



BROKER KIT

Big enough to deliver,
small enough to care

May 2012

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Mortgage Broker
Services

ALL-IN-ONE – READVANCEABLE HELOC.....	3
CASHBACK/FLEXDOWN	5
EQUITY UP TO 65% LTV	6
ALT A (BUSINESS FOR SELF) – GENWORTH	8
COTTAGE – TYPE A&B CONVENTIONAL OR INSURED.....	9
MADE TO MEASURE.....	11
NEW IMMIGRANT CONVENTIONAL OR INSURED	13
NON RESIDENT (NON INSURED).....	15
BRIDGE LOAN	16
RENTALS – CONVENTIONAL.....	17

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Mortgage Broker Services

All-In-One – Readvanceable HELOC

The All-In-One offers your client a fully readvanceable Home Equity Line of Credit (HELOC) which can be used for everyday banking, investment planning and more

Features:

- Prime rate lending* on the HELOC portion of the All-In-One (AIO)
- Fully readvanceable HELOC
- Ability to have fixed or variable rate mortgage (VRM) components within the All-In-One
- Up to 80% LTV financing
- No limit on capital advances
- Sliding scale on property values over \$1.2M
- Minimum payment option available (interest only or P&I)
- Consolidated monthly statement makes it easy for your clients to manage all their personal finances
- Up to 99 distinct accounts managed within All-In-One Banking
- Ability to link existing financial instruments
- No fee banking with web, ABM, branch or Exchange Network access
- Obtain cash advances, write cheques

*Rates subject to change. As of February 23, 2012, rate is Prime + 0.75%, that corresponds to 3.75%.

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All-In-One – Readvanceable HELOC (page 2 of 2)

Lending Guideline Overview

Client Type:	Salaried, Retired, Business for self (BSF), Equity
Loan Purpose:	Purchase or Refinance
Max LTV:	Up to 80%
Minimum Beacon:	<ul style="list-style-type: none">• 670 for qualified clients• 680 for Equity deals
Debt Servicing:	28% GDS 38% TDS (ratio based on 5 years Bank of Canada) qualified with a 25 years amortization
Property Types:	Primary residence only – Single family dwelling up to owner occupied fourplex
Loan Amount:	Minimum AIO limit \$10,000 (minimum mortgage amount \$50K)
Payment:	Interest only
Proof of Income:	Refer to Lending Guidelines for complete details on required documentation and eligibility criteria.
Asset Confirmation:	Liquid asset confirmation is required (underwriter discretion)
Equity Lending:	Is available, please refer to “Equity up to 65%” product sheet
Note for Submission:	Cannot close an All In One under “Power of Attorney”

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Cashback/Flexdown

For your clients who need funds to cover closing costs or post funding costs

Term	Rate	Cashback Amount
1 year	Bank posted	1%
2 years	Bank posted	1%
3 years	Bank posted	2%
4 years	Bank posted	3%
5 years	Bank posted	4%
6 years	Bank posted	5%
7 years	Bank posted	6%
10 years	Bank posted	8%

Cashback is based on a 60-day rate hold. Should you require a longer rate hold, please contact your BDM for pricing.

Cashback amounts are subject to change.

Lending Guideline Overview

Client Type:	Conventional or Insured
Loan Purpose:	Purchase, Refinance or Switch
Term:	1-7 years and 10 years
Max LTV:	95% Purchase 85% Refinance (Insured)
Minimum Beacon:	620 conventional 650 minimum recommended for Insured*
Ratio Requirement:	32% GDS Up to 35% GDS for insured with Beacon of 680 or less 40% TDS conventional Up to 44% for Insured* (based on insurer requirements)
Amortization:	Insured: 30 years maximum Conventional: 30 years maximum
Payment Options:	Accelerated weekly and bi-weekly or monthly
Property Types:	Primary, 2 nd home, cottage, rental
Appraisals:	When required, must be ordered either through brokerworx.ca, NAS or Solidifi
Down Payment:	Minimum 5% (Down payment can come from Cashback)
Loan Amount:	Minimum amount \$50,000
Prepayment:	Up to 10% of the original amount without indemnity (minimum \$100) and/or Increase P&I by 100% once annually and/or Pay an additional amount not exceeding P&I on every payment due date (must call in to request)

* Insured deals will be underwritten according to the insurer's guidelines but must be acceptable to NBC prior to submitting to the insurer.

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Equity up to 65% LTV

This program offers mortgage financing to salaried workers, retirees and self-employed workers, while exempting them from the standard GDS/TDS ratio-based approval criteria and applying other approval criteria

LTV divided into 2 categories:

- 50% or less LTV
- 50.01% to 65% LTV

GDS/TDS Requirement:

BUSINESS FOR SELF (BFS), SALARIED OR RETIRED
with 50% LTV or less..... GDS: 65% and TDS: 75%

BFS AND 100% COMMISSION
50.1% to 65% LTV..... GDS: 65% and TDS: 75%

SALARIED, BASE + COMMISSION OR PENSIONER
50.1% to 65% LTV..... GDS: 40% and TDS: 50%

If TDS is over, please refer to page 2 of "Equity Program Requirement"

Minimum Beacon:

680

At least one of the borrowers must have a minimum beacon score of 680 and must be a positive contributor to the deal (e.g. not just contributing by having the best beacon score)

Amortization:

30 years

All-In-One must be qualified on 25 years

Eligible Products:

Fixed, variable rate mortgage (VRM) and All-In-One.

Preapproval is not available

Eligible Property Types:

One to four units, owner-occupied only – Primary residence

Maximum financing amount:

- Quebec and Atlantic: \$500,000
- Ontario and Western Canada: \$600,000
- All of Canada: \$500,000 for All-In-One only with up to 65% Max LTV

Eligible Purposes:

Purchase, Refinancing, Switch

Down payment:

- Must be from the borrower's personal resources
- No partial loans for Down payment are allowed
- No gifted funds
- Down payment from a co-borrower who does not live in the property will not be considered as a gift (Funds from a guarantor are NOT eligible)
- No government or employer grants

Proof of Income:

Refer to Lending Guidelines for complete details on required documentation and eligibility criteria.

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Mortgage Broker Services

Equity up to 65% LTV (page 2 of 2)

Borrowers who exceed the maximum TDS can qualify for equity loan financing as long as the client's net worth is equal to or greater than 1.5 times the amount of the loan requested. This is offered on all equity deals where TDS is above limit

Assets Confirmation: Conditioning for assets is at the discretion of your underwriter. Should the TDS exceed the Equity program requirements the confirmation of all eligible assets will be mandatory.

Eligible Assets:

- Properties other than primary residence you can either provide a Municipal Tax Account (MPAC) or an Appraisal that has been prepared in the last 5 years. The Appraisal doesn't need to have been ordered for or by National Bank.
- Registered and non-registered investments (e.g. deposit certificate, mutual funds, stocks, bonds, RRSPs, RRIFs)

Ineligible Assets:

- Value of a company and individual's share in his own company
- Bank accounts (because of their volatility)
- Locked-in retirement plans (e.g. LIRAs, Locked-in RRSPs, LIFs, Locked RIFs)
- Furniture, jewelry, artwork
- Personal loans
- Vehicles such as cars, motor homes, recreational vehicles, and boats
- Vacant land or Mobile homes on rented land

Example #1

- Loan requested (\$200,000) equalling 50% of the market value (\$400,000)
- TDS is 90%
- $\$200,000 \times 1.5 = \$300,000$ (net worth required to obtain the Equity loan requested)

Assets:		Liabilities:	
Property	\$400,000	Loan requested	\$200,000
Cottage	\$50,000	Cottage loan	\$35,000
Cash assets	\$4,500 (not included)		
RRSP	\$25,000	RRSP loan	\$10,000
Investments	\$50,000	Credit cards	\$15,000
Business	\$500,000 (not included)		
Total	\$525,000	Total	\$260,000

- Assets (\$525,000) minus liabilities (\$260,000) = Net worth (\$265,000)
- In this example, the client does not qualify for the requested loan, as his net worth is less than \$300,000

Example #2

- Loan requested (\$300,000) equalling 50% of the market value (\$600,000) TDS is 90%
- $\$300,000 \times 1.5 = \$450,000$ (net worth required to obtain the equity loan requested)

Assets:		Liabilities:	
Property	\$600,000	Loan requested	\$300,000
Bank accounts	\$4,500 (not included)		
RRSP	\$150,000		
Investments	\$50,000	Credit cards	\$15,000
Business	\$500,000 (not included)		
Total	\$800,000	Total	\$315,000

- Assets (\$800,000) minus liabilities (\$315,000) = Net worth (\$485,000)
- In this example, the client qualifies for the amount requested, as his net worth is over \$450,000

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Mortgage Broker Services

Alt A (Business for Self) – Genworth

Loan Purpose:	Eligible: <ul style="list-style-type: none">• Purchase• Refinancing for repayment of existing mortgage debt, home renovations, debt consolidation, or asset enhancement Ineligible: <ul style="list-style-type: none">• New to Canada• Secondary Homes (Type A) and Vacation Homes (Type B)• Lender Cashback Equity• Family Plan
Maximum Financing Purchase:	<ul style="list-style-type: none">• Metro Toronto, Calgary and Vancouver: \$750,000• Rest of Canada: \$600,000 <p>N.B. Exceptions to these maximums will be considered on a case by case basis.</p>
Maximum Refinance Takeout Limit:	200K
Term:	1-7 years and 10 years
Property Types:	Maximum 2 unit with one occupied by the owner as the principal residence
LTV:	1 and 2 unit purchases owner-occupied: 90% 1 and 2 unit refinancing owner-occupied: 85%
Down payment:	Must come from own resources (NO GIFTED FUNDS)
GDS /TDS:	35% GDS / 42% TDS with a beacon of 620-679 N/A GDS / 44% TDS with beacon of 680+
Minimum Beacon:	620 - up to 85% LTV 650 + - 85.01 to 90% LTV
Amortization:	Up to 30 years for LTV > 80% *Surcharge: from 25.01 to 30 years: +0.20%
Borrower Eligibility:	<ul style="list-style-type: none">• No previous bankruptcy• Two years of trade lines• No tax arrears• Down payments may not be gifted/loaned• No mortgage defaults in the past seven years• No third party guarantors, non-residing co-borrowers are not eligible

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Cottage – Type A&B Conventional or Insured

For clients who are financing a vacation home that is owner occupied and not rented

Type A – Year-round access. Winterized home (CMHC and Genworth)

Type B – Seasonal access (Genworth only)

Lending Guideline Overview

Client Type:	Conventional or Insured
Loan Purpose:	Purchase or Refinance
Term:	1-7 years, 10 years, 5 years variable rate mortgage and HELOC
Max LTV:	Type A: <ul style="list-style-type: none">• 95% Purchase• 85% Refinance (Insured) Type B: <ul style="list-style-type: none">• 90% Purchase• no Refinance <p>Up to 80% conventional (see notes for submission for more details) Up to 80% LTV for HELOC not an All-In-One (AIO) (cannot have another HELOC or AIO with NBC)</p>
Minimum Beacon:	620 conventional and minimum 650 for Insured*
Ratio Requirement:	<ul style="list-style-type: none">• 32% GDS – 40% TDS conventional fixed or variable rate mortgage• 28% GDS – 38% TDS for Home Equity Line of Credit (HELOC)*• Up to 35% GDS for insured with a Beacon score of less than 680• Up to 44% CMHC and 42% Genworth (based on insurer requirements)*
Amortization:	<ul style="list-style-type: none">• Insured: type A: 30 years (Insured) type B: 25 years• Conventional: 25 years
Payment Options:	Accelerated weekly or bi-weekly, monthly
Appraisals:	When required, must be ordered either through brokerworx.ca, NAS or Solidifi
Loan Amount:	Minimum amount \$50,000

*Please refer to Genworth Vacation/Secondary Home Program and CMHC Second Home Program for more details.

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Cottage – Type A&B Conventional or Insured (page 2 of 2)

Prepayment: Up to 10% of the original amount without indemnity (minimum \$100)
and/or
Increase P&I by 100% once annually
and/or
Pay an additional amount not exceeding P&I on every payment due date
(must call in to request)

Income Requirement: Refer to Lending Guidelines for complete details on required documentation and eligibility criteria.

Notes for Submission

- No secondary financing allowed
- No guarantors allowed except for spouse

65% LTV requirement

- Residence with seasonal access
- 3-season residence: property with no permanent heat source (Genworth)
- Running water
- Floating foundation (concrete blocks, pilings)

Up to 80% LTV Requirement

- Residence with year-round access
- Winterized property with a permanent heat source
- Potable running water
- Permanent foundation below the frost line

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Made to Measure

Is a mortgage loan option that allows borrowed funds to be divided into several distinct fixed or variable rate portions.

The Made to Measure will allow you to customize a mortgage to your client's needs all the while registering the mortgage as a single charge.

Features:

- Offers protection against the risk of interest rate fluctuations by diversifying maturity dates
- Allows greater flexibility with regards to mortgage payments
- Revolving option allows clients to refinance without the additional cost of legal fees
- Total of all individual portions must equal the minimum financing allowed
- Number of portions could be as low as 2, up to a maximum of 99
- Each portion has its own amortization, term, rate, and payment frequency
- Terms can range from 1 year to 10 years
- Maximum amortization period: Insured 30 years Conventional 30 years
- **Max LTV:** 95% Purchase 85% Refinance (Insured)
- Total commission paid to the broker is based on each individual portion

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Mortgage Broker
Services

Made to Measure (page 2 of 2)

Lending Guideline Overview

Client Type:	Conventional or Insured
Loan Purpose:	Purchase or Refinance
Term:	1-7 years, 10 years and 5 years variable rate mortgage
Max LTV:	95% Purchase 85% Refinance (Insured)
Minimum Beacon:	620
Ratio Requirement:	<ul style="list-style-type: none">• 32% GDS• 35% GDS for insured with a Beacon score of less than 680• 40% TDS conventional• Up to 44% for Insured (based on insurer requirements)
Amortization:	Insured 30 years Conventional 30 years
Payment Options:	Accelerated weekly or bi-weekly and monthly
Property Types:	Primary residence only – Single family dwelling up to owner occupied fourplex
Appraisals:	When required. Must be ordered either through brokerworx.ca, NAS or Solidifi
Down payment:	Minimum 5% (Down payment can come from Cashback)
Loan Amount:	Minimum amount \$50,000
Prepayment:	Up to 10% of the original amount without indemnity (minimum \$100) and/or Increase P&I by 100% once annually and/or Pay an additional amount not exceeding P&I on every payment due date (must call in to request).

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Mortgage Broker
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New Immigrant Conventional or Insured

For new immigrants that have obtained landed status and have not already owned a home in Canada

Lending Guideline Overview

Client Type:	Conventional or Insured
Loan Purpose:	Purchase only
Term:	1-7 years, 10 years and 5 years variable rate mortgage
Landed status:	2 years for conventional lending 3 years for Genworth insured lending No maximum required but reasonable timeframe is needed for CMHC (see CMHC Newcomer program) <ul style="list-style-type: none">• CMHC : If the client has landed status CMHC only*• Genworth : If the client has a Work Visa Genworth only*
Max LTV:	<ul style="list-style-type: none">• 65% LTV Conventional• 95% LTV Insured (single and duplex)• 90% LTV Insured (triplex and fourplex)
Minimum Beacon:	<ul style="list-style-type: none">• Genworth: 600• CMHC: 580 if LTV \geq 60.01% and $<$ 80% 600 if LTV \geq 80.01% and $<$ 90% 610 if LTV \geq 90.01% and variable rate 650 if Flexdown program• Conventional: Beacon is N/A
Ratio Requirement:	<ul style="list-style-type: none">• No GDS/TDS requirement on Conventional deals• 35% GDS – 42% TDS for Genworth*• Up to 44% for CMHC (based on insurer requirements)*
Amortization:	Maximum amortization period: Insured 30 years* Conventional 30 years
Payment Options:	Accelerated weekly or bi-weekly and monthly
Property Types:	<ul style="list-style-type: none">• Conventional and CMHC: Primary residence only – Single family dwelling up to owner occupied fourplex• Genworth: 1-2 units

* NBC will follow the insurer's guidelines for Insured deals however the client must still be acceptable to National Bank

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Mortgage Broker
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New Immigrant Conventional or Insured (page 2 of 2)

Appraisals: When required, must be ordered either through brokerworx.ca, NAS or Solidifi

Down payment:

- Minimum 35% for Conventional
- Minimum 5% for 1-2 units
- Minimum 10% for 3-4 units

Loan Amount: Maximum amount \$600,000*

Prepayment: Up to 10% of the original amount without indemnity (minimum \$100)
and/or
Increase P&I by 100% once annually
and/or
Pay an additional amount not exceeding P&I on every payment due date
(must call in to request)

* NBC will follow the insurer's guidelines for Insured deals however the client must still be acceptable to National Bank.

Notes for Submission

- Income source must be provided
- Conventional require 35% Down payment + 12 months PIT payments on deposit in a Canadian bank account
- HELOC is not available

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Non Resident (Non Insured)

For Non Resident clients who want to purchase a home in Canada

Lending Guideline Overview

Client Type:	Conventional
Loan Purpose:	Purchase only
Term:	1-7 years, 10 years and 5 years variable rate mortgage (VRM)
Max LTV:	Up to 65% LTV Conventional
High Ratio:	Please refer to Genworth for Insured Non Resident Program
Minimum Beacon:	No beacon requirement
Ratio Requirement:	No GDS/TDS requirement
Amortization:	Conventional 30 years
Payment Options:	Accelerated weekly, Accelerated bi-weekly and monthly
Property Types:	Primary residence only – Single family dwelling
Appraisals:	Required on all Conventional deals - must be ordered either through brokerworx.ca, NAS or Solidifi
Down payment:	<ul style="list-style-type: none">• Minimum 35% for Conventional• No gifted or borrowed funds
Loan Amount:	Maximum amount \$600,000: Ontario and Western Canada Maximum amount \$500,000: Quebec and Atlantic
Locations:	Toronto, Vancouver, Ottawa, Calgary, Quebec City and Moncton
Prepayment:	Up to 10% of the original amount without indemnity (minimum \$100) and/or Increase P&I by 100% once annually and/or Pay an additional amount not exceeding P&I on every payment due date (must call in to request)

Notes for Submission

- Income source must be provided
- Owner occupied – meaning vacation property or children occupying to attend school
- Require 35% Down payment + 12 months PIT payments. Must be on deposit in Canadian bank account
- Funds for down payment must be in Canada prior to instructing the file
- No Power of Attorney allowed
- HELOC is not available
- Property tax collection by the bank will be mandatory

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Bridge Loan

A loan granted to an individual who has sold but not registered a property and needs a sum of money temporarily to buy another property or other goods before the sale of his existing property is completed

In this case, the customer assigns the net proceeds from the sale of his property to secure the loan he wants to obtain

Duration of the loan:

- The loan is granted for less than 30 days, e.g. the time required for the solicitor to complete the legal documents and register the mortgage
- Should a bridge loan be required for more than 30 days, a request for an **exception must be made to your underwriter** and will be reviewed on a case-by-case basis

Conditions:

Bridge loans are reviewed subject to the following conditions:

- The property must have been sold and the customer must be able to provide the original offer to purchase duly signed by the purchaser, along with all waivers
- If the mortgage on the property sold is held by another financial institution, a title search is compulsory (by solicitor)
- If the mortgage on the property sold is held by National Bank, your underwriter will decide if a title search is required

Repayment:

Interest only during the loan

Registration:

- Loans below \$100,000 will not require the registration of the bridge
- Loans above \$100,000: bridge will need to be registered at the discretion of the underwriter

Notes for Submission

Advise your underwriter upon submission of a mortgage application should a bridge loan be required.

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Rentals – Conventional

For clients who are financing rental properties (1 to 4 units)

Features: Ability to finance up to 16 doors, including primary
Fixed or Variable mortgage available

Lending Guideline Overview

Loan Purpose: Purchase, Refinance and Switch

Term: 1-7 years, 10 years, 5 year variable rate mortgage

Max LTV: < or = \$1,2 MM = 80%
>\$1,2MM and < or = \$1,5 MM = 70%
> \$1,5MM = 60%

Max number of rentals: Up to 16 doors, including primary residence (1 door = 1 unit. 4plex = 4 units)

Minimum Beacon: 680

Ratio Requirements: 32% GDS
40% TDS conventional (ratio based on 5 years Bank of Canada)

PI + other debt servicing costs + (50% condo fees, if applicable)

Borrower's gross annual income + 50% of gross rental income from subject property

Amortization: Maximum 30 years

Payment Options: Accelerated weekly or bi-weekly and monthly

Appraisals: Required on all conventional deals – must be ordered either through
brokerworx.ca, NAS or Solidifi

Down payment: 20% or more from own resources
Cashback cannot be used for down payment

Loan Amount: Minimum amount \$100,000 for Canada except Atlantic
Minimum amount \$75,000 for Atlantic

Prepayment: Up to 10% of the original amount without indemnity (minimum
\$100) and/or Increase P&I by 100% once annually and/or Pay
an additional amount not exceeding P&I on every payment due
date (must call in to request)

Mortgage Registration: Can be in personal names or Holding Company

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Rentals – Conventional (page 2 of 2)

Proof of Income: Refer to Lending Guidelines for complete details on required documentation and eligibility criteria.

Specific Rental Guidelines

Client Type: Salaried, BFS or Retired. **No professional Property Managers (Landlords)**

Condo/Apartments: Maximum overall percentage of rentals in total allowed in these types of complexes is 25%

Property types: Single to fourplex

Refinances: Existing rentals which are owned for more than a year can be calculated for profitability based on TDS

Required Documents: Existing lease, T1 Generals (line 126, Net Rental Income)

Purchases: New purchases can be calculated for profitability based on TDS

Required Documents: Signed lease in place and market rents supplied by appraiser.

Notes for Submission

For 2-4 unit owner-occupied properties

50% of the gross rental income from the subject property may be included in the borrower's gross annual income.

For multiple rental

50% of the gross rental income from the subject property may be included in the borrower's gross annual income.

For properties on the balance sheet

-100% rental property with 1 to 4 units

If net rental income can be confirmed via the previous year's T1 General (Line 126; Net Rental Income).

- In case of rental surplus (net income)

- The surplus amount can be added to the borrower's gross annual income.
- Disregard expenses and gross rental income when calculating the TDS ratio.

- In case of a shortfall (net loss)

- The amount of the shortfall must be deducted from the borrower's gross annual income.
- Disregard expenses and gross rental income when calculating the TDS ratio.

- If rental income cannot be validated via a T1 General

- The full principal and interest amounts and 50% of condo fees (if applicable), must be included in the other monthly obligations, and 50% of gross rental income may be added to the borrower's gross annual income.

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