



Equity
Builder
Program™

Yes, you can own a new home!

830, 410 22nd Street East
Saskatoon, SK - S7K 5T6

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HeadStart Equity Builder Program™ Lending Guidelines

Key Partners

Westcap Mgt. Ltd., Affinity Credit Union, Conexus Credit Union, Cornerstone Credit Union, Diamond North Credit Union, Innovation Credit Union, North Valley Credit Union, Plainsview Credit Union, Prairie Centre Credit Union, Synergy Credit Union, and Weyburn Credit Union.

Approved Projects

Designated properties constructed under the HeadStart on a Home Program.

Homebuyer Steps

Homebuyers will approach the partner Credit Union to obtain mortgage financing to purchase a home under this program.

Program Guidelines

What is the HeadStart Equity Builder Program™?

Up to a maximum of \$10 million committed by Credit Union partners to finance the 5% down payment on the purchase of a new home that is constructed through the HeadStart on a Home program.

Five year repayable loan floating at Credit Union prime rate.

How will this product work?

1. The Credit Union will provide a loan to a maximum of 5% of purchase price for the purpose of meeting the down payment requirements. The principle mortgage must also be completed by this Credit Union partner, which will be insured by CMHC (Canada Mortgage and Housing Corporation) or Genworth.
2. Each Credit Union will create a “new product” in their loan system as a standard term loan.
3. The maximum amount of the loan is 5% of the purchase price of the home. Loan will be repayable over a 5 year open term. The interest rate will be floating at Credit Union prime. Repayment frequency will be weekly, biweekly, or monthly. If at the end of the 5 year period, a residual balance remains due to an increase in prime rate, the payment agreement will continue past the 60 month period until the balance is paid in full.

An initiative to build entry-level
homes in Saskatchewan by:



Managed by Saskatchewan's venture
capital and private equity Fund Manager:





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4. Complete regular Credit Union application for High Ratio Mortgage Financing Loan.
 - Fixed rate 5 year term mortgage; amortization period of up to 25 years, with maximum LTV ratio of 95%.
 - Application to reflect appropriate fees and premium.
 - Lender to ensure that monthly payment for down payment loan is included under liabilities and reflected in TDS ratio.
5. Complete separate **HeadStart Purchaser Information Form** (available under the Credit Union Resources link located on the top right of HeadStart's website at headstartonahome.ca).
6. Credit Union will register a second mortgage charge as security on this down payment loan and applicant will be responsible for fees. Alternately, Credit Union may have the option of securing the loan with a registered caveat on the property.

Will purchasers qualify for CMHC mortgage insurance and what is the premium?

Purchasers may qualify for CMHC insurance under the “Non-Traditional Source of Down Payment” guidelines at cmhc.ca. Insurance Premium rates are outlined in these guidelines.

CMHC Guidelines:

- Application to be submitted under “Non-Traditional Sources of Down Payment” program. Borrowers must meet CMHC underwriting criteria for program. It is recommended that lender advises CMHC in the comments that application is submitted under the HeadStart Program.
- No income restrictions.
- Lender to reflect monthly payment for HeadStart Equity Builder Program™ down payment loan in TDS ratio.
- Premium rates as outlined in the guidelines.

Will purchasers qualify for Genworth mortgage insurance and what is the premium?

Purchasers may qualify for Genworth insurance under their regular cashback program guidelines at genworth.ca

Genworth Guidelines:

- Application to be submitted under “Cashback Equity / Borrowed Down Payment Program”. Borrowers must meet Genworth's underwriting criteria for program.
- No income restrictions.
- Applicant is not required to be a first-time homebuyer.
- Applicant must not own any other property when borrowing the down payment.
- Applicant must not have been previously approved under Genworth on a mortgage with a borrowed down payment.
- Lender to reflect monthly payment for HeadStart Equity Builder Program™ down payment loan in TDS ratio.
- Premium rates as outlined in the guidelines.



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Who qualifies?

- Any purchaser of a HeadStart home.
- Applicant must be able demonstrate their ability to cover closing costs.¹
- Applicant must qualify under individual Credit Union lending guidelines.
- Applicant must intend to occupy the home.
- No restrictions on household income levels.
- Not restricted to new homebuyers.
- Not restricted to new (first-time) homebuyers.

¹Please refer to the individual mortgage insurer guidelines.

What is the maximum debt service ratio allowed?

GDS/TDS Guidelines (for CMHC):

Credit Score	GDS	TDS
<680	35%	42%
680+	39%	44%

What if the applicant has applied or qualified for other down payment assistance programs?

This program may be used in conjunction with other down payment assistance programs (ex. Affordable Home Ownership Program, Developer/Builder down payment programs).

Is there a maximum limit for the amount of the loan?

No, there is not a maximum limit, but the loan cannot exceed 5% of the purchase price of the HeadStart home.