrower has a mortgage on their principal residence in their country of origin, the mortgage payments must be disclosed and included in the borrower's total debt servicing ratios
- If a corporate relocation subsidy is included in the down payment, a letter from the employer confirming the funds are being provided as a subsidy under its relocation program and are not repayable is required

## Net Worth Requirements

- **Uninsured:** For properties valued up to \$1.5 million minimum Net Worth of 24 month PIT payments
- **Uninsured:** For properties valued at more than \$1.5 million minimum Net Worth of 36 month PIT payments
- PIT payment is calculated using the current posted rate for the 5 year term amortized over 25 years plus 1/12 of the annual property taxes
- Eligible liquid assets must be verified at least 30 days before the closing date and all supporting documentation must be dated no more than 90 days before the application date
- Eligible liquid assets are restricted to liquid assets of non-registered deposits, securities, investments, and Tax Free Savings Accounts, and/or, if the application Beacon score is 621 or higher (based on the higher scoring borrower in a 2 borrower application), verified equity in other real estate owned may also be considered. Equity in real estate may not be considered for No Hit/No Score applications. Equity in real estate owned in other countries may not be considered

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1 No-fee switch program is only available for non-Scotia STEP mortgages; Legal fees apply to Scotia STEP mortgages. No-fee switch program does not apply to any prepayment penalties or other costs that are charged by the other lender and does not apply to refinances. No-fee switch program applies to a straight switch or transfer of the mortgage from another lender and does not apply where the other lender will not transfer the mortgage in a form acceptable to us. This offer can be changed or withdrawn at any time without notice and may not be combined with other discounts, offers or promotions. Subject to meeting Scotiabank and mortgage insurer's lending and credit criteria. The Bank can amend, modify or change any of the features, options, benefits or requirements contained in this Factsheet without notice.