

LENDING PRODUCTS AND GUIDELINES

Conventional Mortgages – Owner Occupied

- Purpose - Purchase, refinance, equity take-out
- Eligible - Single family residential (includes strata and duplexes to a maximum of a 4-plex)
- Maximum LTV - 60% of the first \$1.5m and 30% of the balance
- Maximum mortgage amount - \$1,500,000
- Maximum GDS/TDS - 39% /42% with a min beacon of 680, beacon 620 - 679 Maximum GDS - 35%; Maximum TDS-42%
- Maximum amortization - 30 years

Conventional Mortgages - Revenue

- Purpose - Purchase, refinance, equity take-out
- Eligible - Single family residential (includes strata and duplexes to a maximum of a 4-plex)
- Maximum LTV- 60% of the first \$1.5m and 30% of the balance
- Maximum mortgage amount - \$1,500,000
- Maximum GDS/TDS - 39%/42% with a minimum beacon of 680, beacon 620 - 679 Maximum GDS - 35%; Maximum TDS-42%
- Maximum amortization – 30 years
- Pricing – From best rates to .25% surcharge
- **Rental offset -**
 - Rental offset of 70% for up to 4 rental sources
 - Verified via appraisal not older than 3 months showing economic rents, or rental agreement with proof of cheque or PAC for rental amount
 - Assignment of Rents registered

NOTE – Funds in excess of the offset cannot be added to borrower's income unless rent is declared, must be verified by way of tax returns

HELOC

- Owner occupied and revenue properties
- Purpose - Purchase, refinance, equity take-out
- Eligible - Single family residential (includes strata and duplexes to a maximum of a 4-plex)
- Maximum HELOC amount - \$700,000
- Maximum LTV-
 - If borrower chooses no fixed term collateral portion - maximum 50% ltv
 - If borrower chooses a fixed term advance for a minimum of \$100,000 - 50% of the 1st \$1m and 30% of the balance to a maximum HELOC of \$700,000
- Pricing - Prime + 1%
- Maximum GDS/TDS – 39%/42% with a minimum beacon of 680, beacon 620 - 679 Maximum GDS - 35%; Maximum TDS-42%

- HELOC product not offered for the purpose of debt consolidation or where there is evidence of continued maximum usage of consumer debt
- No 2nds' behind another financial institution first mortgage
- HELOC product qualified at the 3 year posted rate and 30 year amortization

Construction Mortgages

- Purpose – Owner occupied only (***no spec***)
- LTV – 60% of the first \$1.5m and 30% of balance to maximum of \$1.5m
 - This maximum is the total of all advances secured by the registered Collateral Mortgage. The maximum mortgage will be based upon the lesser of:
 - 60% of the market value based on an appraisal completed by one of our approved appraisers, or
 - 65% of the land value plus the construction cost budget provided by the builder.
 - No fees of any type can be added to the mortgage amount.
- Maximum amortization – 30 yrs
- Terms – 3 to 5 year ***fixed only***
- Maximum GDS/TDS – 39%/42% with a minimum beacon of 680, beacon 620 - 679 Maximum GDS - 35%; Maximum TDS-42%
- Pricing -
 - Construction phase – Prime plus 1.25%
 - Upon 100% completion - Rolls to the initially negotiated fixed rate for ***balance*** of the term
- Fee - \$750 Construction Mortgage Fee
 - Can be added to the mortgage
- Interim fees: Approx \$275 incurred at each advance – inspection, title search and administrative fee

Note - If the mortgage is paid out during the construction phase or within the first 2 years following Final Occupancy there will be a 1% fee, based on the original mortgage amount and in addition to the normal prepayment penalty (in lieu of higher fee up front)

- Repayment – Interest only during construction phase
- Legal Firms confined to: Quadra Legal, Beacon Law, McQuarrie Hunter, Stewart Aulinger, Garton & Harris – ***no exceptions***
- Appraisal Firms confined to: Bakerview Realty Appraisal, Intercity Appraisers and Thibault (Island) – ***no exceptions***

Serviced Bare Land

- Maximum LTV - 50%
- Maximum 5 acres
- Maximum amortization - 15 years
- Pricing - Best rate plus 3%
- Fee - 1%
- Note – If the value of the improvement is less than \$20,000 the property will be consider bare land

Recreational Property/2nd Homes

- Maximum LTV – 50%

- Maximum mortgage amount - \$750,000
- Must be within West Vancouver to Abbotsford trade area or Victoria Capital Regional District (Mission to Chilliwack considered on exception for quality properties)
- Must be accessible by road with improvements on permanent foundation, no mobile homes

Hobby Farm/Acreage

- 60% of land and improvements for the first acre and 30% of the remaining acreage to a maximum of 5 acres
- Improvements must form a reasonable amount of overall value and be clearly livable
- Potability testing required if well water

CMHC/Genworth Insured

- Products, policy and qualification guidelines as allowed by insurer
- GDS/TDS – Insurer guidelines followed on a make sense basis (39%/44%)

Interalia/Bridge Financing

- May lock into a long term product
- Community Savings will allow a one-time penalty free paydown, to the maximum allowable ltv on the remaining property, if done within 6 months of the funding date
- Fees may apply depending on purpose and qualification

Ineligible Property Types and Products

- Parcels in excess of 5 acres
- Leasehold properties (Considered if the amortization of the mortgage is a minimum of 10 years less than the remaining time on the ground lease and the lease must be fully prepaid)
- First Nations Land
- Manufactured homes
- Float homes
- Co-ops
- Row Homes
- Previous grow-ops
- Second Mortgages not offered behind another financial institution first
- CSCU does not allow a mortgage to be registered under a Power of Attorney
- All applicants must live and work within defined trade area and have landed immigrant status
- Refinance or Equity takeout, if done within 6 months of last funding date.

Qualifying Payment Calculations

- **Credit Cards** – monthly payments are calculated at 3.00% of the outstanding balance.
- **Line of Credits**
 - >\$5,000 **Authorized Limit** – payments are calculated as interest only on the authorized limit.
 - <\$5,000 **Authorized Limit** – payments are the higher of 3% of the outstanding balance or \$50.00
- **HELOC** - monthly payments are based on the authorized limit and calculated as a traditional mortgage payment at the 3-Year posted Rate, Amortized over 30-Years.

- **5 Year Variable closed Mortgage** - the member(s) must qualify for and make their scheduled payments based upon the principal and interest payment using Bank of Canada's Conventional Five year Fixed (Benchmark) rate at a 30-Year amortization.
- **Rental Income** - If the borrower(s) has up to 4 sources (units) of revenue income we allow a **70% rental offset** on the total income to be used.
- Monthly living expense of \$400.00 must be included in the Debt Servicing calculations where no principle residence is owned.

DOWN PAYMENT

Eligible Sources

- Legitimate savings
- Withdrawal from RRSP
- Borrowed funds secured by proven assets, no unsecured borrowings
- Non-repayable gifts from an immediate family member
 - Please request a copy of CSCU approved gift letter
- Sale of another property
- All down payment funds must be sourced and verified

INCOME (75% of income used if employment not considered an essential service)

Salaried Employment

Any 2 of the following are acceptable for salaried employment:

- Auto payroll (copy of the account statement)
- Current pay stubs
- T4
- Current year NOA
- Letter from employer on letterhead (must be verified verbally)

Salary/Commission Split

- Current year NOA and 2 previous years of NOAs, or
- 3 previous years of NOAs if current year NOA not yet received by the member (prior to August 1st of the current year) and a year-to-date statement or earnings from the employer or verbal confirmation

Business for Self

- Current year NOA and 2 previous years of NOAs, and company Financial Statements supported by the corporate NOA or
- 3 previous years of NOAs if current year NOA not yet received by the member (prior to August 1st of the current year), and company Financial Statements supported by the corporate NOA, ** if Financial Statements are not prepared for the corporation then have the member provide the complete tax return
 - CRA must be current

Please Note: Original NOAs must be presented at Branch prior to funding

Support/Alimony

- Require copy of Legal Agreement (Court Order and/or Separation Agreement)
- May request copy of bank statements verifying consistent deposits

Pension

- Auto deposits (copy of account statement) and Current year NOA

Parental Leave

- Applicant must be returning to work within a short time of the funding date in order to utilize full employment income
- Employment letter must confirm return to work date and employment status upon return

EI

- The use of EI is acceptable only when employment is seasonal in nature
- 2 yr history required

Investment/Dividend

- Must be ongoing in nature
- 2 yr history required
- Verification of investment portfolio required

Fluctuating Earnings/Overtime/Bonus

- Current year NOA and 2 previous years of NOAs, or
- 3 previous years of NOAs if current year NOA not yet received by the member (prior to August 1st of the current year) and a year-to-date statement or earnings from the employer or verbal confirmation

Covenantor

- CSCU does not allow the use of a guarantor, must be registered as covenantor
- The use of a covenantor's income for qualification is permitted
- High ratio: As per insurer guidelines

GENERAL

Trade Area

- Lower Mainland: West Vancouver to Abbotsford (Mission to Chilliwack on exception for quality properties)
- Vancouver Island: Within the boundaries of the "Victoria Capital Region Municipalities" as shown on the CRD website and Nanaimo

Strata Guidelines

- The Credit Union requires a new Information Certificate FORM B prior to the advancement of any funds; this form may be issued by the strata council or the strata management company and forwarded to our solicitor for their opinion. The Form B must be reviewed to determine if any special assessments or strata fees are outstanding.
- This Information Certificate FORM B requirement is waived for new buildings where the strata council is not yet formed, stratified duplexes and bare land strata's where no strata fees are payable.
- The 2 previous years General Meeting minutes and the last 3- months of strata minutes must be reviewed for any potential problems with the building or any upcoming special assessments to the owners. We will provide financing of units in age restricted buildings where the loan-to-value is 75% or less

Appraisals

- Required for all mortgage requests regardless of LTV
- Must be ordered through a CSCU approved firm, no exceptions will be granted
- Access must be gained to all suites, locked rooms and outbuildings
- Appraiser must state economic rental figure when considering the use of this income for qualification
- All appraisal must be no older than 3 months

Legal

- CSCU approved legal firms must be utilized, no exceptions will be granted

Title Insurance

- Required for all CSCU mortgages (First Canadian Title or Stewart Title)

Property Insurance

- Adequate Fire Insurance coverage, and sewer back-up if applicable, showing CSCU as first loss payable is required

Mortgage Closing Process

- All borrower's must attend a branch for the mortgage closing process
- \$5 share requirement for each borrower

Prepayment Options

- Up to double the monthly payment – payment can be adjusted twice per year
- Up to 30% of the original mortgage amount annually – payment can be made multiple times and in varying amounts throughout the year
- Payments can be made weekly, bi-weekly, semi-monthly or monthly

Mortgage Product

- CSCU mortgages are registered as Collateral Mortgages
- Mortgages will be registered for 100% of appraised value unless we are advised borrower would prefer a lower limit
- Product can be split allowing for a HELOC product combined with an assured term
- 6 month to 5 year terms available – open, fixed, variable

Portable/Assumable

- Applies only to principal residence only
- Portable and assumable with qualification
- Blend and extend option available
- Portability - 90 day window from sale to disbursement of new mortgage for penalty rebate

Rate Guarantee

- 90 days

Free Chequing

- Free chequing available to all broker clients for the life of their mortgage with CSCU
- Automatic approval for overdraft protection available to all broker clients

COMMISSION SCHEDULE

6 Month and 1 Year Open	N/A
1 Year Open VRM	N/A
6 Month and 1 Year Fixed	25 bps
2 Year Fixed	50 bps
3 Year Fixed	75 bps
4 Year Fixed	80 bps
5 Year Fixed	90 bps
5 Year Variable	75 bps
HELOC <ul style="list-style-type: none"> For the purpose of a purchase, refinance, equity take-out where the line is fully utilized at funding and is advanced directly through the legal firm 	50 bps Paid at funding
<ul style="list-style-type: none"> Any other purpose 	25 bps Paid at registration
<ul style="list-style-type: none"> Under \$50,000 	N/A

APPROVED LEGAL LIST

Preferred Firms:

McQuarrie Hunter - Will attend our Vancouver, New West and Surrey branches for the closing process

Stewart Aulinger - Completely mobile, open Saturdays, offer a 24 hour hotline for client inquiries

Lawyer/Notary	Address	City	Postal Code	Phone	Fax
Amin Savji Notary Corp.	328 Gilmore Avenue	Burnaby	V5C 4R1	604-294-3155	604-294-5220
Anderson & Thompson	22311 119 Ave	Maple Ridge	V2X 2X7	604.463.6281	604.463.7497
Ardagh Hunter	300-1401 Lonsdale Ave	North Vncr	V7M 2H9	604.986.4366	604.986.9286
Beacon Law Centre	104-9717 3 rd St	Sidney	V8L 3A3	250.656.3280	250.656.9674
Beacon Law Centre	4599 Chatterton Way	Victoria	V8X 4Y7	250.656.3280	250.744.3811
Becker & Company	230-19150 Lougheed Hwy	Pitt Meadows	V3Y 2H6	604.465.9993	604.465.0066
Brawn, Karras & Sanderson	309-1688 152 nd St	Surrey	V4A 4N2	604.542.5344	604.542.5341
Bryenton & Associates	300-20689 Fraser Hwy	Langley	V3A 4G4	604.530.7135	604.530.7118
Buckley Hogan Law Office	200-8120 128 th St	Surrey	V3W 1R1	604.635.3000	604.635.3311
Cammack & Co – Notary	106-1656 Martin Dr	Surrey	V4A 6E7	604.536.7288	604.538.4477
Campbell, Burton & McMullan	200-4769 222 nd St	Langley	V2Z 3C1	604.533.3821	604.533.8682
Campbell Froh May & Rice	200-5611 Cooney Rd	Richmond	V6X 3J6	604.273.8481	604.273.4729

Cascade Law Corp	300-2777 Gladwin Rd	Abbotsford	V2T 4V1	604.850.1737	604.850.8519
Cascade Law Corp	7078 Pioneer Ave, PO Box 438	Agassiz	V0M 1A0	604.796.0415	604.796.0416
Cassidy & Co	330-522 Seventh Ave	New West	V3M 5T5	604.523.7090	604.525.5721
Charlene Hood – Notary	149-6350 120 th St	Surrey	V3X 3K1	604.594.8260	604.594.3723
Chris Dupuis – Notary	103-313 Sixth St	New West	V3L 3A7	604.526.5533	604.526.8388
Columbia Square Law Office	833 Carnarvon St	New West	V3M 1G2	604.526.5100	604.526.6352
Cobbett & Cotton	300-410 Carleton Ave	Burnaby	V5C 6P6	604.299.6251	604.299.6627
Darrell G.L. Dick & Associates	1-2628 Shaughnessy St	Port Coq	V3C 3V1	604.941.4055	604.941.4002
Dinning Hunter Lambert & Jackson	813 Goldstream Ave	Victoria	V9B 2X8	250.478.1731	250.478.9500
Dinning Hunter Lambert & Jackson	201-895 Fort St	Victoria	V8W 1H7	250.381.2151	250.386.2123
Dinning Hunter Lambert & Jackson	201-4430 Chatterton Way	Victoria	V8X 5J2	250.479.8384	250.479.8316
Drysdale Bacon McStravick	211-1015 Austin Ave	Coquitlam	V3K 3N9	604.939.8321	604.939.8340
Drysdale Bacon McStravick	300-1055 West Hastings St	Vancouver	V6E 2E9	604.939.8321	604.939.8340
Fedewich & Witt – Notary	5661 176A St	Surrey	V3S 4G8	604.576.9468	604.576.6351
Garton & Harris	1542 Prairie Ave	Port Coq	V3B1T4	604.468.8900	604.468.8007
Ghag & Company	#202-8334 128 th St	Surrey	V3W 4G2	604.590.8568	604.590.9368
Jamie Woods Law Corp	202-5501 Kingsway	Burnaby	V5H 2G3	604.437.0461	604.437.0342
Hawthorne Piggott & Company	208-1899 Willingdon Ave	Burnaby	V5C 5T1	604.299.8371	604.299.1523
James McIntyre Law Corp	6345 197 St	Langley	V2Y 1K8	604.530.4161	604.530.5716
Johns Southward Glazier Walton	204-655 Tyee Rd	Victoria	V9A 6X5	250.381.7321	250.381.1181
Johns Southward Glazier Walton	2820A Jacklin Rd	Victoria	V9B 3X9	250.391.7300	250.391.7400
Judith A Piccolo – Notary	20426A Douglas Cres	Langley	V3A 4B4	604.534.0144	604.534.7985
Kane Shannon Weiler	220-7565 132 nd St	Surrey	V3W 1K5	604.591.7321	604.591.7149
Kane Shannon Weiler	104-2055 152 nd St	Surrey	V4A 4N7	604.535.8770	604.535.8771
Kearns & Company	204-19978 72 nd Ave	Langley	V2Y 1R7	604.589.8022	604.589.2126
Kearns & Company	1850-13450 102 nd Ave	Surrey	V3T 5X3	604.589.8022	604.589.2126
Kravetz & Company – Notary	5501 Salt Lane	Langley	V3A 5E9	604.530.2147	604.530.5922
Lando & Company	2010-1055 W Georgia St	Vancouver	V6E 3P3	604.682.6821	604.662.8293
Laughlin & Company Law Corp	2755 Lougheed Hwy	Port Coq	V3B5Y9	604.945.4370	604.942.4370
Lim & Company	202-2232 West 41 st Ave	Vancouver	V6M 1Z8	604.266.1988	604.263.0880
Lim & Company	300- 7480 Westminster Hwy	Richmond	V6X 1A1	604.303.0788	604.303.0789
Lindsay Kenney	400-20033 64 th Ave	Langley	V2Y 1W9	604.534.5114	604.534.5927
MacCallum Law Group	6345 197 th St	Langley	V2Y 1K8	604.530.4161	604.539.1106
MacDonald, Boyle & Jeffery	20450 Fraser Hwy	Langley	V3A 4G2	604.530.3141	604.530.9573

McConnan, Bion, O'Connor & Peterson	420-880 Douglas St	Victoria	V8W 2B7	250.385.1383	250.385.2841
McDonald & Company	725 Carnarvon St	New West	V3M 1E6	604.521.8885	604.521.3611
McQuarrie Hunter LLP - Preferred	Suite 1500-13450 102 nd Ave	Surrey	V3T 5X3	604.581.7001	604.581.7110
Maguire & Company – Notary	1727 Jefferson Ave	Victoria	V8N 2B3	250.370.0300	250.370.0302
Maureen Friesen – Notary	4118 200 th St	Langley	V3A 1K9	604.533.4548	604.530.4926
Nancy Schick Skinner – Notary	650-5900 No. 3 Road	Richmond	V6X 2P7	604.270.8644	604.270.8133
Pazder Law Group	830-800 West Pender St	Vancouver	V6C 2V6	604.682.1509	604.682.3196
Quadra Legal Centre	101-2750 Quadra St	Victoria	V8T 4E8	250.380.1566	250.380.3090.
Richards & Richards	10325 150 St	Surrey	V3R 4B1	604.588.6844	604.588.8800
Rosborough & Company	201-33832 South Fraser Way	Abbotsford	V2S 2C5	604.859.7171	604.853.8635.
Sablok & Sablok – Notary	6108 Fraser St	Vancouver	V5W 3A1	604.325.9200	604.325.3666
Siebenga & King	6139 176 th St	Surrey	V3S 4E9	604.574.0770	604.574.0107
Siebenga & King	33140 Mill Lake Rd	Abbotsford	V2S 2A5	604.852.1782	604.852.4782
Sidhu & Associates	33719 South Fraser Way	Abbotsford	V2S 2C1	604.859.4825	604.859.0469
Sima Mazarei Notary Public	159 15 th Street E	North Van	V7L 2P7	604.929.2902	604.909.4712
Simer Notary Corporation	500-B 6456 176 Street	Surrey	V3S 4G3	604.449.7700	604.449.7701
Spagnuolo & Company (all offices)	300-906 Roderick Dr	Coquitlam	V3K 1R1	604.527.4242	604.527.8976
Stewart Aulinger & Co - Preferred	1200-805 West Broadway	Vancouver	V5Z 1K1	604.879.0291	604.879.0945
Valley Law Group	100-2890 Garden St	Abbotsford	V2T 4W7	604.853.5401	604.853.8358
Wilson Rasmussen LLP	300-15127 100 th Ave	Surrey	V3R 0N9	604.583.7917	604.583.7139
William G. Anderson – Notary	252-4820 Kingsway	Burnaby	V5H 4P1	604.434.5936	604.434.8599
William Cadman Law Corp	205-2922 Glen Dr	Coquitlam	V3B 2P5	604.945.0012	604.945.0187

APPROVED APPRAISAL LIST

Appraisal Firm	Address	Phone	Fax
Arc Appraisals	100-33832 South Fraser Way, Abbotsford V2S 2C5	604.856.5500	604.853.1118
Baker & Osland	109-3550 Saanich Rd, Victoria V8X 1A2	250.475.2221	250.475.2275
Bakerview Realty Appraisals Inc	15577 37A Ave, Surrey V3S 0H6	604.542.9222	888.257.7712
Campbell & Pound Appraisals	1111-11871 Horseshoe Way, Richmond V7A 5H5	604.270.8885	604.270.8045
Coast Appraisals	203-1497 Admirals Rd, Victoria V9A 2P8	250.388.9151	250.388.4948
Cunningham & Rivard	200-1001 Churchill Cres, North Vncr V7P 1S3	604.985.8761	604.985.4198
Gateway Appraisals	1263 Nanaimo St, Vancouver V5L 4T5	604.677.1188	604.677.1189
Golden Ears Appraisal Ltd	200-21050 123 Ave, Maple Ridge V2X 4B4	604.463.7841	604.463.7842
Hooker Craig Lum	350-5620 152 St, Surrey V3S 3K2	778.571.2321	778.571.3030
Intercity Appraisers	211-2264 Elgin Ave, Port Coq V3C 2B2	604.944.3282	604.944.2544
Johnston, Ross, Cheng Ltd	118-3751 Shell Rd, Richmond V6X 2W2	604.270.7717	604.270.8906
Lawrenson Walker Realty Advisors	200-1678 128 th St, Surrey V4A 3V3	604.535.1494	604.538.2122

Leemore & Associates Appraisers	B3-1410 Parkway Rd, Coquitlam V3E 3J7	604.671.4535	604.944.7008
Macintosh Appraisals Ltd	401-555 6 th St, New Westminster V3L 5H1	604.522.3900	604.522.2611
Niemi Laport and Dowle Appraisers	312-8678 Greenwall Ave, Burnaby V5J 3M6	604.438.1628	604.438.2886
Thibault & Company	1-1500 Quadra St, Victoria V8V 3K4	250.361.2029	250.361.2645

COMMUNITY SAVINGS CREDIT UNION BRANCHES

New Westminster	1188 - 8 th Avenue, New Westminster, BC V3M 2R6
Surrey	900-7380 King George Boulevard, Surrey, BC V3W 5A5
Port Coquitlam	111 - 2020 Oxford Connector Port Coquitlam, BC V3C 0A4
Vancouver	5108 Joyce Street, Vancouver , BC V5R 4H1
Burnaby	4590 Hastings Street, Burnaby, BC V5C 2K4
Victoria	103-2750 Quadra Street, Victoria, BC V8T 4E8

BROKER DIVISION CONTACT

Tony Sandhu

AVP Business Development

Cell: 604.341.3654

Office: 604.637.5029

tsandhu@comsavings.com or

brokerdivision@comsavings.com

Community Savings Credit Union

Construction Mortgages – Broker Reference Guide

Property Eligibility:

- Single family *owner occupied*
- Maximum of 5 acre parcel

Loan to Value:

- This maximum is the total of all advances secured by the registered Collateral Mortgage. The maximum mortgage will be based upon the lesser of:
 - 60% of the market value based on an appraisal completed by one of our approved appraisers, or
 - 65% of the land value plus the construction cost budget provided by the builder.
 - No fees of any type can be added to the mortgage amount.

Amortization:

- 30 yrs

Term:

- 3 yr to 5 yr *fixed terms only*
- Open terms not available

Qualification:

- GDS 39% TDS 42% minimum beacon 680, beacon 620 - 679 Maximum GDS - 35%; Maximum TDS-42%
- Qualification based on negotiated fixed rate

Credit:

- Borrower must display excellent repayment history

Pricing/Fees:

- **Rate:**
Construction phase – Prime plus 1.25%
Upon 100% completion – Rolls to the initially negotiated fixed rate for *balance* of the term.
- **Fee:**
Construction Mortgage Fee - \$750.00
 - Fee can be added to mortgage
- **Interim fees:** Approx \$275 incurred at each advance – inspection, title search and administrative fee

- **Note:** If the mortgage is paid out during the construction phase or in the first 2 years following Final Occupancy Permit a 1% fee will be charged, based on the original mortgage amount, and in addition to the normal prepayment penalties – this is in lieu of a higher fee up front

Other Costs:

- All costs associated with home construction are the responsibility of the borrower including New Home Warranty Coverage if applicable, Survey Certificate, Homeowner Protection Office fees (HPO), Course of Construction Insurance, Title Insurance, Building Permit

Borrower Equity:

- On deposit with CSCU for 30 days prior to registration

Repayment:

- Interest only during the construction phase
- Payment will be rolled to a blended amount upon completion of the project

Construction Term:

- 9 months
- Maximum extension - 3 months
 - \$500 fee levied for an extension
- Extensions are at the discretion of CSCU
- P+1.25% remains in place until Final Occupancy Permit is provided

Cost Estimates/Owner build:

- An accurate and detailed cost estimate must be provided by the borrower. Unless building expertise is proven we will request copies of quotations from subcontractors and material suppliers to ensure the borrower has taken the correct steps to estimate costs and to secure trades. An owner-builder must obtain quotes through the market; we will not accept the borrower's best guess as to costs.

Fixed Price/Builder Contract:

- A firm and binding contract must be provided
- NHW coverage required, copy to be obtained for our file

Draws:

- Calculated on a “cost to complete” basis as determined by the appraisal/inspections with a maximum of 4 advances:
 - Draw 1 – 50% of land
(must payout any charges and clear title)
- ➡ Building Permit, Approved Plans, Survey Certificate, Course of Construction Insurance and either Home Warranty Insurance or the Waiver from HPO must be on file prior to 2nd draw
 - Draw 2 – Lock up stage – approx 45% complete
(external walls in place, roof on, doors/windows installed)
 - Draw 3 – Drywall stage – approx 75% complete
(drywall, insulation, wiring, plumbing)
 - Draw 4 – 100% complete
- ➡ **Advances will not exceed 90% of the approved loan amount without Final Occupancy Permit**

Building Permit:

- Required – *must be in place within 60 days of first draw*

Approved Plans:

- Required

Final Occupancy Permit:

- Must be in place prior to final draw

New Home Warranty:

- Required for owner-builders, unless approved for exemption by the HPO, and licensed contractors
- Copy of HPO Waiver or HW Insurance required

Course of Construction Insurance:

- Course of construction insurance is required including sewer and water riders

Title Insurance:

- Required (First Canadian or Stewart)

Survey Certificate:

- Required

Trade Area:

- West Vancouver to Abbotsford and Victoria Capital Region Municipalities as outlined on CRD website

Approved Legal Firms:

- Quadra Legal Centre, Beacon Law Centre, McQuarrie Hunter, Stewart Aulinger & Co, Garton & Harris – **no exceptions**

Approved Appraisal Firms:

- Bakerview Realty Appraisal, Intercity Appraisers and Thibault (Island) – **no exceptions**

Client Contact:

- Although Broker Division would not normally contact a broker client, we do reserve the right to make direct contact in the event we require clarification of items relevant to risk in regards to construction mortgages