

## MIAWPUKEK FIRST NATION MARKET BASED HOUSING PROGRAM

### Orientation & Applicant Checklist

The Miawpukek First Nation market based housing program has been developed in conjunction with the First Nations Market Housing Fund and approved lenders. The objective of the program is to provide community members access to affordable and competitive mortgages and loans in order to build, purchase, renovate or refinance homes on Miawpukek.

PROGRAM DETAILS			
	<b>New</b>	<b>Purchase</b>	<b>Renovate</b>
Maximum Loan	\$175,000	\$175,000	\$5,000-\$60,000
Maximum Amortization	25 years	25 years	15 Years
Down payment	5%	5%	N/A
Construction Assistance Program	Eligible	Eligible	Eligible
Life Insurance	Mandatory	Mandatory	Mandatory
Fire Insurance	Mandatory	Mandatory	Mandatory
Home Inspection	N/A	Yes	N/A
Serviceable Lots only	Yes	N/A	N/A
First Nation Holds CP	Yes	Yes	Yes
Debts owed to Miawpukek	Reviewed	Reviewed	Reviewed
Renovations	N/A	Yes, within max loan	Yes
Inspections	Mandatory	Mandatory	Mandatory
Building Permit	Required	Required (renos)	Required
CMHC Loan Insurance	Mandatory	Mandatory	N/A
Construction Method	Contractor/DIY	Contractor/DIY	Contractor/DIY

DIY – Do it Yourself

In order to make the process simple and understandable, this orientation package and checklist has been developed in order to assist you with planning your build, purchase or renovation. You have already completed the first step by submitting your Market Based Housing Application for the program.

Now we will lead you to the next step and, provided you meet all the eligibility requirements, a successful completion of your application.

## Stage 1 – Pre-Approved Mortgage and the Application Process

- a) First Nation will conduct an internal credit check on all applicants. For band members in arrears more than 30 days on any accounts, these accounts must be dealt with or a repayment plan must be negotiated. If arrears are too high, or repayment plan is not negotiable applicant is not eligible for the program.
- b) If you have satisfactory credit with First Nation, defined as no account in arrears more than 30 days, the First Nation will provide a Conditional Letter of Guarantee to the bank so you can apply for a pre-approved mortgage. ***This will inform the bank that First Nation is in the position to guarantee your loan, provided you meet the bank's lending requirements.*** This means that you meet the following conditions:
- ✓ Good Credit with minimum credit score of 620
  - ✓ Good job tenure (usually minimum 2 years employment)
  - ✓ Income to support loan
  - ✓ Current Debt Load is moderate (credit cards, car, boat, & ski doo payments)
- c) The final step is to provide proof of life insurance for more than the loan you are applying for. You can apply for this insurance when you are applying for the mortgage, or you can get it from an independent broker.
- d) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.
- e) Member apply for the Construction Assistance Program – provides assistance in the form of free labour for Carpentry, Plumbing and Electrical. Please refer to Residential Construction Assistance Program Policy for details and criteria.

## Stage 2 – Approval & Construction/ Renovation/ Purchase / Refinance

If you have met all three of the above prequalification criteria, congratulations you are now approved to proceed with your construction/Renovations/Purchase/ Refinance

Programs specifics and further details will be provided, once you application is approved.

**For Refinancing details please enquire at the housing office.**

# New Construction – Miawpukek First Nation

## *Draft Policy for Market Based Housing*

The market based housing program is designed to provide affordable mortgages for *qualified* Miawpukek First Nation members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, new Construction is defined as the construction of a new home on an existing serviced lot.

### Program Details

Maximum Loan	\$175,000
Maximum Amortization	25 years
Down payment	5% down (cash only)
Construction Assistance Program	Eligible (subject to approval process and guidelines)
Life Insurance	Mandatory
Fire Insurance	Mandatory
Lots	Serviced Lots only (water, hydro)
Certification of Possession (CPs)	Transferred to MFN until mortgage is fully paid.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to Miawpukek	To be addressed if Band member is in arrears (all programs)
Building Permit	Required
Construction method	General Contractor/ Do-it-Yourself (DIY)
Hold back on Construction	10% (General Contractor)
CMHC Mortgage Insurance	Mandatory

### STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is completed by the member and reviewed by the Housing Department. An orientation package is sent to Band member detailing the eligibility requirements. Member also completes application for the Residential Construction Assistance Program.
- 2) MFN conducts internal credit check to ensure there are no accounts in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the band member is in good standing a Conditional Letter of Support (Appendix 1) will be issued to the financial institute stating that the First Nation is prepared to guarantee the band member’s mortgage provided they meet the lending requirements.

- a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
  - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 3) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
  - b. Gross up factor on income earned on-reserve will be applied.
  - c. Band member must have satisfactory credit minimum score 620
  - d. Band member must have good job tenure (at least 2 years for recent graduates).
  - e. Band member must demonstrate they have sufficient equity of 5%.
- If band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.**
- 4) Band member required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 5) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

## **STAGE 2 – Approval & Construction**

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- 1) Identification of a serviced lot and CP formally transferred to the Miawpukek First Nation (MFN), if First Nation does not already hold CP. A title search will be conducted to ensure that the lot is unencumbered, as well as to ensure the lot is surveyed and registered under Canadian Land Survey Registry (CSLR). CP is transferred to Band member only after the mortgage has been fully amortized.
- 2) Band Member to apply for a Building Permit and must comply with the Community Zoning By-Law.
- 3) MFN Capital Department will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and housing lot allocation.
- 4) Band member to submit two sets of plans, one for MFN and one to be forwarded to the financial institution. Any modifications recommended by the Building Permit review must be implemented.

- a. As a minimum, certified plans will only be accepted and must be approved by appropriate department within MFN (refer to zoning by-law). In addition, site plan to be provided.
  - b. Plans from local hardware stores may also acceptable, provided they are certified.
  - c. Plans to be reviewed by MFN to ensure they meet, as a minimum, NBC.
- 5) Do-it-Yourself (DIY) construction applications will be reviewed by the Housing Department on a case by case basis. The following is not eligible for DIY and must be contracted to a qualified technician:
- a. Electrical
  - b. Plumbing
  - c. Heating, Ventilation, Air Conditioning (HVAC)
- 6) For Modular/trailers/prefabricated construction, units must meet the following minimum standards before guarantee is issued:
- a. CSA Standard.
- 7) a) Band members get quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WCB coverage to MFN. In addition, contractor must be capable of bridge financing construction, as **advances prior to construction are prohibited**. For DIY projects, a quote for materials must be provided.
- b) MFN responsible for installing services to the lot line and must be included in the cost of construction. Fees for hydro hook-ups are the responsibility of the Band member.
- 8) If member qualifies for the Residential Construction Assistance Program for Electrical, Carpentry and Plumbing, they must schedule with the Housing Department and work with General contractor to exclude this work from any quotes.
- 9) Final quote along with verification of equity must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 10) Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (June 01, 2015)

Loan to Value	Premium on Total Loan
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.15%

Financial institution confirms CMHC mortgage insurance is in place.

- 11) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 2)
- 12) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 13) Contractor and DIY to provide proof of construction insurance to MFN and Financial Institution.

- 14) Copy of builder's contract forwarded to MFN and any related correspondence must be forwarded to First Nation.
- 15) **Construction begins.**
- 16) MFN responsible for progress and compliance inspections. The maximum number of progress advances is six (6). Pictures to be included in the advance documentation.
- 17) Any changes to construction must be pre-approved by MFN in accordance with the Building Permit.
- 18) Equity (5%) must be drawn down first prior to the first loan advance being processed.
- 19) Holdback of 10% for contractors will be required and enforced by the lender.
- 20) Proof of fire insurance provided by Band member to financial institution prior to move in date.

DRAFT - For Public Review

# Purchase an Existing Home – Miawpukek First Nation

## *Draft Policy for Market Based Housing*

The market based housing program is designed to provide affordable mortgages for *qualified* Miawpukek First Nation (MFN) members who wish to purchase, renovate, construct or refinance a home.

Purchase of an existing home on MFN either from another band member or MFN.

### Program Details

Maximum Loan	\$175,000
Maximum Amortization	25 years
Down payment	5% down (cash only no sweat equity)
Life Insurance	Mandatory
Fire Insurance	Mandatory
Home Inspection	Mandatory
Appraisal	Mandatory to establish value.
Certification of Possession (CPs)	Transferred to MFN mortgage is fully paid.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to Miawpukek	To be addressed if in arrears
Renovations	Can be included with Purchase price along as within max loan.
Construction Assistance Program	Eligible (subject to approval process and guidelines)
Hold Back/Construction method	10% - General Contractor (renovations)
CMHC Loan Insurance	Mandatory

### STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is completed by the member and reviewed by the Housing Department. An orientation package is sent to Band member detailing the eligibility requirements. Member also completes application for the Residential Construction Assistance Program, if they intend to include renovations.
- 2) Ensure seller holds CP for lot and verification of no encumbrances.
- 3) MFN conducts internal credit check to ensure there are no accounts in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation is prepared to guarantee this individual's mortgage provided they meet the lending requirements.

- a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
  - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 4) Only after the Band member has received conditional support from the MFN can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
  - b. Gross up factor on income earned on-reserve will be applied.
  - c. Band member must have satisfactory credit with minimum score 620
  - d. Band member must have good job tenure.
  - e. Band member must demonstrate they have sufficient equity of 5%.

**If Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.**

- 5) The Band member is required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 6) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

## STAGE 2 – Approval & Acquisition

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- 7) If private sale, MFN is not part of the negotiation process. However, MFN, as guarantor, must be satisfied with the value of the home as demonstrated by an appraisal and home inspection to be conducted by an independent appraiser and home inspector. This shall also apply if the First Nation is the seller.
- a. Appraisal determines value and whether selling price is reasonable.
  - b. Home inspection determines any serious deficiencies that may impair the value of the home and will need to be rectified to complete the sale. The cost to address these deficiencies can be paid for by the seller prior to sale as a condition, or can be deducted off the sale price and corrected after the sale and incorporated into the mortgage (provided loan does not exceed maximum).



- c. Band member is required to hire an appraiser and inspector and submit a copy of the report to First nation.
- 8) Sales agreement finalized and CP transferred to First Nation until mortgage is fully discharged.
- 9) Renovations are allowed and can be incorporated into the mortgage, provided the maximum loan is not exceeded. The same conditions applied to renovations of an existing home will be applied to renovations of a purchased home. – (Building Permit and Community Zoning By-Law).
- 10) MFN Capital Department will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and CP allocation.
- 11) Final sale agreement and estimate for renovations, if required, along with verification of equity must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 12) Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (Dated June 1 ,2015)

<b>Loan to Value</b>	<b>Premium on Total Loan</b>
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.15%

Financial institution confirms CMHC mortgage insurance is in place.

- 13) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Template attached)
- 14) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 15) Confirmation Buyer has Fire Insurance sent to financial institute and First Nation.
- 16) No transfer of funds until First Nation has received confirmation that CP has been transferred to First Nation for all private sales. Confirmation sent to the financial institution to release funds.

## Renovations – Miawpukek First Nation

### *Draft Policy for Market Based Housing*

The market based housing program is designed to provide affordable mortgages to *qualified* Miawpukek First Nation (MFN) members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, renovations refer to any improvements and modifications to an existing home.

#### Program Details

Maximum Loan	\$5,000 - \$60,000
Maximum Amortization	15 years
Life Insurance	Mandatory
Fire Insurance	Mandatory
Certification of Possession (CPs)	Transferred to MFN for loans over \$20,000
Total Debt Services Ratio	Not to exceed 40%
Debts owed to MFN	To be addressed if Band member is in arrears
Construction Assistance Program	Eligible (subject to approval process and guidelines)
Construction method	General Contractor/Do-it-yourself for certain items/Subs

#### STAGE 1 – Pre-Qualification

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- 1) A Market Based Housing Application is completed by the member and reviewed by the Housing Department. An orientation package is sent to Band member detailing the eligibility requirements. Member also completes application for the Residential Construction Assistance Program.
- 2) Confirmation that the Band member holds CP on property and must consent to transferring to First Nation for the duration of the loan, for loans over \$20,000.
- 3) MFN conducts internal credit check to ensure there are no accounts are in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation is prepared to guarantee this individual's mortgage provided they meet the lending requirements.
  - a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.

- b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
  - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 4) The Band member to submit quotes and a general description of renovations , which will be reviewed by MFN for the following:
- a. To ensure work is compliant with, as a minimum, NBC and construction standards.
  - b. Provide a professional opinion on whether work can be done by Band member as a Do-it-Yourself project.
  - c. Determine which work **MUST** be done by Trades (I.e. structural, electrical, plumbing, HVAC) which will be communicated by MFN.
- 5) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
  - b. Gross up factor on income earned on-reserve will be applied.
  - c. Band member must have satisfactory credit with minimum score 620
  - d. Band member must have good job tenure.

**If the Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.**

- 6) The Band member is required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 7) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member should seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

## **STAGE 2 – Approval & Construction**

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- 8) Provided the Band member meets all the pre-qualification criteria, and confirmation that the Band member holds the CP, the Band member must consent to a legal transfer of CP to MFN for the duration of the loan.
- 9) Band Member to apply for a Building Permit and must comply with the Community Zoning By-Law.
- 10) MFN Capital Department will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee.

- 11) The Band member gets quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WCB coverage to First Nation. In addition, contractor must be capable of bridge financing construction, as **advances prior to construction are prohibited.**
- 12) For DIY projects, the member must provide quote for materials.
- 13) If member qualifies for the Residential Construction Assistance Program for Electrical, Carpentry and Plumbing, they must schedule with the Housing Department and work with General contractor to exclude this work from any quotes.
- 14) Final quotes, for contractor and building supplies must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 15) Proof of fire insurance provided by the Band member to financial institution.
- 16) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee.
- 17) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 18) Contractor / DIY to provide proof of construction insurance to MFN and Financial Institution.
- 19) **Renovations begin.**
- 20) MFN responsible for progress and compliance inspections. The maximum numbers of inspections are three: an initial inspection, one at 50% complete and the final inspection. Pictures to be included in the advance documentation. Advances could also be processed by the submission of invoices by Band member to the financial institution.
- 21) Holdback of 10% for contractors will be required and enforced by the lender for work done by general contractor.

# Refinance of an Existing Home – Miawpukek First Nation

## *Draft Policy for Market Based Housing*

The market based housing program is designed to provide affordable mortgages for *qualified* Miawpukek First Nation (MFN) members who wish to purchase, renovate, construct or refinance a home.

For the purpose of this policy, refinancing refers to the transfer of an existing mortgaged property on MFN into the market based housing program. In order to qualify for the refinancing of an existing home, an additional loan for renovations must be included into the mortgage subject minimum and maximum amount.

### Program Details

Maximum Loan	\$175,000
Renovations	Up to Maximum of \$60,000
Maximum Amortization	25 years
Life Insurance	Mandatory
Fire Insurance	Mandatory
Certification of Possession (CPs)	Transferred to MFN until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Construction Assistance Program	Eligible (subject to approval process and guidelines)
Construction method	General Contractor/Do-it-yourself for certain items/subs
Hold back on Construction	10% - General Contractor
CMHC Insurance	Mandatory

### STAGE 1 – Pre-Qualification

- 1) A Market Based Housing Application is completed by the member and reviewed by the Housing Department. An orientation package is sent to Band member detailing the eligibility requirements. Member also completes application for the Residential Construction Assistance Program.
- 2) Confirmation that Band member holds CP and existing mortgage amount. Any penalties for early discharge on an existing mortgage will be borne by the Band member.
- 3) The Band member is required to increase mortgage by a minimum of \$10,000 and up to a maximum of \$60,000 for renovations in order to be eligible. In addition, this additional increase plus the amount of the existing mortgage being refinanced must be below the maximum mortgage amount of \$175,000.
- 4) MFN conducts internal credit check to ensure there are no accounts are in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts**

**that are in default more than 30 days.** If the Band member is in good standing a Conditional Letter of Support will be issued to the financial institute stating that the First Nation is prepared to guarantee this individual's mortgage provided they meet the lending requirements.

- a. If the Band member has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or the Band member refuses, the application is declined and no further action is taken on the file.
  - c. If repayment plan is initiated the First Nation may at its discretion defer the application for a period of six months to ensure that the Band member abides by the repayment plan.
- 5) Band member to submit quotes and a general description of renovations , which will be reviewed by MFN Capital Department for the following:
- a. To ensure work is compliant with, as a minimum, NBC and construction standards.
  - b. Provide a professional opinion on whether work can be done by the Band member.
  - c. Determine which work **MUST** be done by General Contractor (I.e. structural, electrical, plumbing, HVAC) which will be communicated to First Nation.
- 6) Only after the Band member has received conditional support from the First Nation can the member apply for a pre-approved mortgage. The Band member will be required to submit pay stubs, photo Id, and information regarding overall debt load to the bank.
- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
  - b. Gross up factor on income earned on-reserve will be applied.
  - c. The Band member must have satisfactory credit with minimum score of 620.
  - d. The Band member must have good job tenure.
  - e. The Band member must demonstrate they have sufficient equity of 5% for renovations.

**If the Band member is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken.**

- 7) Band member required to obtain and maintain life insurance in an amount sufficient to cover loan balance. Insurance can be obtained from financial institution where they are financing the mortgage or from an independent broker.
- 8) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must seek independent legal advice regarding their right to claim in the event of household break-up. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights.

## STAGE 2 – Approval & Renovation

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- 9) Provided the Band member meets all the pre-qualification criteria, and confirmation that the Band member holds the CP, the Band member must consent to a legal transfer of CP to the First Nation until the loan is fully amortized.
- 10) Band Member to apply for a Building Permit and must comply with the Community Zoning By-Law.
- 11) MFN Capital Department will confirm to the Lender that the Band member has met all the pre-established conditions for approval of a loan guarantee and CP allocation, (if required).
- 12) The Band member gets quotes from contractors and as a minimum the contractors must demonstrate that they have liability insurance, \$1.5 million, and provide proof of WCB coverage to First Nation. In addition, contractor must capable of bridge financing construction, as **advances prior to construction are prohibited.**
- 13) For DIY projects, the member must provide quote for materials.
- 14) If member qualifies for the Residential Construction Assistance Program for Electrical, Carpentry and Plumbing, they must schedule with the Housing Department and work with contractor to exclude this work from any quotes.
- 15) Final quotes, for contractor and building supplies, must be forwarded to financial institution for final approval. Must be below maximum loan amount.
- 16) Proof of fire insurance provided by Band member to financial institution.
- 17) The Band member is responsible for CMHC mortgage insurance premiums, which can be rolled into the mortgage. Premiums based on the following: (June 1, 2015)

Loan to Value	Premium on Total Loan
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.15%

Financial institution confirms CMHC mortgage insurance is in place.

- 18) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 3)
- 19) If the existing mortgage is a Ministerial Guarantee, the First Nation will be required to issue a second BCR rescinding this guarantee. This ensures that there are not two guarantees on the same loan.
- 20) Credit Enhancement Certificate is issued by the First Nation Market Housing Fund confirming its backing of the loan.
- 21) Contractor / DIY to provide proof of construction insurance to First Nation and Financial Institution.
- 22) **Renovations begin.**
- 23) MFN responsible for progress and compliance inspections. The maximum numbers of inspections are three: an initial inspection, one at 50% complete and the final inspection.

Pictures to be included in the advance documentation. Advances could also be processed by the submission of invoices by Band member to the financial institution.

24) Holdback of 10% for contractors will be required and enforced by the lender for work done by general contractor.

DRAFT - For Public Review



# Miawpukek First Nation Market Based Housing Program

Name: \_\_\_\_\_ Band Number \_\_\_\_\_

Co-Applicant: \_\_\_\_\_ Band Number \_\_\_\_\_

Phone:(h) \_\_\_\_\_ (w) \_\_\_\_\_ (c) \_\_\_\_\_

**Do not apply for a bank loan until you have submitted an application to housing and you have received a conditional support letter from MFN.**

What are you applying for?

**New Construction:** \_\_\_\_\_ Max loan \$175,000 – 5% down

Service Lot Identified: \_\_\_\_\_ (water,hydro, road access)

Do you hold Certificate of Possession: \_\_\_\_\_

Do you have House Plans? \_\_\_\_\_

**Renovations:** \_\_\_\_\_ Max Loan \$60,000

Do you hold Certificate of Possession on your home? \_\_\_\_\_

What kind of Renovations are you going to invest in?

\_\_\_\_\_

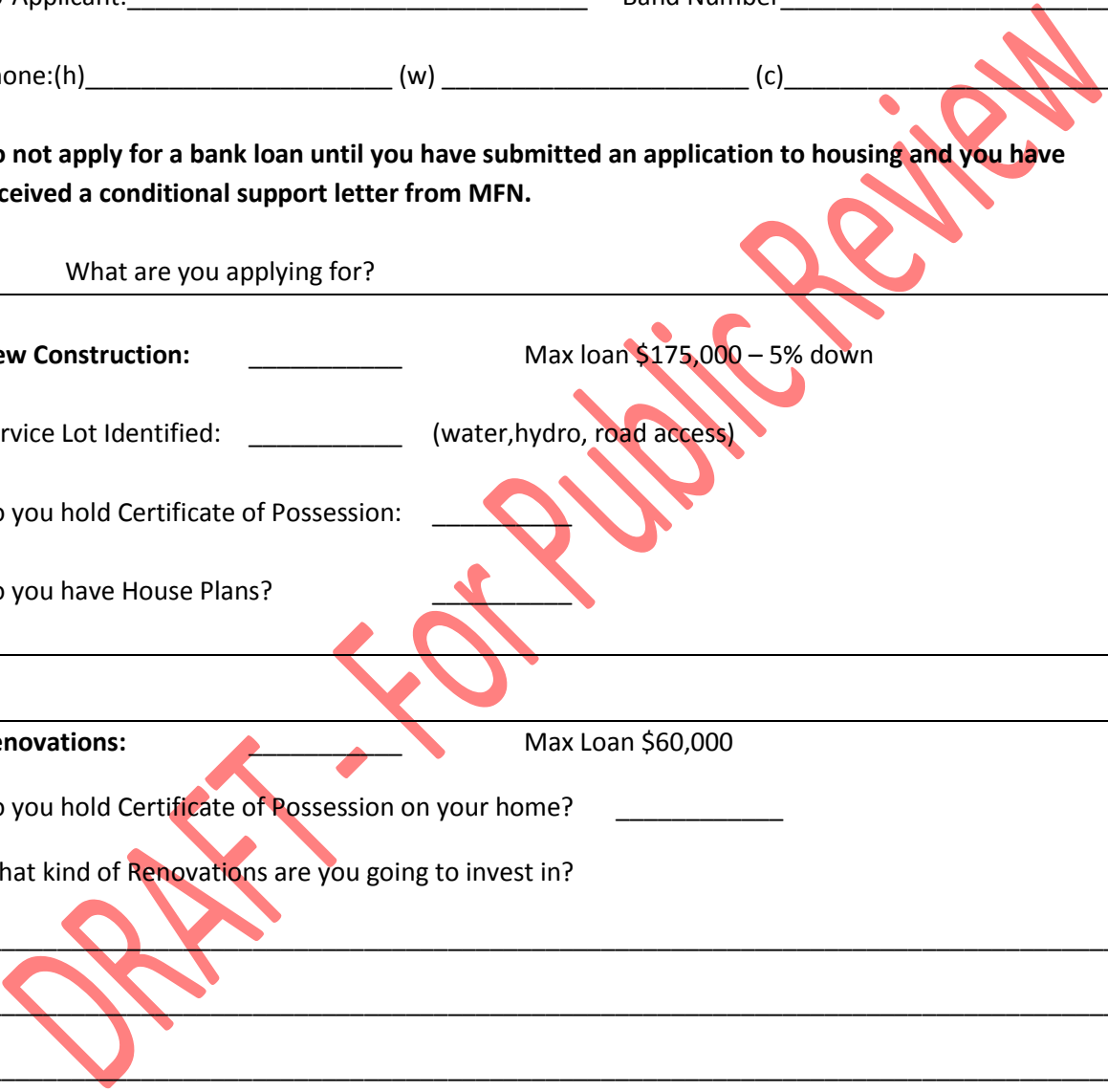
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**Purchase:** \_\_\_\_\_ Max Loan \$175,000 – 5% down

Who is the seller: \_\_\_\_\_

Does seller have Certificate of Possession of lot? \_\_\_\_\_

If approved, you will be required to hire a qualified independent appraiser and home inspector and provide copy of reports to Housing.

Has a sale price been negotiated? \_\_\_\_\_

Will you be including renovations in loan? \_\_\_\_\_

If yes, please provide some details?

\_\_\_\_\_

\_\_\_\_\_

**Refinance:** \_\_\_\_\_ Max Loan \$175,000

Will you be including renovations? \_\_\_\_\_ Max Renovations \$10,000 to \$60,000

Which banks holds your mortgage? \_\_\_\_\_

Approximate balance of mortgage: \_\_\_\_\_

**Existing mortgage plus renovations cannot exceed \$175,000.**

What kinds of renovations will you investing in?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## CONDITIONAL LETTER OF GUARANTEE

Financial Institution

May 10, 2011

Dear Sir/Madam

Re: **Conditional Support – Market Based Housing Program**  
**Applicant Name**

Please accept this letter as our conditional support for **Applicant Name** loan application with your financial institution for **new construction/renovations/refinance**. The applicant has met our internal pre-qualifications requirements, and is now eligible to apply for a pre-approved mortgage.

This Conditional Letter of Guarantee is not to be construed as a final guarantee, but only serves to inform you that First Nation has reviewed this application and is in a position to guarantee this loan, provided the applicant meets your minimum mortgage requirements. As you know, this means satisfactory credit history (score 620 higher) job tenure, acceptable TDS ratios and income requirements.

If the applicant meets your credit requirements, along with the other mandatory requirements such as life and fire insurance, a Band Council Resolution, CMHC Certificate of insurance, and a Credit Enhancement Certificate from the First Nations Market Housing Fund will be issued to your financial institution guaranteeing the mortgage.

If you have any questions on the above, please do not hesitate to contact the undersigned at your convenience.

Sincerely,

# Miawpukek First Nation Market Based Housing Program

## Internal Credit Check

Name: \_\_\_\_\_ Band Number \_\_\_\_\_

Co-Applicant: \_\_\_\_\_ Band Number \_\_\_\_\_

**Band members in arrears more than 30 days for any accounts must be dealt with or a repayment plan must be negotiated prior to the issuance of the conditional letter of support.**

Finance Use Only
Accounts Receivables Type:

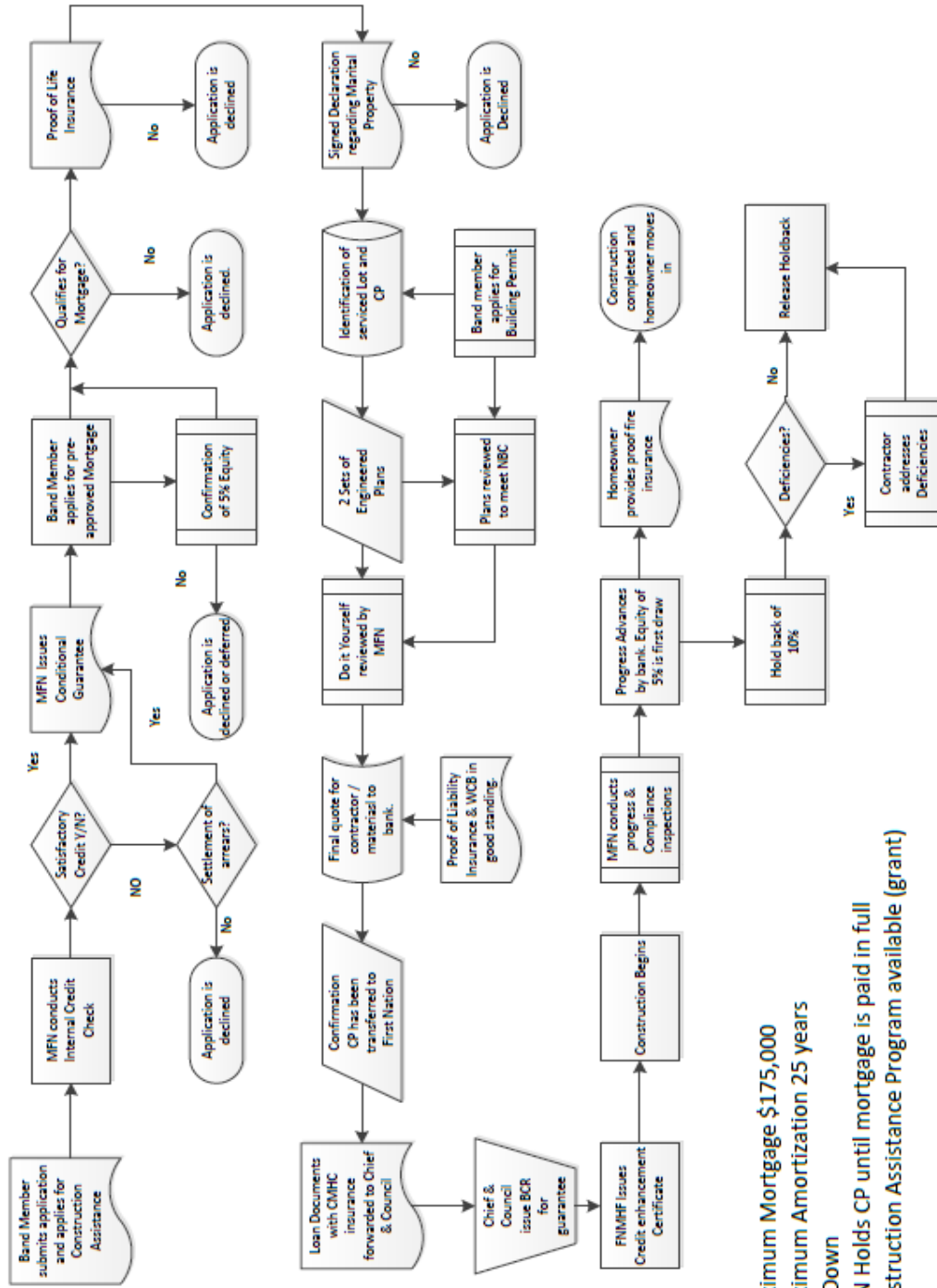
Account Number	Days in Arrears	Amount of Arrears
	<b>Total</b>	<b>\$</b>

Verified by: _____ Date: _____ Finance Manager
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Full Payment Received?    Yes \_\_\_\_\_ No \_\_\_\_\_

Repayment Plan Negotiated? Yes \_\_\_\_\_ No \_\_\_\_\_

Miawpukek First Nation (MFN) – New Construction Sample Process



Maximum Mortgage \$175,000  
 Maximum Amortization 25 years  
 5% Down  
 MFN Holds CP until mortgage is paid in full  
 Construction Assistance Program available (grant)

