
Insurable Mortgage Product Guidelines

Guidelines

Standard high-ratio insured guidelines apply:

- Primary residence only (1 to 4 units)
- While CMHC and Sagen may transactionally insure a single application, it may not meet the insurable parameters (see “Ineligible” below)
- New purchase and Straight Transfer-In’s only ** (See Transfer-In section below)
- Maximum 80% LTV
- Amortizations equal to or less than 25 years for a purchase
- Qualify at the greater of the contract rate plus 2% OR the minimum qualifying rate as set out by OSFI
- No income considered from borrowers with a beacon score below 600 or no beacon
- Original purchase price less than \$1M
- No guarantors, except for a spouse that will be occupying the residence
- Standard conventional property evaluations apply

Rental Income

Suite(s) in Residence:

- For borrowers with a beacon of 680 and higher, 100% of the rental income can be added to the borrower’s income for all suites that meet our own internal criteria
 - Taxes and heat to be included
 - For borrowers with a beacon below 680, only 50% of the rental income can be added to the borrowers income
 - Coast Capital Savings will consider rent from a maximum of two suites

Non-Subject Rental Properties:

- Standard Coast Capital Savings Net Rental Income Calculation can be applied

HELOCs

HELOCs are allowed both concurrently and as a Sub-Advance behind an existing insurable mortgage.

- Apply standard Coast Capital Savings HELOC qualification guidelines. The greater of the contract rate plus 2% OR the minimum qualifying rate as set out by OSFI

****Transfer-Ins**

Straight Transfer-In's qualify for the Insurable rate offering. There must be no new funds, with the exception of a \$3,000 max allowance for costs related to the transfer (i.e. legal costs, admin fees, penalties).

The original purchase price must have been less than \$1M:

- Current value of the home may be over \$1M
- Due diligence is required to ensure the purchase price was below \$1M in cases where the original purchase price being less than \$1M may be in doubt (ex. current value is over \$1M or just under \$1M)
- Original purchase price verification can include the Sales History in the appraisal, Sales History from appropriate Landcor valuation product or the Seller's Statement of Adjustments from the time of purchase

Amortization must be the lesser of the current remaining amortization or 25 years:

- Due diligence is required to determine the remaining amortization
- Obtain the most recent mortgage statement
- A Mortgage Form B may show the original amortization if it is not a "Current and Running Account"
- If the original or current amortization cannot be verified, then use a maximum 25Y amortization

A mortgage that is currently High-Ratio Insured is not eligible for the insurable product. It must be transferred in as insured, and it must be currently insured with either CMHC or Sagen.

Strata Minutes

Not required to review strata minutes unless it is discovered that further investigation is needed.

Ineligible

Not all transactionally Insured High Ratio scenarios will qualify under Insurable parameters.

The following property types are ineligible:

- Leasehold Properties
- Housing Located on Reserve or First Nation Lands
- Rentals
- Land Only
- Recreational Properties
- Second Home
- Age Restricted
- Refinances (ETO)