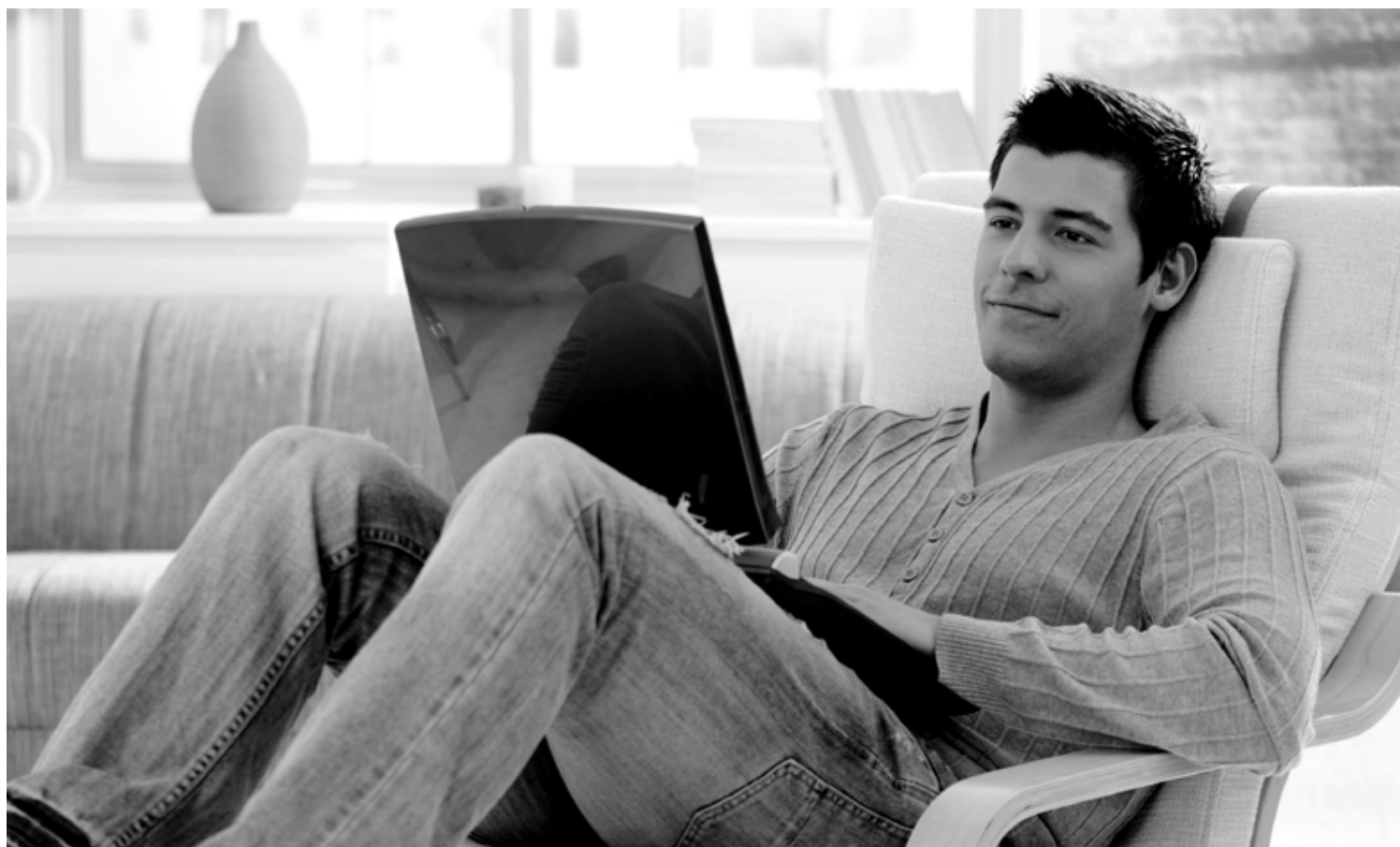


"Schedule A" Broker Information Kit



TD Broker Services, the name you can trust!

We are a national mortgage lender that is dedicated to service excellence. Our selection of competitively priced mortgage products are designed to help brokers develop mortgage solutions that address their customers' unique borrowing needs.



A black and white photograph of a man sitting in a light-colored armchair, leaning back and using a laptop. He is wearing a striped long-sleeved shirt and jeans. In the background, there is a window with a vase on the sill and some books on a shelf.

TD Canada Trust

**TD Broker Services,
the name you can trust.**

Our Value Proposition

We are one of the largest Real Estate Secured lenders in Canada committed to providing legendary, accurate and fast service. Our wide range of competitively-priced mortgage products and our industry leading service platform are designed to help brokers exceed their customers' needs. We provide helpful, knowledgeable, and professional Regional Sales Managers who make it easy for brokers to grow their business.



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1. TD Broker Support Contacts

1.1. TD Mortgage Solutions (TDMS)

Overview

TD Mortgage Solutions adjudicates and funds all deals received through the Broker channel across Canada, except for Northwest Territories, Yukon and Nunavut. There are three support centres across the country. Deals are routed to a centre based on the property location.

Support Centre Information

Toronto Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2144
Vancouver Centre	Hours: Monday to Friday from 8:30am to 5:00pm (PT) Phone: 1-855-522-2155
Montreal Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2166

Who Do You Contact?

TD Mortgage Solutions Website	<ul style="list-style-type: none">▪ www.tdmortgagesolutions.com▪ For specific information on your deal (Approval status, conditions outstanding, Underwriter and Fulfillment Specialist contact information)▪ General information (TD Products, TD Forms, Rates)
TD Mortgage Solutions Fulfillment Specialist	<ul style="list-style-type: none">▪ To discuss specific documentation questions related to your deal.
TD Mortgage Solutions Underwriter	<ul style="list-style-type: none">▪ To discuss questions related to the adjudication of your deal.▪ To discuss a new/potential deal.
TD Mortgage Solutions Team Leader	<ul style="list-style-type: none">▪ Exception requests or escalations beyond your underwriter
TD Regional Sales Manager or Inside Sales Manager	<ul style="list-style-type: none">▪ To discuss a new/potential deal.▪ Local market expertise assisting you in building your business.

Where do I send supporting documents and appraisals?

- Supporting documents are to be sent via email or fax to your dedicated Fulfillment Specialist showing on your deal on the TD Mortgage Solutions website.
- Appraisals are to be sent by the approved Appraisal Mortgage Company (AMC) via email to the dedicated Underwriter showing on your deal on the TD Mortgage Solutions website.
- All files are required to be complete 10 business days prior to close to ensure a seamless closing transaction for our mutual customers.

1.2. TD Broker Services Compensation

- For all questions related to compensation:
 - Email td.brokers@td.com. Include the TD reference or deal number in the email.
 - Local: 416-983-3612 or Toll Free 1-888-233-1627
 - Fax: 416-943-8700 or Toll Free 1-833-943-8700
- Refer to [Referral Fee Program](#) for more information on Broker Compensation.

1.3. Multi-Unit Residential Mortgages (MUR)

- For all questions related to MUR Mortgages:
 - Email: murinfo@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-307-8423
 - Website: <http://www.tdcanadatrust.com/mur/index.jsp>
- Refer to [Multi Unit Residential Mortgages](#) for more information.

1.4. Commercial Mortgage Group

- For all questions related to Commercial Mortgages:
 - Email: murinfo@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-308-0778

1.5. Confirmation of Property Insurance Coverage

- Customers can share the applicable address below with their insurance company who must send confirmation that adequate property insurance coverage exists:

Properties in British Columbia, Alberta, Saskatchewan and Manitoba	TD Canada Trust 500 Edmonton City Centre, 10205 - 101 st NW, Edmonton, AB T5J 5E8
Properties in the rest of Canada	TD Canada Trust Creekside CAS, Tahoe Blvd, Bld#1, 3 rd Floor Mississauga, ON L4W 5P2

2. Referral Fee Program

Overview

The fee structure is established based on volumes to be generated for TD and is subject to review annually.

Mortgage Term	Broker Compensation
6-month convertible closed	55 BPS
1 year closed	55 BPS
2 year closed	55 BPS
3 year closed	65 BPS
4 year closed	70 BPS
5 year closed	80 BPS
6 year closed	80 BPS
7 year closed	85 BPS
10 year closed	110 BPS
5 year Variable Interest Rate Mortgage (VIRM)	80 BPS Closed VIRM

Notes:

- **TD only pays on new money.**
- Application fees cannot be charged to customers in situations where TD pays compensation.
- There is no auto rate drop policy at TD. In order to have the lower Broker rate apply, you must contact your underwriter via email to request the lower Broker Rate. If your customer is also looking for additional discretionary pricing, you must go to your RSM for approval. Should the customer wish to change the term or product within the 120-day commitment period, the interest rate will be the applicable rate at the time of the requested change.

Broker Compensation is not payable on:

- Commercial transactions, Consumer/Demand Loan Transactions, and Transactions where the applicant is a TD customer who has discussed mortgage financing with a TD Canada Trust branch prior to the date of the referral or purchase of the respective property.
- In cases where the mortgage application carries over an existing mortgage contract into a new mortgage (Portability Plus), then compensation is only payable on new monies added to the amount being ported.
- For all Replacement Mortgages including Closed VIRMs, compensation will be based ONLY on the new money. If the replacement mortgage is within 120 days from maturity or at maturity, then compensation will be paid on the entire amount.
- In cases where the three months' interest prepayment charge applies, compensation will be paid on new money only when completing a mortgage refinance.
- TD does not permit Brokers to conduct their own personal mortgage transactions. As such, these deals will not be approved, and compensation will not be paid.

Special Offers:

- Limited duration special offers are made available from time to time. Details of these offers and the applicable compensation are communicated via the Broker mortgage rate sheet.

Automated Property Valuation:

- When APV is utilized, the cost (\$99.00) will be deducted from the mortgage advance.

General Compensation Information:

- Pay details are faxed or sent via Postal mail every Friday afternoon.
- Direct deposits to TD Bank accounts and other Financial Institution accounts will occur within three to four business days from the advance date.
- Cheques are sent up to seven business days after the end of the month.

TD Broker Services Compensation Contact Information:

- Email td.brokers@td.com for any pay related questions – Include the TD reference or deal number in the email.
- Local: 416-983-3612 or Toll Free 1-888-233-1627
- Fax: 416-943-8700 or Toll Free 1-833-943-8700

3. Lending to Customers

3.1. TD Know Your Customer (KYC) Guidelines

Overview

Anti-Money Laundering (AML) legislation requires TD know who the customer is and, complete Know Your Customer (KYC)/AML information any time a new mortgage product is offered. As part of the mortgage application process, TD's minimum expectation is that all Customers have their identity verified and authenticated in a face-to-face meeting. Please inform the customer adequately in this regard. Identification information must be obtained for all borrowers to establish:

- First and last Name
- Date of birth
- Full Residential Address (collect and record the following details):
 - Street Address (PO Box is not acceptable)
 - If an individual does not have a residential address, then a rural route (RR) number and the legal description of the property (e.g. North Quarter of SW4- 18-22) is acceptable
 - Names of Canadian Force Bases or Native Reservations
 - City, Town
 - Province
 - Postal Code (if applicable)
 - Country
- Nature of Principal Business or Occupation
- Employer name and full address (PO Box is not acceptable), and phone number
- ID must meet TD Standards as outlined in the **Identification** section below

3.2. Identification

Mortgagor/Guarantor Identification:

- Customer identity must be ascertained prior to releasing funds to the Mortgagor(s). Solicitor/notary/ First Canadian Title (FCT) remote signor may contact the Mortgagor(s)/Guarantor(s) to ensure that they have the appropriate identification when signing the mortgage.
- Solicitor/notary/FCT remote signor may independently confirm that the address and telephone number used to contact the Mortgagor(s)/Guarantor(s) corresponds with the address and telephone number in the documentation provided by TD.
- **Important:** Solicitor's Preliminary Report must be completed with the customer present. Out of country signing is not permitted.

Identification Guidelines

- Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney must present for examination one original piece of AML Acceptable Photo Identification from the list below. No other form of identification is acceptable - no exceptions.
- All identification must:
 - Be original
 - Be current (e.g. not expired)
 - Be valid
 - Include a unique reference number or identifier
 - Is not substantially damaged.
- KYC information **must** be reviewed, updated and confirmed **each time a mortgage application is submitted**.
- Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney is required to be physically present and the original identification documents must be viewed in person.

Important: The solicitor/notary/FCT remote signor will only accept one piece of government issued photo ID from the AML Acceptable Photo Identification list below. There are no exceptions. Brokers must confirm that the customer has the required identification available when meeting with the solicitor/notary or FCT remote signor to sign the mortgage documentation. Please set the expectations with your customer prior to proceeding with the mortgage approval.

AML Acceptable Photo Identification List

Select one from the following list:

Acceptable Photo Identification	Requirements
Driver's License (Canadian) <ul style="list-style-type: none">Quebec Driver's License (only if offered by the customer)	Expiry date: mandatory
Passport (Canadian)	Expiry date: mandatory
Passport / Passport Card (U.S.A.) <ul style="list-style-type: none">Passport cards include Given Names and Surnames, Nationality, Gender, Place of Birth, Date of Issue and Date of Expiration, Passport Card Number	Expiry date: mandatory
Passport (International – excluding U.S.A.)	Expiry date: mandatory
NEXUS Card	Expiry date: mandatory
Permanent Driver's License (U.S.A.)	Expiry date: required if available
Certificate of Indian Status (Canadian) <ul style="list-style-type: none">Either a paper-laminate or plastic card. Upon renewal, cardholders are being transitioned to Secure Certificate of Indian Status (Canadian) Cards	Expiry date: required if available
Secure Certificate of Indian Status (Canadian) <ul style="list-style-type: none">Features include (but not limited to) several security improvements such as laser engraving and a window, appearing as a clear area in the card that allows a secondary photo image of the cardholder to be visible from both sides.	Expiry date: required if available
Military Identification Card (Canadian) <ul style="list-style-type: none">Issued by the Canadian Department of National Defence	Expiry date: required if available
Permanent Resident Card (Canadian)	Expiry date: mandatory
Canadian Government Issued ID Card (Federal, Provincial, or Territorial) <ul style="list-style-type: none">Examples include Enhanced ID Cards (BC, AB, MB), the SK Non-Driver Photo Card and Photo ID Cards (NB, NL)	Expiry date: required if available
Canadian Citizenship or Naturalization Card/Certificate <ul style="list-style-type: none">Must be issued prior to 2012 as they no longer produce a plastic wallet-sized citizenship certificate with photo	Expiry date: required if available
Firearms License (Canadian) <ul style="list-style-type: none">Two types of cards are acceptable: a POL (possession only) license or a PAL (possession and acquisition) license	Expiry date: required if available
Health Card (BC, SK, NL, NB, YK, NU, NT, QC) <ul style="list-style-type: none">QC health Card - Only if volunteered by the customer	Expiry date: required if available

3.3. Customer Occupation

Overview

While there are existing fields within the Broker application system to complete for occupation, TD mortgages require additional occupation description information in order to meet regulatory requirements.

For each mortgagor/guarantor, you are required to collect and record information that clearly describes what the mortgagor's/guarantor's occupation is, rather than using a general term. Occupation should describe the day to day activity the individual performs to earn an income. Be as descriptive as possible when collecting occupation information, describing the day to day activity the individual performs to earn an income. For example, in the case of a business management professional, the occupation recorded should reflect the area of work, such as "Strategic Plan/Intelligence Consultant" or "Hospital/Clinic Administrator". As another example, in the case of a medical/health professional, the occupation should reflect the nature of the work, such as "Nutrition and Diet Counsellor" or "Ophthalmologist".

The following occupation information should be included in the comments section along with any deal specific comments that would normally occupy this field. Please indicate the following for each mortgagor/guarantor based on the tables provided below:

- Employment Status
- Occupation Category
- Occupation Description

Table 1 - Employment Status

Please confirm with the mortgagor(s) /guarantor(s) the appropriate Employment Status from the list below and take the action as indicated in the Action Required column:

Employment Status	Action Required
Employed (Full-time, Part-time)	Record Employment Status as well as Occupation Category and Description as per the table in Appendix 10.2
Unemployed	Only include the Employment Status
Retired	
Student	
Homemaker	

Table 2 – Occupation Category and Occupation Description

For employed mortgagor(s) /guarantor(s) please confirm both their Occupation Category and the appropriate corresponding Occupation Description as outlined in the **Occupation Category and Occupation Description** table (Appendix 10.2).

3.4. SIN Information

In situations where customers have not provided their SIN information (e.g. customer does not have a valid SIN or has refused to provide one for privacy reasons), enter XXX-XXX-XXX on the Filogix Expert application to ensure the Credit Bureau is flagged appropriately.

3.5. Enhanced Due Diligence (EDD)

Overview

Certain personal relationships are high risk and require EDD due to the potential for money laundering or terrorist financing activity. Some customer(s) are identified as High Risk such as but not limited to the following:

Politically Exposed Foreign Persons

- A Politically Exposed Foreign Person (PEFP) is an individual who holds or has ever held one of the following offices or positions in or on behalf of a foreign country, which may include:
 - Head of state or government;
 - Member of the executive council of government or member of legislature;
 - Deputy minister (or equivalent);
 - Ambassador or an ambassador's attaché or counselor;
 - Military officer with the rank of a general or above;
 - President of a state-owned company or state-owned bank;
 - Head of a government agency;
 - Judge;
 - Leader or president of a political party represented in a legislature.

Politically Exposed Domestic Persons

- A politically exposed domestic person or PEDP is an individual who holds – or has held within the last five years – a specific office or position in or on behalf of the Canadian federal government, a Canadian provincial government, or a Canadian municipal government:
 - Governor General, lieutenant governor or head of government;
 - Member of the Senate or House of Commons or member of a legislature;
 - Deputy Minister or equivalent rank;
 - Ambassador, or attaché or counsellor of an ambassador;
 - Military officer with the rank of general or above;
 - President of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province;

- Head of a government agency;
 - Judge of an appellate court in a province, the Federal Court of Appeal or the Supreme Court of Canada;
 - Leader or president of a political party in a legislature;
 - Mayor*.
- * A mayor is the head of a city, town, village, or rural or metropolitan municipality, regardless of the size of the population. "Mayor" includes reeves and extends to Aboriginal Band Council leaders.

Heads of International Organizations

- The head of an international organization or the head of an institution established by an international organization refers to the primary person who leads that organization (e.g. a president or CEO). Examples of international organizations include:
 - European Space Agency
 - International Criminal Court
 - United Nations
 - World Health Organization

Family Members

- A customer is also considered a PEFP, PEDP, or HIO if they are a family member of an individual described above. In this context, a family member means one of the following:
 - mother or father
 - child
 - spouse or common-law partner
 - spouse's or common-law partner's mother or father and brother, sister, half-brother or half-sister

Close Associates

- A close associate is an individual who is widely and publicly known (or is known by TD Bank) to maintain a close relationship with the PEFP, PEDP or HIO and includes a person involved in substantive transactions with or on behalf of a PEFP, PEDP or HIO. Such persons would include for example:
 - A general partner of a partnership, a person with power of attorney or trading authority over a PEFP, PEDP or HIO 's account or holdings;
 - A person who has given power of attorney or trading authority over their account to a PEFP, PEDP or HIO;
 - A personal advisor to a PEFP, PEDP or HIO with influence on financial, military, legal or political matters;
 - A third party on an account that has been identified by the customer or the PEP;
 - Anyone operating an account for the benefit of a PEP; or
 - Any parties that hold joint products with a PEFP, PEDP or HIO or immediate family member of a PEFP, PEDP or HIO.
- In the event that a PEFP is self-disclosed, the Broker must include a note in the Comment section of the application.
- **Important:** Do not, under any circumstances, ask whether the customer is a PEFP or disclose to the customer that the credit application is being reviewed under EDD.

Red Flags:

- A 'red flag' is an indicator that helps to identify potential fraud, money laundering or terrorist financing. Financial transactions or patterns of customer activity where there are reasonable grounds to suspect that it is related to attempted money laundering and/or terrorist activity financing offence should be noted.

Prohibited Customers:

- Financial institutions, including TD, are prohibited from opening Accounts for the following customer types:
 - Shell Banks;
 - Customers whose identity cannot be collected or verified within the prescribed timeline and in accordance with the requirements of this Policy; and
 - Sanctioned entities; Refer to the [Broadly Sanctioned Countries](#) policy
 - If a Broker comes across a customer on the prohibited list, add a note in the comments section of the application to advise the underwriter.

3.6. Mortgage Applications with Connections to Certain Sanctioned or High Risk Jurisdictions

Overview

Applications that have a connection to certain high risk or sanctioned countries may be subject to additional due diligence. These jurisdictions currently include Iran, North Korea and Syria.

Here's what you need to know:

- When a mortgage borrower, co-borrower or guarantor is affiliated with a high risk or sanctioned country, TDMS will conduct an additional review prior to final credit approval. This review includes, but is not limited to:
 - **Residency:** The applicant is living in the sanctioned or high-risk jurisdiction for all or part of the year. Note: This includes applicants who are normally residents of the sanctioned or high-risk jurisdiction but are living in Canada temporarily (e.g. Temporary Resident Permit/Visitor Visa, Work Permit, Study Permit, etc.).
 - **Employment:** The applicant is employed by an entity in the sanctioned or high-risk jurisdiction.
 - **Commercial Activity:** The applicant has business interests in the sanctioned or high-risk jurisdiction.
 - **Source of Wealth/Funds:** The applicant has received, or may receive, funds directly or indirectly that originated in the sanctioned or high-risk jurisdiction (e.g. for the down payment or future payments, etc.).
- The Underwriter may contact you for more information.
- Please note that a review can result in a delay of the credit decision.
- Do not provide any information to the customer that their application is being reviewed due to a connection with a sanctioned or high-risk jurisdiction.
- In situations where a customer declares they have a Government License/Permit to conduct transactions involving a Sanctioned Country, such license or permit should be submitted as part of the mortgage application for review.

3.7. Privacy

Overview

Protecting the privacy and confidentiality of personal information is fundamental to the way we do business within TD Bank Group (TD). As agreed to by you in the Broker Agreement with TD, you agree to treat any personal information provided to you by TD, potential mortgagors, mortgagors or brokerage as strictly confidential and in accordance with applicable privacy laws.

The TD Privacy Code informs individuals of the ways we help protect the privacy and confidentiality of their information. The Code applies to any person who have requested from us, or offered to provide a guarantee for, any product or service offered by us in Canada; and individuals carrying on business alone or in partnership with other individuals and signing officers of our business customers.

TD's Privacy Code describes the practices we have in place relating to the management of personal information at TD in Canada. The word "information" means personal, financial and other details that customers provide to us and we obtain from others within or outside our organization, including through the products and services customers use.

The Code consists of five key principles:

- Collecting and using information
- Releasing information
- Protecting information
- Providing information access and accuracy
- Respecting and responding to privacy concerns

If you or your customers have questions, please refer to the [TD Privacy Code](#) available on our corporate website.

3.8. Third Party Determination

Overview

When completing a mortgage application, it must be determined if the mortgage will be used for, or on behalf of a third party. A third party is defined as a person or business that is not named on the account but who would give directions to the account holder on how to deal with funds in the account. This does not include an individual who has formally been granted the authority to give instructions on the account, such as a power of attorney or estate representative or a signing officer of a business account.

When determining whether a third party is involved, it is not about who "owns" the money, but rather about who gives instructions to deal with the money. Note: A power of attorney and those authorized to provide instruction or direct activity (e.g. trading authority) are not considered third parties.

To help determine if an account is to be used for or on behalf of a third party, ask the customer: "Will the account be used to transact on behalf of or for someone other than the account holder?"

If it's determined that the account is to be used for or on behalf of a third party, information about the third party is to be collected during the account opening process. [Third Party Statement](#) must be completed and submitted to TD Mortgage Solutions.

If the customer responds 'Yes' to the third-party determination question but does not have all of the third party's information available to complete the form, advise them that you will need the following information prior to funding:

- **Third party is a person:** Name, address (P.O. Box is not acceptable), date of birth, occupation, relationship to account holder
- **Third party is a business:** Name, address, nature of business, relationship to account holder, Business Incorporation Number and place of issuance (if applicable).

If the customer responds 'Yes' to the third-party determination question but is unable to or refuses to provide the mandatory third party information, the account **cannot** be opened.

Third Party Determination is required for:

- A beneficiary who is not an executor of an estate account, therefore not a signing officer for the estate.
- All trustees of a Formal Inter-Vivos Trust (in Quebec only).

Third Party Determination is not required for:

- An account that has a Power of Attorney. The POA allows the individual to act as the account holder.
- A Trust Account opened by a lawyer, an accountant, a notary, a licensed paralegal in Ontario, or a real estate broker/sales representative; and TD has reasonable grounds to believe that the account will be used only for clients of the lawyer, accountant, or real estate broker/sales representative.

3.9. Cost of Borrowing (COB)

Overview

COB regulations require lenders to disclose to borrowers all costs charged by a lender. Key information that must be disclosed in writing **before** customers enter a borrowing agreement includes:

- Non-interest costs
- Interest rates
- Date when interest accrues/grace period
- Fees and borrowers' rights (such as pre-payment rights)

Failure to disclose the required COB information is a violation of the Bank Act (Cost of Borrowing Regulations) which can result in financial penalties and publication of the violation.

Note: Details of COB are provided to customers when they sign the Mortgage Loan Agreement (MLA) with their solicitor/notary or with the FCT remote signor. If a change to the application results in an impact to COB after the customer has signed the MLA, a new MLA may need to be printed and signed.

3.10. Solicitor/Notary Dual Representation

A solicitor/notary is permitted to act on behalf of both the vendor and purchaser in residential mortgage transactions if the solicitor/notary is on TD's Approved Solicitors' list and complies at all times with their professional rules of conduct. However, use of Dual Representation for vendor/purchaser should remain the exception and should not be promoted to customers. It remains up to the solicitor/notary to determine whether they can accept the joint retainer and advise TD if they do. Please contact your underwriter if you have any questions.

3.11. Prepayment Option

Overview

- Customers can prepay up to 15% of the original principal amount of the fixed closed mortgage products without charge each calendar year, in amounts as low as \$100
 - In addition, the mortgage payment can be increased by up to a maximum of 100% over the term of the fixed closed mortgage
 - If it is too difficult for the customer to maintain the higher payment, it can be decreased to the original mortgage payment amount
 - Review the following information regarding our closed term mortgage prepayment options:
 - Prepayment: If not in default, the Applicant(s) may, during the initial Term:
 - a) At any time, prepay up to 15% of the original amount (but not less than \$100), each calendar year without charge. This prepayment privilege is not cumulative from year to year.
 - b) Once each calendar year, on any regular mortgage payment date, on written notice, increase the amount of their regular installment payment of principal and interest, without charge, provided that the total of all such increases does not exceed 100% of the regular installment payment of principal and interest.
 - c) On any regular mortgage payment date, prepay any part of the Amount then outstanding or prepay the Amount outstanding in full, on payment of an amount equal to the greater of the two amounts described below. If the mortgage is prepaid in full, the Applicant(s) must also pay a reinvestment fee of \$300.00. For full payouts, the 15% annual prepayment privilege is not taken into consideration for calculations of the prepayment charges. Prepayment charges are calculated on the outstanding balance as of the transaction date.
 - The prepayment privilege in subsection (c) above will not be considered in calculating the Three Months' Interest Cost or the Interest Rate Differential Amount.
 - Refer to **Making a Prepayment Customer Handout** (Appendix 10.4) for complete details.
- Note:** The handout is for TD customer use and includes information on products that are not available through the Broker Channel including FlexLine, HELOC, Variable Interest Rate Mortgage and Open Mortgage.

3.12. Payment Frequency

Overview

- Customers can choose between a weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, rapid semi-monthly or monthly payment schedule
- Increasing the payment frequency can reduce the interest cost over the life of the mortgage
- The customer can make this selection with their Solicitor/Notary or TD Mortgage Solutions when signing the Mortgage Loan Agreement / Transfer In Agreement.

3.13. Requesting Mortgage Information

Overview

A Discharge Fee is charged to cover costs associated with the preparation of documents needed when a customer has paid their Mortgage or TD Home Equity FlexLine in full AND requests a discharge of the collateral charge securing the credit agreement. This fee appears on the Discharge Statement provided to customers and cannot be waived.

TD has three types of statements:

1. Information Only Statement: When the customer is only considering paying off their TD mortgage or TD Home Equity FlexLine, they can request an Information Statement at any TD Canada Trust branch.

Important: Information Statements are only valid on the day it is produced and should not be used to

determine final payout amounts. This information is used strictly for general mortgage information purposes and for answering customer enquiries. This statement will not provide the Discharge Fee.

2. Payout Statement: When the customer wants to reuse the collateral charge, this statement will provide the amount required to payout and close the TD Mortgage or TD Home Equity FlexLine. There are no Discharge Fees in this scenario.
3. Discharge Statement: This can only be ordered at most 30 days prior to the anticipated payout. This statement provides the balance and any additional fees or charges necessary to payout and discharge the security for a TD Mortgage or TD Home Equity FlexLine.

Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer.

Discharging a Mortgage

- To discharge either a TD or other financial institution's Mortgage using First Canadian Title (FCT) refer to the [TD Refinance Mortgage Program](#).
- To discharge either a TD or other financial institution's Mortgage using a solicitor/notary:
 - Ensure your customer asks their solicitor/notary to order the Discharge Statement. Note: FCT would make this request for deals under the TD Refinance Mortgage Program. This would be applicable for either a refinance deal or a new purchase
- Refer to the **Mortgage Transfer Plan** to transfer a mortgage from another financial institution.

Discharge Fee Inclusions/Exclusions

- The Discharge Fee will apply even if the customer ports or replaces the mortgage.
- The Discharge Fee is not charged in the following scenarios:
 - Collateral Reuse because the customer is not discharging the security.
 - TD Home Equity FlexLine Split/Shared Security where only one TD Home Equity FlexLine is being paid out because the security is not being discharged.
 - In certain provinces and territories where we are not allowed to charge the fee (Alberta, Northwest Territories, Nunavut, Quebec).
 - Note: If the customer is refinancing an existing TD mortgage using our TD Refinance Mortgage Program (processed by First Canadian Title), then the discharge fee is included in the cost of the Program.

3.14. Enhanced Disclosure of Mortgage Prepayment Charges

What is a prepayment charge?

- When your customer decides to pay off their outstanding balance on a closed term mortgage before the term's maturity date, (or an amount greater than the allowable prepayment privilege of 15% annually), they may have to pay a prepayment charge.
- For Closed Variable Interest Rate Mortgages, this charge is calculated as three months' interest.
- For Closed Fixed Interest Rate Mortgages, the prepayment charge is the greater of either:
 - three months' interest, or an
 - Interest Rate Differential (IRD) amount. Refer to the **Mortgage Prepayment Brochure** (Appendix 10.4).
- For full payouts, the 15% annual prepayment privilege is not taken into consideration for calculations of the prepayment charges unless the customer actually makes that prepayment. It is calculated on the payout balance as of the transaction date.

Prepayment Policy for Mortgages with a Five-Year Term or Greater

- Anniversary is based on the most recent funding Interest Adjustment Date (IAD) or Renewal Date. This includes mortgages that have been ported from their original term. The anniversary will be based on the new IAD when the mortgage is ported, not on the original IAD. For example, if a mortgage was originally funded January 1, 2010 and renewed January 1, 2015, the mortgage will reach its 1st anniversary on January 1, 2016 (for discharge calculation purposes).
 - **Example:** Assume the customer has a 10-year term and ports their mortgage in the 3rd year. How to determine the anniversary date and prepayment charge?
- Refer to the [Fixed Rate Mortgages Prepayment Charge Chart](#) below for information on prepayment charges (applicable to insured and conventional mortgages).
 - If prepayment occurs within first 60 months from the port date, prepayment charge will be based on Column three in the chart.
 - If prepayment occurs after 60 months have passed from the port date, prepayment charge will be

based on Column four in the chart.

- **Note:** When the mortgage is ported, there are only seven years remaining.

Fixed Rate Mortgage Prepayment Charge Chart for Terms of Five Years or More

Transaction	Prepayment Charge is based on...	Prior to fifth year anniversary (e.g. Prepayment occurs within the first 60 months of mortgage)	After fifth year anniversary (e.g. Prepayment occurs within the 61 st month or any time after that)
Discharge with no replacement mortgage	Full amount of discharge	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Partial prepayments in excess of privilege amount	Amount being prepaid in excess of privilege amount	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Discharge with new TD replacement mortgage (non-Port/Plus)	Full amount of discharge	<ul style="list-style-type: none"> ▪ IRD is always payable: ▪ Three months' interest prepayment charge is prorated if the replacement mortgage is less than the discharge mortgage amount 	Insured or Conventional: three months' interest prepayment charge upon discharge of existing TD mortgage. Rebate of full three months' interest prepayment charge upon replacement. 12-month Replacement policy window and prorating rules apply

Prepayment Privilege

- Customers can pay up to 15% of their original mortgage amount each calendar year without incurring a prepayment charge. This 15% privilege is not cumulative from year to year. Customers can also increase the amount of their regular installment payment of principal and interest once each calendar year without charge, provided that the total of all such increases over their term does not exceed 100% of the regular installment payment of principal and interest.
- The following TD documents may help your customer to calculate the prepayment privilege amount:
 - Mortgage Loan Agreement
 - Mortgage Renewal Agreement
 - Annual Mortgage Statement
- Tools available to customers requesting prepayment information include:
 - Printable Mortgage Prepayment brochure, available at any branch, provides customers with what they need to know about mortgage prepayment charges. Refer to the **Mortgage Prepayment Brochure** (Appendix 10.4).
 - Online Mortgage Prepayment calculator on www.tdcanadatrust.com/prepaymentcalculator that provides customers with an estimate of their prepayment charges.
 - Toll-free phone number (English: 1-800-281-8031 / French: 1-800-294-0954) where customers can call for information about prepayment charges and online prepayment calculator support.
- **Note:** As the online prepayment calculator results are estimates only, to obtain the exact prepayment charge amount for your customer, a Discharge Statement must be requested from the branch.

3.15. Bridge Financing

Overview

Bridge Financing assists a customer with the sale and purchase of their residence. Example:

- The closing date for the purchase is 15 days before the closing date for the sale of their current residence.
- The equity from the current residence is therefore not available on the closing date of the new mortgage.
- A Bridge Loan provides the customer with short-term assistance to meet this shortfall.
- Once the sale on their current residence closes, the loan is paid off with proceeds from the sale.

Eligibility

- Short term Bridge Financing is to be used to help customers who are obtaining mortgage financing with TD.
- TD does not provide Bridge Financing to customers who have not committed to take a TD Mortgage product.

Security Requirements

- For most short-term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory.
- Approval without security is for periods not longer than 90 days.

Processing an Application

- All applications must be referred to a local TD Canada Trust branch for processing and not to TD Mortgage Solutions.
- The customer must attend the branch to complete the bridge loan and must provide the following:
 - Copy of the Broker Commitment which outlines the new mortgage details
 - Purchase Agreement
 - Sale Agreement
 - Income confirmation
 - Current mortgage statement (if not with TD).
- Branches are responsible for ongoing maintenance requests of broker originated TD mortgages (e.g. payment frequency changes, PAD information).
- If a customer has specific questions regarding the mortgage rate, the branch will refer the customer to the broker. All other general questions will be addressed by the branch.

Funding

- A Standard Letter of Direction and Irrevocable Assignment of Funds from real property transactions are prepared.
- The documents are to be signed by customer(s) in the presence of a TD employee and sent to the solicitor/notary handling sale and purchase transactions on behalf of the customer.
- Solicitor/notary must acknowledge the documents. This will ensure the net sale proceeds from the existing home are directed to TD to repay the Bridge Financing loan.
- Solicitor/notary must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer.

Proceeds

- Loan proceeds are advanced 'in trust' to customer(s) solicitor/notary, subject to the terms and conditions of the Letter of Direction.

3.16. Translating Customer Documentation

Overview

If any documentation received from your customer is in a foreign language, they must be translated to English and/or French as applicable. You must request translation services from an accredited/certified translation company. A full translation of the documentation must be sent to the Underwriter in PDF format along with the formal name, letterhead or seal of the translation company.

3.17. TD Employee Mortgages

Overview

- TD Staff Rates are not available in the Broker Channel. Please advise the customer to reach out to a TD Branch or TD Mobile Mortgage Specialist (MMS).

4. Our Product Line Up

4.1. Insured Business for Self Without Traditional Income Confirmation – Genworth/Canada Guaranty Only

Overview:

- Insured Business for Self-financing is available through Genworth/Canada Guaranty only.
- Applicants under these guidelines must be self-employed and may be unable to provide traditional income confirmation.
- Applicants must be self-employed for a minimum of two years.
- Note: Commissioned applicants are not eligible for the Insured Business for Self-program.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • Fixed rate mortgages; • Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Purchase • Purchase Plus Improvements • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Owner occupied – maximum two units where one unit is owner occupied • New construction or resale • Purchase price / lending value of \$1,000,000
Ineligible		Purpose: <ul style="list-style-type: none"> • Non-Resident • Temporary Resident • Refinance 	Property: <ul style="list-style-type: none"> • Rental properties • Multi-unit properties • Recreational and cottage properties • Leased land • Second Homes
LTV	<ul style="list-style-type: none"> • 90% LTV for purchases 		
Maximum Loan Amount as follows	<ul style="list-style-type: none"> • \$750,000 Metro Toronto, Calgary, Vancouver • \$600,000 Rest of Canada • Note: Maximum One Insured Business for Self-product 		
Appraisal	<ul style="list-style-type: none"> • Insurer will do an appraisal on all properties and will require: <ul style="list-style-type: none"> ○ The dwelling to be readily marketable. ○ The dwelling to be located in markets with demonstrated ongoing re-sale demand. ○ Estimated remaining economic life of the property should be a minimum of 25 years. 		
Amortization	<ul style="list-style-type: none"> • Maximum of 25 years 		
Down Payment and Closing Costs	<ul style="list-style-type: none"> • Minimum 5% own resources without recourse to borrowing. • Remainder can be gifted from immediate family members, but not borrowed. • Minimum 1.5% of the purchase price must be confirmed from borrower's own resources without recourse to borrowing to cover closing costs. • Note: Homebuyers in Alberta will only need to provide confirmation of closing costs equal to 0.5% of the home purchase price. 		
Occupancy Requirements	<ul style="list-style-type: none"> • All applicants must occupy the property. • Spousal guarantors are accepted provided they occupy the property. • Non-occupant co-borrowers or guarantors are not permitted. 		

Borrower Qualifications	<ul style="list-style-type: none"> • Self-employed for a minimum of two years or more • No previous bankruptcy • No outstanding taxes owing greater than \$2,001 as per most recent Notice of Assessment (NOA) and T1 General – copy to be retained in the credit file for audit purposes • Confirm all TD mortgages are up to date and in good standing with no current or recent arrears • Minimum credit bureau score of 650 • Minimum three years on Credit Bureau with three trade lines • Maximum TDS 42% - based on stated income. An income reasonability review is required
Documentation Requirements	<ul style="list-style-type: none"> • Business for Self: <ul style="list-style-type: none"> ○ One form of written third party documentation evidencing a minimum of two full years self-employment such as: <ul style="list-style-type: none"> - GST/HST returns* - Audited financial statements for last two years prepared and signed by a Chartered Accountant (CA)* - Business license - Articles of incorporation ○ Borrowers must be able to demonstrate that they have a minimum two years' experience in the same field. This can include time spent working as a non-self-employed worker in the same field. ○ Copy of Notice of Assessment or T1 General confirming no outstanding taxes owing greater than \$2,001. * TD considers these the preferred methods of confirming self-employment as they provide better evidence of business activity. • Salaried or Supplementary Third Party Income: <ul style="list-style-type: none"> ○ If one of the applicants is salaried or has supplementary third party income not related to their business, this income must be confirmed as per standard income confirmation guidelines to be included in the TDS calculation.
Additional Submission Requirements	<ul style="list-style-type: none"> • Industry type or profession of the borrower • Type of Business ownership (sole proprietor, partnership or incorporated) • Percentage of ownership of the borrower of the business • Stated annual business revenue • Income from Line 150 from the borrowers' most recent years' Notice of Assessment (NOA)

4.2. Business for Self – Conventional and Insured with Traditional Income Confirmation

Overview:

Applicants under these guidelines must be:

- Self-employed or self-employed professionals.
- Be able to confirm Business for Self (BFS) or professional status.
- Able to provide traditional income confirmation.
- Note: If a self-employed borrower can qualify using the average of two years of income without gross up, they can be approved under standard conventional lending guidelines. Proof of BFS status is still required.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> Conventional Mortgages Fixed Rate Closed VIRM 	Purpose: <ul style="list-style-type: none"> Purchase Refinance Single Advance Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> Owner occupied Rental up to four units New Construction Resale
Ineligible		Purpose: <ul style="list-style-type: none"> Insured refinance Applicants on fixed income (e.g. pension) Salaried applicants Commissioned applicants Non-residents Temporary residents 	
Conventional	<ul style="list-style-type: none"> Self-employed owners of a small limited or incorporated company (subject to no more than two to four shareholders). 		
Insured	<ul style="list-style-type: none"> A customer who owns an incorporated company is not eligible for the 15% multiplier as they receive a salary from the Corporation. Qualifying income for these applicants must be based solely on the two-year average from line 150 of their Notice of Assessments (NOAs). 		
Maximum Aggregate Mortgage Amount (Total of all Mortgages)	<ul style="list-style-type: none"> Conventional: <ul style="list-style-type: none"> Properties in Select Greater Vancouver Area (GVA) only: <ul style="list-style-type: none"> \$1,250,000 Up to two properties Properties in Rest of Canada: <ul style="list-style-type: none"> \$1,000,000 Up to two properties Note: Maximum aggregate loan amount only applies to requests where income gross up is greater than 20% 		
Maximum LTV	<ul style="list-style-type: none"> Conventional: 80% of the lesser of appraised value or purchase price subject to Sliding Scale. 		
Gross Up of Qualifying Income and LTV (Conventional)	<ul style="list-style-type: none"> Confirm self-employed income using the most recent two years T1 General returns and NOAs. Income is based on a two-year average. Only self-employed income from the following T1 General Lines is eligible to be grossed up: <ul style="list-style-type: none"> 135 – Business Income 137 – Professional Income 139 – Commission Income 141 – Farming Income 143 – Fishing Income Note: Lines 101 and 120 are eligible to be grossed up for owners of incorporated companies on conventional deals only. Small incorporated companies (up to four owners) may elect to pay themselves a salary or dividend which will appear on line 101 (T4 employment income) and line 120 (Dividend Income) which is eligible to be grossed up provided consistent year over year. If NOA line 150 is greater than the cumulative T1 General self-employed income, use the net self-employed income from the T1 General averaged over two years. Additional income from the T1 General can be used to qualify provided it meets Income Confirmation Guidelines Income gross up is permitted as follows and is subject to income reasonability in all cases: <ul style="list-style-type: none"> Gross up <= 15%, maximum LTV of 80% Gross up to > 15% and <= 20% 		

	<ul style="list-style-type: none"> - Maximum LTV of 75% - Minimum credit bureau score of 650 o Gross up greater than 20%, considered a Material Exception. <ul style="list-style-type: none"> - Maximum LTV of 75% - Minimum beacon score of 650 where LTV is <= 65% - Minimum beacon score of 730 where LTV is > 65% - Subject to Income Reasonability which will include a review of customers T1s and statement of business activities and/or financial statements, confirmation of savings and/or net worth. • Note: If there has been greater than 20% change (increase or decrease) in the current year NOA income when compared to the two-year average, additional due diligence may be required to understand the reasons. If rationale can be provided to support the average income as reasonable and most reflective of actual consistent income, this income may be used. Otherwise, the lower year's income will be used for qualification purposes. 														
Gross Up of Qualifying Income and LTV (Insured)	<ul style="list-style-type: none"> • Maximum gross up is 15% • Purchase up to 95% for properties with one to two units • Purchase up to 90% for properties with three to four units 														
Debt Servicing	<ul style="list-style-type: none"> • Maximum GDS Ratio: <ul style="list-style-type: none"> o 35% where beacon score is less than 680 (minimum beacon score is 650). o Up to 39% where beacon score is 680 or greater. • Maximum TDS Ratio: <ul style="list-style-type: none"> o 42% where beacon score is less than 680 (minimum beacon score is 650). o Up to 44% where beacon score is 680 or greater. 														
Appraisal	<ul style="list-style-type: none"> • Full appraisal required if gross up > 15% • For insured applications, the insurer will appraise the property 														
Maximum Amortization	<ul style="list-style-type: none"> • Conventional: 30 years • Insured: 25 years 														
Down Payment	<ul style="list-style-type: none"> • Conventional: <ul style="list-style-type: none"> o From own resources, cannot be borrowed or gifted o Closing costs must be confirmed • Insured: <ul style="list-style-type: none"> o Minimum 5% from own resources without recourse to borrowing o Remainder can be gifted from immediate family members but not borrowed 														
Borrower Qualification	<ul style="list-style-type: none"> • Minimum three years on Credit Bureau, with three trade lines • Proof of three years BFS status • No previous bankruptcy • Refer to documentation requirements, below 														
Professionals (Conventional)	<ul style="list-style-type: none"> • Professionals such as doctors and lawyers are included in the BFS policy. When these customers are BFS (vs employed by professional firms), they are not required to own a registered business to qualify for BFS status. • The documentation requirements include: <table border="1"> <thead> <tr> <th>Type of Professional</th><th>Copy of Required Documentation</th></tr> </thead> <tbody> <tr> <td>Architect</td><td>License by a provincial body (such as the Ontario Association of Architects)</td></tr> <tr> <td>Dentist</td><td>Certificate of Registration issued by The College of Dental Surgeons for the province</td></tr> <tr> <td>Doctor</td><td>Membership with the College of Physicians and Surgeons for the province</td></tr> <tr> <td>Engineer</td><td>License by a provincial or territorial body</td></tr> <tr> <td>Lawyer</td><td>Membership with the Canadian Law Society for the province</td></tr> <tr> <td>Veterinarian</td><td>Certificate of Registration issued by The College of Veterinary Medicine for the province</td></tr> </tbody> </table> 	Type of Professional	Copy of Required Documentation	Architect	License by a provincial body (such as the Ontario Association of Architects)	Dentist	Certificate of Registration issued by The College of Dental Surgeons for the province	Doctor	Membership with the College of Physicians and Surgeons for the province	Engineer	License by a provincial or territorial body	Lawyer	Membership with the Canadian Law Society for the province	Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province
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Lawyer	Membership with the Canadian Law Society for the province														
Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province														

Documentation Requirements	<ul style="list-style-type: none"> • Most recent two years Notice of Assessments accompanied by T1 Generals (including Statement of Business or Professional Activities) for all BFS borrowers. Note: For Quebec residents, both Federal and Quebec NOA and either a Federal or Provincial T1 are required. • Down payment confirmation. • If one of the applicants is salaried or if other sources of income are included, the income must be confirmed per standard income confirmation guidelines. • Closing cost confirmation of 1.5% of the purchase price – Insured deals only. • Purchase and Sale agreement including all addendums, and MLS (if applicable). • Confirmation via one form of written third party documentation to confirm BFS status, evidencing at least three full years of self-employment OR confirmation of professional status as noted above (not applicable for Insured deals). Documentation to confirm BFS status may include: <ul style="list-style-type: none"> ○ Master Business License ○ Business Registration ○ Articles of Incorporation ○ GST Returns ○ Financial Statements prepared by a licensed accountant ○ Last three years income tax returns supported by three years Notice of Assessments ○ Active business account opened three years ago or more
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4.3. New to Canada – Insured

Overview

- This policy applies to customers who have immigrated to Canada within the last 60 months and are looking for an insured mortgage but do not have established Canadian Credit Bureau history.
- For customers who are new to Canada and not yet employed include details on the customer's previous employment and/or details on how their income and down payment has been generated including source of funds.
- **Note:** Indicating "New to Canada" in the customer's employment/occupation details is not acceptable (refer to the Customer Occupation section).
- For customers who have worked in Canada, have applied for permanent residence, and already have an established Canadian credit history, our regular policy will apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to Canada applications.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • Insured Mortgage • Fixed Rate • Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Purchase only • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Maximum two units where one unit is owner occupied principal residence • New Construction • Resale
Ineligible	Product: <ul style="list-style-type: none"> • Insured Business for Self • Cottage • Second Homes • Rental Properties 		Property: <ul style="list-style-type: none"> • Non-owner occupied properties
Borrower Qualifications	<ul style="list-style-type: none"> • Must have immigrated/relocated to Canada within last 60 months. • Three months' minimum full-time employment in Canada. • Borrowers transferred to Canada under relocation programs are considered on an exception basis. • Guarantor's Income Confirmation required (if applicable). 		

Required Documentation	<ul style="list-style-type: none"> • Purchase and Sale Agreement including all addendums, and MLS listing (if applicable). • Standard income confirmation. • Confirmation of Landed Immigrant Status (Permanent Residency Card). • Preceding 12-month history of rent paid in Canada and 12-month history of two regular obligations (e.g. monthly). • Proof of Borrower Meeting Rental and Regular Obligations: <ul style="list-style-type: none"> ○ Rent – Supporting Bank Statements and letter signed by landlord indicating: <ul style="list-style-type: none"> - Date the tenant moved in - Monthly rent amount - Amenities included in the rent - Payment history ○ Regular Obligations: <ul style="list-style-type: none"> - Copy of bill payment confirmation from bank statement/paid invoices (e.g. Hydro/Utilities/Telephone/Cable) - Mandatory: Payments must be timely. No late payments. If unable to obtain the 12-month history of rent and 12-month history of two regular periodic obligations, LTV is limited to 90% and the following may be accepted: <ul style="list-style-type: none"> ○ Satisfactory Letter of Reference from a recognized Financial Institution outlining history and past credit experience. Must be dated within 60 days of approval, or; ○ Six months of Bank Statements from a Primary Account (living expenses such as rent and food flowing through the account), with no evidence of financial difficulties (e.g. no NSF items).
Debt Servicing	<ul style="list-style-type: none"> • Maximum GDS Ratio <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650). ○ Up to 39% where beacon score is 680 or greater. • Maximum TDS Ratio <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650). ○ Up to 44% where beacon score is 680 or greater. ○ All debts outside country must be included in the TDS. ○ Rent earned outside of Canada is to be excluded from calculation.
Down Payment	<ul style="list-style-type: none"> • All Down payments must be verified • When LTV is 95%, down payment must come from borrower's own resources • When LTV is less than 95%, Down payment can come from a Corporate Relocation Subsidy or be gifted by an immediate family member.
Loan to Value (LTV)	<ul style="list-style-type: none"> • Maximum 95% • Maximum purchase price of \$1,000,000
Amortization	<ul style="list-style-type: none"> • Up to 25 years

4.4. New to Canada – Conventional

Overview

- This policy applies to customers who have immigrated to Canada within the last 60 months, and who cannot provide confirmation of declared income meeting standard income confirmation guidelines and have not had sufficient time to build credit history that would allow them to qualify under our traditional mortgage financing programs.
- For customers who are new to Canada and not yet employed include details on the customer's previous employment and/or details on how their income and down payment has been generated including source of funds.
- **Note:** Indicating "New to Canada" in the customer's employment/occupation details is not acceptable (refer to the Customer Occupation section).
- For customers who earn income and can debt service, traditional mortgage financing should apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to Canada applications.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> Conventional Mortgage Fixed Rate Closed VIRM 	Purpose: <ul style="list-style-type: none"> Purchase OFI Transfer/ Refinance Single Advance Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> Owner occupied New Construction Resale
Ineligible		Purpose: <ul style="list-style-type: none"> Non-Residents Temporary Residents Equity Take-Out/ Refinance Cottage Non-owner occupied properties 	
Maximum Aggregate Mortgage Amount (Total of all Mortgages)	<ul style="list-style-type: none"> Properties in Greater Vancouver Area (GVA) and Greater Toronto Area only: <ul style="list-style-type: none"> \$1,500,000 One property only Properties in Rest of Canada: <ul style="list-style-type: none"> \$1,000,000 One property only 		
GDS/TDS	<ul style="list-style-type: none"> No GDS or TDS test is required for conventional financing. Note: Income not required and instead applicant must provide evidence of the equivalent of 12 months of mortgage principal, interest and tax payments in liquid savings in Canada (this is in addition to the applicants 35% down payment). Exceptions to the requirement of 12 months PIT will be considered where evidence of debt service capacity can be confirmed. 		
Credit Worthiness	<ul style="list-style-type: none"> Canadian or US applications – credit bureau with no negative trades for any of the borrowers. For foreign applications – copy of foreign credit report or evidence of established credit history via six months of credit cards or bank statements from the country of origin that demonstrates evidence of loan/mortgage repayment history. 		
Maximum LTV	<ul style="list-style-type: none"> Lesser of 65% or Sliding Scale, no exceptions 		
Amortization	<ul style="list-style-type: none"> Maximum 25 years No exceptions permitted 		
Appraisal	<ul style="list-style-type: none"> Full appraisal is required 		
Income	<ul style="list-style-type: none"> Income confirmation is required for applicants currently employed (employed within Canada or outside Canada) as per Income Confirmation Guidelines and is to be documented in credit file and on system. Income Reasonability: Underwriter to rationalize current income (including any shortfall) against standard GDS and TDS thresholds In addition to the 35% down payment requirement, applicant(s) must provide evidence of 12 months mortgage principal, interest and tax payments (PIT) in liquid savings in Canada. These funds are not to be gifted. 		
Down Payment	<ul style="list-style-type: none"> Standard Down Payment and Closing Cost Guidelines apply, in addition: Confirmation funds are in Canada before funding. Submission commentary for both the sales and underwriting must always include a narrative on the reasonability of the customers accumulation of down payment and asset accumulation. Full documentation of source of funds is required to support accumulation of down payment and asset accumulation. This requirement is above the current 90-day history in the Down Payment Guidelines. Confirmation of funds are in Canada 30 days before funding. Gifted down payment is limited to immediate family members only (parents, grandparents, child and sibling etc.). 		

Borrower Qualifications	<ul style="list-style-type: none"> • Must be resident of Canada with Landed Immigrant Status confirmed via Permanent Residency Card (PRC). Do not keep copy of PRC in file. Instead, document: Name, Number and Issue Date of PRC in submission comments as evidence that a review of Landed Immigrant / Permanent Residency Status has taken place. • Must be Landed Immigrant/ Permanent Resident no more than five years. • Confirmation of Landed Immigrant Status (Permanent Residency Card). • If customer files taxes in Canada, copy of most recent Notice of Assessment or T1 General to confirm no outstanding taxes owing greater than \$2,001.
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4.5. Temporary Residents

Overview

- Applicants under these guidelines are not permanent residents (foreign resident) and will typically be employed by established, well respected companies who are being relocated to Canada for a specific period of time for work purposes.
- Maximum exposure one (1) property in Canada.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • Conventional Mortgage • Fixed Rate • Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Purchase • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Owner occupied – maximum one unit • New Construction • Resale
Ineligible		Purpose: <ul style="list-style-type: none"> • Refinance • Equity Take Out • Purchase with Improvement • Refinance with Improvement 	Property: <ul style="list-style-type: none"> • Rental • Multi-unit • Recreational
LTV	<ul style="list-style-type: none"> • Maximum 80% for Conventional Mortgage Financing subject to Sliding Scale. • Maximum 90% for Insured Financing. 		
Amortization	<ul style="list-style-type: none"> • Maximum of 25 years 		
Debt Servicing	<ul style="list-style-type: none"> • Maximum GDS Ratio* <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater • Maximum TDS Ratio* <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 44% where beacon score is 680 or greater <p>* Mortgages requiring default insurance are restricted to a maximum of TDS based on credit score, exceptions will not be considered above these thresholds.</p>		

Credit Bureau	<ul style="list-style-type: none"> • For CMHC insured deals: <ul style="list-style-type: none"> ○ CMHC will obtain copies of the international credit bureau if the country of origin is the United States. ○ For all other countries, if an international credit bureau cannot be obtained, the broker should confirm creditworthiness by obtaining a letter of reference from the home bank in the customer's country of origin. • For Conventional deals: <ul style="list-style-type: none"> ○ For customers with a US address and social security number, the customer can provide a copy of the Equifax US credit bureau. ○ For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the underwriter for review: <ul style="list-style-type: none"> - Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR - Six months of bank statements from the country of origin that demonstrating satisfactory loan or mortgage repayment ○ Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g. debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the underwriter. • For Genworth/Canada Guaranty insured deals: <ul style="list-style-type: none"> ○ The underwriter will forward the credit bureau to Genworth/Canada Guaranty for insured mortgages. ○ There may be cases where they are cost-prohibitive or take too long; in such cases, a letter of reference from the financial institution where the customer currently has borrowings will be required. <ul style="list-style-type: none"> - TDMS will review and verify the validity of all reference letters and forward the letters of reference to the insurers for review for all insured requests.
Borrower Eligibility	<ul style="list-style-type: none"> • Standard borrower eligibility criteria apply. • Customer must have relocated to Canada within the last 24 months, must be eligible to work in Canada and must be employed in Canada for a minimum of three months. Confirmation of valid Canadian Employment Authorization Form (Work Permit form 1442). • Program not available to diplomats or foreign political parties that do not pay income tax in Canada (in the event of a foreclosure TD is unable to enforce against a diplomat). • Must confirm sale of principal residence in their home country or be able to carry both properties.
Income Confirmation	<ul style="list-style-type: none"> • Confirm income as declared on the application, by letter of employment indicating length of contract in Canada and no probationary period.
Down Payment	<ul style="list-style-type: none"> • For Conventional, follow standard down payment guidelines except gifted down payment must be from immediate family (grandparent, mother, father, child, sibling). • In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds. • For Insured - Minimum 10% from own resources.

4.6. Non-Residents

Overview

- Applicants under these guidelines are Canadian citizens/permanent residents or foreign residents that do not reside in Canada.
- Canadian citizens or permanent residents with ties in Canada (active credit history, established savings in Canada) who are temporarily relocated to another country by their employer are not to be considered non-residents and may qualify under standard mortgage lending guidelines.
- Maximum exposure of two properties (financed with TD) per non-resident investor.
- Confirmation and verification of the customer's identity is required under [Know Your Customer Guidelines](#).
- Solicitor's Preliminary Report must be completed with the customer present. Out of country signing of the Mortgage Loan Agreement is not permitted.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • Conventional Mortgage • Fixed Rate • Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Purchase • Refinance (for existing TD Mortgages only) • Transfer In • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Non-owner occupied (Rental) properties up to four units, • Recreational properties meeting conventional standards. • Purchases for family members to live in on a rent-free basis (Second Home).
Ineligible		Purpose: <ul style="list-style-type: none"> • Purchase with Improvements • Refinance with Improvements • Refinance (for non-TD Mortgage) • Business for self 	
LTV	<ul style="list-style-type: none"> • Maximum 65% LTV subject to Sliding Scale • No exceptions to LTV are permitted 		
Down Payment	<ul style="list-style-type: none"> • Minimum 35% following standard Down Payment guidelines except gifted down payment must come from immediate family (grandparent, mother, father, child, sibling). Note: If the property is a rental, gifted down payment is not permitted. • In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds. 		
Appraisal Requirements	<ul style="list-style-type: none"> • Full Appraisal Required 		
Amortization	<ul style="list-style-type: none"> • 25 years 		
Debt Servicing	<ul style="list-style-type: none"> • All debts including housing costs from principal residence are included in the debt servicing calculations • Standard debt servicing calculations applies. • Maximum GDS Ratio: <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater • Maximum TDS Ratio: <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 44% where beacon score is 680 or greater 		

Credit Bureau	<ul style="list-style-type: none"> • The customer's complete address from their country of origin will be required by TDMS to enable the credit investigation. • For customers with a US address and US social security number, the customer can provide a copy of the Equifax US credit bureau. • For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the underwriter for review: <ul style="list-style-type: none"> ○ Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR ○ Six months of bank statements from the country of origin demonstrating satisfactory loan or mortgage repayment • Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g. debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the underwriter.
Income Confirmation	<ul style="list-style-type: none"> • Standard income confirmation is required • Business for Self is not eligible

4.7. Portability Plus

Overview

- The Portability Plus policy waives all or part of the prepayment charge and allows customers to take their current rate and term with them when they move or refinance.
- A minimum of \$20,000 in new money is required for Broker ports or refinances.
- **Important:** Comments to the underwriter must indicate that the customer is applying for a port and increase.

Guidelines:

Prepayment Charge Rebate	<ul style="list-style-type: none"> • If new ported mortgage amount is greater than the discharged mortgage amount no prepayment charge is due. • For non-concurrent closings (new mortgage funding either before or after the existing mortgage is discharged), prepayment charge is payable in full by the mortgagors at the time of mortgage discharge. Full or partial refund cheques are payable to all mortgagors on the discharged mortgage upon funding of the new mortgage. • Customers are responsible for paying any applicable pre-payment charges upon the discharge of the existing mortgage. Full or partial refunds of prepayment charges will be paid to the customer upon the closing of a ported mortgage funding within 120 days of the discharge.
Eligibility	<ul style="list-style-type: none"> • Minimum one existing borrower must be on the new mortgage. • A guarantor/co-signor is not considered a borrower. • The benefits of Portability Plus can only accrue to one mortgage. • For reverse ports, there must be a firm agreement for both purchase and sale. • Purchases and Sale: <ul style="list-style-type: none"> ○ In a Purchase and Sale situation, there must be a firm agreement of purchase and sale, and the mortgage funding date for the purchase must be within 120 days before or after the payout date of the existing mortgage. • Refinance: <ul style="list-style-type: none"> ○ The discharge of the old mortgage must be concurrent with the funding of the new mortgage. • Mortgage to Builder Single Advance: <ul style="list-style-type: none"> ○ Builder deal must be closing within 120 days.

Ineligibility	<ul style="list-style-type: none"> The following products and deals are not eligible under the Portability Plus Policy: <ul style="list-style-type: none"> Closed VIRMs (fixed rate to VIRM; VIRM to fixed rate) One Year Open Terms less than four months remaining Porting to a builder single advance closing >120 days Refinance Plus Improvement Deals Purchase Plus Improvements Deals 																								
Rate and Term	<ul style="list-style-type: none"> The existing term is always transferred to the new mortgage. If the new mortgage amount is less than or equal to the existing mortgage balance, the existing rate and rate discount is transferred. If the new mortgage amount is greater than the existing mortgage balance, the existing rate is transferred with additional funds priced at current rates. The final rate is a blended rate of the existing and new rates. <table border="1"> <thead> <tr> <th>Actual Remaining Terms (months)</th><th>Remaining Term to be Used to Find Rate</th></tr> </thead> <tbody> <tr><td>3 to 8</td><td>6</td></tr> <tr><td>9 to 17</td><td>12</td></tr> <tr><td>18 to 29</td><td>24</td></tr> <tr><td>30 to 41</td><td>36</td></tr> <tr><td>42 to 53</td><td>48</td></tr> <tr><td>54 to 65</td><td>60</td></tr> <tr><td>66 to 77</td><td>72</td></tr> <tr><td>78 to 89</td><td>84</td></tr> <tr><td>90 to 101</td><td>84 (96 not offered)</td></tr> <tr><td>102 to 113</td><td>120 (108 not offered)</td></tr> <tr><td>114 to 120</td><td>120</td></tr> </tbody> </table>	Actual Remaining Terms (months)	Remaining Term to be Used to Find Rate	3 to 8	6	9 to 17	12	18 to 29	24	30 to 41	36	42 to 53	48	54 to 65	60	66 to 77	72	78 to 89	84	90 to 101	84 (96 not offered)	102 to 113	120 (108 not offered)	114 to 120	120
Actual Remaining Terms (months)	Remaining Term to be Used to Find Rate																								
3 to 8	6																								
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66 to 77	72																								
78 to 89	84																								
90 to 101	84 (96 not offered)																								
102 to 113	120 (108 not offered)																								
114 to 120	120																								
Amortization	<ul style="list-style-type: none"> Conventional: Maximum of 30 years where the LTV is 80% or less Insured: Maximum of 25 years 																								
Default Insured Portability Plus Program	<ul style="list-style-type: none"> While LTV for purchase is limited to 90%; CMHC/Genworth/Canada Guaranty will consider higher LTV when the new ratio is equal to or less than the original LTV ratio. Original mortgage is not in arrears and will be discharged prior to the funding of the new mortgage. The mortgagor is the same as the mortgagor who paid the original CMHC/Genworth/Canada Guaranty mortgage insurance premiums. Original mortgage and new mortgage are on the borrowers' principle and/or secondary residence only. Customer's principal residence is located in Canada. If mortgage is "ported" to a new purchase property and the mortgage amount and LTV is < the existing mortgage, no new insurance premium is applicable (straight ports). Property for the new principal residence must have a value range considered acceptable by CMHC/Genworth/Canada Guaranty for the proposed mortgage insurance balance. 																								

4.8. Replacement Mortgages

Overview

- The Mortgage Replacement Policy waives all or part of the prepayment charge if it is the 3 months' interest when a customer has already paid or is being charged on the discharge of an existing Mortgage and is replacing it with a new closed term Mortgage taking a new rate and term.
- Note:** The customer is automatically rebated up to three months' interest on any mortgage refinance that qualifies under the Mortgage Replacement policy. No exceptions.

Guidelines:

Eligibility	<ul style="list-style-type: none">• Minimum of one borrower on the existing Mortgage must be on the new Mortgage.• A guarantor/co-signor is not considered a borrower.• Only one borrower is eligible to take advantage of the replacement policy.• Replacement must occur within one year of mortgage discharge.• Reverse Mortgage Replacement (purchase closes before sale) only valid when new Mortgage is advanced within 120 days prior to the discharge of current mortgage. No exceptions.• Only applicable when the prepayment charge on the discharging mortgage is the three months' interest prepayment charge. If the charge is IRD it is always payable.• Mortgage replacements are allowed within 120 days of maturity, waiving prepayment charges (includes both the three months' interest or IRD as well as the CashBack claw back). If the new mortgage balance is lower, prorating policy applies.• Available to both Refinance and Purchase and Sale deals.• The customer is able to replace a TD Home Equity FlexLine FRAO (Fixed Rate Advantage Option) with a mortgage during a purchase and sale scenario only (IRD may apply).
Restrictions	<ul style="list-style-type: none">• The following prepayment charge rebates are not available unless within 120 days of maturity:<ul style="list-style-type: none">○ IRD rebates○ CashBack claw back Rebates
Rate and Term	<ul style="list-style-type: none">• The existing Mortgage must be replaced by:<ul style="list-style-type: none">○ A new closed term mortgage (fixed or variable), and○ For Purchase and Sale deals: Amount can be less than, equal to or greater than the discharged Mortgage/FlexLine Term Portion. Prorating policy applies.○ For Refinance and Increase deals: There must be a minimum increase of \$20,000 in a closed term Mortgage.

Calculating Prepayment Charges

- **Discharge of a Fixed Rate Mortgage:**
 - Replacement rebate is always based on three months' interest prepayment charge less any IRD, if applicable.
 - **IRD is always payable.** If the IRD amount is greater than the three months' interest prepayment charge, no waiver/rebate is available. If three months' interest is higher than IRD, the customer may be eligible for refund of the difference.
 - If the replacement Mortgage amount is less than the discharging Mortgage, any rebate is pro-rated.
 - CashBack claw backs cannot be waived or rebated unless Mortgage is being transferred in full within 120 days of maturity.

Prepayment Charge Example for Fixed Rate Mortgage

Three months' interest prepayment charge:	\$2,500
IRD:	\$1,000
Customer waived/refunded:	\$1,500

- **Discharge of a Closed VIRM:**
 - In a variable rate product, IRD is always \$0.00. Three months' interest applies when a Closed VIRM is discharged prior to maturity.
 - Waiver/refund of three months' interest prepayment charge is prorated based on the amount of Replacement Mortgage, to a maximum of 100% of three months' interest prepayment charge.
 - New mortgage amount divided by old mortgage amount X 100 = NN%
 - Prepayment charge amount x NN% = refund amount

Compensation Example for Closed VIRM

Discharged mortgage:	\$100,000
Three months' interest prepayment charge:	\$1,000
Replacement Mortgage:	\$50,000
50,000 divided by 100,000 =	50%
1,000 x 50% =	500
Customer waiver/refund:	\$500

Additional Information

- For all Replacement Mortgages including Closed VIRMs, compensation will be based ONLY on the new money. If the replacement mortgage is within 120 days from maturity or at maturity, then compensation will be paid on the entire amount.
- Mortgage and HELOC/FlexLine FRAO balance transfers are permitted when within the Extended Early Renewal Cycle, with no prepayment charge (includes three months' interest and IRD) or CashBack Clawback:
 - The Extended Early Renewal Cycle occurs within 120 days of maturity. If a full balance transfer (replacement) does not occur within 120 days, the following prepayment charge will apply:
 - Mortgages maturing in one month – no charge.
 - Mortgages maturing within two months – one-month interest charged.
 - Mortgages maturing within three months – two months' interest charged.
 - Mortgages maturing within four months – Regular prepayment charge applies.
 - **Note:** If a full balance transfer (replacement) occurs within 120 days of maturity, prepayment charge does not apply.

4.9. Prepayment Charge Exceptions for Canadian Military Personnel

Overview

- Canadian Military personnel who are re-assigned within or outside of Canada by the Military and must sell their Canadian residence with a TD Canada Trust mortgage are eligible to have prepayment charge (IRD or three months' interest) waived. **Note:** Exceptions do not apply to civilians employed by the Canadian Military.

Process

- Brokers must obtain confirmation (e.g. posting instruction) from the customer that they are employed by the Canadian Military and are being stationed abroad or transferred to another military base within Canada.
- Broker must forward the customer confirmation to the underwriter with a request to amend the discharge statement and waive the IRD or three months' interest prepayment charge as the customer qualifies under this policy. **Note:** If IRD or three months' interest is waived, the CashBack Clawback is still payable.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

4.10. Purchase/Refinance Plus Improvements

Overview:

- The Purchase with Improvements and Refinance with Improvements product provides home buyers/owners with the opportunity to make improvements to their home and allows the homeowner to borrow against the increased value of the property.
- The amount of improvements (and hence the increase in market value) that can be financed is limited to the lesser of:
 - 10% of the Improved Value, or
 - \$40,000
 - No exceptions. **Note:** If total cost of improvements exceeds allowable amount to be financed, customer can pay out of pocket, providing scope of work is non-structural.

Improved Value:

- The Improved Value is the market value of the property after completion of the improvements that increase the value of the property.
- For insured mortgages, the improved value should be less than \$1,000,000.
- Note: Not all improvements increase a property's value (e.g. improvements to an owner-occupied condo may be cosmetic in nature).
- Must be closed by a solicitor/notary.
- Important:** Purchase/Refinance with Improvements requests are processed in two advances. Ensure the customer is made aware that they will not have access to all funds on the date of closing and that they will be required to make full principal and interest payments once the first advance is completed.
- Construction period is 12 months in duration:
 - All funds must be advanced within 12 months of the first funding date. No funds will be advanced after this time, and no exceptions will be made.
 - At the end of the 12-month construction period, the **annual prepayment privilege** noted on the Mortgage Loan Agreement (MLA) will be adjusted to reflect the total principal amount advanced. This total then becomes the new "**original principal amount**" as noted throughout the MLA.

Guidelines:

Eligible	Product: <ul style="list-style-type: none">Conventional MortgageClosed Fixed Rate	Purpose: <ul style="list-style-type: none">PurchaseRefinanceRefer to Purpose of a Mortgage Application	Property: <ul style="list-style-type: none">Properties up to four units, where at least one is owner occupied principle residence
Ineligible	Product: <ul style="list-style-type: none">Closed VIRM are available only after the mortgage is completely advanced*	Purpose: <ul style="list-style-type: none">Insured refinance	Property: <ul style="list-style-type: none">Rental propertiesVacation propertiesCottage properties

	<ul style="list-style-type: none">* If a customer requests a Closed VIRM initiate the application as a one-year closed fixed rate mortgage (Note: Insured Closed VIRM not available until at least six months on repayment). Once the second (final) advance has been completed, the customer can early renew into a Closed VIRM. Contact Banking Services (BKS – formerly known as CAS) to waive the prepayment charge, however, the branch must process the early renewal; the BKS is not responsible for this process.						
Maximum LTV (based on the improved value of the property)	<ul style="list-style-type: none">• Conventional: 80%• Insured:<ul style="list-style-type: none">○ Purchase 95% (properties with one and two units)○ Purchase 90% (properties with three and four units)						
Amortization	<ul style="list-style-type: none">• Conventional: Maximum of 30 years where the LTV is 80% or less• Insured: Maximum of 25 years						
Restrictions	<ul style="list-style-type: none">• Not available for rental/investment properties, vacation or cottage properties.• An outside solicitor/notary must be retained by the customer. TD Refinance Mortgage Program is not available for this product.• Reusing a collateral charge is not available for this product.• Porting Purchase/Refinance Plus Improvement deals are not permitted.						
Required Documentation	<ul style="list-style-type: none">• Obtain a list of improvements along with contractor cost estimates, quotes, invoices to support improvements. Paid invoices are required for the second draw/advance to ensure all work has been completed as agreed upon at the application. We do not advance funds prior to the renovation/improvement being completed.• Customers will be required to complete a Customer Declaration with their solicitor/notary when the improvements are complete and before the final draw will be processed. This Declaration will need to be forwarded to Banking Services (formerly known as Credit Administration Services (CAS)) by the solicitor/notary before the second (final) draw will be released.• If Sweat Equity (owner labour) is requested, a reasonable estimate based on applicant's skills must be submitted to your credit centre. Amount must not exceed 50% of minimum equity requirement of the Improvement, to a maximum of \$25,000 for conventional requests. Must be supported by two competitive quotations.						
Advances	<ul style="list-style-type: none">• First advance:<ul style="list-style-type: none">○ First advance will be up to 95% of the improved value of the property minus the cost of improvement and will be provided to the customer by their solicitor/notary.• Second advance:<ul style="list-style-type: none">○ Second advance will be the cost of improvement, and funds will be released once the solicitor/notary has forwarded receipt of a signed declaration from the customer with paid invoices/receipts confirming that improvements have been completed as per the contractor estimates/invoices/quotes provided at the time of application. TD Mortgage Solutions will validate that improvements have been completed in accordance with the mortgage approval. Once validated, the second advance will be disbursed to the customer via their solicitor/notary.○ Second advance is not to exceed the value of the paid invoices/receipts provided.• Refer to the example below: <table><tr><th>Deal Scenario</th><th>First Advance</th><th>Second Advance</th></tr><tr><td><ul style="list-style-type: none">• Improved value: \$400,000• Current value/Purchase price: \$360,000• Improvements: \$40,000• Approved Mortgage Amount: \$320,000 (\$400,000 x 80% LTV)</td><td>$\\$320,000 - \\$40,000 = \\$280,000$</td><td>$\\$320,000 - \\$280,000 = \\$40,000$</td></tr></table>	Deal Scenario	First Advance	Second Advance	<ul style="list-style-type: none">• Improved value: \$400,000• Current value/Purchase price: \$360,000• Improvements: \$40,000• Approved Mortgage Amount: \$320,000 (\$400,000 x 80% LTV)	$\$320,000 - \$40,000 = \$280,000$	$\$320,000 - \$280,000 = \$40,000$
Deal Scenario	First Advance	Second Advance					
<ul style="list-style-type: none">• Improved value: \$400,000• Current value/Purchase price: \$360,000• Improvements: \$40,000• Approved Mortgage Amount: \$320,000 (\$400,000 x 80% LTV)	$\$320,000 - \$40,000 = \$280,000$	$\$320,000 - \$280,000 = \$40,000$					

Appraisals	<ul style="list-style-type: none"> • Full appraisal required for all conventional requests. • Broker appraisal must include the following: <ul style="list-style-type: none"> ○ Appraised value will include improvements (improved value) ○ Appraiser will review contractor cost estimates, quotes, invoices ○ If the appraised value came back lower than the estimated improved value, the 'cost of improvement' must be adjusted accordingly ○ The second draw is based on the 'cost of improvement' amount and must be disclosed accurately in the agreements. ○ Note: Inspection for the second draw is usually not required, however, TD Mortgage Solutions may require inspection where deemed necessary.
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4.11. Cottage Properties

Overview

- Conventional and Insured financing is available for purchases (refinance is available for conventional only) of quality cottage properties that may not be accessible year-round or is accessible year-round but does not meet all standard property criteria.
- Insured financing is only available through Genworth/Canada Guaranty.
- **Notes:**
 - There must be no intent to occupy these properties year-round. Properties that are occupied year-round must meet all standard property criteria.
 - Properties must be in a recognized vacation area and the broker should be prepared to submit evidence of this fact, such as lakefront or proximity to major recreational amenities (e.g. ski facility).
 - Not applicable for Second Home or Vacation Property requests where the property, otherwise, meets standard guidelines.
 - Supplier will decline or require default insurance through Genworth/Canada Guaranty, where marketability of property is questionable.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • Conventional: <ul style="list-style-type: none"> ○ Fixed Rate ○ Closed VIRM • Genworth/Canada Guaranty Insured: <ul style="list-style-type: none"> ○ Fixed rate only 	Purpose: <ul style="list-style-type: none"> • Purchase (single advance) • Refinance (Conventional applications only) • New construction • Existing property • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Single unit properties • Owned land
Ineligible	Product: <ul style="list-style-type: none"> • Genworth/Canada Guaranty Insured: <ul style="list-style-type: none"> ○ Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Equity Take out • Purchase/Refinance with Improvements 	Property: <ul style="list-style-type: none"> • Multi-unit properties • Leased Land • Rental Properties
Property Criteria	<ul style="list-style-type: none"> • Must have a minimum of a kitchen, three-piece bathroom, bedroom and common area. • Seasonal access only is acceptable (e.g. road is not plowed or only accessible by boat). • No permanent heat source required (e.g. wood stove, fireplace, stove or heat blower). • Water source need not be potable, however running water is required. • Indoor plumbing can be chemical, portable or holding tank. • Foundation may be floating if normal for area (e.g. sitting on blocks). • Property must meet minimum square footage requirements of 850 to qualify for conventional financing. Valuation restricted to five acres of property. 		
Maximum Loan Amount	<ul style="list-style-type: none"> • Conventional: \$500,000 • Insured: \$350,000 		
Minimum Property Value	<ul style="list-style-type: none"> • Conventional: \$75,000 		
Maximum	<ul style="list-style-type: none"> • Conventional: Not applicable 		

Property Value	<ul style="list-style-type: none"> Insured: \$999,999.99
Appraisal Requirements	<ul style="list-style-type: none"> Full appraisal is required for both Conventional applications. The appraisal must confirm property is in a recognized vacation area, comparable exist to support the purchase price and show evidence of market activity/liquidity. Genworth/Canada Guaranty will manage the appraisal directly for insured mortgage requests.
LTV	<ul style="list-style-type: none"> Conventional (including refinances): Maximum 50% LTV subject to Sliding Scale Genworth/Canada Guaranty Insured: Maximum 90% LTV
Amortization	<ul style="list-style-type: none"> Conventional: Maximum of 30 years Insured: Maximum of 25 years
Borrower Eligibility	<ul style="list-style-type: none"> Conventional <ul style="list-style-type: none"> Minimum bureau score of 680. Sufficient income to service all debts including carrying costs for principal residence. Insured <ul style="list-style-type: none"> Minimum bureau score of 680. Sufficient income to service all debts including carrying costs for principal residence. No prior bankruptcy or judgments, no R3s in the past 24 months. No third party guarantor other than spouse is permitted for purpose of qualification. No gifted down payment.
Terms / Rates	<ul style="list-style-type: none"> Six months – seven year and 10 year fixed rate Closed VIRMS

4.12. Recreational / Vacation Properties

Overview

- Recreational properties are quality properties suitable for year-round road access, potable water and septic system, electrical and heating supply as per residential standards, but used for recreational purposes.

Guidelines:

LTV	<ul style="list-style-type: none"> Maximum LTV 65% subject to sliding scale
Appraisal	<ul style="list-style-type: none"> Full appraisal required Subject to minimum square footage requirements
Ineligible Properties	<ul style="list-style-type: none"> Business for Self Insured program Temporary Residents
Amortization	<ul style="list-style-type: none"> Maximum of 25 years

4.13. Second Home (High Ratio)

Overview

Available for high ratio financing available through Genworth/Canada Guaranty where the second home is owner occupied or occupied by the mortgagor's immediate family member on a rent-free basis. Maximum purchase price/lending value for high ratio deals must be less than \$1MM with a maximum number of units allowable of one unit.

Note: Conventional applications for second owner occupied properties follow the regular conventional application policy.

Guidelines:

Eligible	Product: <ul style="list-style-type: none"> • High Ratio Mortgage • Fixed Rate • Closed VIRM 	Purpose: <ul style="list-style-type: none"> • Purchase and Refinance Single Advance • Purchase plus Improvements • Refer to Purpose of a Mortgage Application 	Property: <ul style="list-style-type: none"> • Single Unit Properties: <ul style="list-style-type: none"> ○ Owner Occupied ○ Occupied by an immediate family member on a rent-free basis
Ineligible		Purpose: <ul style="list-style-type: none"> • Insured refinance • Non-Residents • Temporary Resident • Refinance plus Improvements (unless they are Default Insured) 	Property: <ul style="list-style-type: none"> • Rental
Property Criteria	<ul style="list-style-type: none"> • Standard TD property criteria apply, including but not limited to: <ul style="list-style-type: none"> ○ Year-round road access ○ Fully serviced with municipal water and sanitary sewers, well and septic tank or a combination of both ○ Winterized with a permanent heat source ○ Located in Canada ○ Estimated remaining economic life of the property should be a minimum of 25 years 		
Borrower Eligibility	<ul style="list-style-type: none"> • Standard credit qualification criteria apply • No R3s in last 24 months • No prior bankruptcies or judgments • No third-party guarantors • Spousal guarantor is acceptable • TDS submitted must include servicing of both properties, including taxes, heat, condo fees and/or Home Owner's Association (HOA) Fees, if applicable, for customer's principal residence 		
Down Payment Restriction	<ul style="list-style-type: none"> • Gifted down payment from immediate family members is acceptable. Note: An immediate family member is defined as a father, mother, child, brother, sister, grandparent, legal guardian, or legal dependent. • Default Insured: Purchase – 95% 		
Amortization	<ul style="list-style-type: none"> • Insured: Maximum of 25 years 		

4.14. Leased Land

Overview

- Financing owner occupied properties where the land is leased will be considered on an exception basis.
- The lease must be a crown land or government owned lease with no current restrictions to access and no material risk of any future restrictions.
- The amortization of the mortgage must be at least five years less than the expiry date of the lease. Financing of property on leased lands is restricted to fixed rate mortgage up to 95% LTV and closed VIRM financing up to 90% LTV only.
- A full appraisal is required for any conventional mortgages where the property is on leased land.
- Land lease payments must be included in GDS if the lease is not prepaid for the entire term of the lease.
- Financing on leased land is not available in Quebec.

Land Lease Criteria

- A copy of the signed lease must be retained in the credit file.
- The land lease must be reviewed with approval comments indicating that the lease was found to be satisfactory, including:
 - Must be in favour of the borrower; signed by the landlord and assignable to the Bank.

- No restrictions on the registration of the Assignment of Lease on title.
- The term of the lease must exceed amortization of the mortgage by a minimum of five years (e.g. if the term of the lease is 20 years the maximum amortization of the mortgage cannot exceed 15 years).
- Cannot be subject to re-negotiation at the landlord's discretion prior to the expiry of the original term.
- Must be a Crown or Government lease. **Note:** Privately-owned land leases that were previously approved prior to November 22, 2019 are grandfathered.
- Lease must be prepaid for the entire term of the lease.
- No restrictions as to the Bank's access to the property.
- no restrictions or limitations on the re-sale of the property (e.g. purchase price or type of purchaser).
- The landlord must provide the lender with written notification of any defaults and allow the lender a minimum of 60 days to cure the default.
- The landlord will not make material modifications to or terminate the lease without consent from the Lender (renewals or extensions of terms are accepted).
- The Lender should not be restricted from exercising tenant rights (renewal rights, rights to participate in arbitration, etc.).
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- **Note:** for leases in British Columbia ensure you obtain a copy of the Head Lease and Sub Lease (where applicable).

4.15. Rental Properties

Overview

- A maximum of five residential rental properties per application is permitted, including those financed by other financial institutions and those that are free and clear. **Note:** The number of rental properties owned is defined by the property, not the number of units. A customer who owns a principal residence with a basement tenant and a Triplex occupied by three tenants is considered to own only one non-owner occupied rental property.
- This policy applies to non-owner occupied properties with up to four units.
- If > four units refer to the Multi Unit Residential website. Copy and paste the following URL to your browser: <http://www.tdcanadatrust.com/mur/index.jsp>.
- Loan to value restrictions exist for High Ratio Owner-Occupied rental properties.
- TD only participates in the CMHC and Canada Guaranty programs.
- Commercial content is maximum 20% of square footage for conventional mortgages only.

Guidelines:

LTV	<ul style="list-style-type: none"> • Maximum LTV is restricted to 65% for rental purchase or refinance where market rent is being used to qualify versus confirmed rental income. • Market rents can only be applied against one rental property. • If a customer is turning their existing owner occupied property into a rental property and purchasing a new owner occupied, market rents could be used to support this rental property. Maximum LTV is 65%. • Conventional Purchase or Refinance: <ul style="list-style-type: none"> ○ For borrowers with only one non-owner occupied property: <ul style="list-style-type: none"> - Purchase and refinance mortgages are available up to 75%. - Purchase and refinance mortgage applications up to 80% may be considered for those with a bureau score > 730. ○ For borrowers who own more than one non-owner occupied rental property: <ul style="list-style-type: none"> - Purchases: <ul style="list-style-type: none"> • Mortgages are available up to 75%. • Mortgage applications up to 80% may be considered for those with a bureau score > 730. - Refinances: <ul style="list-style-type: none"> • Mortgages are available up to 75% • Insured Purchase: <ul style="list-style-type: none"> ○ LTV not to exceed 80% of lending value as determined by insurer ○ Two to four units only
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Down Payment	<ul style="list-style-type: none"> • Conventional: <ul style="list-style-type: none"> ◦ 25% down payment from own resources; 20% if 80% LTV granted • Insured: <ul style="list-style-type: none"> ◦ For non-owner occupied rental properties, 20% down payment from own resource ◦ For owner occupied rental properties minimum down payment as follows: <ul style="list-style-type: none"> - 5% down payment (one to two units) - 10% down payment (three to four units) • Note: Gifted down payments are not permitted on non-owner occupied rental properties.
Eligible Products	<ul style="list-style-type: none"> • Conventional or Insured: <ul style="list-style-type: none"> ◦ Fixed rate mortgages ◦ Closed VIRM mortgages
Term	<ul style="list-style-type: none"> • six months to seven years and 10 years
Appraisal	<ul style="list-style-type: none"> • A full appraisal is required
Amortization	<ul style="list-style-type: none"> • Conventional – Up to 30 years • Insured – Up to 25 years
Minimum Beacon Score	<ul style="list-style-type: none"> • 680
Required Documentation	<ul style="list-style-type: none"> • Purchase: <ul style="list-style-type: none"> ◦ Offer to Purchase ◦ Copy of the signed lease agreement if tenanted at the time of purchase closes ◦ Rental reasonability assessment may be used by the Underwriter to ensure that the lease amount is consistent within the market place of the subject property. Supporting due diligence may be requested or completed to support the value of the lease agreement ◦ Applies to both subject and non-subject properties • Refinance: <ul style="list-style-type: none"> ◦ Confirmation of any debts being refinanced ◦ Copy of the signed lease agreement ◦ T1 General including the Statement of Real Estate Rentals and Notice of Assessment is required to support provide evidence that current and historical rents are consistent ◦ Applies to both subject and non-subject properties • In cases where the customer has not owned the rental property for a full tax year, in lieu of the T1 General, the lease agreement can be supported by one of the following: <ul style="list-style-type: none"> ◦ Copies of last three months cancelled cheques OR ◦ Evidence of last three months rental deposit in the account • Expired leases can be accepted with the addition of one of the following: <ul style="list-style-type: none"> ◦ Signed acknowledgement from the tenant confirming rental/lease agreement is still in effect; or ◦ Copies of the last three months of cancelled cheques; or ◦ Evidence of the last three months of rental deposits in the account. • Borrowers with a single rental property will be qualified by: <ul style="list-style-type: none"> ◦ Adding 50% of the gross rental income; and ◦ Adding 100% of the mortgage/FlexLine payment to the borrower's personal liabilities, along with heating and property tax costs. • Borrowers with two or more properties must qualify using the Rental Worksheet. • Minimum combined DSC requirement for multiple rental properties is 1.2 for conventional deals and 1.1 for insured deals. <ul style="list-style-type: none"> ◦ If there is a net rental deficit, add it as a monthly liability. • DCR is applicable for insured rentals however DCR cannot be used if the subject property is an insured rental property or an insured owner-occupied rental property. <ul style="list-style-type: none"> ◦ Example 1: Customer is purchasing a new principal residence (subject property that does not have any rental units) and owns a number of other rental properties, DCR can be used for the number of other rental

	<ul style="list-style-type: none"> properties. <ul style="list-style-type: none"> ○ Example 2: Customer is purchasing a new insured rental property and also owns a number of other rental properties, DCR can only be used on the number of other rental properties, not on the subject property if it is insured (50% of rental income is to be used for this property). • For the subject property, use the qualifying rate on the rental worksheet to determine the DSC. If the property is not the subject property, use the actual payment to determine the DSC. • Confirmation of Income. • Confirmation of the amount and source of down payment. • For purchase and refinance transactions where the property is not rented, market rent can be used for qualification purposes: <ul style="list-style-type: none"> ○ Maximum LTV of 65% when market rent is used ○ Market rent assessment must be provided by the appraiser and included in the appraisal comments ○ The lowest market rent in the report is to be used • Note: Please provide the completed Rental Worksheet as well as a copy of the T1 General and Lease Agreement up-front, where required. This will help us understand the property's Debt Service Ratio.
Assignment of Rent	<ul style="list-style-type: none"> • All provinces except British Columbia: <ul style="list-style-type: none"> ○ Assignment of Rents is included in the Standard Charge Terms - a separate Assignment of Rents document is not required. • British Columbia: <ul style="list-style-type: none"> ○ Assignment of Rents is included in the Standard Charge Terms - a separate Assignment of Rents document is not required. However, the Supplier must advise the solicitor to register the mortgage with this clause outlined in the registration in order for the Assignment of Rents clause to be valid.

4.16. Multi-Unit Residential Mortgages

Overview

TD is one of the largest providers of multi-unit residential (MUR) financing in the country, with headquarters in Toronto and offices located nationally:

MUR Contact Information	
Hours:	Monday to Friday from 8:00am to 5:00pm (ET)
Phone:	1-877-299-9058
Fax:	416-307-8423
Email:	murinfo@td.com
Website:	http://www.tdcanadatrust.com/mur/index.jsp

Eligible Purposes

- Residential buildings with a minimum five self-contained legally zoned units
- Acquisitions, refinances, capital improvements, equity take-outs

Interest Rate

- Based on Cost of Funds plus a credit spread
- Credit spread determined by size and risk of loan, conventional or insured

Broker's Fees

- Paid directly by customer

General Underwriting Criteria

Criteria	Conventional < \$1MM	Conventional > \$1MM	Insured 5/6 Units	Insured 7+ Units
Maximum LTV	75%	75%	85%	85%
Minimum DSC: Term<10 years	1.20-1.30x	1.20-1.30x	1.10 – 1.20x	1.30x
Minimum DSC: Term>10 years	1.20-1.30x	1.20-1.30x	1.10 – 1.20x	1.20x
Term - Personal	3 to 5 years	3 to 5 years	3 to 5 years	3 to 5 years
Term - Corporate	3 to 10 years	3 to 10 years	3 to 10 years	3 to 10 years
Amortization	Up to 25 years	Up to 25 years	Up to 40 years	Up to 40 years
Commercial Content	Max 30% of gross rental income	Max 30% of gross rental income	Max 20% of gross floor area	Max 20% of gross floor area
Geographic Restrictions	Community population greater than 20,000	Community population greater than 20,000	No restrictions	No restrictions
Rate Holds	Available up to 60 days	Available up to 365 days	Available up to 60 days	Available up to 365 days
Guarantees	Typically Required	Typically Required	Required if LTV > 60% to a maximum of 50% of the loan amount	Required if LTV > 60% to a maximum of 50% of the loan amount

Typical Customer Information Required

Customer Information	Conventional < \$1MM	Conventional > \$1MM	Insured 5/6 Units	Insured 7+ Units
Mortgagor Financial Statements (or copy of tax returns if not a business)	3 years	3 years	3 years	3 years
Property specific financials (pro forma if new)	2 years	2 years	2 years	2 years
Current Rent Roll	Required	Required	Required	Required
Property tax, insurance, and utility costs	Required	Required	Required	Required
PNW of mortgagor/guarantor	Required	Required	Required	Required
AML compliance requirements (e.g. Business registration, ownership, corporate officer and director information)	Required prior to funding	Required prior to funding	Required prior to funding	Required prior to funding

Typical Due Diligence Required

Due Diligence	Conventional < \$1MM	Conventional > \$1MM	Insured 5/6 Units	Insured 7+ Units
Appraisal	Required	Required	Required	Completed by mortgage insurer
Phase I Environmental	Not usually required	Required	Not usually Required	Required
Structural/Mechanical	Not usually required	Required	Completed by mortgage insurer	Completed by mortgage insurer
Property Insurance Review	Not required	Required	Not usually required	Usually Required
Survey	Not required (except B.C.)	Required or title insurance in lieu of	Not required (except B.C.)	Required or title insurance in lieu of

Security Supporting Documentation Requirements

Security	MUR Individual Mortgage Transaction Amount <= \$2MM	MUR Individual Mortgage Transaction Amount >= \$2MM
Solicitors/Notaries	One solicitor/notary; acts for Bank and Borrower (except BC) *	Two solicitors/notaries required
Title Insurance	Required (except BC)	Optional

*One solicitor/notary may act for Bank and Borrower subject to the following:

- Title insurance being obtained;
- TD to verify the Borrower's counsel is a member in good standing of the Law Society;
- The solicitor/notary is to use TD's standard forms and agreements without addition, deletion or amendment;
- For mortgages over one million dollars, TD must obtain proof of adequate liability and fidelity insurance (including errors and omissions insurances) to cover the loan, from the solicitor/notary.

Note: The one solicitor/notary policy is not applicable in British Columbia, where two solicitors/notaries (respectively representing the Bank and the Borrower) must continue to be used.

4.17. Six-Month Convertible Mortgage

Overview

This mortgage lets a customer benefit from the typically lower interest rate of a six-month mortgage, with the option of converting to a longer closed term at any time during the six months at no cost.

Guidelines:

Term	<ul style="list-style-type: none">• Six months
Interest Rate	<ul style="list-style-type: none">• Fixed for six months• Convert to a longer term at any time throughout the term
Financing Available	<ul style="list-style-type: none">• Conventional and high ratio• Purchase price / lending value must be less than one million dollars if LTV > 80%
Payment Options	<ul style="list-style-type: none">• All payment options are available
Payment Flexibility	<ul style="list-style-type: none">• Payments can be increased by up to 100% over term• Prepayments up to 15% of the original principal amount per year• Mortgage may be prepaid in full upon payment of a three months' interest or IRD prepayment charge, whichever is greater• Payment Pause, Payment Reduction, Payment Vacation available

4.18. Variable Interest Rate Mortgage

Overview

- A variable interest rate mortgage is subject to interest rate fluctuation.
- It is available for both conventional and high ratio mortgages.
- Unless specifically stated in this section, the VIRM mortgage is subject to the same requirements as fixed rate mortgages.
- Only closed, five-year VIRMs are available through the broker channel.

Guidelines:

Interest Rate	<ul style="list-style-type: none"> Interest Rate will change automatically if and when the TD Mortgage Prime Rate changes. Compounded monthly. Ratios should be calculated using the Qualifying Rate for qualification purposes. Refer to the Qualifying Rate section for details. The monthly payment amount is set on the closing date and is calculated using the rate applicable on that date. The payment remains constant. If rates rise, more of the monthly payment is applied to interest. If rates rise beyond a certain point, the customer will have to choose from certain payment options.
Down Payment	<ul style="list-style-type: none"> 5% down from own resources without recourse to additional borrowings (Maximum 95% LTV)
Eligible Properties	<ul style="list-style-type: none"> Conventional: <ul style="list-style-type: none"> Available for new or existing owner occupied and rental properties up to and including four units Available for purchase from a builder (single advance) High Ratio: <ul style="list-style-type: none"> CMHC deals: <ul style="list-style-type: none"> Available for new or existing owner-occupied properties up to and including four units Available for purchase from a builder (single advance) Not available on rental properties Genworth/Canada Guaranty deals: <ul style="list-style-type: none"> Purchase transactions: maximum four units where at least one unit must be occupied as the principal residence Non-purchase transaction: maximum two units where at least one unit must be owner occupied as the principal residence Available for purchase from a builder (single advance) Not available on rental properties
Restrictions	<ul style="list-style-type: none"> Not portable Not transferrable Not assumable
Principal and Interest Payments	<ul style="list-style-type: none"> Payments are fixed for the entire five-year term. Payments may be set using a higher interest rate to pay off the principal faster and to safeguard against interest rate increases. During periods of rising interest rates, if the interest calculated on the outstanding balance is not covered by the interest portion of the regular P + I payment, it is deferred. Customers will be notified when the interest rate increases to a point where the P + I payment is no longer sufficient to cover the interest portion. It is recommended that customers increase the mortgage payment or convert to a fixed rate mortgage to avoid reaching the trigger point (defined below). However, no action is required by the customer at this time. Trigger point: <ul style="list-style-type: none"> Conventional: When the deferred interest plus the outstanding principal amount exceeds 80% of the market value of the property the customer is notified and has 30 days to: make a lump sum payment to bring the balance down to the appropriate trigger point; prove the property value has increased and the loan-to-value is below or equal to 80%. Insured: When the deferred interest plus the outstanding principal amount exceeds 105% of the market value of the property the customer is notified and has 30 days to: make a lump sum payment to bring the balance down to the appropriate trigger point; convert to a fixed rate mortgage; increase the regular monthly P + I amount.

<p>Conversion from VIRM to Fixed Rate Mortgage</p>	<ul style="list-style-type: none"> • Customers have the option to early renew a Closed VIRM into a Closed Fixed Rate term that is the lesser of either: <ul style="list-style-type: none"> ○ The remaining term or ○ minimum three-year fixed term <ul style="list-style-type: none"> - For example: if the remaining term is one year 11 months, the customer can early renew into a two-year term, (or longer if desired). If the remaining term is four years, the customer can choose to renew into a minimum of a three-year term, without paying a prepayment charge. Note: Remaining terms are always rounded up. - The payment must be based on the remaining amortization. - Re-amortization of the loan is not permitted
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4.19. Builder Purchase Assignment

Overview

- This product is available to finance an in-progress home build from another party and requires consent from the builder/developer to assign the Purchase and Sale Agreement.
- Brokers must obtain the following documents from the customer:
 - A copy of the original full Purchase and Sale Agreement issued by the builder, including all schedules and/or addendums. Note: This agreement will indicate if the builder allows assignments and the terms of the assignment (e.g. purchase amount, assignee limitations).
 - A copy of the executed Builder Purchase Assignment Agreement provided by the builder to confirm their consent to the assignment.

Note: The Builder Purchase Assignment Agreement cannot be the one used for resale purchases provided by the Provincial Real Estate Board. You must ensure the following information is provided on the Agreement:

 - Names of the assignor and assignee.
 - Date and signature of the assignor, assignee and builder.
 - Buyer(s) on the original Purchase and Sale Agreement must be the same as the assignor(s) on the Builder Purchase Assignment Agreement.
 - Deposit amount.
 - Total assignment purchase price. Not to include commission charges and/or assignment fees. **Note:** The assignment purchase price can be used for financing, if there is no price restriction from the builder and the assignment price is supported by the standard Property Valuation process.
 - Builder and project name.
 - Property address.
 - Closing date of the property.
- Builder Purchase Assignment deals must be completed as a Builder Single Advance application. **Note:** All Builder Single Advance deals are subject to a 120-day rate hold and require customers to use an external solicitor.
- Add a note in the comments section of the application to advise the underwriter that this is a Builder Purchase Assignment deal.

Eligibility

- Purchase transactions
- Single Advance Only
- Mortgages
- Conventional or Insured
- **Note:** Blanket appraisal is not eligible for Builder Purchase Assignment

5. Basic Mortgage Features and Policies

5.1. Mortgage Types

Overview

- All mortgages must be registered in first position.
- Minimum beacon score is 650 for conventional and insured mortgages.
- All properties must be located in Canada and all mortgages must be in Canadian dollars.

Conventional Mortgages:

- Mortgages with Loan to Value of $\leq 80\%$, that do not have default insurance.

Insured Mortgages:

- High ratio mortgages (mortgages with Loan to Value $> 80\%$) must be default insured.
- Low ratio insurance is required in some higher risk instances where the LTV is $< 80\%$.

5.2. Purpose of a Mortgage Application

Overview

Use this guideline to provide written comments to the underwriter for the purpose of the account **and** reason (MANDATORY REQUIREMENT).

Eligible Loan Purposes

- Purchase
- Purchase plus Improvements
- Refinance
- Refinance plus Improvements
- Transfer In

Purpose and reason for financing a mortgage

- Purchase – a customer is buying:
 - a house (owner occupied, second home), condo, apartment
 - an investment/rental property
 - a cottage/vacation/recreational property
- Refinance – a customer is:
 - Making improvements and/or renovating:
 - home (owner occupied, second home) or rental/investment home (interior or exterior)
 - ask the customer what the improvement is for
 - Buying personal property (non-real estate) such as a boat, trailer, furniture, jewelry, vehicle.
 - Consolidating existing debt such as closing out unsecured or secured debts (e.g. credit card, mortgage, line of credit).
 - Taking equity out of existing property for purchase of a subsequent property.
 - Looking for available credit for future use/emergency funds:
 - Ask the customer what the funds are being used for. On a best effort basis, specify what the customer intends to use the funds for in the future. However, customer may not have a specific use and therefore future use /emergency funds will be sufficient
 - Requesting a refinance for other possible reasons, such as but not limited to:
 - A customer is adding a structure on an existing property (e.g. shed, deck, pool)
 - financing a wedding
 - vacation
 - education
 - investing (e.g. GICs, TD Wealth)
 - gift (e.g. assisting a family member with down payment funds)
 - adding or removing a borrower to the mortgage/account

5.3. Eligible and Ineligible Products/Properties

Eligible Products/Properties

- Conventional mortgages $\leq 80\%$ LTV
- High ratio mortgages - must be default insured
- First mortgages only
- Ports (existing TD customer moving their current mortgage to a new property)
- Purchases
- Refinance (existing TD client or from another lender)
- Purchase plus improvements
- Refinance plus improvements
- Transfers-Ins (on non-collateral mortgages only, from approved lenders)
- Non-residents
- Temporary residents
- Rental properties (up to four units)
- Business for self product (Insured and Conventional)
- New to Canada (Insured and Conventional)
- Second home
- Cottage
- Recreational/Vacation
- Modular homes (via Conventional mortgage)
- Leased Land
- Commercial content $\leq 20\%$
- Fixed Rate Mortgages
- Six Month Convertible Mortgage
- Closed VIRMs

Ineligible Products/Properties

- Assumptions
- Agricultural Properties
- Blanket/Interalia Mortgages
- Commercial Properties
- Commercial Content $> 20\%$ above Grade Floor Space
- Co-operative housing
- Deposit loans
- Estate mortgages
- First Nations Reserve Land
- Former Grow Ops
- FlexLines/HELOCs
- In Trust Mortgages
- Insured refinance plus improvements
- Insured refinance
- Insured single unit rental properties
- Life lease/life interest
- Mobile/floating/modular homes (via CLIP program)
- Mortgages in a company name
- Open VIRM
- Progress Draw Mortgages (including modular homes with multiple draws)
- Self-Directed RSP Mortgages
- Subsidized mortgages
- Time Share
- Vacant Land
- Bridge loans
- Fractional Interests
- Rental Pools
- Hotel Condos
- Co-ownerships
- Properties in Canadian Territories

5.4. Restricted Properties

Overview

Consideration to finance restricted properties is on an exception basis. Standard square foot minimums apply. Properties must be self-contained with kitchen facilities and a separate bedroom. Maximum considered LTV is 65%. No exceptions to maximum LTV permitted.

Guidelines:

Boarding and Rooming Houses / Student Housing	<ul style="list-style-type: none">• These are rental properties where the rental contract may be short term in nature and generally involves renting only a 'room'• Rooms may be rented on a weekly or monthly basis – turnover can be high and generally a higher level of property maintenance may be required• Financing these types of properties is considered on a rare exception basis only depending on geographic location, existing relationship with TD and strength of the covenant(s)
Non-Conventional Construction	<ul style="list-style-type: none">• These properties include experimental construction types that do not conform to normal construction guidelines. An example is straw bale construction• Financing these types of properties is considered on an exception basis only
Properties with ownership / occupancy restrictions (e.g. Age Restricted Properties)	<ul style="list-style-type: none">• Age Restricted Properties (ARPs) are reviewed on exception by TD Mortgage Solutions• ARPs are adult oriented properties with age restrictions such as 18+, 30+, 40+, etc. ARPs are an exception to policy as they do not fit our standard RESL guidelines
Appraisal	<ul style="list-style-type: none">• Full Appraisal
Amortization	<ul style="list-style-type: none">• 25 years
LTV	<ul style="list-style-type: none">• Maximum 65% LTV subject to sliding scale. Exceptions beyond 65% LTV will not be permitted
Maximum Loan Amount	<ul style="list-style-type: none">• \$500,000

5.5. Restricted Communities

Overview

- The communities listed below have been identified by CMHC as “single resource industry communities” based on certain physical and economic characteristics.
- Due to marketability concerns associated with single resource communities, default insurance is required for mortgages in these communities.
- Conventional financing may be considered up to 65% LTV subject to meeting conventional standard property criteria on an exception basis only and where customer profile/net worth supports an exception approval.

Province	Communities
Quebec	<ul style="list-style-type: none">▪ Murdochville
Ontario	<ul style="list-style-type: none">▪ Marathon¹▪ Manitouwadge (Hermio)▪ Red Lake▪ Golden
Alberta	<ul style="list-style-type: none">▪ Grand Cache▪ Fox Creek▪ Swan Hills
British Columbia	<ul style="list-style-type: none">▪ Gold River▪ Logan Lake▪ Steward▪ Tumbler Ridge

¹ Conventional financing greater than 65% up to 75% LTV will be considered on an exception basis only. Properties owned by mining companies will continue to require default insurance with no exception.

5.6. Security Position

- Security for TD Mortgages must be in first position. Second position mortgages are not permitted.

5.7. Purchase Agreement

- The entire Purchase and Sale Agreement/addendums should be reviewed, including all schedules and waivers. Waivers for condition of financing or condition for inspection are not required.
- The Purchase and Sale Agreement must be signed by both the seller and the buyer.
- Electronic signature is acceptable; however, email accepted/confirmed agreement is not. Witness signatures may not be available when signatures are electronic.
- Any conditions outlined on the Purchase and Sale Agreement/addendums must be reviewed to confirm they do not adversely affect the mortgage application or marketability of the property such as but not limited to Power of Sale, sold 'as is' and/or Handyman special, Easements on property, Restrictive covenants or structural encroachments.
- Confirm that any 'cash backs' or any other form of financial incentives included in the body of the Purchase and Sale Agreement/addendums are deducted from the purchase price as these may affect the Loan to Value.
- If realtor information is blank or contains seller's name, the transaction is considered a private sale. For conventional mortgages, a full appraisal is required. For insured mortgages, the nature of the transaction must be disclosed to the insurer. A private sale may be listed on MLS.

5.8. Application Expiries

- Mortgage approvals are valid for 180 days, after which time a new approval is required.
- Credit bureaus must be less than 30 days old at the time of submission. However, they are valid for the length of the approval period (e.g. mortgage approval period of 180 days), after which a new bureau is required.
- Rate Holds are valid for 120 days.
- Appraisals are valid for 180 days.

5.9. Mortgage Statements

- Mortgage statements are issued annually.
- Where a mortgage statement is required to confirm current balances (discharge, transfer, etc.) then an annual statement is not sufficient. Where it is used to confirm mortgage payments for rental worksheets for example, the amount on the bureau or annual mortgage statement can be used.

5.10. Square Footage Minimums

House:

- 850 Square Feet (above grade)
- Homes less than 850 Square Feet will be considered with CMHC/Genworth/Canada Guaranty coverage

Condo:

- 440 Square Feet in Greater Toronto Area (GTA), Greater Vancouver Area (GVA) and Major Urban areas.
- 600 Square Feet in Urban and Non-Urban markets.
- All condos must have a minimum of one bedroom for conventional financing eligibility.
- Condos less than 440 Square Feet in GTA, GVA and Major Urban areas and less than 600 square feet in Urban and Non-Urban areas will be considered with CMHC/Genworth/Canada Guaranty coverage insurance.
- Studio and bachelor type condo units will be considered on exception with CMHC/Genworth/Canada Guaranty insurance.
- Status Certificates are not required on condo deals. The solicitor is responsible for the review of the Status Certificate.

5.11. Amortization

- Maximum amortization periods are summarized below:

Product	Maximum* – Fixed Rate or Closed VIRM (# Years)
Conventional Mortgages	30
Insured Low Ratio (80% LTV and lower) Mortgages	25
Insured High Ratio Mortgages (over 80% LTV)	25

- Amortization period is subject to the applicant's ability to make the regular mortgage payments within the Bank's acceptable TDS limits.
- TD will accept the Transfer In of an existing mortgage with longer amortizations, provided all other aspects of the credit request meet appropriate product guidelines.
- Note*:** Some specific product policies carry a lower maximum amortization threshold. The specific detail of each product is outlined in this manual.

5.12. Debt Serviceability

Overview

Calculating the debt service ratios determines if the customer can easily manage the proposed payments.

GDS Ratio

- Total of all housing costs associated with the customer's principal residence against gross income, including rent or mortgage payment, realty taxes, property taxes, heating costs, and if applicable half the condo fees or all of the lease costs. **Note:** If the actual heating cost amount is not available, heating costs will be estimated by taking into consideration factors such as property size and type of dwelling. Where the heating cost is included in the condominium maintenance fees, be sure to include a note in your comments to the Underwriter. Qualifying debt servicing ratios:
 - 35% where beacon score is less than 680* (minimum beacon score is 650)
 - Up to 39% where beacon score is 680* or greater
- In addition to condo/strata/maintenance fees, some homeowners may also be required to pay **Home Owner's Association (HOA) Fees** which are collected to cover costs associated with maintaining and improving properties in the association. For all applications where HOA Fees have been identified with the property, 50% HOA Fees must be included in the debt service ratio calculations by adding a note in your comments to the Underwriter.

TDS Ratio

- Total of all debt payments including housing costs used in GDS calculation against gross income. Qualifying debt servicing ratios:
 - 42% where beacon score is less than 680* (minimum beacon score is 650)
 - Up to 44% where beacon score is 680* or greater

- * Mortgages requiring default insurance are restricted to the maximum GDS and TDS ratios based on beacon scores; exceptions will not be considered above these thresholds.

Debt Service Calculations for Existing Credit:

Type of Debt	Calculation Used
Installment loans and mortgages	<ul style="list-style-type: none">Instalment payment
TD unsecured revolving credit	<ul style="list-style-type: none">Payment equal to 3% of the outstanding balance5% for the Credit Card balance for a mortgage applicant with a Quebec addressExisting TD Student Lines of Credit; 1% of the outstanding limit may be used

TD secured revolving credit	<ul style="list-style-type: none"> Full authorized limit amortized over 25 years using the customer contract rate or Bank of Canada five-year benchmark rate if contract rate is not available
Non-TD unsecured revolving credit	<ul style="list-style-type: none"> Payment equal to 3% of the outstanding balance 5% for the Credit Card balance for a mortgage applicant with a Quebec address
Non-TD secured revolving credit	<ul style="list-style-type: none"> Full authorized limit amortized over 25 years using the Bank of Canada five-year benchmark rate

5.13. Property Taxes

Overview:

- In order for TD to pay property taxes, a portion of the annual estimated property taxes is collected with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from the mortgage.
- The property tax portion is based on an average of annual estimated tax amounts for years one and two, divided equally throughout the tax year. This will build a balance in the property tax account to pay the tax bill in full when it's due. Each municipality has a unique schedule for when taxes are due, and TD will pay the annual property tax in full upon receipt of the bill from the municipality. The majority of municipalities issue tax bills once or twice a year.
- After the mortgage has been set up, TD will manage the calculation of the tax payments and send customers a Repayment Letter explaining how their specific tax portion is calculated and how much will be added to their mortgage payment.
- Note:** It's important to advise your customers that if they receive a tax bill directly after having their property tax payments set up through TD, they simply need to bring it into their TD Canada Trust branch as soon as possible to avoid potential late payment fees and additional interest charges. It may mean that the municipality has not yet updated its records to show that TD is making property tax payments on their behalf.

Conventional Mortgages:

- For conventional mortgages, customers have the option to pay their own taxes or have TD pay them on their behalf.

High Ratio Mortgages:

- Brokers will advise TD Mortgage Solutions of details of the estimated tax amount and the customer's frequency of payment.
- TD must pay the property taxes on behalf of the customer, until there is at least 20% equity established in the property.

Additional Information:

- TD will not transfer Tax Account Credit Balances to the new Mortgage.
- Tax Account Deficits cannot be transferred to the new mortgage; they should be included in the refinance.
- TD will not transfer the tax account balance for a Transfer In Mortgage.
- In provinces that offer property tax rebates, the rebate value cannot be applied to the property tax amount used in calculating the GDS/TDS.

5.14. Automated Property Valuation (APV)

TD uses Automated Property Valuation (APV) to assess the value of the property. If a property is not eligible for APV or APV does not return a valuation, TD Mortgage Solutions will condition an approved application with a requirement for a full property appraisal to be provided by the Brokerage.

Broker Benefits:

- Quicker approval turnaround with no condition of appraisal.
- Firm up your customer's deal quicker.
- Less work for the Broker who won't have to request an appraisal.
- Better potential of closing deals.
- Reduced appraisal costs.
- Improved relationship with customers increasing potential referral business.

Customer Experience:

- APV fee is deducted from the customer's mortgage advance.
- Less intrusive for the customer who won't have to schedule an appointment time with the appraiser.
- Quicker turn around on commitment from TD.
- Reduced costs for property valuation.

Tips for Successful APV:

- Proper address including postal code is critical
- Actual property tax values should be used in the application
- For refinance transactions ensure that the property value presented is reasonable
- For refinance transactions, ensure the original purchase price and purchase date are provided with the application

Restrictions/Exclusions:

Some types of applications and properties will continue to require a full appraisal, such as but not limited to:

	GTA / GVA	Ottawa	Rest of Canada
Maximum Property Value	\$1MM	\$750M	\$600M
Maximum Loan Amount	\$800M	\$600M	\$600M

- Purchase and Refinance with improvements (no progress advance)
- Rental properties
- All New to Canada applications
- BFS applications > 15% gross up
- Restricted properties
- Cottage properties
- Recreational / vacation properties
- The property has more than one unit (multiple units)
- Leasehold mortgages
- Purchases with no MLS
- Private sales
- Power of sale
- Rural / non-urban properties where the second digit of the postal code is '0' (e.g. L0S 2S4)
- Small Communities: When insurance requirement is waived as outlined under Sliding Scale or on an exception basis by your Credit Centre, regardless of LTV
- Leased land
- Laneway homes
- Non-resident purchases
- Non-arm's length transactions
- Properties > acres.

5.15. Product Changes

Overview

A minimum of five business days are required for product changes. This is particularly important on high ratio deals where the application has to go back to the insurer for approval.

New Broker Commitment Required:

Changes that require a new Broker Commitment to be printed and signed include, but are not limited to:

- Any resubmitted application that generates a new approval
- A change in the mortgage amount
- A customer rate increase
- Changes to the source of down payment
- Postal code changes
- Property dwelling type
- Property usage (e.g. second home to rental)
- Amortization
- Debts to be paid

- Closing date that impacts the IAD date and maturity date
- Change from Insured to Conventional (or vice versa)
- Change in property value
- Change in security address
- Change in applicants or applicant's name
- Change in income disclosure (e.g. salaried to BFS)
- All changes that impact the Cost of Borrowing or Conditions of Approval

Note: While a new Broker Commitment should be signed whenever possible, a decrease in interest rate or a closing date change that moves the closing date forward without going into the next month (interest adjustment date does not change), will be accepted without a new Broker Commitment.

5.16. Resubmission

Overview

A broker will be asked to resubmit an application:

- When there is a co Applicant/guarantor being added to the application.
- When there is an applicant being removed from the application.
- Instance where pre-approval becomes associated with a particular property.
- When a new bureau is required to re-adjudicate a credit request (e.g. re-adjudication of an approval/pre-approval request that exceeds the original approval/pre-approval term).
- When the name of the applicant on a mortgage application changes. **Note:** when the name of an applicant is only a correction, a re-submission is not required – for example, Bob Smith is changed to Robert Smith, or James MacKay is changed to James McKay.
- Where the broker is asking for substantial changes to the application based upon the underwriter assessment of the changes.

When a broker is making changes to an application that do not require a resubmit, these changes should be requested from the broker in writing to ensure they reflect the broker request.

5.17. Channel Protocol

Overview

- There are several channels that TD customers can use to obtain real estate secured credit. At times, applications are submitted through different channels for the same mortgage request. It is the customer's choice as to which channel their request proceeds in, and all other requests are cancelled, thereby creating a more comfortable customer experience.
- **Note:** Channel protocol only applies to full applications, not pre-approvals.
- When submitting a new application, the Broker must ask if the customer has submitted any applications for the same subject property through another channel. If this is the case, and the customer decides to proceed with the Broker channel, the other channel must be contacted by the Broker RSM to discuss the proposed cancellation before the Broker initiates an application.
 - If another channel's deal requires cancellation, the Broker RSM should contact the applicable manager.
 - It's important to ensure that the other channel's deal is cancelled prior to funding should the customer choose to deal with the broker.
- If the first application was declined, TD Mortgage Solutions will not alter the decision on any new application and must decline the new application. The only exceptions are where there is a significant material change in the information, e.g. increased income verified, additional applicant, etc. The authority to alter the original decision lies with TD Mortgage Solutions, with the objective of preserving the integrity of the decisioning process.
- We do not have 'first in' policy. Our ultimate goal is to ensure a comfortable banking experience for the borrower and to ensure a fair and equitable conflict resolution process for our referral sources. It is up to the customer who they would like to close their deal with.
- If a commitment has been provided to a mortgage broker and the customer chooses to proceed with another TD channel, the broker fees **may be** protected as a rare one-off exception, depending on the circumstances.

5.18. Flexible Mortgage Features

Overview

Additional flexible mortgage features give customers more choice and control over their lives when they really need it.

Payment Pause

When customers need to take a break from their mortgage payment or respond to an unexpected situation, it is great to know that they have the **flexibility to pause a mortgage payment**. Skip the equivalent of one monthly mortgage payment per calendar year up to a maximum of four monthly mortgage payments over the life of the mortgage. Requests cannot be made back-to-back across a calendar year end. In other words, a customer cannot take a Payment Pause in December and then another in January.

Payment Vacation

If your customer is preparing for a big or life-changing event like staying home with a new baby or taking a sabbatical from work, they can consider a **payment vacation**. Skip up to the equivalent of a maximum of four monthly mortgage payments per term, if customers have a prepaid amount that has reduced their amortization schedule. Multiple requests can be made within the same term.

Payment Reduction

Is your customer planning on taking a parental leave, a sabbatical from work, pursuing their studies while working part-time, or financing an unexpected expense? A **payment reduction** is a good feature to consider as it lets them continue making a portion of their mortgage payments, while making room for a new chapter in their life.

There are two options:

1. Reduce up to the equivalent of one monthly mortgage payment, once per year to a maximum of four monthly payments over the life of the mortgage.
2. Prepay in advance to make reduced mortgage payments for up to the equivalent of a maximum of four monthly mortgage payments per term. Multiple requests can be made within the same term.

Payment pause and payment reduction 1 (described above) together cannot be more than the equivalent of one monthly payment in a calendar year, or equivalent to four monthly payments during the life of the mortgage.

Payment vacation and payment reduction 2 (described above) together cannot be more than the equivalent of four monthly payments per term.

Terms and Conditions for all features

- Mortgage is not pending for renewal.
- Mortgage is not in early renewal or renewal cycle.
- Customer is not currently in arrears (mortgage and other TD debt).
- There is no evidence or current or previous bankruptcy and no evidence that previous TD debt has been written off.
- A borrower is not deceased.
- **Note:** Using one of the Flexible Mortgage Features will cause the interest that should have been paid during the feature to be added back to the principal balance of the mortgage. This means that the accruing interest will bear additional interest at the current interest rate of the mortgage.
- Customers must continue to pay their realty taxes and creditor insurance payments, if applicable.

6. Borrower Criteria

6.1. Joint Applicants, Guarantors and Spousal Consent

Overview:

- All persons on title must sign the Mortgage Loan Agreement as mortgagors.
- Additional guarantor(s) who are not on title must sign the Mortgage Loan Agreement and the Guarantee Agreement (included in the Mortgage Loan Agreement) as guarantors.
- In Alberta, the guarantor must sign the Guarantee Agreement and the solicitor must provide a certificate required by the Guarantees Acknowledgement Act. The solicitor is responsible for providing this certificate.

Joint Applicants

- Joint applications generally apply to spousal situations where there are common Assets and Liabilities that are shared/the responsibility of both individuals, and the application for the mortgage is made by both individuals together. In this case:
 - Both applicants must sign the mortgage application and the Mortgage Loan Agreement.
 - The property pledged as security must be registered in both names.
- Individual spouses may apply for credit independently if they satisfy the bank's standard lending criteria without the support of the other spouse. In such case:
 - Only the applicant must sign the Mortgage Loan Agreement
 - The spouse is required to sign a Spousal Consent because he/she is not on title
 - The asset pledged as security must then be registered in the name of the applicant only
- If delinquency occurs, the Bank's collection group will commence collection activities against one or all of the Applicant/Joint Applicant(s).
- Each is equally responsible for the debt obligation and the credit product will appear on both applicants' Credit Bureau.
- **Note:** For the province of Newfoundland, in a matrimonial home situation a spouse **not** on title must sign our Charge as mortgagor due to provincial legislation. The Consenting Spouse provision is not recognized. Hence, both spouses will need to apply and sign the credit application. No exception can be made.
- Independent Legal Advice (ILA) **MUST** be obtained for the spouse who does not want access or benefit from the funds.

Guarantors

- A guarantee is a commitment by the guarantor to pay the debt of the borrower upon demand by the lender. The situation in which a guarantor is most typically required is when the ability of the borrower to repay the debt is in question.

6.2. Independent Legal Advice (ILA)

- Independent Legal Advice (ILA) means that a person receives legal advice from a solicitor/notary independent from the transaction and any other parties to the transaction, to ensure they understand the nature and consequences of the agreements/documents they are signing.
- The solicitor/notary ensures, among other things, that the person is not under any pressure to sign the documentation.
- In considering ILA, an understanding of why the funds are being requested and who will benefit from the funds is important.
- ILA must be obtained:
 - Where a spouse not on title provides spousal consent but does not directly benefit from or have access to the proceeds of the credit facility.
 - When a spouse or third party is providing home equity security but does not directly benefit from.
 - If the third party is in control of the application or the borrower(s) does not seem to understand the nature of the application.
 - If the purpose of the funds, although payable to both, will not benefit all borrower(s).
 - If funds are to pay off one borrower's or another party's debts (e.g. mother is mortgaging her house to pay off son's personal debts).

6.3. Power of Attorney

Overview

- A Power of Attorney (POA) document provides the attorney with the authority to act on the donor's behalf as soon as it is signed and witnessed unless stated otherwise within the POA Document.
- Power of Attorney is **always treated as an exception** and only accepted where the donor and attorney are existing TD customers.
- Mortgages closing under POA must be closed by a solicitor/notary and Title Insurance is required (set out in solicitor instructions). No exceptions will be permitted.
- Approval to use POA is documented in solicitor/notary instruction.
- An external solicitor/notary is required for all requests to provide a legal opinion on the validity and enforceability of the POA.
- When we do accept the use of a Power of Attorney we should always be able to demonstrate that the transaction benefited the donor/customer.
- TD requires a minimum of seven business days from time of receipt of Power of Attorney documentation for approval.
- Transfers-in (assignments) deals are not permitted, no exceptions.
- TD Refinance Mortgage Program must be solicitor fulfilled - no exceptions.
- Key requirements that must be satisfied in order to establish a Power of Attorney:
 - Nature of financing request (mortgage purchase or refinance)
 - Amount of request and closing date
 - Declared or proposed title/ownership of the property
 - Confirmation that the transaction is being completed by an external lawyer and the lawyer's name
 - Relationship between the donor and attorney
 - Circumstance as to why POA usage is required
 - Does the donor have personal knowledge of this transaction? What is the nature of the donor's involvement?
 - Banking relationships (institution and account/branch #) for the donor and attorney – Both the donor and the attorney must be TD customers

6.4. Bankruptcy Policy

Conventional Financing:

- TD will consider previous bankrupts (one instance, not multiples) for Owner-occupied Purchase for Conventional mortgage situations only (exclude Mortgage Refinance) provided the customer can satisfy all of the following conditions:
 - Copy of the Bankruptcy Discharge Statement must be provided
 - The reason for the bankruptcy was an acceptable event (business failure or marital split) rather than mismanagement
 - Bankruptcy must have been for a significant amount (more than \$50,000)
 - Applicant has established verifiable savings
 - Applicant has down payment and closing costs from own resources (not a gift)
 - Applicants Credit Bureau Report(s), bank account operation, etc., since the bankruptcy are clean
 - No TD debt was included in the prior bankruptcy
 - Customer has been discharged from bankruptcy a minimum of two years to the date of application

High Ratio/Insured Mortgage Financing:

In addition to the above conditions, applicant must have re-established some form of bank credit (e.g. major credit card, bank loan, etc.)

6.5. Interest Rate Differential (IRD) Estimate Example

Let's assume the following:

- \$100,000 prepayment on a five-year fixed rate mortgage
- Customer Rate = 6.5%
- Discount = 1%
- Mortgage prepaid after three years, 24 months remaining to maturity
- Current Posted Rate = 5%

The similar mortgage rate is the posted rate for the closest remaining term minus the most recent customer discount. **Note:** The most recent customer discount refers to the discount the customer received on the original mortgage or if renewed, the last renewal.

In this example, we'd take the current two-year fixed mortgage rate, which is equal to 5% and deduct the discount the customer previously received of 1% to obtain the similar interest rate. The chart below provides a formula for estimating the IRD for this example. This is only an approximation, but it can help explain the IRD to your customers.

IRD Estimate	
Customer Rate:	6.5%
Similar Mortgage Rate:	4.0% (posted rate for the closest remaining term minus the most recent discount) 5.0% - 1.0% = 4.0%
IRD:	6.5% - 4.0% = 2.5%
Remaining Term:	24 months
IRD Prepayment Charge Estimate:	$(\$100,000 \times 2.5\% \times 24 \text{ months}) \div 12 = \$5,000$ (equal to TD's estimated lost revenue)

Important: The actual calculation will be more precise and will generally result in a lower prepayment charge than the estimated prepayment charge.

6.6. Title Insurance

Title Insurance is accepted by TD for the following providers (no others will be accepted):

- Title Plus – LPIC (Lawyers Professional Indemnity)
- First Canadian (First American) Title Insurance Company
- Stewart Title Guaranty Company
- Travelers Guarantee Company of Canada
- Chicago Title Insurance
- **Note:** Title Insurers are subject to change at any time.

7. Submitting a Mortgage Application

7.1. Appraisals (excluding Quebec)

Overview

For TD approvals requiring an Appraisal Report:

- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the approved AMCs are Nationwide, RPS Real Property Solutions and Solidifi.
- Approved AMC must email their report in PDF format directly to the appropriate TD Mortgage Solutions Underwriter.
- If the appraisal is not addressed to TD, the broker must provide a satisfactory letter of transmittal.
- All letters of transmittal originating from an OFI must be completed by an AMC (Nationwide, RPS Real Property Solutions and Solidifi).
- Appraisals must be paid by the broker or the customer. The broker is to select who will be paying for the appraisal upon request. Payment must be made to the AMC before the appraisal will be completed.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required. Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing.

If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required.

Letters of Transmittal:

- A request for a letter of transmittal must be submitted using the applicable AMC portal
- Once the AMC receives the request and confirms payment has been made, the request is forwarded to the TDMS underwriter
- The underwriter will **ONLY** provide approval if the deal has been declined and the approval report is no longer required by TD.
- After the TDMS underwriter confirms the deal has been declined, they will provide written approval (email) back to the AMC indicating that "**TD Bank is not proceeding with this application – LOT is authorized**"
- The AMC will communicate the result of the request back to the Broker

Incoming:

- Letters of transmittal attached to a TD approved AMC (Nationwide, RPS Real Property Solutions and Solidifi) appraisal will only be accepted by a TDMS underwriter.

7.2. Appraisals (Quebec Only)

Overview

For TD approvals requiring an Appraisal Report:

- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the two approved AMCs are Nationwide and Brookfield.
- Approved AMC must e-mail their report in PDF format directly to the appropriate TD Mortgage Solutions Underwriter.
- Appraisals will be ordered by the appropriate TD Mortgage Solutions underwriter.
- Appraisal and related costs are paid by TD.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required.

Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing. If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required

7.3. Qualifying Rate

Overview

TD systems will determine the correct interest rate to use for qualifying purposes as follows:

- Qualifying Rate is the interest rate utilized to calculate the mortgage payment for inclusion in the Total Debt Service calculation
 - **Conventional applications:** Applications for Mortgage borrowers will be qualified based on greater of the five-year benchmark rate or the customer's mortgage rate +2%.
 - **Insured applications:** All applications, including fixed term five years or greater, will be qualified based on the greater of the five-year Benchmark Rate or the customer rate.
- The Bank of Canada Benchmark Rate is defined as the Chartered Bank - Conventional Mortgage five year Mortgage rate, published by the Bank of Canada each Wednesday, and can be found on the [Bank of Canada website, series V80691335](#).
- If the customer changes their term/rate or rate type (e.g. five-year fixed to VIRM), the mortgage must be re-decided using the appropriate qualifying rate.

7.4. Interest Adjustment Date (IAD) Policy

Overview

- Interest is due from the date of the advance of a mortgage.
- The interest adjustment date is the first day of the month following the funding date.
- The interest adjustment amount is the interest due on the money owed during the time TD funded the mortgage before the first official payment period begins.
- When a home purchase closes on a date other than the first of the month, the funds are disbursed on that date. In order to keep the term start date on the first of the month, an interest adjustment payment is required.
- The Interest Adjustment payment covers the interest owed for the number of days between the closing date and the end of the month.

Example:

- If a mortgage is advanced on May 15 to be paid on the first day of each month, June 1 would be the interest adjustment date and July 1 the first monthly payment date.
- On June 1, the borrower would be required to pay the interest that has accrued on the principal since the date of the advance (May 15).

7.5. Rate Hold Policy

Overview

- Rate will be held for a period up to 120 days for existing (resale) purchases or refinances. No interest rate should be committed to the customer if the closing date is outside the 120-day allowable booking period.
- Customer receives the lower of:
 - The committed interest rate, inclusive of any discretion, OR
 - The posted rate (no discount will be applied to the posted rate) on the date of funding. If interest rates have decreased prior to the funding date and broker has NOT requested a decrease, the committed rate or the lower of the new-posted rate will apply.
- Customer does not automatically receive the lowest rate during the rate commitment period. To have the lower Broker rate apply, you must contact your underwriter in writing to request the interest rate be adjusted each time an interest rate change is processed. If the customer is also looking for additional discretionary pricing, you must obtain approval from your RSM. Requests for rate decreases will not be accepted if received any later than three days before the mortgage closes. Should the customer wish to change the term, amortization or product within the 120-day rate commitment period, the interest rate will be the applicable rate at the time of the requested change.
- If you want to adjust the rate and extend the rate hold period beyond the initial 120-day rate hold period, the original request must be cancelled, and the new request must be sent in writing to the underwriter.

- Once the interest rate is set as outlined in the above process, the interest rate will not be adjusted again unless (i) Specifically requested in writing by the broker; or (ii) the rate hold period has expired.
- **Note:** If the customer has already signed the Mortgage Loan Agreement prior to a change in the interest rate, a new MLA would be required.

7.6. Pre-Approvals for Property Purchases

Overview

- A Pre-Approval is for customers who are looking to purchase a property but do not know the mortgage amount they qualify for.
- Pre-approvals are valid for 120 days. After 120 days if the customer wants to renew the pre-approval, the broker would need to provide an updated bureau to support re-adjudication.
- The rate will be held for 120 days on a preapproval. When the pre-approval expires, you will need to renew the rate hold.
- Provided the deal was fully underwritten at the time the pre-approval was approved, this does not need to be re-adjudicated when the customer locates a property within the 120 days, as long as the fundamentals of the approval do not change (e.g. mortgage amount, LTV, etc.).
- The broker will be required to provide a copy of the Purchase and Sale Agreement including any addendums.
- If TD's posted Broker rate decreases during the term of a pre-approval rate hold, the broker may request to have the rate rebooked at the new lower posted Broker rate.
- To extend a pre-approval beyond the original 120-day term, the original request must be cancelled, and the new request re-approved with a new bureau.
- Exception pricing requests will not be considered.
- Rate exception requests will not be accepted for a pre-approval. A rate exception request can only be reviewed after the deal is approved.

7.7. Interest Rate Buydowns

Eligible:

- Buydowns of interest rates if the buydown fee is paid by the Broker
- Buydowns of interest rates if the fee is paid by another third party. Eligible third parties include:
 - Customer's Employer
 - Canadian Military/RCMP/Government of Canada (Brookfield Relocation Services)
- Subsequent buydowns of interest rates are permitted on new ported mortgages if the fee is paid by the Broker or third party.
- **Note:** Customers are required to sign a **TD Mortgage Rate Buydown Letter of Direction** for all Brookfield paid and customer's employer paid interest rate buydowns. TD Mortgage Solutions will send the letter to the solicitor/notary as part of the signing package.

Restrictions:

- Third party and broker buydowns of interest rates are permitted, however the rate can only be bought down to:
 - a minimum 1%. In all cases the borrower must qualify for the mortgage under normal Debt Service ratio requirements at current/qualifying market rates; and
 - maximum buydown amount contained in within the Broker Rate Sheet – applies to Broker Buydowns only.
- The third party buydown and broker buydown cannot be combined.
- Buydowns are not available on Closed VIRM.
- Buydowns of interest rate by the customer are not permitted.
- Where a mortgage rate buydown is offered as an incentive to purchase a property, the value of the buydown must be deducted from the purchase price before the LTV is calculated.

Steps:

- **Broker Initiated Buydowns:**
 - Broker must contact their RSM for approval to buydown the interest rate.
 - Broker must then provide the RSM approval to the underwriter assigned to that mortgage application.
 - It is the Broker's responsibility to ask their underwriter what the cost of the buydown will be.
 - The underwriter will provide the Broker with the approximate buydown fee amount.
 - If the Broker proceeds with buying down the rate, the buydown fee will be deducted from the

Broker's compensation. Cost of the buydown cannot exceed the compensation amount.

- **Brookfield Paid Buydowns (DND, RCMP or Government of Canada):**
 - Customer advises Broker if this is a Brookfield buydown.
 - Broker must inform the underwriter in the application comments that this is a Brookfield buydown.
 - Broker receives the Brookfield form from the customer and sends to TD Mortgage Solutions for completion.
 - If application is approved the completed Brookfield form will be returned to the Broker by the TD Mortgage Solutions Underwriter.
 - Broker to return the completed Brookfield form to the customer.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The mortgage rate buydown fee amount will be deducted from proceeds.
- **Customer's Employer Paid Buydowns:**
 - Customer advises Broker if this is an employer paid buydown
 - Broker must inform the underwriter in the application comments that this is an employer paid buydown
 - If application is approved the Broker provides the customer with the [Employer Paid Mortgage Rate Buydown Letter](#) available on the TD Mortgage Solutions site.
 - Broker to instruct customer that the signed [Employer Paid Mortgage Rate Buydown Letter](#) must be returned prior to funding.
 - Broker to return the signed [Employer Paid Mortgage Rate Buydown Letter](#) to the underwriter.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The mortgage rate buydown fee amount will be deducted from proceeds.

7.8. Mortgage Loan Agreement (MLA)

Overview

- The Mortgage Loan Agreement (MLA) is the credit agreement documenting the terms of the mortgage loan. It is secured by a collateral charge.
- Customers may under many circumstances choose to register their collateral charge for more than the approved principal amount of the mortgage, up to 125% of the property value. This may allow them to borrow additional funds in the future without having to re-register the charge eliminating any solicitor/notary /TD Refinance Mortgage Program fees (Note: Prepayment charges are still applicable). Subject to approval and current lending criteria at that time.
- The MLA secured by a collateral charge must be in first position only.

Increases

- If your customer would like to increase their TD Mortgage registered with a collateral charge they may be able to do so without incurring legal fees:
 - Comments to the Underwriter should specify that the customer would like to 'reuse' their collateral charge.
 - A new credit application and approval are required, including an evaluation of the property value.
 - The new credit amount cannot exceed the amount of the existing collateral charge.
 - There can be no changes to title of the property since the time of registration of the collateral charge.
 - This does not apply to customers in the Yukon, Nunavut and Northwest Territories.
 - **Note:** Other fees may still apply when processing a mortgage increase (e.g. appraisal fees).
- If your customer has a subsequent TD HELOC/TD Home Equity FlexLine charge registered on title, the mortgage increase can still be done without incurring legal fees.
- If the subsequent charge is anything other than a TD HELOC/TD Home Equity FlexLine, the customer must register a new charge and incur associated legal and registration fees.
- Provided the collateral charge and the property value supports the request for an increase, customers may refinance an existing TD Mortgage or TD Home Equity Line of Credit (HELOC)/TD Home Equity FlexLine (FlexLine) to a TD mortgage using the same charge.

Changes

- There is a Cost of Borrowing requirement to provide accurate disclosure before entering into an agreement. Any changes that affect the cost of borrowing will require a new MLA to be signed by the customer. This includes, but is not limited to:
 - Change to interest rate or rate discretion

- Change to closing date that moves the date to a different month (impacts the Interest Adjustment Date) – If there is a closing date change, new MLA must be printed and signed by the customer.
- Changes to mortgage amount
- Change in the term of the mortgage
- Change in product type

7.9. TD Refinance Mortgage Program

Overview

The Refinance Mortgage Program allows for your transactions to be processed quickly and efficiently with First Canadian Title (FCT), whom TD has retained for this program for all Broker originated mortgages. Customers can always still choose to use a solicitor/notary.

Benefits

- FCT will manage most title issues directly with the customer to alleviate delays.
- FCT will facilitate document signings directly with the customer.

Qualifying Transactions

- The refinance program is designed for:
 - Refinance of existing TD mortgage;
 - Refinance of mortgages from another financial institution;
 - Refinance of a free and clear property; and

Non-Qualifying Mortgage Transactions

- The following transactions/properties cannot be processed through the First Canadian Title (FCT) Refinance Mortgage Program:
 - Purchase Transactions
 - Assumptions
 - Co-Operative housing
 - Estate Mortgages
 - Life Lease/Life Interest
 - Construction and/or Multiple Draw Mortgages, including refinance plus improvements
 - Properties located in the Territories and Nunavut
 - First Nations Reserve Land
 - FlexLines/HELOCs
 - Blanket/Inter-alia Mortgages
 - Mortgages on Leased Lands
 - Any home not affixed to the land
 - Self-Directed RSP Mortgages
 - Subsidized mortgages
 - Time Share/fractional interest (Rental Pools, Hotel Condos, Co-ownership)
 - Vacant Land
 - Mortgages that are to be registered "In Trust"
 - Properties registered in the name of a business or company
 - Power of Attorney
 - Any changes to Title including adding someone on Title or a Name Change
 - Postponements
 - Private Mortgages
- Non-residents are not eligible to use the Refinance Mortgage Program (this excludes Transfer-In transactions)
- Out of province signing is not permitted for FCT deals

Submitting Mortgage for Approval

By asking the right questions you will avoid unnecessary delays. Please ask or investigate the following while interviewing your customers:

- Does your customer have any outstanding mortgages, lines of credit or loans?
If the answer is "yes", obtain particulars from your customer. This may validate the encumbrances registered on title.
- Does your customer have an existing TD Mortgage on the property? If so, will it be discharged to place the

new TD Mortgage on title?

If the answer is "yes", ensure this is disclosed on the mortgage application.

If the answer is "no", the mortgage application will not be approved.

- Will the customer be discharging a TD or other financial institution's mortgage with this refinance transaction?

If the answer is yes:

- Complete the [Request for Mortgage Discharge Payout Statement](#) and obtain a signature from all customers
- For Mortgages from another financial institution, submit the completed form to TD Mortgage Solutions.
- For TD Mortgages, ensure you have a prepayment charge discussion with the customer. IRD is always payable by the customer and can change or increase overnight.

- Are all parties who are on title applying for the mortgage together?

If the answer is "no", all parties must be present to apply and sign for the new mortgage (including the Guarantors). Please include all names on your application.

- Obtain from your customer information regarding the property legal description and property tax roll number. TIP: Ask your customer for a copy of their tax bill to obtain the property information and legal description.

- Advise your customer that a letter will be given to them at the time of signing. This letter will outline that the terms of the mortgage require that the customers have adequate property insurance coverage.

Steps for using the TD Refinance Mortgage Program for Brokers

1	Submit your deal via Filogix to TD for verification and approval <ul style="list-style-type: none">▪ TD Mortgage Solutions will provide you with the customer's conditional approval.▪ Arrange for your customer to accept and fulfill conditions.
2	If approved, arrange to have your customer complete and sign the Request for Mortgage Discharge Payout Statement , authorization to request the payout of an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TD Mortgage Solutions website under the 'Document' drop down menu.
3	Forward to TD Mortgage Solutions: <ul style="list-style-type: none">▪ All documentation as per conditions (e.g. income confirmation)▪ Request for Mortgage Discharge Payout Statement▪ TD Mortgage Solutions requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.
4	Signing Mortgage Documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.
5	FCT will process the release of funds once the documents have been signed.

7.10. Mortgage Transfer Plan

Overview

- TD accepts transfers of conventional (non-collateral) mortgages from the below listed financial institutions subject to the applicants and properties meeting TD standard lending criteria.
 - Schedule 1 Banks:
 - Bank of Montreal
 - Bank of Nova Scotia
 - CIBC
 - Canadian Western Bank

- Laurentian Bank
- National Bank
- Royal Bank
- Life Insurance Companies
- Les Caisses Populaires Desjardins (Québec only)
- First National
- Standard income confirmation required.
- Mortgage approval is subject to receipt of a Mortgage Statement for Assignment Purposes that confirms the mortgage is up-to-date and no arrears exist.
- Insured mortgages do not require an appraisal provided the mortgage is set up as an insured mortgage using the original Insurer Reference Number.
- Mortgage transfers will be registered as standard charges.
- All conditions of the mortgage transfer must be satisfied a minimum of 15 business days prior to the closing date.

Mortgages Not Eligible for Transfer:

- Private mortgages
- Collateral mortgages (e.g. Manulife One accounts, Scotia Total Equity Plan accounts are secured by collateral mortgages and are not acceptable).
- Mortgages where there is no blended monthly Principal and Interest payment
- Mortgages with a non-assignable or non-transferrable clause in the mortgage document or standard charge terms
- Mortgage where the interest compounding is less frequent than semi-annual or twice yearly (e.g. annual compounding is not eligible).
- **Note:** This transfer plan applies to properties up to a maximum of four units only

Eligible Transfer Amount

- Transfers/Assignments are intended to be a transfer of the principal balance only. Accrued interest, administration/transfer fees and pre-payment charges (if any) are normally paid by the client.
- However, given that it is difficult to obtain a Mortgage Statement for Assignment Purposes from other Financial Institutions prior to obtaining TD Credit Approval, 'tolerances' will be permitted to include accrued interest, administration/transfer fees and pre-payment penalties in the principal balance funded at TD, as outlined below.

Insured Mortgages

- Accrued interest and transfer/administration fees to a maximum of the lesser of:
 - \$3000 over the principal balance stated on the discharge statement, or
 - \$3000 over the amount approved by the Underwriter, or
 - Original insured amount (original mortgage amount).
 - Note: Re-amortization is not permitted.

Conventional Mortgages

- Accrued interest, transfer/administration fees and prepayment charges (if any) to a maximum of the lesser of:
 - 2% to maximum of \$3000 over the principal balance stated on the discharge statement, or
 - Maximum 80% LTV based on appraised value at time of transfer
 - Note: Re-amortization is not permitted.

Mortgage Transfers with Increases

- Mortgage transfers with increases (beyond the tolerances outlined above) are excluded from the Mortgage Transfer Plan. Requests for mortgage transfers with increases must be set up as new mortgages on the system. A new mortgage must be registered on title and the existing mortgage must be discharged.

Amortization

- Existing amortization years will be accepted for transfers in to accommodate existing mortgages. Where existing amortization exceeds current policy, transfers in are permitted provided there are no changes to the amount, amortization, etc.

Appraisals

- APV can be used for conventional mortgage transfers at no cost to the customer or Brokers
- TD Mortgage Solutions will order appraisals for all Mortgage Transfers. **Note:** Brokers must not order appraisals directly. If they do, they **will not** be reimbursed for any fees incurred.

- In the event that a full appraisal is required, the cost of the appraisal will be covered by TD Broker Services.

Steps for using the Mortgage Transfer Plan

1	<p>Submit your deal via Filogix to TD for verification and approval</p> <ul style="list-style-type: none"> ▪ TD Mortgage Solutions will provide you with the customer's conditional approval. ▪ Arrange for your customer to accept and fulfill conditions.
2	<p>If approved, arrange to have your customer complete and sign the Request for Mortgage Assignment Payout Statement to payout an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TD Mortgage Solutions website under the 'Document' drop down menu.</p>
3	<p>Forward to TD Mortgage Solutions:</p> <ul style="list-style-type: none"> ▪ Copy of most recent renewal agreement or annual statement ▪ Current printout of the mortgage balance (wherever possible to confirm accurate balance) ▪ Copy of Request for mortgage Assignment Payout Statement (broker), signed by the borrower. ▪ Copy of original registered mortgage document including all schedules and, if applicable, standard charge terms ▪ For Insured Mortgage, confirmation of property insurance particulars (current Homeowner Insurance Policy and Number) *Except Quebec. <p>Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer. IRD is always payable by the customer and can change or increase overnight.</p>
4	<p>TD Mortgage Solutions requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.</p>
5	<p>Signing Mortgage Documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.</p>
6	<p>FCT will process the release of funds once the documents have been signed.</p>

7.11. Standard Approval Conditions – Mortgages

Income and Down Payment Confirmation:

- Obtain confirmation of income that meets TD's standard guidelines for an amount at least equal to the amount input on the application
- Obtain confirmation of down payment that meets TD's standard guidelines

Confirm Closing Costs of 1.5% of Purchase Price Not Borrowed:

- Applicable to Insured Mortgages only
- Confirm closing costs of 1.5% of the Purchase Price. Can be factored into TDS ratio as a loan over 12 months.

Copy of Firm Purchase Agreement and MLS Listing with Photo:

- Purchase Agreement
 - Review the entire Purchase Agreement, including all schedules and waivers
 - Any conditions outlined on the Purchase Agreement must be reviewed to ensure they do not adversely affect the mortgage application or marketability of the property
 - **Note:** No longer required to obtain a waiver of financing or home inspection prior to funding
 - Ensure that any 'cash backs' or any other forms of financial incentives included in the body of the Purchase Agreement are deducted from the purchase price as these may affect the Loan to Value
- MLS (Multiple Listing Service) – Review to determine:
 - Property details are consistent with the application

- Property tax amount entered on the application is consistent with the MLS
- MLS zoning must comply with the use of the property

Full Appraisal Required

- Applicable to Conventional Mortgages
- Exceptions must be specifically approved by the Credit Centre and must be reflected in the Approval Comments and will not be considered unless MLS Listing and Offer to Purchase is provided

Subject to Major Urban/Urban/Non-Urban/Recreational Sliding Scale

- Applicable to Conventional Mortgages only
 - Ensure loan amount does not exceed sliding scale formula based on property location. Refer to – Policy Guidelines Sliding Scale
- Exceptions must be specifically approved by the Credit Centre and must be reflected in the Approval Comments

Taxes to be Paid by Bank

- Applicable to Insured Mortgages only – property taxes must be paid by TD
- Exceptions to waive Bank paid property taxes must be specifically approved by the Credit Centre

7.12. Income Confirmation

Reasonability

As part of the credit application process, it's important to ask customers the right questions in order to validate that the income declared by the customer is legitimate and acceptable in relation to the overall customer profile and is sustainable to service the debt.

To assist with validating income reasonability, you must provide a full description of your customer's employment information on the **Job Title** field in Expert. For example, enter 'investment manager' or 'IT consultant' rather than a vague description such as 'manager'.

Source of Income

Note: When using Notice of Assessment (NOA) or T1 General as a source of income, you must confirm that there are no outstanding taxes owing greater than \$2,001

Salaried	<ul style="list-style-type: none"> ▪ To demonstrate the necessary stability of employment, borrowers should have been continuously employed by their current employer for at least one year and not currently on probation. Customers must provide two of the following three sources of income: ▪ Acceptable Documentation <ul style="list-style-type: none"> ○ Current Direct Pay Deposit ○ Current Pay Stubs ○ Current Letter of Employment – must be accompanied by a current pay stub or current direct pay deposit. Note: Employment details are confirmed via telephone by the TDMS underwriter therefore Letters of Employment are preferred and will be requested for the majority of deals. ○ Current is defined as being dated no earlier than 60 days prior to the credit approval. ▪ Variations between documents for borrowers will be managed as follows: <ul style="list-style-type: none"> ○ If the annualized amount on the primary document is higher or lower than the amount on the additional document by 10% or more, the following options are available: <ul style="list-style-type: none"> - Use the lower of the income from the two documents OR - In cases where the variance is due to additional income such as bonus, profit sharing, or income that fluctuates, refer to fluctuating employment income guidelines OR - Where the difference is based on changes in life circumstances, such as a new job or promotion, request use of current income from Primary document alongside exception rationale to your credit centre. ▪ Trouble Shooting
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	<ul style="list-style-type: none"> ○ If the borrower wishes to include any bonuses or commission earned in their total income in order to qualify for credit, the documentation options are more limited. To use salaried income including bonuses or commission refer to the Fluctuating Income section.
Part-Time / Hourly	<ul style="list-style-type: none"> ▪ Where a borrower's part time or hourly wages are guaranteed and do not fluctuate follow the Salaried Income confirmation guidelines. ▪ Where a borrower's part time or hourly wages are not guaranteed or fluctuate follow the Fluctuating Income section.
Pension / Disability Income	<ul style="list-style-type: none"> ▪ Any of the following are acceptable for public sources (e.g. government issued): <ul style="list-style-type: none"> ○ Current Pay Stub showing gross income (dated within 60 days of the original approval). ○ A letter from the organization providing the pension/disability income. ○ Direct Pay Deposits (if confirming Pension/Disability income, direct deposits are not eligible for gross up since these types of income are not always taxed at the source). ○ Notice of Assessment from the most recent two years (using the average of the two years for the income shown on Line 150). NOA must be supported by a current pay stub, direct pay deposit or letter from the organization providing the pension/disability to confirm that the income stream continues to be received. ○ T4 slips for CPP and OAS supported by most recent direct deposit in account to confirm income stream continues to be received. ▪ For private sources (e.g. insurance company or previous employer): <ul style="list-style-type: none"> ○ Notice of Assessment or T4 slips from the most recent two years (using the average of the two years for the income shown on Line 150) and be must be supported by a current pay stub, direct pay deposit or letter from the organization providing the pension/disability to confirm that the income stream continues to be received.
Spousal / Child Support	<ul style="list-style-type: none"> ▪ Either of the following is acceptable: <ul style="list-style-type: none"> ○ Most recent NOA or T1 General/Tax Return to confirm the support payment is declared as income, supported by a formal separation agreement or court order. ○ A two-month history of bank statements showing regular support payments and a copy of the formal separation agreement or court order. ▪ If the customer has disclosed that they are required to pay child or spousal support this must be included as part of their liabilities and considered in the TDS calculation.
Fluctuating / Irregular	<ul style="list-style-type: none"> ▪ Any two of the following documents from the most recent two tax years; averaged: <ul style="list-style-type: none"> ○ Notice of Assessment ○ Year End Paystub ○ T4 ▪ In addition, supported by a current: <ul style="list-style-type: none"> ○ Letter of Employment ○ Direct Deposit ○ Pay Stub ▪ Use the average of the NOA, T4, or Year End Paystubs' annual income in your application. ▪ If the income from the most recent annual document varies from the average of the two annual documents by more than 20% you must use the lower of, or seek an exception to use the average, alongside a reasonable explanation for the variance ▪ If the applicant is self-employed refer to Self-Employed/Professionals section. ▪ Important: If the customer's source of employment for the two-year period is not consistent (e.g. previously salaried but now commissioned sales or self-employed) the NOA(s) may not accurately represent current income. Using the

	<p>average or more current income from the NOA should be treated as an exception.</p> <ul style="list-style-type: none"> ▪ Current is defined as being dated no earlier than 60 days prior to the credit approval.
Maternity / Paternity / Adoption Leave	<ul style="list-style-type: none"> ▪ A Letter of Employment is required to confirm that the applicant is currently employed and on parental leave. You may use 100% of the gross income documented.
Investment Income (Including RRIF Income)	<ul style="list-style-type: none"> ▪ Both of the following must be obtained: <ul style="list-style-type: none"> ○ Notices of Assessment from the most recent two years supported by T1 General. ○ NOAs must further be supported with applicable investment statements (see next bullet) to show that customer has sufficient invested assets to support the indicated income (reasonability). ○ Investment statement should reflect name (first/last) matching borrower, Investment Company, account number, balances, dated within 60 days of application.
Government Child Care and Social Assistance Benefit	<ul style="list-style-type: none"> ▪ Canada Child Benefit (CCB) <ul style="list-style-type: none"> ○ The Canada Child Benefit (CCB) is a tax-free monthly payment made to eligible families to help them with the cost of raising children. ○ The CCB amount used is subject to: <ul style="list-style-type: none"> ▪ Amount used cannot be more than 15% of all the different income used for all applicants; ▪ Children 13 years of age or younger (child cannot be turning more than 13 years of age in the calendar year); ▪ No gross up permitted ○ CCB income must be verified by any one of the following forms of acceptable documentation: <ul style="list-style-type: none"> ▪ CCB Annual Statement issued by the Canada Revenue Agency for the current year ▪ Bank statement showing the automatic deposit of the Canada Child Benefit ○ In addition, verify the child's age by reviewing the birth certificate provided by the customer and document within the submission comments. Reminder: Do not retain a copy of the child's birth certificate in the credit file. ○ Note: Child tax credits or refundable tax credits for childcare cannot be included as a source of income. ▪ Social Assistance <ul style="list-style-type: none"> ○ Social Assistance benefits are not permitted as debt servicing income.
Non-Canadian Currency	<ul style="list-style-type: none"> ▪ Exception approval is required from TD Mortgage Solutions when non-Canadian currency is to be used as source of income in the application. This does not apply to Canadians earning USD income. ▪ When inputting the income amount in the application, convert the amount to Canadian dollars by using the current exchange rate and enter that amount. ▪ Include comments in the application indicating the source of the income, the original amount and exchange rate, and how the customer will provide confirmation of their income (Letter of Employment, etc.).
Non-Taxable Income	<ul style="list-style-type: none"> ▪ Common Types: <ul style="list-style-type: none"> ○ Workers Compensation Payments (WSIB). ○ Non-Taxable Pension Income (e.g. Guaranteed Income Supplement). ○ Disability Income, provided by either private or government and guaranteed for the life of the applicant. ○ Indian Act Exemption. ▪ Notes: <ul style="list-style-type: none"> ○ Allowances or Expense Reimbursements should not be considered as

	<p>Non-Taxable Income as the employee incurs additional expenses that offset this type of income.</p> <ul style="list-style-type: none"> ○ Sources of taxable income are: <ul style="list-style-type: none"> - Canada Pension Plan - Old Age Security <p>▪ Gross-Up</p> <ul style="list-style-type: none"> ○ Eligible non-taxable income can be grossed-up for the purposes of calculating GDS/TDS ratios, based on the two-tier gross up approach. Borrowers with non-taxable income: <ul style="list-style-type: none"> - less than \$30,000 are eligible to have their non-taxable income grossed-up by 25% - of \$30,000 or more are eligible to have their non-taxable income grossed-up by 35% <p>Calculation: Borrower(s) Non-Taxable Income X Gross-up Factor = Grossed-up Income</p> <p>Example 1: Non-Taxable Income = \$25,000 and Gross-up Factor = 25%</p> <ul style="list-style-type: none"> - $\\$25,000 \times 1.25 = \\$31,250$ Total Grossed-up Income <p>Example 2: Non-Taxable Income = \$35,000 and Gross-up Factor = 35%</p> <ul style="list-style-type: none"> - $\\$35,000 \times 1.35 = \\$47,250$ Total Grossed-up Income <p>Example 3: Non-Taxable Income = \$25,000, Taxable Income = \$50,000 and Gross-up Factor = 25%</p> <ul style="list-style-type: none"> - $[(\\$25,000 \times 1.25) = \\$31,250] + \\$50,000 = \\$81,250$ Total Gross Income <ul style="list-style-type: none"> ○ Credit Centre approval not required to use non-taxable income; however, confirmation received must be from an eligible source. <p>▪ Acceptable Documentation:</p> <ul style="list-style-type: none"> ▪ Any of the following is acceptable provided it clearly states the income is Non-Taxable: <ul style="list-style-type: none"> - Pay Stub (confirming no tax deductions) dated within 60 days of the original approval. - Letter from organization (e.g. employer, government body, insurance company, etc.) that is providing the non-taxable income. - Letter of employment from the Band Chief (for Indian Act Exemptions). - Notice of Assessment from the most recent two years (using the average of the two years for the income shown on Line 150) supported by a current pay stub or applicable letter confirming the income stream continues to be received.
Northern Allowance	<ul style="list-style-type: none"> ▪ Customers who receive a Northern Allowance from their employer to assist with the high cost of living in northern or isolated areas are now able to include this amount as part of their gross income. <ul style="list-style-type: none"> ○ A Letter of Employment or an Employer Contract dated within 60 days of the original approval outlining the terms of employment can be accepted to confirm that the allowance is a part of the customer's compensation. If the document is outdated, proof of direct deposit or a pay stub dated within 60 days of the original approval will be required to confirm the customer is currently employed.
Multiple Sources of Income	<ul style="list-style-type: none"> ▪ Often a customer will have multiple sources of income. For any income source that they want to have included in the application for the purposes of qualification, acceptable documentation must be provided. <ul style="list-style-type: none"> ○ Provide the applicable document for each type of income declared. For example: If the applicant declares they work full-time and receive a salary plus a second job at which they work part-time, they must

	<p>provide any of the three types of documents allowed for salaried employees PLUS and two types of documents allowed for part-time employees.</p> <ul style="list-style-type: none"> ○ OR, provide the most recent NOAs which will show all income sources in one total amount supported by a current pay stub, direct deposit or applicable employment letter confirming the income stream continues to be received.
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7.13. Down Payment and Closing Costs

Reasonability and Verification

Submission comments must always explain why a down payment is reasonable. Reasonability is an assessment of the application and borrower information confirming that it makes sense the funds were accumulated as disclosed. This assessment must take into consideration factors such as age, employment, and income. For example, someone new to employment with a large down payment would warrant an enhanced explanation of how funds were accumulated or a young person with a large down payment would raise red flags unless he or she has received an inheritance of a large gift.

When assessing reasonability regarding a customer's income and/or source of accumulated funds requires the exercise of judgment. The following red flags are meant to highlight potentially inconsistent or insufficient information that may suggest the stated source of accumulated funds is not reasonable and requires additional due diligence.

- A customer states that their employment income is the source of funds for a down payment. However, the down payment amount does not seem reasonable when compared to the customer's stated occupation and provided employment documentation.
- A customer states that their employment income is the source of funds for a down payment. However, the customer just began working recently and it does not seem reasonable that they would have accumulated the amount of funds required for their down payment based on their stated occupation and provided employment documentation.
- A customer claims that their source of funds for a down payment is from their personal savings. However, the customer has had a lengthy relationship with the bank and has not historically had an amount of funds on deposit compared with the size of the down payment.
- A customer who is listed as unemployed or on social assistance states their source of funds for their down payment is from their employment salary.
- A customer states that their source of funds for a down payment is from the sale of a previous property for which the customer has an existing mortgage with the bank. However, the value of the property and the outstanding balance on the mortgage appear to be inconsistent with the down payment amount.
- A customer states that their source of funds for a down payment is from their investment accounts. Upon seeing the customer's investment account activity however, this appears to be inconsistent because the accumulated funds in the investment account are below what would be expected to support the down payment.
- A customer states that their source of funds for a down payment is from their RRSP investments. However, their investment statements show amounts significantly lower than what would be required to support the amount of down payment the customer is paying.

Minimum Equity Required for Down Payment

The applicant must be able to provide the minimum equity portion of down payment from his/her own resources without borrowing.

Insured Mortgages	<ul style="list-style-type: none"> ▪ Dwellings of one to two units: Minimum 5% on the first \$500,000 of the purchase price and 10% on the amount above \$500,000 but less than \$1,000,000. ▪ Dwellings of three to four units: 10% of the purchase price. ▪ The remainder of the total down payment can come from borrowed sources. ▪ Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the mortgage advance and stated as part of the conditions of credit on the Mortgage Loan Agreement. ▪ The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.
Conventional Mortgages	<ul style="list-style-type: none"> ▪ Minimum 10% of the purchase price. ▪ The remainder of the total down payment can come from borrowed sources, however, cannot be borrowed against subject property. ▪ Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the mortgage advance and stated as part of the conditions of credit on the Mortgage Loan Agreement. ▪ The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.

Timing of Confirmation of Down Payment

At the application stage the customer must indicate how much down payment they will be providing and where those funds will be coming from. If the funds are coming from a number of sources (e.g. a savings account and two investment accounts) the customer should be able to provide a breakdown of where those funds are located.

These funds must be confirmed in accordance with the Down Payment Policy by the closing date.

- A 90-day history of the down payment must be obtained and kept on file.
- Review accumulated savings within the 90-days history prior to approval
- If where the entire down payment amount is not present at the beginning of the 90-day history period, it must have been fully accumulated by the end of that period of time or rationale needs to be provided to advise how the remainder of the down payment will be accumulated.
- For builder deposits made for the purchase from a builder of a new construction home, if the builder deposits were made more than 90 days prior to the initiation of the mortgage application, one of the following must be obtained and retained in file. A 90-day history leading up to the deposit is not required:
 - Copy of cancelled cheques from customer to the builder for the noted deposit(s) with evidence cheques have cleared, or
 - Confirmation from builder via receipt or statement of adjustments showing the deposits have been received, or
 - Confirmation from the builder's solicitor/notary or customers solicitor/notary via receipt or statement of adjustments showing the deposits have been received

Non-Borrowed Funds/Legitimate Source

The minimum equity portion of down payment must be provided from non-borrowed funds and must be from a legitimate source. Non-borrowed means: Bona fide savings of the applicant

- In a Bank Account
- Wire Payments
- Proceeds from Sale of Investments
- From Employment/Investment Income
- From a Pension
- From a Registered Retirement Savings Plan (RRSP)
- From Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance
- From a Government Benefit
- From a Trust Fund
- From a Grant
- Proceeds from Business
- Non-Repayable Gift
- Net Proceeds from the sale of real estate property

Down Payment Description

When the down payment selected is Personal Cash, Existing Equity, Secondary Financing, Grants, or Other, one of the above predefined descriptions must be entered in the free format 'Down Payment Description' field:

- Proceeds from Sale of Investments
- Savings - From Employment/Investment Income
- Savings - From Pension

- Savings – From RRSP
- Savings - From Inheritance
- Savings - From Government Benefit
- Savings - From Legal/Insurance Settlement
- Savings - From Lottery/Casino winnings
- Savings – From a Trust Fund
- Savings – From a Grant
- Proceeds from Business
- Non-Repayable Gift
- Net Proceeds from the sale of real estate property
- Borrowed against Liquid Assets
- Non-Liquid Secured/Unsecured Credit
- FTHBI – 5% Incentive
- FTHBI – 10% Incentive

Source of Down Payment

Bona Fide Savings of the Applicant in a Bank Account	<ul style="list-style-type: none"> ▪ If any portion of the down payment is from accumulated savings and located in a Bank Account, review the history of savings within 90 days to ensure that the customer has accumulated the balance over time prior to commitment. Review account history for evidence that the funds were in the account at the beginning of the 90-day period, for any inconsistencies or large dollar transactions (\$10,000 individually or cumulatively); where noted further investigation and documentation to support the source of the deposit(s) is required. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Ownership of bank statements, passbooks or internet print outs must be confirmed in cases where the name and account number are not clearly noted in the front of the passbook or on the bank statement or internet print out.
Wire Payments	<ul style="list-style-type: none"> ▪ Funds wired from a foreign country to a Canadian Financial Institution account including TD and used as down payment for the new purchase. Obtain details of the wire payments: <ul style="list-style-type: none"> ○ Name, address, account number and relationship the transmitter has with the recipient ○ Ask how the funds were accumulated in the country of origin ○ If it's determined the funds are borrowed from the country of origin, include the applicable loan payment in TDS and ensure the minimum equity requirement of non-borrowed funds has been met ○ If funds are a gift from family in the country of origin, follow gifted down payment procedures ○ If the funds are from the sale of property in the country of origin, obtain proof of sale ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ A copy of the wire payment receipt that confirms wire payment details such as who sent the wire payment, from where, to whom, the amount, and date. ○ A copy of the history of savings within 90 days prior to the commitment approval showing that the wire transfer has been deposited and received in the customer's bank account. ○ Note: Funds credited to a Canadian Financial Institution (including TD), that are derived from a wire payment in a high risk or sanctioned country, should not be credited/released to the customer's account. See Affiliations with Certain High Risk and Sanctioned Countries for more information.
Proceeds from Sale of Investments	<ul style="list-style-type: none"> ▪ Source of savings of the applicant's down payment is from Proceeds from the Sale of Investments. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Includes all investment types – term deposits or trading (Mutual

	<p>Funds/Stock) accounts. Provide evidence that investment account has been held/purchased > 90 days.</p> <ul style="list-style-type: none"> ○ The most recent issued statement confirming the sale of investments. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Note: To prove that the investment account containing the funds is owned by the applicant, the customer's name, account number, statement date and financial institution where the account is housed must be clearly identified on the document.
From a Registered Retirement Savings Plan (RRSP)	<ul style="list-style-type: none"> ▪ When the down payment is coming from a withdrawal from the applicant's RRSP, confirmation of the availability of funds in the RRSP account is required. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ The most recent issued statement showing the description of the asset and the current value to confirm the RRSP amount. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Note: To prove that the RRSP is owned by the applicant, the customer's name, account number, statement date and financial institution where the account is housed must be clearly identified on the document. ○ Locked-In RRSPs may be cautiously used for down payment confirmation. These funds will be subject to penalties when cashed out, reducing the amount of down payment available. Approval letter from plan administrator is required. ▪ Borrowing against an equivalent amount of proven liquid assets is acceptable provided the payments are included in the debt service ratios. ▪ Withholding tax is applicable on RRSP withdrawals unless the customer qualifies for Revenue Canada's First Time Home Buyer's Plan. This will reduce the amount of funds available for the down payment from the stated RSP balance.
From a Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance	<ul style="list-style-type: none"> ▪ When the customer has received funds from a legal/insurance settlement, lottery or casino winnings, or an inheritance, it can be used as a source of down payment. The customer must provide evidence of receiving the funds by verifying they have been deposited in the customers' account prior to closing. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Legal/Insurance settlements: Obtain a copy of the letter and/or cheque confirming the settlement amount received. ○ Lottery winnings: Lottery winnings are distributed in the form of a cheque payable by the lottery. Depending on the dollar amount of the lottery winnings, public/media disclosure is often available. Obtain a copy of the lottery cheque payable by the lottery company or a copy of the media clipping in the absence of a lottery cheque. ○ Casino winnings: Casino winnings are cashed out and a release/receipt is provided to the customer. Large winnings are distributed in the form of a cheque/certificate of winnings. Depending on the dollar amount of the casino winnings, public/media disclosure is often available. Obtain a copy of the cheque payable by the casino, casino receipt or release form, or a copy of the media clipping in the absence of a casino cheque. ○ Inheritance: Obtain a copy of the will or a letter from the lawyer to confirm the inheritance amount.
From a Government Benefit	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Government Benefit such as Survivor's Pension, Canada Pension, Old Age Security, Disability, etc. Review bank statements to verify that the

	<p>government benefit has been received either in a lump sum or monthly deposits and send to TD Mortgage Solutions. For lump sum deposit(s) additional documentation will be required such as a copy of the letter provided by the government.</p>
First Time Home Buyer Incentive (FTHBI)	<ul style="list-style-type: none"> ▪ Effective September 2, 2019, the Government of Canada introduced the FTHBI Program. This program allows eligible first-time home buyers to apply for an incentive which will be used as part of their down payment on a home purchase through a shared-equity mortgage with the Government of Canada. ▪ The available incentives are as follows: <ul style="list-style-type: none"> ○ 5% for the purchase of a resale property, including new or resale of mobile/manufactured homes OR ○ 5% or 10% for the purchase of a new construction home. ○ Note: Brokers will indicate in their comments to underwriters that this is a FTHBI 5% or 10% submission when coding the Down Payment under 'Other'. See "Down Payment Description" above. ▪ Borrowers must also contribute the minimum 5% down payment from traditional sources. ▪ Borrowers must provide a signed original (if available) or a signed copy of 'FTHBI Program Attestation, Consent and Privacy Notice' to the Broker at time of application. This form must be retained in the credit file. This form can be found on Government of Canada's FTHBI website. ▪ For approved FTHBI applications, the FTHBI ID # and the approved incentive amount will be included in both the Broker Commitment and in the Solicitor's Instructions Package. ▪ For more detailed information on this program, refer to the Government of Canada's FTHBI website
From a Trust Fund	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Trust Fund, review bank statements to verify that the trust funds have been received, either in a lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as solicitor/notary or trustee to provide documentation to confirm the existence of the Trust Fund.
From a Grant	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Grant, review bank statements to verify that the grant has been received, either in lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as a letter from the organization providing the Grant to confirm existence of the Grant.
Proceeds from Business	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is either from a sale of a business/company or from a Small Business Bank account. ▪ For transactions above \$10,000, confirmation of source of funds is required for transactions that are inconsistent with normal business activity. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Business Name Registration or Articles of Incorporation to confirm customer is the owner of the business ○ Business bank statements to confirm availability of funds in the Small Business Bank account prior to closing ○ To confirm the proceeds came from the sale of a business/company, obtain a copy of the Purchase and Sale Agreement (PSA) for the business sale transaction. This agreement must indicate the portion of the proceeds received by the borrower (if there were multiple owners of the business), and the date of the transaction completion. ○ Confirmation of funds are deposited to customer's account.

Non-Repayable Gift	<ul style="list-style-type: none"> ▪ For insured mortgages a gifted down payment must come from an immediate family member only. Gifts from another source are not permitted for insured deals. ▪ For conventional mortgages a gifted down payment can come from a relative or employer. ▪ Documentation Requirements <ul style="list-style-type: none"> ○ TD Gift Letter verifying the gift is unencumbered, requires no repayment and states relationship of giftor to giftee. TD Gift Letter must be dated no older than 90 days from date of approval. ○ In addition to Gift Letter, obtain confirmation of the existence of the funds: <ul style="list-style-type: none"> - If the funds have already been gifted to the giftee/customer, verify that the funds are on deposit in the customer's account prior to closing - If the funds have already been provided to the solicitor/notary acting on behalf of the customer for the mortgage transaction, obtain confirmation that the funds have been provided to the solicitor/notary - If the giftor is still in possession of the funds, the giftor can have their financial institution complete the verification section at the bottom of the gift letter
Net Proceeds from the Sale of Real Estate Property	<p>When a customer is selling one property and purchasing another the net proceeds of that sale will often provide the down payment for the new purchase.</p> <p>For example: If the current property is sold for \$350,000 and the balance of the existing mortgage is \$250,000 the customer will have \$100,000 in equity (or net proceeds from the sale). If the customer is using the net proceeds of the sale as the down payment:</p> <ul style="list-style-type: none"> ▪ Obtain the actual offer to purchase and sale together with a mortgage statement, if applicable. The offer of sale must be firm (unconditional). ▪ For properties declared free and clear, additional due diligence in the form of a title search is required to confirm the source of down payment. ▪ For properties not declared free and clear, copies of recent mortgage and/or line of credit statements must be on file. The outstanding mortgage balance and/or the line of credit limit (as additional drawdowns could occur at any time) should form the basis of the calculation of net equity to be realized from the property and used in our down payment calculation. ▪ Real Estate commissions, solicitor/notary fees and other costs associated with the property sale must be considered when calculating the net equity or proceeds from the sale. ▪ Note: If there is a planned delay between the closing of the sale of the customer's property and the closing of the sale of the new purchase, the customer may require bridge financing.

Confirmation of Borrowed Funds

The following outlines the customer's options for eligible sources of the remainder of their down payment (minimum equity portion must come from own resources) and details on what documentation is required to prove the source of funds are legitimate. The customer must prove that the down payment comes from borrowed sources, which can be one or more of the following:

Borrowed Against Liquid Assets	<ul style="list-style-type: none"> ▪ Liquid Assets are those that can be easily and quickly redeemed or accessed, such as Bonds, Stocks or Securities. Payments are to be included in the debt service ratios. ▪ The customer must provide statements from the financial institution showing the description of the assets and the current value. ▪ Documentation Requirements:
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	<ul style="list-style-type: none"> ○ The most recent issued statement confirming the investments exists. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Obtain 90-day history of the investment. ○ In order to prove that the investment account containing the funds is owned by the applicant you must be able to clearly match the customer's name, account number, date of the statement, and where the account is held.
Non-Liquid Secured	<ul style="list-style-type: none"> ▪ Non-Liquid Secured Credit refers to instances where part of the down payment is coming from an existing Home Equity Secured Line of Credit. This is acceptable provided it is not secured against the property currently being financed and the payments are included in the debt service ratios. ▪ The use of existing unsecured credit (loans or lines of credit) is also acceptable for part of the down payment provided the payments are included in the debt service ratios. In both cases, the applicant must meet the minimum amount of equity requirements from non-borrowed resources. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ If reporting to the Credit Bureau, obtain confirmation of the HELOC/FlexLine and existence of credit available to support the down payment amount indicated.
Loan repaid by Regular Installments	<ul style="list-style-type: none"> ▪ Ensure the loan payments are included in the debt service ratios. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For a loan, if reporting to the Credit Bureau, review to confirm evidence of the loan and funds are on deposit to support the down payment amount indicated.
Unsecured Line of Credit	<ul style="list-style-type: none"> ▪ Ensure ULOC payments are included in the debt service ratios. ▪ Include 3% of borrowed amount to represent repayment of borrowed funds in monthly liabilities of new application. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For ULOC, if reporting to the Credit Bureau, review to confirm evidence of the ULOC and existence of credit available to support the down payment amount indicated.

Closing Costs

- Remind the customer to set aside additional funds for legal expenses, moving costs and land transfer costs.
- For CMHC/Genworth/Canada Guaranty insured mortgages, the customer must also provide evidence of cash for closing costs equal to 1.5% of the purchase price. For Alberta only, closing costs are to be confirmed as 0.5% of the purchase price. Closing costs may be borrowed provided the payments are included in debt service ratios and based on a maximum amortization of 12 months.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

7.14. Purchase Incentives

- This policy applies to conventional and high ratio mortgages
- Vendors often offer incentives to encourage prospective homebuyers to purchase a property
- These incentives either:
 - Contribute to the value of the property (e.g. upgrades on a purchase from builder), or
 - Do not contribute to the value of the property (e.g. vendor cash backs, rate buy downs, waiving mortgage payments, new cars, etc.)
- A common builder practice is to include household items such as appliances, lighting fixtures, window coverings. These incentives would contribute to the value of the property.
- Where a purchase incentive does not contribute to the value of the property (e.g. new car, vacation, waiving mortgage payments, rate buy downs, etc.), the value of the incentive must be deducted from the purchase price and LTV calculated on this amount.

- Review all schedules and addendums to determine if there are any purchase incentives to determine if the value of the incentive is disclosed in the documentation.
- **Important:** A purchase incentive is not an eligible source of down payment

7.15. TD Branches

- All mortgages are assigned for servicing to either the branch of the customer's choosing or a local TD Canada Trust branch (e.g. privilege payment, payment frequency, etc.). Note: Customers cannot sign mortgage documents at the branch.
- Your customer can direct the mortgage to a specific branch on the commitment form, otherwise it is assigned based on the following:
 - Owner occupied property – closest branch to the property
 - Rental property – closest branch to the current residence of the primary applicant
 - Refinances – existing branch will be maintained
- If the customer requests any changes to the mortgage after funding, refer them to a branch
- It is recommended to make a local branch contact for further products and call out services the branch can offer (e.g. interim financing, consolidation loans)

7.16. Amendments to Mortgagor/Guarantor(s)

In the event that a change is required to a mortgagor/guarantor's name or should there be an addition/removal/change after an application has been released from TD Mortgage Solutions to the funding unit, we will now require that the broker advise TD Mortgage Solutions directly. The broker must submit the change for amendment to TD Mortgage Solutions, who will approve the request. The file will then be corrected and resubmitted to our funding unit to prepare new documentation. The documents will be prepared with the new mortgagor/guarantor information and forwarded to the solicitor/notary for closing. These types of changes may result in delays in mortgage funding.

7.17. GST/HST

GST/HST rates can be found on the [Canada Revenue Agency](#) website. When completing an application for a purchase from a builder that is closing within 120 days, it is important to ensure the purchase price of the residential property includes the HST minus any applicable rebates:

- If the purchase price includes the HST, less any applicable rebates, use the purchase price as stated on the Purchase Agreement.
- If the purchase price excludes the HST and the applicable rebates, ask your customer to obtain an Amendment/Addendum from their builder reflecting a purchase price inclusive of the HST, less any applicable rebates.
 - If an Amendment/Addendum is available, use the purchase price as stated on that document.
 - If an Amendment/Addendum is not available and HST is the responsibility of the customer, calculate the purchase price to be used as the lending value on the mortgage application to include net HST.
 - Once the calculation is complete, print a copy of the calculation and retain in the file.
 - If your customer presents a separate agreement with builder upgrades that are not accounted for in the original contract, use the purchase price of the property including the HST, less any applicable rebates, plus the cost of the upgrades, including the HST, less any applicable rebates.

As of April 1, 2013, British Columbia transitioned from HST to PST. For British Columbia purchases, if HST/PST/GST becomes payable on or after April 1, 2013, use the purchase price noted on the Purchase Agreement. For British Columbia purchases approved prior to April 1, 2012 where HST will become payable between April 1, 2012 and March 31, 2013 that have been subject to a net HST calculation for the purpose of the lending value using the pre-April 1, 2012 rebate calculation, if applicable, and request resubmitted for re-adjudication.

8. Property Criteria

8.1. Basic Criteria

Overview

- Residential properties with concrete or pressure treated wood foundations are acceptable.
- The housing unit should be representative of the standard normally found in the community.
- When properties are constructed using Insulbrick, conventional financing will only be considered when the Insulbrick does not exceed 10% of the total construction. All other aspects of the property should meet Prime Residential Guidelines and the construction should be representative of the standards normally found in the community. Where the Insulbrick exceeds 10% of the total construction, CMHC/Genworth/Canada Guaranty insurance is required.
- Properties may be fully serviced with municipal water and sanitary sewers, well and septic tanks, or a combination of both.
- The property must be properly designed and in adequate physical condition to be livable for the full duration of the mortgage.
- There should be some amenities in the area such as bus service, schools, and shopping that will assure buyer interest in a resale situation.
- Maximum amortization must be five years less than the remaining economic life.
- Property may contain up to four units, one of which must be owner-occupied.
- The property must be at least 97% complete.
- Land value should not exceed 80% of the appraised value, as indicated on the appraisal, where applicable.
- **Note:** For non-owner occupied properties with up to four units refer to Rental Properties up to four Units.

Prime Residential Properties

- Consider only prime residential properties for Conventional and Insured Mortgages. Prime residential properties are usually considered to be:
 - New properties or those built within the last 35 to 40 years which are in good condition.
 - Older properties that are in good repair and are located in good residential areas.
 - Properties having had sufficient improvements to "keep pace with the neighborhood".

Rural Properties

- Rural properties will be considered providing they are not active farming operations and the applicant's income to service is not derived from the property.
- When considering the value of a property where the land exceeds 10 acres, the value will be based on the home and a maximum of 10 acres of land only; out buildings will not be included in the valuation.
- When processing a mortgage application for a non-urban rural property that exceeds five acres, you must:
 - Include "house + up to 10 acres" in the 'Comment' field when submitting your deal; otherwise only "house + up to five acres" will be evaluated.
 - Order a full appraisal

Exterior Finishes

- The following external finishes are permitted:
 - Brick veneer, solid brick, stone veneer, solid stone, stucco, wood siding, aluminum siding, vinyl siding.

Acceptable Heating Sources

- The following heating sources are permitted:
 - Natural gas, electric furnace, oil furnace, electric baseboard, geo-thermal, radiant, hot water.

Acceptable Water Sources

- The following water sources are permitted:
 - Municipal, shore well, private well, communal/co-op well, artesian well, cistern

Modular Manufactured Properties

- Modular Manufactured homes will be considered for single advance only. Conventional financing will be considered provided the property meets all normal requirements such as owner-occupied, proper foundation, services, location, owned land and 100% complete. Mortgage default insurance will be required for high ratio financing.

Properties Located on Flood Plain

- If a property is located on a flood plain, financing is not permitted. Exceptions will be considered where an appraisal confirms that:
 - Preventative measures are in place (e.g. dykes, subject property is built on higher ground)
 - The property has been built to municipal code
 - There is minimal risk of flood damage to the specific property because of the preventative measures
- Contact your Broker RSM for more information.

Laneway Homes

- Laneway Homes (commonly referred to as Coach or Carriage Homes) are separate units typically situated in a backyard and built above or in the space reserved for a detached garage with an entrance via a laneway. In order to be considered eligible for valuation under the appraisal policy, laneway homes must meet **ALL** of the following criteria:
 - Must be self-contained (e.g. have a functional bathroom and kitchen).
 - Located above or in the space reserved for a detached garage and have an entrance via a laneway (no other outbuildings).
 - Must be minimum 350 square feet (33 square meters) and must not be the largest structure on the property.
- Full appraisal is required in order to have the full property value assessment.
- **Important:** Brokers must include "Property includes laneway home" in the 'Comments'. A full appraisal must be ordered to ensure the full property value is assessed

8.2. Minimum Mortgage Amount and Sliding Scale

Minimum Mortgage Amount

- Minimum amount for a mortgage application including ports and refinances is \$20,000. Requests below this amount will be declined.
- Minimum Purchase Price (Applicable to Condominiums only):
 - GTA/GVA: \$185,000
 - Ontario: \$160,000
 - BC: \$140,000
 - Alberta/Manitoba/Saskatchewan and Quebec: \$130,000
 - Atlantic: \$100,000

Sliding Scale

- The sliding scale formula places a limit on the financing provided for real estate properties. Sliding scale only applies to conventional mortgage financing. There is no Sliding Scale equivalent for low ratio default insured mortgages (LTV 80% and less).
- The maximum loan amount is based on the location of the property. The lesser of sliding scale amount or individual policy maximum apply (e.g. rental 75% LTV; recreational/vacation 65%, New to Canada 65% LTV).
- The purpose of sliding scale is to mitigate the higher risk associated with unusually expensive or unique properties, which may be harder to sell and more prone to price declines in the event of a real estate downturn.
- Stated maximums below apply to the lesser of the Appraised Value or Purchase Price.
- Maximum purchase price for high ratio (LTV > 80%) default insured RESL is \$1,000,000.
- Note: if house and 10 acres of land is considered for rural property valuation, non-urban sliding scale thresholds will apply in all cases despite the property location. To apply standard sliding scale policy, only house and five acres can be considered.

Location	Select Greater Vancouver Area (GVA) and Greater Toronto Area (GTA) ¹	Major Urban Centre ²	Urban Centre ³	Non-Urban/Rest of Canada ⁴
Owner Occupied (includes Second Home) Lending amount subject to lesser of LTV max. for property/Product type and Sliding Scale calculation	80% of the first \$1,250,000 plus 50% of the remaining balance	80% of the first \$1,000,000 plus 50% of the remaining balance	80% of first \$750,000 plus 50% of the remaining balance	80% of first \$500,000 plus 50% of the remaining balance
Rental Property Mortgages	80% of the first \$1,250,000 50% of the balance subject to maximum LTV of 75% (80% of the first \$1,250,000 50% of the balance subject to maximum LTV of 80% where bureau is 730 or greater)	80% of the first \$1,000,000 50% of the balance subject to maximum LTV of 75% (80% of the first \$1,000,000 50% of the balance subject to a maximum LTV of 80% where bureau is 730 or greater)	80% of the first \$750,000 50% of the balance subject to maximum LTV of 75% (80% of the first \$750,000 50% of the balance subject to a maximum LTV of 80% where bureau is 730 or greater)	80% of the first \$500,000 50% of the balance subject to maximum LTV of 75% (80% of the first \$500,000 50% of the balance subject to a maximum LTV of 80% where bureau is 730 or greater)
Recreational / Vacation Property Mortgages New to Canada Policy	80% of the first \$1,250,000 50% of the balance subject to maximum LTV of 65%	80% of the first \$1,000,000 50% of the balance subject to maximum LTV of 65%	80% of the first \$750,000 50% of the balance subject to maximum LTV of 65%	80% of the first \$500,000 50% of the balance subject to maximum LTV of 65%

- Select Greater Vancouver Area (GVA)** includes Vancouver, Burnaby, Port Moody, New Westminster, Port Coquitlam, Coquitlam, Richmond, Anmore, Belcarra, North Vancouver, North Vancouver City, West Vancouver, Delta, Surrey, Langley and White Rock. **Greater Toronto Area (GTA)** includes Ajax, Aurora, Barrie, Brampton, Burlington, Caledon(inclusive of Bolton), East York, Etobicoke, Georgetown, Hamilton(inclusive of Ancaster and Waterdown), King (inclusive of King City, Schomberg and Nobleton), Town of Markham, Milton, Mississauga, Newmarket, North York, Oakville, Oshawa, Pickering, Richmond Hill (inclusive of Oak Ridges), Scarborough, Toronto, Vaughan (inclusive of Concord, Kleinburg, Maple, Thornhill and Woodbridge), Whitchurch-Stouffville and Whitby.
- Major Urban Centre** as defined by TD Lending Guidelines.
- Urban Centre**
 - All other cities with population of 30,000 or more.
 - All communities with population <30,000 that are located within 50 km of an Urban or Major Urban area.
- Non Urban/Rest of Canada and Recreational**
 - Properties that fall under the Cottage Property Policy are restricted to a maximum LTV of 50%.
 - Default insurance is required for all properties located in or near Non-Urban centres with population base < 5,000 and > 100 km from an Urban or Major Urban Centre.
 - Insurance requirement waived if:
 - LTV up to 65% or
 - Property is located in a small community where there is a TD Branch (provided the community is not on the Restricted Community list)

8.3. Well Water and Septic Certificates

Overview

- The requirement for well and/or septic certificates must be included in the instructions to the solicitor/notary. The solicitor/notary is responsible to obtain, review and forward the certificates with the standard mortgage documents.

Existing Properties and Purchases from Builder – Single Advance

- Applications for properties that have well water as the principal water source must be supported by a current water potability certificate dated within 60 days of the closing date. The solicitor/notary is responsible to obtain, review and forward the certificates to TD with the standard mortgage documents.
- **Water Potability Certificate:**
 - Must confirm water quality passes the municipal test or is fit for human consumption.
 - Well Water Potability Certificates can be waived under the following circumstances:
 - Properties on which TD has an existing first charge and there are no known water concerns.
 - Properties that have water supplied by cistern where the water is brought in from another source.
 - Transfer/assignments from other major financial as outlined under the Mortgage Transfer Plan.
- **Septic Certificate:**
 - Are required for rural properties with new systems only.
 - Must be from a provincial or municipal authority and certify that the soil and water pollution, septic system design and installation are acceptable.
- **Shared Well Access:**
 - For both Insured and Conventional applications, the following is required in addition to standard requirement for well water certificate:

An agreement is in place for:

- Long-term use and maintenance of the well and pump on a reasonable mutual or individual basis.
- Supply lines installed and easements for the supply lines.

The agreement must:

- Run in perpetuity or until municipal water is available to the site
- Be in favour of the mortgagor
- Be assignable
- Bind the owner, his/her heirs, any assignees or existing mortgagees of the adjoining land from which the water was being supplied

The agreement of access must be registered on title.

9. Default Insurance

9.1. National Housing Act (NHA) Loans

Overview

- Default insurance protects the Bank against a credit loss, in the event a borrower is unable to repay their mortgage and enables qualified borrowers to purchase homes with smaller down payments.
- It is important for customers to understand how the default insurance premiums are calculated and charged by the mortgage insurer, either Canada Mortgage and Housing Corporation (CMHC), Genworth, or Canada Guaranty.
- Canadian government regulations require federally regulated mortgage lenders, including TD, to provide disclosure statements to mortgage customers explaining their mortgage default insurance and to publicly display general information on this topic.
- Customers who are paying default insurance premiums will be required to sign a disclosure as part of the Mortgage Fulfillment package.
- A home phone number must be provided for Insured deals.
- High ratio facilities are currently insured for the following:
 - Purchase and Purchase with Improvements of any new or existing single attached, detached or duplex unit

High Ratio Mortgages

- High ratio mortgages are mortgages where the LTV is greater than 80% of the value of the property
- High Ratio Mortgages must have mortgage default insurance coverage.
- The borrower agrees to pay an insurance premium to the insurer.
- The mortgage insurance obtained by the borrower protects the Bank against default by the borrower.
- Default insurers insist lenders complete a full and proper credit investigation of the applicant(s) as part of the decision-making process before approving a mortgage. Failure to do so can result in an insurer denying a claim on the basis of negligence.

Insurance Premium Payments

- The borrower can:
 - Pay the premium in cash up front, or
 - Add the premium to the principal amount of the mortgage

Borrower Qualification

- Standard borrower eligibility criteria applies
- When determining a borrower's eligibility for the loan in terms of Gross Debt Service (GDS) and Total Debt Service (TDS) ratios for insured mortgages:
 - All applications, including fixed term five years or greater, will be qualified based on the greater of the five-year Benchmark Rate or customer rate.
 - **Note:** If the customer changes their term, rate or rate type (e.g. five-year fixed to a VIRM) the mortgage must be re-decided using the appropriate Qualifying Rate.
 - Refer to the **Qualifying Rate** section for further details.
 - Additional terms and conditions may apply for insured refinance requests, as determined by the underwriter

Loan Purpose

- Purchase
- Purchase plus Improvements

Products

- Eligible products: Mortgage - fixed rate and closed VIRM

Terms

- Six months
- One, two, three, four, five, six, seven or 10 years closed
- Closed VIRM

Eligible Property Types

- Owner occupied up to four units
- New or existing properties
- Rental properties up to four units
- Second Homes (Genworth/Canada Guaranty only)
- Cottage Properties (Genworth/Canada Guaranty only)

Loan to Value (LTV)

- Owner Occupied:
 - Purchase up to 95% for properties with one to two unit
 - Purchase up to 90% for properties with three to four units
 - Refinance up to 80% for properties with one to four units
- Rental:
 - Purchase up to 80% for rental properties with two to four units

Down Payment

- The minimum down payment is 5% from applicant's own resources without recourse to additional borrowings.
- Recourse to borrowings is permitted between 80% and 95% LTV provided the associated payments are included in the debt serviceability.

Loan Amount

- Maximum purchase price of \$1,000,000.

Amortization

- Up to 25 years.

9.2. Default Insurance Premiums Reference Chart

25-Year Amortization Period				
LTV Ratio	Owner-occupied Properties		Rental Properties (two to four units)**	Cottage Properties*
	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on Loan Amount for self- employed borrower without third party income validation	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation
Up to 65%	0.60%	1.50%	1.45%	1.45%
65.01% to 75%	1.70%	2.60%	2.00%	2.55%
75.01% to 80%	2.40%	3.30%	2.90%	3.15%
80.01% to 85%	2.80%	3.75%	Not available	3.50%
85.01% to 90%	3.10%	5.85%	Not available	4.35%
90.01% to 95%	4.00%	Not available	Not available	Not available
90.01% to 95% and non- traditional source of down payment	4.50%	Not available	Not available	Not available
* These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.				
** Single rental units are not eligible for insurance.				

If the amount of your mortgage results from combining an existing insured mortgage with new money, the insurance company will combine the information from the existing mortgage and use the premium tables shown here to calculate the premium amount. The insurer may determine that a premium credit is available.

Here are default insurance premium rates offered by insurers when there is an increase on the borrowed amount, and the original loan amount required mortgage default insurance effective for purchase mortgages approved on or after March 17, 2017. The insurer may determine that a premium credit is available. This rate is charged on the new money:

25-Year Amortization Period				
LTV Ratio	Owner-occupied Properties		Rental Properties (two to four units)**	Cottage Properties*
	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on increase to Loan Amount for self-employed borrower without third party income validation	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation
Up to 65%	0.60%	3.00%	3.15%	2.90%
65.01% to 75%	5.90%	6.50%	3.45%	6.10%
75.01% to 80%	6.05%	7.00%	4.30%	6.40%
80.01% to 85%	6.20%	7.50%	Not available	7.00%
85.01% to 90%	6.25%	9.00%	Not available	7.60%
90.01% to 95%	6.30%	Not available	Not available	Not available
90.01% to 95% and non-traditional source of down payment	6.60%	Not available	Not available	Not available
0.6% premium surcharge on the above percentages may be added by the insurer when amortization on the existing mortgage is blended with that of the new money.				
* These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.				
** Single rental units are not eligible for insurance.				

10. Appendix

10.1. Broker Information Kit – Overview of Updates

Following are highlights of the changes, deletions and/or clarifications that have been made to this edition of the Broker Information Kit.

Note: Please refer to the applicable section within the Broker Information Kit to read the full process or policy.

Section	Description
2	Referral Fee Program: <ul style="list-style-type: none">Fax information for TD Broker Services Compensation has changed. They can now be reached by Fax at 416-943-8700 (local) or 1-833-943-8700 (toll free).
4.5 4.6	Temporary Residents and Non-Residents: <ul style="list-style-type: none">Clarification: For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the underwriter for review:<ul style="list-style-type: none">Six months of credit card statements from the country of origin demonstrating satisfactory repayment ORSix months of bank statements from the country of origin demonstrating satisfactory loan or mortgage repayment
5.13	Property Taxes: <ul style="list-style-type: none">Policy has been updated to clarify the application of property tax rebates: In provinces that offer property tax rebates, the rebate value cannot be applied to the property tax amount used in calculating the GDS/TDS.
7.3	Qualifying Rate: <ul style="list-style-type: none">The Bank of Canada rate publication date changed from Monday to Wednesday.The URL to the Bank of Canada rate page has been updated.
7.12	Income Confirmation: <ul style="list-style-type: none">Income Confirmation guidelines have been updated to provide information around accepting Canada Child Benefit (CCB) as a source of income.
10.3	TD Broker Refinance Program Fee Schedule: <ul style="list-style-type: none">Effective April 16, 2020, the TD Broker Refinance Program Fees have been updated as follows:<ul style="list-style-type: none">Fee for British Columbia increased from \$633.52 to \$634.62.Fee for Quebec increased from \$643.31 to \$646.31 (refinances without discharge) and \$867.51 to \$873.96 (refinances with discharge)

10.2. Occupation Category and Occupation Description Table

Occupation Category	Occupation Description	
Accounting/Finance/Insurance	<ul style="list-style-type: none"> Accountant Accounting Consultant Accounts Payable/Receivable Clerk Actuary or Actuarial Analyst Insurance Appraiser Auditor Bookkeeper Claims Adjuster Collections Officer Chief Financial Officer CFO Corporate Finance Accountant/Analyst Financial Analyst/Researcher Financial Controller Financial Planner Financial Products Sales Agent/Broker 	<ul style="list-style-type: none"> Financial Manager Fund Accountant Investment Manager Investment Analyst Investment Broker Insurance Broker Stock/Securities Broker Investment Consultant Policy Underwriter Risk Manager/Compliance Officer Securities Analyst/Researcher Tax Accountant Tax Assessment and Collections Officer Other: Accounting/Finance/Insurance
Administrative/Clerical	<ul style="list-style-type: none"> Administrative Assistant Administrative Support Clerk Claims Processer Data Entry/Order Processing Clerk Executive Assistant Filing/Records Management Clerk Office Manager 	<ul style="list-style-type: none"> Property Manager Receptionist/Switchboard Operator Secretary Transcription Clerk Mail Room Clerk Other: Administrative/Clerical
Bank/Real Estate/Mortgage Professionals	<ul style="list-style-type: none"> Bank Teller Bank Executive Corporate Office Manager Corporate Office Employee Credit Reviewer/Analyst Credit Manager Economist Escrow Officer/Manager Financial Services Rep/Advisor Investment Banker Loan Officer/Originator 	<ul style="list-style-type: none"> Mortgage Broker Real Estate Agent Real Estate Agent Leasing/Acquisition Real Estate Appraiser Real Estate Broker Real Estate Developer Branch/Store Manager Title Insurance Officer/Closer Underwriter Other: Bank/Real Estate/Mtg Professional
Building Construction	<ul style="list-style-type: none"> Building Contractor Carpenter/Framer Concrete and Masonry Tradesperson Floor/Tile/Paint/Wallpaper Tradesperson Crane/Heavy Equipment Operator HVAC Installer Landscaper 	<ul style="list-style-type: none"> Roofer Drywall and Plaster Tradesperson Site Superintendent Surveyor Welder General Labourer Plumber Other: Building Construction
Business Management	<ul style="list-style-type: none"> Financial Analyst Reporting Analyst Research Analyst Business Unit Manager Franchise-Business Owner Gaming/Casino Manager Hospital/Clinic Administrator Hotel/Lodging Manager Management Consultant Mergers and Acquisitions Consultant 	<ul style="list-style-type: none"> Chief Financial Officer CFO President/Chief or Senior Executive Public Health Administrator Restaurant Manager Store/Branch Manager Strategic Plan/Intelligence Consultant Town/City Planning Administrator/Clerk Urban Planner Other: Business Management

Creative/Design	<ul style="list-style-type: none"> ■ Advertising Writer (Creative) ■ Architecture/Interior Designer ■ Artist ■ Computer Animator/Multimedia Programmer ■ Creative Direction/Lead Consultant 	<ul style="list-style-type: none"> ■ Fashion and Accessories Designer ■ Graphic Artist/Illustration Designer ■ Industrial Designer ■ Interior Designer ■ Photographer/Videographer ■ Other: Creative/Design
Client Support/Personal Care	<ul style="list-style-type: none"> ■ Account Manager (Non-Commissioned) ■ Call Center Agent ■ Esthetician ■ Customer Service Rep ■ Hair Stylist 	<ul style="list-style-type: none"> ■ Nanny/Babysitter ■ Reservations/Ticketing Agent ■ Retail Customer Service Officer/Agent ■ Technical Customer Service Agent ■ Other: Client Support/Personal Care
Editorial/Writing	<ul style="list-style-type: none"> ■ Digital Content Developer ■ Documentation/Technical Writer ■ Editor/Proofreader 	<ul style="list-style-type: none"> ■ Journalist ■ Translator/Interpreter ■ Other: Editorial/Writing
Education/Training	<ul style="list-style-type: none"> ■ Private Classroom Teacher ■ Child Care Worker ■ Continuing/Adult Education Teacher ■ Corp Development/Training Specialist ■ Customer Training Consultant ■ Early Childhood Care Specialist ■ Elementary School Teacher ■ Teacher's Aid/Education Assistant ■ Junior/High School Teacher 	<ul style="list-style-type: none"> ■ Librarian ■ Doctor (PhD) ■ School/College Administrator ■ School Principal ■ Special Education Teacher ■ Translator ■ University/College Professor ■ Other: Education/Training
Engineering/Architect	<ul style="list-style-type: none"> ■ Architect ■ Aeronautic/Avionic Engineer ■ Bio-Engineer ■ Chemical Engineer ■ CAD/Drafting Technician ■ Civil and Structural Engineer ■ Electrical/Electronics Engineer ■ Energy/Nuclear Engineer 	<ul style="list-style-type: none"> ■ Environmental and Geological Engineer ■ Industrial/Manufacturing Engineer ■ Mechanical Engineer ■ Naval Architecture/Marine Engineer ■ RF/Wireless Engineer ■ Systems/Process Engineer ■ Other: Engineering/Architect
Entertainment/Sports	<ul style="list-style-type: none"> ■ Actor ■ Agent ■ Announcer/Broadcaster ■ Athlete ■ Coach ■ Producer/Director ■ Publicist 	<ul style="list-style-type: none"> ■ Writer/Editor ■ Dancer/Choreographer ■ Musician/Singer ■ Model ■ Fitness and Sports Trainer/Coach ■ Personal Trainer ■ Other: Entertainment/Sports
Farming/Agriculture	<ul style="list-style-type: none"> ■ Agricultural Inspector ■ Animal Breeder ■ Mixed Farmer (Crop/Livestock) ■ Fish Farmer ■ Hunter/Trapper ■ Hydroponics Farmer ■ Orchard/Vineyard/Greenhouse Farmer 	<ul style="list-style-type: none"> ■ Egg Farmer ■ Farm Supply/Co-op Owner/Operator ■ Livestock Farmer ■ Crop Farmer ■ Grain Farmer ■ Dairy Farmer ■ Other: Farming/Agriculture
Food Services/Gaming/Hospitality	<ul style="list-style-type: none"> ■ Bartender ■ Chef ■ Casino or Gaming Dealer/Operator ■ Casino or Gaming Manager/Administrator ■ Casino/Track Cashier ■ Casino/Track Surveillance Security Operator ■ Horse Racing/Off Track Betting Operator ■ Event/Wedding Planner ■ Cashier/Barista/Food and Beverage Server ■ Cook/Food Preparation 	<ul style="list-style-type: none"> ■ Front Desk/Reception Clerk ■ Guest Services/Concierge ■ Tour Guide ■ Host/Hostess ■ Restaurant Manager ■ Server ■ Wine Steward (Sommelier) ■ House Keeping ■ Dish Washer/Bus person ■ Baker ■ Other: Food Services/Gaming/Hospitality

Government/Diplomatic	<ul style="list-style-type: none"> ▪ Aboriginal Band Chief ▪ Ambassador ▪ Deputy minister (or equivalent rank) ▪ Diplomat (incl. attaches/counselors) ▪ Executive council member of government ▪ Head of a government agency ▪ Head of state/government 	<ul style="list-style-type: none"> ▪ Leader/President of political party ▪ Member of Legislature/Parliament ▪ President of state-owned company/bank ▪ Mayor ▪ City/Town Councillor ▪ Civil Servant / Government Employee ▪ Other: Government /Diplomatic
Human Resources	<ul style="list-style-type: none"> ▪ Compensation/Benefits Policy Specialist ▪ Corp Development/Training Specialist ▪ Diversity Mgmt/Compliance Specialist ▪ Human Resource Administrator 	<ul style="list-style-type: none"> ▪ Human Resource Counsellor ▪ Human Resource Specialist ▪ Payroll and Benefits Administrator ▪ Recruiting/Sourcing Specialist ▪ Other: Human Resources
IT/Software Development	<ul style="list-style-type: none"> ▪ IT Technician/Support Technician ▪ Database Developer/Administrator ▪ IT Consultant ▪ IT Project Manager ▪ IT Specialist ▪ Network and Server Administrator 	<ul style="list-style-type: none"> ▪ Software/System Architect ▪ IT Systems Analyst ▪ IT Manager/Senior Manager ▪ IT Developer/Programmer ▪ Other: IT/Software Development
Legal	<ul style="list-style-type: none"> ▪ Corporate Attorney/Lawyer ▪ Criminal Lawyer ▪ Private Practice Attorney/Lawyer ▪ Government Attorney/Lawyer ▪ Contracts Administration Lawyer ▪ Labor and Employment Lawyer ▪ Legal Specialist ▪ Legal Secretary 	<ul style="list-style-type: none"> ▪ Paralegal ▪ Patent/IP Lawyer ▪ Real Estate Lawyer ▪ Regulatory/Compliance Lawyer ▪ Tax Lawyer ▪ Judge ▪ Other: Legal
Transportation/Logistics	<ul style="list-style-type: none"> ▪ Car, Van and Bus Driver ▪ Cargo and Baggage Handling Operator ▪ Cost Estimator ▪ Equipment/Forklift/Crane Operator ▪ Hazardous Materials Handler ▪ Import/Export Administrator ▪ Inventory Planning/Management Specialist ▪ Mail Carrier ▪ Merchandise Planner/Buyer ▪ Messenger/Courier ▪ Pilot: Air and Marine ▪ Public Transit Driver/Operator ▪ Public Transit Operations/Administration 	<ul style="list-style-type: none"> ▪ Purchaser ▪ Shipping and Receiving/Warehousing Clerk ▪ Supplier Manager/Vendor Manager ▪ Taxi Driver ▪ Taxi Dispatcher/Administrator ▪ Train or Rail Operator ▪ Travel Consultant ▪ Truck Driver ▪ Vehicle Dispatcher/Router/Scheduler ▪ Flight Attendant ▪ Air Traffic Controller ▪ Customs/Immigration Officer ▪ Other: Transportation/Logistics
Manufacturing/Production/Operations	<ul style="list-style-type: none"> ▪ Agricultural Specialist ▪ Assembly/Assembly Line Worker ▪ Audio/Video Broadcast and Production Tech ▪ Equipment Operator ▪ Hazardous Materials Handler ▪ Laundry and Dry-Cleaning Worker ▪ Layout/Prepress/Printing/Binding Tech ▪ Machining/CNC Technician 	<ul style="list-style-type: none"> ▪ Metal Fabricator/Welder ▪ Moldmaking/Casting Technician ▪ Operations/Plant Manager ▪ Production/Operations Planner ▪ Scientific/Tech Production Specialist ▪ Seamstress/Tailor ▪ Operations-Telecom Admin/Manager ▪ Waste Pick-up and Removal Worker ▪ Other: Manufacturing/Production/Ops
Marketing/Product	<ul style="list-style-type: none"> ▪ Brand/Product Marketing Specialist ▪ Copy Writer/Editor ▪ Direct Marketing (CRM) Agent ▪ Events/Promotional Marketer ▪ Investor/Public/Media Relations Rep ▪ Market Researcher ▪ Marketing Communications Specialist 	<ul style="list-style-type: none"> ▪ Media Planning and Buying Specialist ▪ Product Manager ▪ Public Relations Specialist ▪ Telemarketer ▪ Visual/Display Merchandising Specialist

	<ul style="list-style-type: none"> Marketing Production/Traffic Specialist 	<ul style="list-style-type: none"> Other: Marketing/Product
Medical/Health	<ul style="list-style-type: none"> Chiropractor Dental Assistant/Hygienist Dentist or Dental Practitioner Doctor (MD) EMT/Paramedic Healthcare Aid Laboratory/Pathology Technician Massage Therapist/Masseuse Medical Imaging Specialist Medical Practitioner Medical/Rehabilitation Therapist Medical Technician Mental Health Specialist Midwife Nurse Nutrition and Diet Counsellor 	<ul style="list-style-type: none"> Ophthalmologist Optician Optometrist Personal Support Worker/Home Care Worker Pharmacist Pharmacy Assistant/Clerk Physician Assistant/Nurse Practitioner Physiotherapist Psychologist Public Health Administrator Social Service/Social Worker Sports Medicine Specialist Veterinarian Veterinarian Assistant Other: Medical/Health
Military Professional	<ul style="list-style-type: none"> Non-Commissioned Member Military Combat Specialist Officer 	<ul style="list-style-type: none"> Senior Officer (General/Admiral and above) Other: Military Professional
Project/Program Management	<ul style="list-style-type: none"> Event Planning/Coordinator Management Consultant IT Project Manager 	<ul style="list-style-type: none"> Project/Program Manager Other: Project/Program Management
Quality Assurance/Safety	<ul style="list-style-type: none"> Building/Construction Inspector Environment/Conservation Agent Food Safety and Inspector ISO Certification Agent Occupational Health and Safety Agent 	<ul style="list-style-type: none"> Production Quality Assurance Agent Software Quality Assurance Specialist Vehicle Inspector Other: Quality Assurance/Safety
Religious Professionals	<ul style="list-style-type: none"> Religious Leader Missionary/Aid Worker 	<ul style="list-style-type: none"> Religious Practitioner Other: Religious Professionals
Sales/Retail/ Business Development	<ul style="list-style-type: none"> Account Manager (Commissioned) Business Development/Account Manager Field Sales Agent Financial Sales/Brokerage Officer Fundraiser Insurance Agent/Broker International Sales Agent Jeweller/Precious Metals Dealer Media and Advertising Sales Agent Merchandise Planning/Buying Specialist Pawnbroker Owner/Operator Product Analyst/Management Real Estate Agent/Broker 	<ul style="list-style-type: none"> Cashier/Sales Clerk/ Sales Sales Support/Assistance Agent Sales Supervisor Store/Branch Manager Technical Presales Support and Sales Agent Telesales/Telemarketing Agent Travel Agent/Ticket Sales Agent Visual/Display Merchandising Specialist Wholesale/Reselling Sales Agent Retail Owner/Operator Other: Sale/Retail/Business Development
Science and Technology	<ul style="list-style-type: none"> Biologist Chemist Clinical Researcher Environmental and Geoscientist Lab Technician Mathematical/Statistical Researcher Medical Scientist 	<ul style="list-style-type: none"> Pharmaceutical Researcher Physicist Product Research and Development Analyst Sociologist/Anthropologist Other: Science and Technology
Security/Emergency/ Protective Services	<ul style="list-style-type: none"> Airport Security and Screening Officer Air Traffic Controller Correctional Officer Customs/Immigration Officer Firefighter and Rescue Specialist 	<ul style="list-style-type: none"> Police/Law Enforcement Officer Security Guard/ Loss Prevention Officer Intelligence/Analysis Specialist Other: Security/Emerg/Protective Serv

<p>Skilled Trades/ Maintenance/Repair</p>	<ul style="list-style-type: none"> ▪ Autobody Technician/Mechanic ▪ Blacksmith ▪ CAD/Drafting Technician ▪ Carpenter ▪ Electrician ▪ Fisherman ▪ Florist ▪ Funeral Services Employee/Manager ▪ General Labourer ▪ Heavy Equipment Operator ▪ Ironwork/Metal Fabricator ▪ Logger ▪ Miner ▪ Welder ▪ Tool and Die Maker/ CNC Operator ▪ Millwright ▪ Plumber 	<ul style="list-style-type: none"> ▪ Landscaper ▪ Comp/Elect/Telecom Instl/Maint/Rep Tech ▪ Equipment Install/Maintain/Repair Tech ▪ Facilities Manager/Maintenance Tech ▪ HVAC Maintenance/Repair Technician ▪ Janitorial and Cleaning Technician ▪ Locksmith ▪ Oil Rig/Pipeline Install/Maint/Rep Tech ▪ Painter ▪ Pipefitter ▪ Wire/Cable Install/Maintain/Repair Tech ▪ Other: Skilled Trades/Maint/Repair
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10.3. TD Broker Refinance Program Fee Schedule

April 16, 2020

Title Insured TD Broker Refinance Program Fee Schedule

Province	Program Fee	Additional Fees for Mortgage Registration and Conversion
British Columbia	\$634.62	N/A
Alberta	\$613.25	\$1.50/\$5000 of the mortgage amount
Saskatchewan	\$751.42	\$83.35 for each title over four (4)
Manitoba	\$817.65	N/A
Ontario	\$819.45	N/A
New Brunswick	\$798.50	\$312.00 – for properties requiring conversion \$85.00 per additional PID
Nova Scotia	\$798.55	\$460.00 – for properties requiring conversion
Newfoundland and Labrador	\$891.50	\$0.40 per \$100.00
Prince Edward Island	\$931.79	See variable registration fees chart below
Quebec	See table below	N/A

Program Fee noted above include:

- All searches;
- Mortgage registration;
- Unlimited secured and unsecured debt payouts;
- One signing appointment;
- All discharges registration fees;
- All applicable taxes; and
- Cancellation Fees*

*Additional Signing Appointment/Cancellation after appointment

Should a second Signing Appointment be required, an additional fee of \$100.00 will apply plus applicable taxes (\$60.56 in Quebec). In Quebec, if the appointment is outside the Notary office an additional fee of \$80.00-\$150.00 will apply. In BC, if the appointment with the Witnessing Agent is cancelled less than four hours prior to the appointment time, a \$47.25 fee will apply. In Quebec, if the appointment with the Notary is cancelled less than 24 hours prior to the appointment time a fee of \$57.49 will apply.

Quebec – Refinance with no discharge

Province	Program Fee	Additional Fees for Mortgage Registration and Conversion
Quebec	\$646.31**	N/A

**The new base program fee includes title searches, document preparation, one signing appointment, three (3) unsecured debt payouts, mortgage registration and a title insurance policy for TD and all applicable taxes.

Quebec – Refinance with discharge

Province	Program Fee	Additional Fees for Mortgage Registration and Conversion
Quebec	\$873.96***	N/A

***The all-in program fee includes title searches, document preparation, one signing appointment, unlimited discharges and unsecured debt payouts, mortgage registration, cancellation fees, a title insurance policy for TD and all applicable taxes.

Any additional fees related to the correction of title defects will be discussed with the customer. Once the customer agrees FCT will notify TD. TD will modify the Mortgage Loan Agreement and provide to FCT in advance of the signing appointment.

Insurance Premiums

For mortgages over \$750,000.00, additional premiums apply as follows. In British Columbia the additional premium applies only for mortgage amounts greater than \$1,000,000.00:

Mortgage Amount	Additional Premium	Tax on Premium
\$750,000.01 to less than or equal to \$1,000,000.00	\$100	ON - \$8.00 NF - \$15.00 SK - \$6.00 MB - \$7.00 QC - \$8.00
\$1,000,000.01 to less than or equal to \$1,500,000.00	\$250	ON - \$20.00 NF - \$37.50 SK - \$15.00 MB - \$17.50 QC - \$22.50
\$1,500,000.01 to less than or equal to \$2,000,000.00	\$350	ON - \$28.00 NF - \$52.50 SK - \$21.00 MB - \$24.50 QC - \$31.50
\$2,000,000.01 to less than or equal to \$5,000,000.00	\$750	ON - \$60.00 NF - \$112.50 SK - \$45.00 MB - \$52.50 QC - \$67.50
\$5,000,000.01 and Over	\$750 plus \$0.65 per \$1000 over \$5,000,000.01	Taxes will vary depending on province and the amount over \$5,000,000.01

PEI Variable Registration Fees

PEI Variable Registration Fees	
Mortgage Amount	Fee
\$ 0 -- \$ 9,999	77.25
\$ 10,000 -- \$ 19,999	103.00
\$ 20,000 -- \$ 49,999	154.55
\$ 50,000 -- \$ 99,999	231.80
\$100,000 -- \$149,999	309.10
\$150,000 -- \$199,999	386.40
\$200,000 +	463.65

The fees noted above apply to transactions associated with this program. For additional services, not part of the program, please contact us.

10.4. Customer Handouts

- a. Mortgage Comparison Chart..... 1 page
- b. Mortgage Prepayment Brochure..... 4 pages
- c. Property Tax Customer Factsheet..... 2 pages
- d. Mortgage Loan Agreement (MLA) Signing Guide..... 1 page

TD Broker Services Mortgage Comparison Chart

	Fixed Rate Mortgage	Six-Month Convertible Mortgage	Variable Interest Rate (Closed)
Term	Choice of 1-7 and 10 years	6 months	5 years
Amortization up to 30 years ²	✓	✓	✓
Key Features	<ul style="list-style-type: none"> - Fixed interest rate for the duration of mortgage term 	<ul style="list-style-type: none"> - Ability to convert to a longer closed term at any time at no cost 	<ul style="list-style-type: none"> - Variable interest rate with fixed payments - At any time, can be converted to a closed Fixed Rate Mortgage, with a minimum term equivalent to the lesser of 3 years or the remaining period of the original term
This mortgage is right for:	<ul style="list-style-type: none"> - People who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen 	<ul style="list-style-type: none"> - People who prefer a short term, with flexibility of converting to a longer term at any time 	<ul style="list-style-type: none"> - People who are not concerned with interest rate volatility
Interest Rate	Fixed for the selected term	Fixed for 6 months	<ul style="list-style-type: none"> - Variable interest rate - Based on the TD Mortgage Prime Rate
Payment Frequency	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly
Repayment Flexibility	<ul style="list-style-type: none"> - Payments can be increased by up to 100% over the term without charge - Prepayments up to 15% of original mortgage principal amount each year - Payment Reduction¹ - Payment Vacation¹ - Payment Pause¹ 	<ul style="list-style-type: none"> - Payments can be increased by up to 100% over the term without charge - Prepayments up to 15% of original mortgage principal amount each year - Payment Reduction¹ - Payment Vacation¹ - Payment Pause¹ 	<ul style="list-style-type: none"> - Payments can be increased by up to 100% over the term without charge - Prepayments up to 15% of original mortgage principal amount each year - Payment Reduction¹ - Payment Vacation¹ - Payment Pause¹
FYI	<ul style="list-style-type: none"> - Additional prepayments subject to a compensation charge - Reinvestment fee of \$300 for discharge prior to maturity during the initial term 	<ul style="list-style-type: none"> - Additional prepayments subject to a compensation charge - Reinvestment fee of \$300 for discharge prior to maturity during the initial term 	<ul style="list-style-type: none"> - Additional prepayments subject to a compensation charge - Reinvestment fee of \$300 for discharge prior to maturity during the initial term





"Account" refers to your:

- TD Mortgage or
- TD Home Equity Line of Credit - Term Portion (also called a Fixed Rate Advantage Option) or
- TD Home Equity FlexLine - Term Portion (also called a Fixed Rate Advantage Option).

To help you make smart, informed decisions about your mortgage prepayment options, this is what you need to know about prepayment charges and other fees associated with paying down or paying off your Account.

Account Types

The type of account you have will affect the prepayment charge that you may encounter. We've provided an explanation of these below.

• Fixed vs. Variable Interest Rate

- **Fixed Interest Rate:** Your interest rate will not change and your payments are for the same amount throughout the entire term.
- **Variable Interest Rate:** Your interest rate may change when prime rate¹ changes but your payments remain the same throughout the entire term. Instead, when the prime rate¹ changes, the amount of your regular payment that is applied toward interest and principal will change. If the interest rate decreases, more of your payment is applied to the principal balance owing. If the interest rate rises, more of your payment will go toward interest and your amortization period may be extended. At a certain interest rate, you may be required to make certain changes to your Account.

• Open vs. Closed to Prepayment Term

- **Open:** In addition to the regular payments, an open term allows you to pay any amount toward your outstanding balance at any time, without having to pay a prepayment charge for doing so. Interest rates are typically higher than those for closed terms for the same duration because of this privilege.
- **Closed:** In addition to the regular payments, a closed term only permits a certain amount to be prepaid before a prepayment charge is required. If you want to renegotiate or refinance your Account before the end of your term, you will also be charged a prepayment charge. Interest rates are typically lower than for an open terms for the same term.

• Long-term vs. Short-term

- **Long-term:** The term is generally for three years or more and is often the best choice when you are comfortable with the interest rate and you want the security of known payment amounts in order to budget for the future.
- **Short-term:** The term is usually for two years or less and is a good option if you believe interest rates will decrease by your maturity date.

If you require information on any of our mortgages, please visit www.tdcanadatrust.com/mortgages.

A Prepayment Charge Depends on the Type of Account Chosen

Account Type	Prepayment Charge
Open Term	No prepayment charge
Closed Variable Interest Rate Term	Three Months Interest Amount
Closed Fixed Interest Rate Term	Greater of Three Months Interest Amount or Interest Rate Differential (IRD) Amount

When a Prepayment Charge Applies

The following actions may result in you having to pay a prepayment charge:

- Paying more than your prepayment privileges allow
- Refinancing (increasing your borrowing amount) before the Maturity Date
- Early renewing your Account
- Transferring your Account to another lender before the end of your term

Avoiding or Reducing a Prepayment Charge

Whether you're paying off the outstanding balance of your Account because you are moving, or simply paying down your principal sooner, TD gives you options to possibly avoid or reduce prepayment charges.

- **Portability Plus®**

Take your existing TD Mortgage interest rate and term with you to your new home - and avoid prepayment charges on the amount that you "port" when paying off your mortgage before the Maturity Date (applies to TD Mortgages with closed fixed interest rate terms only). Any additional money that you borrow will receive the current rate in effect at that time for those funds and the new mortgage interest rate will be blended with the interest rate on your existing mortgage. Some conditions apply.

- **Choose an open term**

If you choose an open term, then you will avoid paying a prepayment charge when you do any of the actions identified above.

- **Reduce the principal balance of your Account**

- Over the term, increase your payment by up to 100% of the original regular payment
- Each calendar year, prepay up to 15% of the original principal amount
- Change your payment frequency to a more frequent payment schedule

By reducing the principal balance of your Account, you will reduce the balance on which the IRD Amount or Three Months Interest Amount is calculated.

Additional fees that may apply when paying out an Account

It is important to note that additional fee(s) may be charged when a TD Mortgage is paid in full and discharged (not applicable if you are just paying out a Home Equity Line of Credit/TD Home Equity FlexLine - Term Portions). These may include -

- **A Discharge or Assignment Fee**

This is an administration fee for preparing the discharge or assignment request. There is no administration fee if you assign the Home Equity Line of Credit/TD Home Equity FlexLine.

- **A Reinvestment Fee**

If you prepay your TD Mortgage in full before the maturity date during your initial term (i.e. you never renewed your TD Mortgage)

- **An Administration Fee for paying out the Open Variable Interest Rate Mortgage in full**

- **A Cashback Reimbursement**

If you received a cashback payment in connection with your TD Mortgage, you may be required to reimburse a proportionate amount. This applies in the following situations -

- You prepay the TD Mortgage in full
- We assign the TD Mortgage to another lender at your request
- You renew the TD Mortgage and that renewal is effective before the maturity date of your current mortgage term

Prepayment Charge Types

There are two types of prepayment charges that may apply. See below for a description of how we calculate estimated prepayment charges.

The actual calculation will be more precise and will result in a lower prepayment charge than the estimated prepayment charge below. Alternatively, use our online prepayment calculator at www.tdcanadatrust.com/prepaymentcalculator to obtain an estimate.

Three Months Interest Amount

An amount equal to three months (90 days) interest on the amount prepaid at your current interest rate.

Interest Rate Differential (IRD) Amount

An amount equivalent to the difference between your annual interest rate and the posted interest rate on a term that is closest to the remainder of the term less any rate discount² you received, multiplied by the amount being prepaid, and multiplied by the time that is remaining on the term.

Prepayment Charge Example

- David and Susan have 28 months remaining on their term.
- They have an outstanding Account balance of \$100,000.
- They are paying an interest rate of 5% which includes a 1% rate discount off of the posted rate when they set up their Account.
- They would like to pay off their outstanding balance.

David and Susan have a **Closed Fixed Interest Rate Account**. The prepayment charge will be the greater of Three Months Interest or the Interest Rate Differential amount.

First: Estimate the Three Months Interest (90 days) Amount.

Step 1:	\$100,000 (A)	the amount prepaid
Step 2:	0.05 (B)	the Annual Interest Rate on the Account, expressed as a decimal
Step 3:	\$5,000 (C)	$A \times B = C$
Step 4:	\$1,250 (D)	$C \div 4 = D$, D is the estimated Three Months Interest Amount
David and Susan's estimated Three Months Interest Amount = \$1,250		

Second: Determine the right term and corresponding interest rate for a Similar Mortgage³ - a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of the Account.

If the number of months remaining on your Term, excluding the current month, is...	...then the term used to determine the posted rate for the Similar Mortgage would be:
Less than 9 months	6 months convertible
From 9 months to up to 17 months	1 year closed fixed rate
From 18 months to up to 29 months	2 year fixed rate
From 30 months to up to 41 months	3 year fixed rate
From 42 months to up to 53 months	4 year fixed rate
From 54 months to up to 65 months	5 year closed fixed rate
From 66 months to up to 77 months	6 year fixed rate
From 78 months to up to 101 months	7 year fixed rate
From 102 months up to and including 120 months	10 year fixed rate

If the current posted rate for a 2 year fixed rate mortgage term is 5%, taking into account the customers' 1% rate discount they received, the **Similar Mortgage rate is 4%**.

The current posted rate for the Similar Mortgage can be found at www.tdcanadatrust.com/mortgagerates.

Third: Estimate the Interest Rate Differential Amount.

Step 1:	5.00% (A)	the Annual Interest Rate on the Account
Step 2:	4.00% (B)	the posted interest rate for a Similar Mortgage, less any discount received under the Account
Step 3:	0.01 (C)	$A - B = C$, expressed as a decimal
Step 4:	\$100,000 (D)	the amount prepaid
Step 5:	28 (E)	number of months remaining on the term of this Account, excluding the current month
Step 6:	\$2,333 (F)	$(C \times D \times E) \div 12 = F$, F is the estimated IRD Amount
David and Susan's estimated IRD Amount is = \$2,333		

Based on the calculations above, David and Susan would pay an **estimated prepayment charge of \$2,333**, which is equivalent to the IRD Amount estimate - the higher of the two calculations.

Factors that can Change Your Calculation

A. For the IRD calculation:

- the timing of your prepayment which impacts:
 - the remaining term for the Similar Mortgage
 - the remaining number of months in the IRD Amount calculation
- our posted rates
- the prepayment amount
- the regular payment amount
- the payment frequency

B. For the Three Months' Interest calculation:

- the prepayment amount
- the current Term Portion - Variable Rate Annual Interest Rate (if applicable)
- the regular payment amount
- the payment frequency

If you have any questions about prepayment charges, would like to know your actual prepayment charge or would like to discuss this in more detail, call us at **1-800-281-8031** or contact your local branch.

¹ For Variable Rate Mortgages, prime rate refers to the TD Mortgage Prime Rate. For Term Portions - Variable Rate, prime rate refers to the TD Prime Rate.

² You can find out your rate discount by calling 1-800-281-8031 or contacting your branch.

³ A Similar Mortgage is a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of your mortgage, as determined by us. The interest rate for a Similar Mortgage is determined on the earlier of the date of the prepayment or the date of issuance of a valid official statement for discharge purposes. The remaining term for a Similar Mortgage is determined as of the date of prepayment.

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Here's what you need to know about TD paying your property taxes

Combining your property tax payment with your mortgage payment can save you time and effort by enjoying the convenience of having only one payment!

Here's how it works.

In order for TD to pay your property taxes, we collect a portion of your annual estimated property taxes with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from your mortgage loan. Essentially, we help you save enough money so that we can pay your property taxes in full when they are due with money you have accumulated in your property tax account.

How do you determine how much money will be collected for the tax portion of my mortgage payment?

The property tax portion is based on an average of annual estimated tax amounts for years 1 and 2, divided equally throughout the tax year. This will build a balance in the property tax account to pay your tax bill when it's due (example 1). Each municipality has a unique schedule for when taxes are due and TD will pay the annual property

tax in full upon receipt of the bill from your municipality. The majority of municipalities issue tax bills once or twice a year.

Example 1	
Home possession date:	March 1
1 st regular mortgage payment with tax portion:	April 1
Estimated annual property taxes year 1:	\$1,500
Estimated annual property taxes year 2:	<u>+\$1,500</u>
Total estimated annual property taxes year 1 & 2:	\$3,000
Final property tax bill due	June 30
Number of months to collect taxes in year 1:	3 (April-June)
Number of months to collect taxes in year 2:	<u>+12 (July-June)</u>
Total months for tax years 1 & 2:	15 (April-June)
Monthly tax portion:	$\$3,000 \div 15 \text{ months} = \200

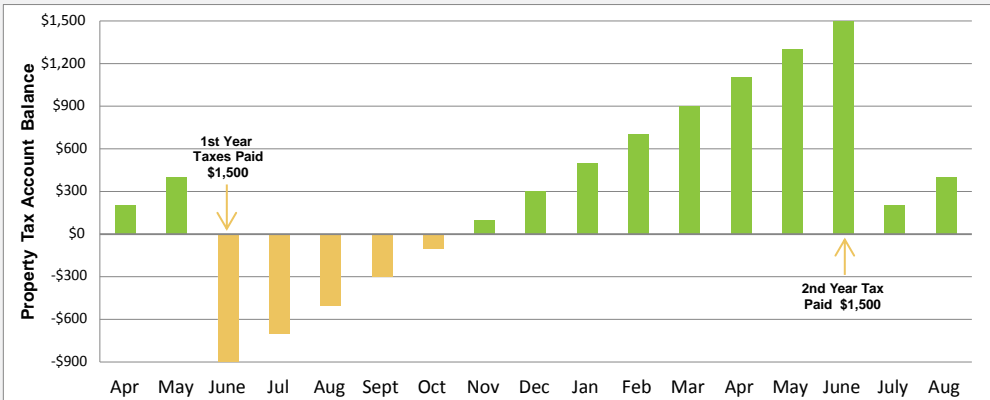
After your mortgage has been set up, you will receive a [Repayment Letter](#) from us explaining how your specific tax portion is calculated and how much will be added to your mortgage payment.

What happens if my property tax account cannot cover my tax bill?

Sometimes tax bill payments are due to your municipality in the early months of your mortgage loan or you are notified of an increase to the amount of property taxes due before you've had time to accumulate enough in your property tax account to cover the payment. If this happens, to ensure your tax bill is paid in full and on time, we lend you the difference at your current annual mortgage interest rate as outlined in the Mortgage Loan Agreement you signed. We call this difference a shortage in your property tax account.

To make up the shortage, we use a catch-up period, during which we adjust your property tax payments to cover future tax payments and repay the shortage including interest owing.

Note: For newly constructed homes, if the tax bill only covered the land and not the building, the catch up period may be extended as there will be supplemental tax bills issued by the municipality for each year until the reassessment is completed.



This example does not take into account any interest associated with the property tax account balance.

How will I be notified if the property tax portion with my regular mortgage payment is changing?

You receive a **Property Tax Payment Notice** from us after we've paid your final property tax installment for the year. The notice outlines how much we paid in property taxes on your behalf, the balance in your property tax account after payment of property taxes, and any changes to the tax portion of your regular mortgage payment. We give you approximately two months' notice if we have to adjust your tax payment. Upon receipt of this notice, please contact us without delay if you have any questions or wish to discuss repayment arrangements.

How do I prevent a shortage in my property tax account?

You can deposit money in to your property tax account at any time to avoid paying interest costs associated with a shortage in your property tax account.

Note: If you purchase an existing property, you may see a credit for taxes not paid by the previous owner in the **Statement of Adjustment** you receive from your lawyer on closing. By depositing this amount in your property tax account, you could reduce or eliminate any potential shortage.

What happens if I receive a property tax bill directly when I've arranged for TD to pay it on my behalf?

If you happen to receive a tax bill directly, simply bring it into your TD Canada Trust branch as soon as possible. It may mean that your municipality has not yet updated its records to show that TD is making your property tax payments on your behalf.

Why do I have a surplus in my property tax account?

Each municipality has different due dates for when final tax bills must be paid. Seeing a surplus in your property tax account is often the result of us building a balance in your tax account to cover a future tax bill.

We do not pay you interest on the money you pay into the property tax account.

Do I need to be aware of any provincial differences?

British Columbia: A Provincial Home Owner Grant Program (PHOG) is available to all eligible homeowners. The homeowner must apply for it each year. You can obtain details on the program from your taxing authority. We will make remittances based on the assumption that you apply and qualify annually for the basic grant. Please advise your branch if you do not or no longer qualify for the grant, or if you qualify for any additional grant.

Quebec: A real estate transfer tax (commonly called *taxe de Bienvenue*, or *welcome tax*) will be assessed when you first purchase your property. You must pay this one time amount yourself, as the bank does not factor it into the tax portion of your regular mortgage payment. In addition, some municipalities will not mail property tax bills directly to TD; therefore, upon receipt of any tax related bill (i.e. property, school tax, initial property tax bill assessment, duplicate tax bills and revised tax bills) it needs to be brought into TD Canada Trust as soon as possible.

Contact your local TD Canada Trust branch
or call 1-800-577-6103 for more information



Your Mortgage Loan is Approved! Here's What Happens Next.

TD Broker Services

Now that your TD Canada Trust mortgage loan has been approved, it's time to sign the documents. Here are the next steps:

1. Signing the Mortgage Loan Agreement

You will need to sign the Mortgage Loan Agreement (the MLA). The MLA outlines the credit terms of your loan.

2. Signing the Collateral Charge

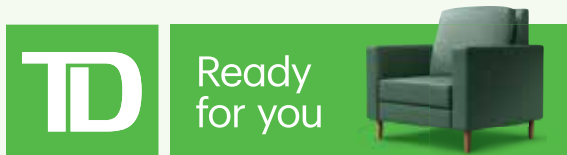
Once the MLA is signed by all the required borrowers (and, if applicable, the guarantee is signed by the guarantors), you will sign the Collateral Charge. The Collateral Charge is the security that you grant us in exchange for us lending you the principal amount. It is registered against title for the real estate. You may have decided to have your Collateral Charge registered for more than the principal amount of the mortgage loan. If you are using a legal representative to register your new collateral charge, it is important that you discuss any additional associated costs/fees with him/her prior to funding your mortgage loan that may occur because of the higher registration amount. If you then choose to reduce the registered amount of the Collateral Charge, please make sure to tell us.

3. You'll notice that the interest rate for the mortgage loan is different from the interest rate on the Collateral Charge.

The MLA sets out the specific credit terms of your mortgage loan. The Collateral Charge secures your mortgage loan and is registered at TD Prime Rate + 10% (except Quebec where registration occurs at 20%). This is the maximum rate of interest for which TD Canada Trust is secured. No changes to this interest rate are permitted. This rate can give you greater flexibility and potential cost savings in the future.

You can only be charged interest based on the interest rate in the MLA.

Having a Collateral Charge can be useful if you ever want to change your loan. For example, if you have registered the Collateral Charge for a higher amount than your current MLA, then if you want to borrow a higher amount in the future, you may be able to reuse the existing Collateral Charge, subject to credit approval. If you are able to reuse the Collateral Charge, you will not need to pay for a discharge for it and registration for a new collateral charge. Some conditions may apply when reusing your Collateral Charge, so please discuss this with your Mortgage Broker.



► For more information, contact your Mortgage Broker