

Scotia® Rental Property Financing Program

Key Features:

- Financing up to 80% Loan to Value Ratio (LVR) for purchase or refinance of mortgages on rental properties up to 4 units

Fast Facts:

Eligible Properties

- Existing or new (completion only) properties with 1 – 4 units. Standard property criteria apply.
- Properties in the following categories are **NOT** eligible:
 - Properties with a commercial component
 - Time-share ownership interests
 - Secondary/Vacation homes
 - Rooming houses
 - Quarter Interest or Shared Interest Ownership
 - Properties that are part of Rental Pool arrangements
 - Properties located in Fort McMurray, Alberta or within a 100km radius
- Maximum of five rental properties per individual, including those financed by other Financial Institutions

Eligible Transactions

- Purchase
- Switch
- Refinance

Maximum Loan to Value Ratio

- 80% LVR

Borrower Qualifications

- Minimum Beacon Score of 621

Scotia Total Equity® Plan (Scotia STEP® Program)

- Maximum Scotia STEP Global Limit is 80% of lending value

Payment Frequencies

- Monthly, weekly, bi-weekly and semi-monthly

Prepayment Privileges

- 15% + 15%® prepayment
- Match-a-Payment® option

Amortization

- Maximum 30 years

Down Payment Requirements

- Minimum 20% from borrower's own resources
- Gifted down payments and secondary financing are not acceptable

Verification of Rental Income

Verify rental income by collecting one of the following:

- copies of current leases
- T1 Generals, including Statement of Real Estate Rentals for the most recent taxation year, or
- Financial statements prepared by a practicing accountant, or
- a full appraisal report with Market Rent Estimate or Schedule A, from a Scotiabank-approved appraiser

Net Worth Requirements

- 10% of the property value for each rental property valued up to \$500,000
- \$50,000 for each rental property valued at more than \$500,000

Note: Statements must be dated no more than 90 days before the application date and must confirm you owned the assets at the time of application.

Rental Income Requirements

- Net rental income from a non-owner occupied property is calculated as follows: (Gross Rental Income x 50%) – Mortgage PI. The resulting net rental income surplus or net rental income shortfall for the subject property will be included in the TDSR calculation.
- Net rental income from an owner-occupied property with 2-4 units may be calculated as 50% of the gross rental income from the subject property and be included in the borrower's gross annual income.
- Rental income for the rental properties that are not the subject property should be calculated using the Rental Analysis Worksheet under the 'Tools' tab on www.scotiamortgageauthority.com

Scotia Mortgage Protection

- Life
- Critical Illness
- Disability

Exclusions

- Scotia Secondary Home® Financing Program
- Scotiabank StartRight® Mortgage Program
- Mobile Homes
- Pre-approvals

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