

# "Schedule A" Broker Information Kit



The name you can trust!

TD Broker Services is 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 clients' unique borrowing needs.







**The name you  
can trust!**

**TD Broker Services works with professional mortgage brokers to make mutual customers' home purchase and mortgage experience as comfortable as possible.**

## **TD Broker Services: Our Value Proposition**

- We are a national mortgage lender dedicated to service excellence
- We offer competitively-priced mortgage products designed to help brokers develop mortgage solutions that address their clients' unique needs
- We provide helpful, knowledgeable and professional Regional Sales Managers (RSMs) who will work with you to grow your business
- We deliver consistent underwriting with experienced credit centres

## **Why TD Canada Trust?**

- A recognizable brand that you and your customer can trust
- We are widely noted for our professionalism and our award recognized service culture
- Ranked "Highest in Customer Satisfaction among the Big Five Retail Banks, Six Years in a Row" by J.D. Power and Associates<sup>1</sup> *J.D. Power and Associates 2011 Canadian Retail Banking Customer Satisfaction Study<sup>SM</sup>*
- We have 1,100 Branches with convenient hours to serve you better



<sup>1</sup>TD Canada Trust received the highest numerical score among the big five retail banks in the proprietary J.D. Power and Associates 2006-2011 Canadian Retail Banking Customer Satisfaction Studies<sup>SM</sup>. 2011 study based on responses from 14,583 retail banking customers measuring 5 banks. Proprietary study results are based on experiences and perceptions of consumers surveyed in March-June 2011. Your experiences may vary. Visit [jdpower.com](http://jdpower.com). The TD logo and other trade-marks are the property of The Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.

# TD Canada Trust Broker Services Contact Points



Who do you call?

## TD Regional Sales Manager:

- Conditional on Financing (COF)
- Communication delay with IMAC
- General policy and product inquiries

## IMAC Team Manager:

- Service concern
- Decision appeal
- Document compliance appeal

## IMAC Underwriter

- Assistance with a credit application that has been submitted
- Concerns with the conditions/terms of approval
- Declined credit requests

## IMAC Credit Assistant:

- Sending supporting documentation
- Discuss a document status update



**Canada Trust**

Broker Services

# TD Canada Trust Broker Information Kit

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# Referral Fee Program

**Subject to Change**

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	85 BPS
7 year closed	85 BPS
10 year closed	110 BPS
1 year open	55 BPS
5 year Variable Interest Rate Mortgage (VIRM)	80 BPS Closed VIRM
4% CashBack on 5 year term	80 BPS
5% CashBack on 6 & 7 year term	85 BPS
5% CashBack on 10 year term	110 BPS

- **TD only pays on new money.**
- Please note that the fee structure has been established based on volumes to be generated for the Bank and will be **subject to review annually**
- It is the Bank's understanding that fees **are not charged** to clients in situations where the Bank pays a referral fee
- **PLEASE NOTE:** We do not have an auto rate drop policy at TD Canada Trust. 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.

**Fees are not payable on:**

- Commercial transactions, Consumer/Demand Loan Transactions, and Transactions where the client is a TD Canada Trust customer, and the client and TD Canada Trust branch has discussed mortgage financing 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 fees are only payable on new monies added to the amount being ported
- For Closed VIRM Replacement Mortgages, compensation will be based **ONLY** on the **new money**.

**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 3 to 5 business days from the advance date.
- Monthly pay cheques are sent 3 to 5 business days after the end of the month.
- Contact [td.brokers@td.com](mailto:td.brokers@td.com) for any pay related questions. Please provide the TD reference or deal number in the email.

**Contact Telephone Numbers:**

- Local 416-983-3612 or Toll Free 1-888-233-1627
- Fax: 416-308-9674 or Toll Free 1-866-227-6268

## Indirect Mortgage Adjudication Centre(s)

The Indirect Mortgage Adjudication Centre (IMAC) underwrites all deals received through the Broker channel. There are two IMACs across the country. Deals are routed to an IMAC based on the purchased property location.

IMAC	<p>Hours: Monday to Friday from 8:00am to 8:00pm (Eastern)</p> <p>Phone: <b>1-877-443-4494</b></p> <p>Location: Markham, Ontario</p>
Quebec IMAC	<p>Hours: Monday to Friday from 8:30am to 5:00pm (Eastern)</p> <p>Phone: <b>1-877-289-8038</b></p> <p>Location: Montreal, Quebec</p>

## Automated Property Valuation (APV)

TD Canada Trust 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, the IMAC will condition an approved application with a requirement for a full property appraisal to be provided by the Brokerage.

Broker Benefits:	<ul style="list-style-type: none"> <li>▪ Quicker approval turnaround with no condition of appraisal</li> <li>▪ Firm up your customer's deal quicker</li> <li>▪ Less work for the Broker who won't have to request an appraisal</li> <li>▪ Better potential of closing deals</li> <li>▪ Reduced appraisal costs</li> <li>▪ Improved relationship with customers increasing potential referral business</li> </ul>
Customer Experience:	<ul style="list-style-type: none"> <li>▪ APV fee is deducted from the customer's mortgage advance</li> <li>▪ Less intrusive for the customer who won't have to schedule an appointment time with the appraiser</li> <li>▪ Quicker turn around on commitment from TD Canada Trust</li> <li>▪ Reduced costs for property valuation</li> </ul>
Tips for successful APV	<ul style="list-style-type: none"> <li>▪ <b>Proper address including postal code is critical</b></li> <li>▪ Actual property tax values should be used in the application</li> <li>▪ For refinance transactions ensure that the property value presented is reasonable</li> <li>▪ For refinance transactions, ensure the original purchase price and purchase date are provided with the application</li> </ul>
Restrictions Exclusions	<ul style="list-style-type: none"> <li>▪ Some types of applications and properties will continue to require a full appraisal, such as but not limited to:               <ul style="list-style-type: none"> <li>○ Properties with values greater than \$750,000</li> <li>○ Mortgage amounts greater than \$600,000</li> <li>○ Construction draw financing (progress advance)</li> <li>○ Rental properties</li> <li>○ Equity lending refinance requests and purchases with no MLS</li> <li>○ High Ratio Purchase from Builder</li> <li>○ Rural Properties</li> </ul> </li> </ul>



## TD Canada Trust “Know Your Customer” Guidelines

As part of the mortgage application process, TD Canada Trust’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. Additionally, for mortgages set up in a company name, TD Canada Trust must have confirmation of the continued existence of the Canadian or provincially incorporated corporation.

TD Canada Trust will retrieve information from government registries to obtain the current status of a corporation as “Active” or “Inactive”. TD Canada Trust will not be able to fund a mortgage registered in a company name if the status is “Inactive” prior to funding.

### **Mortgagor/Guarantor Identification:**

Customer identification verification and authentication must be done prior to releasing funds to the Mortgagor(s). Solicitor may contact the Mortgagor(s)/Guarantor(s) to ensure that they have the appropriate identification when signing the Mortgage. Solicitor may independently confirm that the address and telephone number he uses to contact the Mortgagor(s)/Guarantor(s) corresponds with the address and telephone number in the documentation provided to him by TD Canada Trust.

### **Identification Guidelines**

Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney, or signing officer must present for examination:

**One** piece of original identification from PART "A" **and** one piece of original identification from PART "B";  
**or**  
**Two** pieces of original identification from PART "A".

**No other form of identification is acceptable. All identification must be original, valid, legible, unexpired and not substantially damaged. Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney, or signing officer is required to be physically present when you ascertain his or her identity.**

#### **PART "A"**

- Canadian Driver's License
- Canadian Passport
- Certificate of Canadian Indian Status
- Police/Military ID Card (Canadian)
- Permanent Resident Card (Canadian)
- Canadian Government Issued ID Card (provincial or federal, must include photo and signature)
- Canadian Citizenship Card
- Naturalization Card or Certificate (must have unique identifier number, photo and signature)

#### **PART "B"**

- Card with Social Insurance Number
- Credit card issued by a well known and reputable financial institution, with the individual's name embossed on the card and with the individual's signature
- Canadian Old Age Security Card
- Canadian Birth Certificate
- USA Social Security Card
- USA Passport Card
- Canadian Work Permit (with individual's signature)
- Canadian Citizenship & Immigration Form IMM 1000 or IMM 1442 (with individual's signature)
- Confirmation of Permanent Residence Form IMM 5292 (with individual's signature)
- NEXUS Card
- Foreign Passport
- Canadian National Institute for the Blind ID Card

# TD Canada Trust Lending Policy Guidelines – Mortgages

This section presents an overview of the basic mortgage lending policies offered by TD Canada Trust through Broker Services. Detailed product and service offerings outlined in subsequent sections of the *Broker Information Kit* may contain specific exclusions or additional requirements.

## Age Restricted Properties

Age Restricted Properties (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. As a result, the following decision matrix is applied to **all** ARPs:

- ≤ 50% LTV - approve with full appraisal (no APV authorized)
- > 50% LTV - approve with Genworth insurance

Note: ARPs cannot be securitized regardless of whether they are Genworth insured.

- Maximum of 90% LTV and 25 year amortization apply to all deals involving ARPs

ARPs should not be confused with assisted living properties. Assisted living properties are geared toward senior citizens who may require assistance, i.e. medical care, communal living/eating areas. From a reputational risk perspective, the Bank is not willing to approve financing in assisted living properties where there is the possibility of having to foreclose on an individual requiring assisted living care. **We have nil exception authority to accept an assisted living facility as RESL security.**

## Amendments to Mortgage/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 our IMAC to the funding unit, we will now require that the broker advise the IMAC directly. The broker must submit the change for amendment to the IMAC, 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 for closing. These types of changes may result in delays in mortgage funding.

## Amortization

<b>Amortizations Available</b>	<ul style="list-style-type: none"> <li>▪ 5 to 30 years</li> <li>▪ Standard is 25 years</li> <li>▪ Review the detailed policies below for eligibility criteria for amortizations greater than 25 years</li> </ul>
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## Appraisals (excluding Quebec)

For TD approvals requiring an Appraisal Report:

- Appraisers/Appraisal Firms must e-mail their report in PDF format directly to the assigned IMAC Credit Assistant. Note: The contact details will be included in the approval.
- If the original report was prepared for another Financial Institution, Appraisers/Appraisal Firms should forward a copy of the Appraisal Report along with a Letter of Transmittal.
- Appraisals and associated costs are paid by the broker/customer.

NOTE: Appraisals are valid for 90 days. A new appraisal must be conducted if the existing appraisal was conducted more than 90 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' (i.e. 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.

## Bankruptcy Policy

### Conventional Financing

The bank will consider previous bankrupts (one instance, not multiples) after 2 years of discharge for Owner-occupied Purchase for Conventional mortgage situations only (exclude Mortgage Refinance) provided the client can satisfy all of the following conditions:

- 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 TDCT debt was included in the prior bankruptcy
- Customer has been discharged from bankruptcy a minimum of 2 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 (major credit card, bank loan, etc.)

## Branches

- All mortgages are referred for servicing to a local TD Canada Trust branch upon funding
- Your customer can direct the loan to a specific branch on the commitment form, otherwise it is assigned based on postal code
- If the customer requests any changes to the mortgage after funding, refer them to the assigned branch
- It is recommended to make a local branch contact for further products and services the branch can offer (e.g. interim financing, consolidation loans)

## Buy downs

- Broker to contact their RSM for approval to do the buy down
- Broker to contact their underwriter for buy down cost after RSM approval
- Buy down cost to be deducted from mortgage proceeds and net proceeds will be forwarded to solicitor (no other buydown cost payment arrangement will be accepted)
- For broker-initiated buy down requests, the Broker is responsible to reimburse their client for the cost of the buy down.
- Buy downs of interest rates are permitted, however the customer can only buy down the rate to a minimum 1%. In all cases the borrower must qualify for the mortgage under normal Gross Debt Service (GDS) and Total Debt Service (TDS) ratio requirement at current market rates.
- Buy downs are not available on Closed VIRM

## Channel Protocol

There are several channels TD customers can use to obtain real estate secured credit. At times, requests are submitted by different channels for the same credit deal. It is up to the customer to choose which channel best suits their needs.

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 a branch deal requires cancellation, the Broker RSM should contact the Branch Manager or Manager of Financial Services (MFS).
- If a Mobile Mortgage Specialist (MMS) deal requires cancellation, the Broker RSM should contact the MMS Sales Manager.

Note: This policy **only applies to full applications** and not preapprovals. **Prior to funding** the customer's preferred deal, any other applications will need to be cancelled.

If the first application was declined, the IMAC/adjudication centre 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, i.e. increased income verified, additional applicant, etc. The authority to alter the original decision lies with the IMAC/adjudication centre, 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. In the event that a conflict occurs, the customer's written instructions will determine the channel of choice. 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.

## Cost of Borrowing

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, the date when interest accrues/grace period, fees and borrowers' rights (such as pre-payment rights)

Failure to disclose the required Cost of Borrowing 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 will be provided to the clients when they sign the TD Canada Trust Commitment Letter at the branch.](#)

## Co-Applicants, Guarantors & Spousal Consent

### Mortgages

ALL parties on title **MUST** sign both the Mortgage Commitment and the mortgage charge as mortgagors.

- Additional guarantor(s) who are not on title are permitted.
- The additional guarantor(s) must sign the Mortgage Commitment and the mortgage charge as a guarantor(s).
- In Alberta, guarantors must also sign a Guarantor's Acknowledgement

### If one spouse is NOT on title and only the spouse on title wants access to the funds:

- The application is adjudicated in the name of the spouse on title who wants access to the funds (with the exception of Newfoundland, see note below).
- Only the spouse on title who wants access to the funds signs the Mortgage Commitment
- The spouse not on title must sign the collateral mortgage as consenting spouse.
  - In BC, if spousal consent is deemed necessary, the spouse not on title must sign a 'Spousal Consent Letter' and

does not sign the collateral mortgage as consenting spouse.

**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.**

### CMHC/Genworth Insurance Disclosure

Canadian government regulations require federally regulated mortgage lenders, including TD Canada Trust, to provide disclosure statements to mortgage customers explaining their mortgage default insurance and to publically display general information on this topic.

We cannot lend more than 80% of the value of a residential property unless the borrower obtains mortgage default insurance which helps protect TDCT from defaults 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) or Genworth. Borrowers have the choice of paying the default insurance premium up front or adding it to the mortgage balance.

Customers who are paying default insurance premiums will be required to sign a disclosure as part of the Mortgage Fulfillment package.

### Debt Servicing

<b>GDS</b>	Includes property taxes, annual heating costs (plus where applicable, 50% of condo common element fees or 100% of land lease payments)
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**Maximum GDS Ratio – 32%**

<b>TDS</b>	Includes all GDS elements plus carry costs for all other debt obligations (loans, credit cards, leases, etc.)
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**Maximum TDS Ratio – 40%**

### Income Confirmation

#### Rental Income

- A maximum of 50% of gross income from rental properties (max. 4 units) can be used for qualifying purposes

#### Business For Self

Must demonstrate 3 full years of successful operation. Use declared 'personal' income reported on Line 150 of the Income Tax Return / Notice of Tax Assessment.

**Example:** Client claims they made \$50,000 last year. Notice of Tax Assessment Line 150 shows a declared personal income of only \$20,000. This amount will be used to qualify for credit.

Customers who are self-employed / Business for Self may use the following to verify income:

- Average of Tax Assessment from most recent two taxation years. If customer is unable to provide their Notice of Assessments, the bank will accept a copy from Revenue Canada.
- Financial statements only if specifically requested by the IMAC.

#### Eligible Gross Up

BFS borrowers are eligible to gross-up the 2 year average income from Line 150 on the Notice of Assessment by 15%, **OR** May opt to provide 2 years financial statements prepared by a licensed accountant to support a higher income level where eligible add backs exceed the 15% gross-up.

#### Non-Taxable Income

Common Types of Eligible Non-Taxable Income	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.
	<b>Notes:</b> <ul style="list-style-type: none"> <li>• Allowances or Expense Reimbursements should not be considered as Non-Taxable Income as the employee incurs additional expenses that offset this type of income.</li> <li>• Sources of taxable income are:               <ul style="list-style-type: none"> <li>○ Canada Pension Plan</li> <li>○ Old Age Security</li> </ul> </li> </ul>
Grossing up Non Taxable Income	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"> <li>• less than \$30,000 are eligible to have their non-taxable income grossed-up by 25%</li> <li>• of \$30,000 or more are eligible to have their non-taxable income grossed-up by 35%</li> </ul>

**Calculation:** Borrower(s) Non-Taxable Income X Gross-up Factor = Grossed-up Income

**Example 1:** Non-Taxable Income = \$25,000 and Gross-up Factor = 25%

- \$25,000 X 1.25 = \$31,250 Total Grossed-up Income

**Example 2:** Non-Taxable Income = \$35,000 and Gross-up Factor = 35%

- \$35,000 X 1.35 = \$47,250 Total Grossed-up Income

**Example 3:** Non-Taxable Income = \$25,000, Taxable Income = \$50,000 and Gross-up Factor = 25%

- [(\$25,000 X 1.25) = \$31,250] + \$50,000 = \$81,250 Total Gross Income

Credit Centre approval not required to use non-taxable income; however, confirmation received must be from an eligible source.

**Eligible add-backs may include:**

- Business-Use-of Home
- Motor Vehicle Expenses
- Capital Cost Allowance
- Clients who own an incorporated company are not eligible for the 15% gross up, as they will receive a salary from the Corporation. Qualifying income for these clients is to be based on a 2 year average from Line 150 of their Notice of Assessment.

**Salaried/Hourly**

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.

Sources:

- Current employment letter (dated within 60 days)
- Current pay stubs (dated within 60 days)
- Direct Deposit (two months activity)

**Fluctuating/Irregular**

Customers with fluctuating or irregular income but are not self-employed include those who earn income from:

- Commissions
- Bonuses
- Profit Sharing
- Investment
- Other (i.e. overtime, gratuities, seasonal, shift premiums)

Fluctuating/ Irregular income customers may use the following to verify income:

Average of Tax Assessment from most recent two taxation years. Note: If customer is unable to provide their Notice of Assessments, the bank will accept a copy, which provides a recap of the income tax return submitted by your customer(s). The client can obtain this form directly from Revenue Canada.

**Laneway Homes (Under Appraisal Policy)**

The Appraisal Policy for mortgages includes the attributive value of laneway homes. Laneway homes, also 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.

To be eligible for valuation under the Appraisal Policy, a laneway home must meet **ALL** of the following criteria:

1. Must be self contained, i.e. have a functional bathroom and kitchen;
2. Must be located above or in the space reserved for a detached garage only, with an entrance via a laneway (no other outbuildings);
3. Must be a minimum 350 square feet, and must not be the largest structure on the property.

**Important:** Brokers must include "**Property includes laneway home**" in the 'Comments'. For properties that include a laneway home, a full appraisal must be ordered to ensure the full property value is assessed.

**Leased Land**

- The Bank will consider financing residential **owner-occupied** real estate located on leased land on an exception basis
- Non-residents are eligible for leased land financing, but would not be eligible under the CLIP program as the CLIP program is only for owner-occupied.
- Financing can be a fixed rate mortgage up to 95% LTV or a Closed VIRM up to 90% LTV
- Standard pricing applies on conventional security; discounts are not available on manufactured homes (mobile, mini, modular, ready-to-move, etc.)
- A full appraisal is required in all cases
- Land lease payments must be included in GDS
- Financing on leased land is not available in Quebec.

**Land Lease Criteria:**

The lease must be reviewed and found to be satisfactory:

- Must be in favour of the borrower
- Must be signed by the landlord
- Must be assignable to the Bank
- No restrictions as to the registration of the Assignment of Lease on title
- The term of the lease must exceed amortization of the mortgage by a minimum of 5 years (e.g. if the term of the lease is 20 years the maximum amortization of the mortgage cannot exceed 15 years)
- Month to month leases are eligible under CMHC CLIP program only
- Cannot be subject to re-negotiation at the landlord's discretion prior to the expiry of the original term
- Generally must be a Crown or Government lease (except under the CMHC CLIP program)
- No restrictions as to the Bank's access to the property
- No restrictions or limitations on the re-sale of the property (i.e. purchase price or type of purchaser)

### Minimum Mortgage Amount

- New mortgages need to be setup for a minimum amount of \$20,000.

### Mortgage Loan Agreement

TD Canada Trust Mortgages are registered with a collateral charge instead of a conventional charge. As a result of this change, customers must sign a Mortgage Loan agreement, which has replaced the Mortgage Commitment.

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 will allow them to borrow additional funds in the future without having to re-register the charge eliminating any Solicitor /In-House Registration fees (note: compensation costs are still applicable).

The Mortgage Loan Agreement secured by a collateral charge is not available for the following mortgages :

- Assignments (transfer in) of conventional charge mortgages
- CLIPS (i.e. mobile homes)

A Mortgage Loan Agreement secured by a collateral charge must be in first position only.

If your client would like to "reuse" their collateral charge, please ensure that you note the details in your comments to the underwriter when you submit the deal.

### NHA Loans – High Ratio Loans

National Housing Act (NHA) loans are insured by Canada Mortgage and Housing Corporation (CMHC) or GENWORTH for the following:

- Up to 95% financing available for Purchase or Purchase-Plus-Improvement, owner occupied properties with 1-2 units
- Up to 80% re-financing available for owner occupied properties with 1-2 units
- Up to 90% financing available for Purchase or Purchase-Plus-Improvement, owner occupied properties with 3-4 units
- Up to 80% re-financing available for owner occupied properties with 3-4 units

Note: **Purchase price / lending value must be less than \$1 million.** A home phone number must be provided for Insured deals.

Standard* Insurance Premiums	LTV Ratio	Amortization up to 25 years
		Up to 65%
	65.01%-75%	0.65%
	75.01%-80%	1.00%
	80.01%-85%	1.75%
	85.01%-90%	2.00%
	90.01%-95%	2.75%

\*Premiums are subject to change. Premiums may differ based on specific policy or product.

<b>Refinance (or Top-up) Premium</b>	For refinances or purchases where porting a premium, the customer will pay <b>the lesser</b> of the top-up premium or the full homeownership premium. Refer to Insurer guidelines for complete details: <a href="http://www.cmhc.ca">www.cmhc.ca</a> or <a href="http://www.genworth.ca">www.genworth.ca</a>
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Loan to Value (LTV)	25 Year Amortization
Up to 65%	0.50%
65.01% - 75%	2.25%
75.01% – 80%	2.75%

Minimum Down Payment	<ul style="list-style-type: none"> <li>▪ The minimum down payment is 5% from applicant's own resources without recourse to additional borrowing</li> </ul>
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Term	<ul style="list-style-type: none"> <li>▪ Terms are 6 months and 1 year open, 1,2,3,4,5,6,7, or 10 years closed, closed VIRM</li> </ul>
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Refinancing Limits	<p>Maximum LTV:</p> <ul style="list-style-type: none"> <li>▪ 80%</li> </ul> <p>Maximum increase/additional funds:</p> <ul style="list-style-type: none"> <li>▪ \$200,000</li> </ul> <p>Minimum increase/additional funds:</p> <ul style="list-style-type: none"> <li>▪ \$20,000</li> </ul>
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When determining a borrower's eligibility for the loan in terms of Gross Debt Service (GDS) and Total Debt Service (TDS) ratios:

#### **Insured Mortgages**

- If the term is less than 5 years, or if the mortgage is a closed VIRM, the greater of the 5-year Bank of Canada Benchmark rate or the customer rate (inclusive of discretion) will be used as the qualifying rate.
- If the term is 5 years or greater, the actual customer rate (inclusive of discretion) will be used as the 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

### **Payment Frequency**

- Customers can choose between a weekly, bi-weekly, semi-monthly or monthly payment schedule
- Increasing the payment frequency can reduce the interest cost over the life of the mortgage

### **Power of Attorney**

- TD Canada Trust requires customers to sign documents and authorize transactions in person.
- The direct involvement of the customer means that they obtain first-hand information regarding the transaction and obtain, where appropriate, legal advice as to their obligations and rights.
- The use of a Power of Attorney is always treated as an exception; authority to grant exceptions is reserved to the Credit Centres only.
- An external solicitor is required for all requests to provide a legal opinion on the validity and enforceability of the POA. The solicitor is required to comply with provincial requirements regarding the registering of the mortgage under Power of Attorney as applicable and obtain Title Insurance. In-House is not permitted when financing under POA, no exceptions. Requests from the Broker channel will only be accepted where the donor and attorney are existing TDCT customers.
- 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 Canada Trust requires a minimum of 7 business days from time of receipt of Power of Attorney documentation for approval.
- Transfers-in (assignments) and In-House Registration (IHR) deals are not permitted.

Here are the key requirements that must be satisfied in order to establish a Power of Attorney:

- Nature of financing request (mortgage purchase; refinance; transfer; or HELOC 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

### **Prepayment Options**

- Customers have the ability to prepay up to 15% of the original principal amount of the mortgage 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 mortgage
- If it is too difficult for the customer to maintain the higher payment, it can be decreased to the original mortgage payment amount

The following verbiage regarding prepayment options is included in the Mortgage Commitment that the customer signs:

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.

The prepayment privilege in subsection (c) above will not be taken into account in calculating the Three Months' Interest Cost or the Interest Rate Differential Amount.

- (i) Three Months' Interest Costs: This means an amount equal to three (3) months' interest at the Interest Rate chargeable under the Mortgage, on the amount you prepay; or
- (ii) The Interest Rate Differential Amount: This means an amount of interest, calculated at an interest rate equal to the Interest Rate Differential, on the amount prepaid, for the remaining term of the mortgage. The Interest Rate Differential is the difference between (A) the interest Rate chargeable under the mortgage and (B) the current interest rate for a Similar Mortgage. A Similar Mortgage is a mortgage offered by TD Canada Trust which has a fixed interest rate and a closed term that is closest to the remaining term of the mortgage. The interest rate for a Similar Mortgage is TD Canada Trust's non-discounted posted rate less any rate reduction or discount received by the Applicant(s) under the mortgage, and is determined on the earlier of the date of the prepayment or the date of issuance of a valid official statement for discharge purposes.

## Product Availability

### Eligible Products

- Fixed Rate Mortgages
- Closed Variable Interest Rate Mortgages

## Product Changes

- A minimum of 5 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.
- Changes that **require a new commitment to be printed/signed** include, but are not limited to:
  - Increase in interest rate
  - Changes to closing date that move the date to the next month (this affects the IAD, the IAD amount and maturity date).
  - Changes in mortgage amount

**Note:** While a new 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 commitment.

## Property Criteria

### Basic Criteria

- Residential properties with reasonable ground floor area and concrete foundations
- Pressure treated wood foundations are also acceptable where the construction is approved by CMHC/GENWORTH
- 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 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
- Property may contain up to 4 units, one of which must be owner-occupied
- **NOTE:** For non-owner occupied properties with up to 4 units refer to *Rental Properties up to 4 Units*.

### Rural

- Rural properties (normally small acreages- 10 acres) will be considered providing they are not farming operations and the applicant's main income is not derived from the property. Only one house and 10 acres will be included in the valuation. Out buildings will not be considered, this would include a separate garage. This policy applies to both conventional and insured deals.
- When processing a mortgage application for a non urban rural property that exceeds 5 acres, you must:
  - Include "house + up to 10 acres" in the 'Comment' field when submitting your deal; otherwise only "house + up to 5 acres" will be evaluated.
  - Order a full appraisal

## Property Taxes

All insured mortgages require that TD Bank pay the taxes until there is at least 20% equity established in the property. For conventional mortgages, customers may elect to pay their own taxes or have TD Bank make the payments on their behalf. If TD Bank receives a notice of arrears in property tax payments, the Bank will take over payment of the taxes

Taxes are collected as part of the regular payment being debited to the client's accounts. The estimated annual taxes are apportioned based on the frequency of the mortgage payments.

## Purchase/Refinance Plus Improvements

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.

This policy addresses purchase and refinance situations when improvements are made to the property that increase the market value. Note that the cost of improvements (increase in market value) are limited to the lesser of:

- 10% of the Improved Value, or
- \$40,000

**Mandatory:** An outside solicitor must be retained by the customer. In-House Registration Program is not available for this product. Provincial builder lien holdback is applicable for the Improvement Draw, and will be held back by the Solicitor/Notary.

**Important:** Purchase/Refinance With Improvements requests are processed in 2 advances. Confirm that the customer is 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.



<b>Improved Value</b>	<p>The Improved Value is the market value of the property after completion of the improvements that increase the value of the property.</p> <p>Important: Not all improvements increase a property's value.</p>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Closed Fixed rate mortgages</li> <li>• Closed VIRMs are available only after the mortgage is completely advanced. If a customer requests a closed VIRM initiate the application as a 1-year closed fixed rate mortgage. Once the second (final) advance has been completed, the customer can early renew into a closed VIRM. The branch can contact the CAS to waive the compensation charge, however, the branch <b>must</b> process the early renewal; the CAS is not responsible for this process.</li> <li>• Max 4 units, where at least one unit is Owner Occupied Principal Residence</li> <li>• The value of the improvements must not exceed the lesser of: <ul style="list-style-type: none"> <li>○ 10% of the 'improved' market value of the property, or</li> <li>○ \$40,000</li> </ul> </li> </ul> <p>Note: For any application over this limit, the application will need to be processed under the Construction Draw Mortgage policy and Construction Draw pricing will apply.</p> <ul style="list-style-type: none"> <li>▪ LTV is based on the improved value of the property.</li> <li>▪ Maximum LTV: <ul style="list-style-type: none"> <li>○ Purchase 95% (1 &amp; 2 unit properties)</li> <li>○ Purchase 90% (3 &amp; 4 unit properties)</li> <li>○ Refinance 80%</li> </ul> </li> <li>▪ Maximum amortization of 25 years if LTV &gt; 80%</li> <li>▪ <b>If LTV &gt; 80%, purchase price / lending value must be less than \$1 million.</b></li> </ul>
<b>Restrictions</b>	<p>Not available for rental/investment properties, vacation/second homes or cottage properties.</p> <p>Cashback option with any fixed rate term is NOT permitted for Purchase/Refinance Plus Improvement.</p> <p>VIRMs, 6 month convertibles and 1 year open mortgages are not available.</p> <p>Note: If a customer requests a closed VIRM (Insured Closed VIRM not available until at least 6 months on repayment), initiate the deal as a 1-year closed fixed rate mortgage. Once the second (final) advance has been completed, the customer can early-renew into a Closed VIRM. Contact CAS to waive the compensation charge. The branch must process the early renewal; the CAS is not responsible for this process.</p> <p>In-House Registration Program cannot be used for this product.</p> <p>Reusing a collateral charge is not available for this product.</p>
<b>Documentation Required for Improvement</b>	<p>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.</p> <p>Clients will be required to complete a Customer Declaration with their solicitor when the improvements are complete and before the final draw will be processed. This Declaration will need to be forwarded to the CAS by the solicitor before the second (final) draw will be released.</p> <p>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 2 competitive quotations.</p>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Full appraisal required for all conventional requests</li> <li>• Broker appraisal must include the following: <ul style="list-style-type: none"> <li>○ Appraised value will include improvements (improved value)</li> <li>○ Appraiser will review contractor cost estimates, quotes, invoices</li> <li>○ If the appraised value came back lower than the estimated improved value, the 'cost of improvement' must be adjusted accordingly</li> <li>○ The 2nd draw is based on the 'cost of improvement' amount and must be disclosed accurately in the agreements.</li> </ul> </li> </ul> <p><b>Note:</b> Inspection for 2nd draw is usually not required, however, IMAC may require inspection where deemed necessary.</p>
<b>Advances</b>	<p>First advance will be up to 95% (based on approved LTV request) of the improved value of the property minus the cost of improvement</p> <p>The second draw/advance (cost of improvement) will be held back by the Credit Administration Services (CAS) unit and released upon the request of your customers' solicitor/notary in writing. It is conditional on the completion of the renovation/improvement and confirmed via a signed Customer Confirmation with paid invoices. Note: Interest will not be charged until the draw is requested by the</p>

	<p>customer's solicitor/notary.</p> <p><b>Example:</b></p> <p>Step 1: Total Mortgage on "as-improved" value: (\$430,000 x 95%) = \$408, 500</p> <p>Step 2: Initial advance for purchase: \$408,500 - \$35,000 = \$373,500</p> <p>Step 3: Funds available to be dispersed for improvements: \$35,000 (cost of improvement)</p>
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### Purchase Incentives

Real Estate vendors will often offer incentives to encourage prospective homebuyers to purchase a property. These incentives either:

- Contribute to the value of the property, an example being upgrades to the property.
- Does not contribute to the value of the property, examples include vendor cash backs, waiving mortgage payments, rate buy downs, vacations, new cars, decorating allowance, etc.

Where a purchase incentive does not contribute to the value of the property, the value of the incentive **must be deducted from the purchase price** to avoid inflated property values.

This applies to conventional and high ratio mortgages.

**Important:** A purchase incentive is not an eligible source of down payment.

### Purposes

<b>Eligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>▪ Purchase</li> <li>▪ Purchase + Improvements</li> <li>▪ Refinance</li> <li>▪ Progress Draw</li> <li>▪ Energy Efficient Home Product</li> </ul>
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### Qualifying Rate

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

**Conventional Mortgages**

- For Fixed Rate Mortgages with a term less than 5 years and closed Variable Interest Rate Mortgages, applications will be adjudicated based on the greater of the Bank of Canada 5 year benchmark rate or the actual customer rate (TD posted rate inclusive of any discretion).
- For Fixed Rate Mortgages with a term equal to or greater than 5 years, applications will be adjudicated based on the actual customer rate (TD posted rate inclusive of any discretion).

**Insured Mortgages**

- If the term is less than 5 years, or if the mortgage is a closed VIRM, the greater of the 5-year Bank of Canada Benchmark rate\* or the customer rate (inclusive of discretion)\_will be used as the qualifying rate.
- If the term is 5 years or greater, the actual customer rate (inclusive of discretion) will be used as the qualifying rate.

**Note:** The Bank of Canada Benchmark Rate is defined as the Chartered Bank - Conventional Mortgage 5 year Mortgage rate, published by the Bank of Canada each Monday, and can be found on the [Bank of Canada website](#).

### Rate Hold Policy

- Rate will be held for a period up to 120 days

**Customer receives the lower of:**

- The committed interest rate, inclusive of any discretion, OR
- The posted rate on the funding date, exclusive of any discretion, 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.

**PLEASE NOTE:** We do not have an auto rate drop policy at TD Canada Trust. 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. Requests for rate drops will not be accepted if received any later than 3 days before the mortgage closes. 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.

**Preapprovals for Property Purchases**

- The pre-approval rate can be provided for purchases only not refinances
- Rate drop requests will not be accepted for a pre-approval. A rate drop request will be accepted after the deal becomes live and

the rate has decreased.

- Exception pricing requests will not be considered
- Pre-approval will only be provided for Brokers who maintain a minimum funding ratio of 65%
- The rate will be held for 120 days on a preapproval; however the actual approval will expire in 90 days. After 90 days an updated bureau will be required and the deal would need to be resubmitted.

## Restricted Properties

<b>Fractional Interests</b>	<p>Fractional interests occur when the fee simple title is divided into interest less than the whole, creating the possibility of multiple owners owning portions of the title. The Bank can take an interest in only a portion of the title being purchased by the customer. The risk to the Bank is limited marketability of a partial interest in the title.</p> <p>Given the risks as outlined, TD Canada Trust does not finance these types of ownership. No exceptions permitted</p>
<b>Co-operative Housing</b>	<p>Under a co-operative agreement, residents do not have an actual deed to the property. They have a share in the co-op. The only method of the Bank obtaining security is to take an assignment of the share(s). Therefore, the risk is limited marketability to sell a share(s) in the co-op</p> <p>Given the risks as outlined, TD Canada Trust does not finance these types of ownership. No exceptions permitted</p>
<b>Grow Ops</b>	<p>Due to the differences in municipal remediation standards for former grow-ops, TD Canada Trust does not finance these properties.</p>
<b>Rental Pools</b>	<p>These types of units are usually no larger than 400-500 square feet. Units in a Rental Pool generally have a premium price as they are managed by a Management Company with the idea this will obtain a higher return for the investor. This premium price is a concern/risk as we are relying on the performance of the Management Company to maintain this value. If the Management Company does not perform or ceases to manage the pool, the value of the unit may decline and the Bank may be exposed to a loss in an arrears situation.</p> <p>Given the risks as outlined, TD Canada Trust does not finance these types of ownership. No exceptions permitted.</p>
<b>Life Lease Properties</b>	<p>These types of interests are not an ownership interest. Instead, an individual has the 'right to use, occupy and enjoy' the unit from the actual owner for a defined amount of time. There are restrictions set out in the original agreement which limit to whom the 'rights' can be subsequently sold and generally the actual owner has the right to choose subsequent purchasers. Hence, the risk is limited marketability.</p> <p>Given the risks as outlined, TD Canada Trust does not finance these types of ownership. No exceptions permitted</p>
<b>Leased Land</b>	<p>Refer to - <i>Policy Guidelines Leased Land</i></p> <p>TD Canada Trust will consider financing owner occupied properties where the land is leased on an exception basis (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; not available in Quebec)</p> <p>Generally, the lease must be a crown land or government owned lease without restrictions to access. The amortization of the mortgage must be at least 5 years less than the expiry date of the lease</p>
<b>Mobile/Modular/Floating Homes</b>	<p>Applications to finance these types of properties will be considered under the CMHC CLIP program only with some exceptions for Modular Homes on foundations and owned land. Refer to – <i>Mobile/Modular/Floating Homes</i></p>
<b>Boarding Houses/Rooming Houses</b>	<p>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</p>
<b>Non Conventional Construction</b>	<p>These properties include experimental construction types that do not conform to normal construction guidelines. An example is straw bale construction</p> <p>Considered on an exception basis only. Refer to the Credit Centre</p>

## Sanctions

The Canadian government and other regulatory bodies in countries where TD operates have imposed various regulatory sanctions and restrictions against certain other countries. Like other Canadian financial institutions, sanctions either prohibit or restrict TD's ability to provide financial services and products such as mortgages to customers who reside or have economic interests in these countries. The broadly sanctioned countries include:

- o Iran
- o Syria
- o North Korea
- o Myanmar (Burma)
- o Sudan (including South Sudan)
- o Cuba (unless approved by TD Risk group)

### Application Handling

1. Do not submit mortgage applications to the IMAC for adjudication if any of the borrower, co-borrower(s) or guarantor(s):
  - Is a resident of one of the broadly sanctioned countries,
  - Has income from any of the broadly sanctioned countries which will be used wholly or in part to make regular payments on, or to repay the mortgage, or
  - Will make a down payment originating in full or in part from any of the broadly sanctioned countries.
2. Mortgage applications where the customer has connections to any of the broadly sanctioned countries, as stated above, will be declined with the following rationale "Credit application does not fit TD's risk parameters".
3. If the borrower, co-borrower or guarantor is a Cuban resident, or has income or down payment that originate from Cuba, either in full or in part, the mortgage application will be subject to additional review by TD Risk group. The turnaround time on applications with Cuban connections is considerably longer and you may be requested to provide additional customer information or documentation for TD's consideration.

## Security Position

Security for TD Canada Trust mortgages must be in first position. Second position mortgages are not permitted.

## Sliding Scale for Conventional Mortgages

Purchase financing up to the stated maximums below to 80% of the lesser of the Appraised Value or Purchase Price are allowed. For Property Values above the stated cut offs, the respective Sliding Scale is to be applied (based on property value)

### Major Urban Centre Sliding Scale

**Owner-Occupied Properties**  
80% of the first \$900,000  
50% of the balance

**Rental Properties**  
75% of the first \$900,000  
50% of the balance

**Equity Lending**  
Up to 65% of the first \$900,000  
50% of the balance

### Urban Centre Sliding Scale

**Owner-Occupied Properties**  
80% of the first \$600,000  
50% of the balance

**Rental Properties**  
75% of the first \$600,000  
50% of the balance

**Equity Lending**  
Up to 65% of the first \$600,000  
50% of the balance

### Non-Urban/Recreational Sliding Scale

**Owner-Occupied Properties**  
80% of the first \$350,000  
50% of the balance

**Rental Properties**  
75% of the first \$350,000  
50% of the balance

**Owner-Occupied Recreational and Vacation Properties**  
65% of the first \$350,000  
50% of the balance

**Equity Lending**  
Up to 65% of the first \$350,000  
50% of the balance

	<p><b>Small Communities</b>  CMHC or GENWORTH Insurance is required for all properties located in or near:</p> <ul style="list-style-type: none"> <li>▪ Non-Urban Centres with population bases of less than 5000 and more than 50 km from an Urban or Major Urban Centre.</li> </ul> <p>Insurance requirement waived if:</p> <ul style="list-style-type: none"> <li>▪ LTV up to 50%, or</li> <li>▪ Property is located in a small community where there is a TD Canada Trust branch</li> </ul>
<b>Solicitor Dual Representation</b>	
A Solicitor/notary is not permitted to act on behalf of both the vendor and purchaser unless the Bank has provided its written consent (except Quebec). The Bank does provide some discretion on particular scenarios, i.e. small community with limited legal resources, mortgages that are inter-family or estate related title change.	
<b>Square Footage Minimums</b>	
<b>House</b>	<ul style="list-style-type: none"> <li>▪ 850 Square Feet (above grade)</li> <li>▪ Homes less than 850 Square Feet will be considered with CMHC/GENWORTH coverage</li> </ul>
<b>Condo</b>	<ul style="list-style-type: none"> <li>▪ 600 Square Feet</li> <li>▪ Condos less than 600 Square Feet will be considered with CMHC/GENWORTH coverage</li> </ul>
<b>Standard Approval Conditions – Mortgages</b>	
<b>Income and Down Payment Confirmation</b>	<ul style="list-style-type: none"> <li>▪ Obtain confirmation of income that meets the Bank's standard guidelines for an amount at least equal to the amount input on the application</li> <li>▪ Obtain confirmation of down payment that meets the Bank's standard guidelines</li> </ul>
<b>Confirm closing costs of 1.5% of Purchase Price not borrowed</b>	<b>Applicable to Insured Mortgages only</b> Confirm closing costs of 1.5% of the Purchase Price. Can be factored into TDS ratio as a loan over 12 months.
<b>Copy of firm purchase agreement and MLS listing with photo</b>	<p><b>Purchase Agreement</b></p> <ul style="list-style-type: none"> <li>▪ Review the entire Purchase Agreement, including all schedules and waivers</li> <li>▪ 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</li> </ul> <p><b>Note:</b> No longer required to obtain a waiver of financing or home inspection prior to funding</p> <ul style="list-style-type: none"> <li>▪ 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</li> </ul> <p><b>MLS (Multiple Listing Service)</b>  Review the MLS to determine:</p> <ul style="list-style-type: none"> <li>▪ Property details are consistent with the application</li> <li>▪ Property tax amount entered on the application is consistent with the MLS</li> <li>▪ MLS zoning must comply with the use of the property</li> </ul>
<b>Full Appraisal Required</b>	<b>Applicable to Conventional Mortgages</b> <b>A full Appraisal is required for all Leased Land applications except under the CLIP program.</b> <b>Exceptions</b> 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 provided.
<b>Subject to Major Urban/Urban/Non-Urban/Recreational Sliding Scale</b>	<b>Applicable to Conventional Mortgages only</b> <ul style="list-style-type: none"> <li>▪ Ensure loan amount does not exceed sliding scale formula based on property location. Refer to – <i>Policy Guidelines Sliding Scale</i></li> </ul> <b>Exceptions</b> must be specifically approved by the Credit Centre and must be reflected in the Approval Comments
<b>Taxes to be paid by Bank</b>	<b>Applicable to Insured Mortgages only</b> <ul style="list-style-type: none"> <li>▪ Property taxes must be paid by the Bank for all insured mortgages</li> </ul> <b>Exceptions</b> to waive Bank paid property taxes must be specifically approved by the Credit Centre
<b>Title Insurance</b>	
<p><b>Title Insurance</b>  Title Insurance in lieu of a solicitors Letter of Opinion is accepted by TD Canada Trust for the following providers (no others will be accepted):</p> <ul style="list-style-type: none"> <li>▪ Title Plus – LPIC (Lawyers Professional Indemnity)</li> <li>▪ First Canadian (First American) Title Insurance Company</li> <li>▪ Stewart Title Guaranty Company</li> <li>▪ Travelers Guarantee Company of Canada</li> <li>▪ Chicago Title Insurance</li> </ul> <p><b>Note: Title Insurers are subject to change at any time.</b></p>	
<b>Well Water and Septic Certificates</b>	
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 is responsible to obtain, review and forward the certificates to the bank with the standard mortgage documents.

- **Water Potability Certificate:** Must confirm water quality passes the municipal test or is fit for human consumption.

Septic Certificates are required for rural properties with NEW SYSTEMS only.

- **Septic Certificate:** Must be from a provincial or municipal authority and certify that the soil and water pollution, septic system design and installation are acceptable.

## Down Payment and Closing Costs

### Minimum Equity

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

Insured Mortgages	Conventional Mortgages
<ul style="list-style-type: none"> <li>▪ Minimum 5% of the purchase price for fixed and variable rate mortgages insured by CMHC/Genworth Financial Canada.</li> <li>▪ The remainder of the total down payment can come from borrowed sources.</li> <li>▪ 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 Commitment.</li> <li>▪ The payout of the loan obligation must be managed by the solicitor closing the purchase transaction.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum 10% of the purchase price.</li> <li>▪ The remainder of the total down payment of 20% can come from borrowed sources.</li> <li>▪ 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 Commitment.</li> <li>▪ The payout of the loan obligation must be managed by the solicitor closing the purchase transaction.</li> </ul>

### Own Resources/Legitimate Source

The minimum equity portion of down payment must be provided from the applicants own resources without recourse to additional borrowing and must be from a legitimate source. Own resources means:

- Bona fide savings of the applicant
- Outright non repayable gift from relatives or employer
- Liquid/Other Assets
- Net Proceeds from the sale of property
- Loan Repaid by Regular Installments Prior to Mortgage Advance (Loans containing any part of the minimum equity requirement)
- Land Value (Construction Draw Only). *Note: We will consider appraised land value towards confirming down payment provided land is owned and free and clear.*

### Bona Fide Savings of the Applicant

- If any portion of the down payment is from a Bank Account, review the history of savings within 30 days to ensure that the customer has accumulated the balance over time prior to commitment and retain confirmation in the file. If a deposit greater than \$10,000 was made during the 30 day period, verify and document the source to ensure funds are not borrowed and are from a legitimate source. Ensure this confirmation is retained in the file.
- 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.
- Deposits provided with the Offer to Purchase: If this amount exceeds \$10,000, verify and document the source to ensure funds are not borrowed and are from a legitimate source. Ensure this confirmation is retained in the file.
- Important: Cashback does not constitute bona fide savings and must not be used as confirmation of down payment.

### Gift from Relative or Employer

- If this is an Insured facility a gifted down payment must come from a relative or immediate family member only, gifts from another source are not permitted for Insured facilities.
- Letter of confirmation verifying the gift is unencumbered, requires no re-payment, states relationship of giftor to giftee, and verification of the existence of the gift is attached. **Note:** Only the TDCT-approved gift letter, included in Appendix 6, can be used.
- Proof of ability to gift is required and can be satisfied in two ways:
  - The giftor can provide a copy of their bank statement to confirm the ability to gift, or
  - The giftor can have the bottom section of the Gift Letter completed by their Financial Institution, which must include the OFI bank stamp.
- In addition to Gift Letter, verify that the funds are on deposit in the customer's account prior to closing or obtain confirmation that the funds were sent directly to the solicitor acting for the customer.

### Liquid/Other Assets

- Bonds, Securities, and Stocks. RRSPs may also be used.
- Obtain the client's statements from showing the description of the assets and the current value. Locked-In RRSPs cannot be used for down payment as they represent pension assets.
- Borrowing against an equivalent amount of proven liquid assets is acceptable provided the **payments are included in the debt service ratios.**
- Borrowing from an existing Home Equity Secured Line of Credit is acceptable provided it is not secured against the property currently being financed and the **payments are included in the debt service ratios.**
- Note: Withholding tax may be applicable on RRSP withdrawals unless client qualifies for Revenue Canada's First Time Home Buyer's Plan.

### Net Proceeds from the Sale of Property

- 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 draw downs 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 fees and other costs associated with the property sale must be considered when calculating the net equity or proceeds from the sale.

**Loans Repaid by Regular Installments Prior to Advance**

Loan Repaid by Regular Installments Prior to Mortgage Advance and Loans containing any part of minimum equity requirement:

- Must be paid in full before the closing date of the mortgage through natural amortization of the loan or via lump sum payment that has been confirmed from the client's own resources with no recourse to borrowing and documented in the file. This shows the customer's savings (e.g. if closing date of mortgage is January 1, 2011, the loan granted as part of the minimum equity requirement must be paid in full by December 31, 2010).
- To qualify for the loan to meet builder deposit requirements as part of the minimum equity, the disbursement must be controlled by TDCT to ensure it is used for the builder's deposit.
- To ensure we can confirm the minimum equity requirement is met loans containing any part of the minimum equity must be paid in full before the advance. Partial payout of a loan to satisfy the minimum equity is not acceptable. Therefore, the loan used for the minimum equity amount should be unique and should not be combined with any other loan.

Note: If the loan forms any part of the minimum equity requirements is not paid in full the mortgage approval is lost.

**Land (Construction Draw Only)**

- Obtain an appraisal to support the land value.
- Confirm how the land was purchased. If it was a gift, obtain a letter confirming the gift is unencumbered.

**Sweat Equity (Construction Draw Only)**

- Include a reasonable estimate based on applicant's skills. Amount must not exceed 50% of minimum equity requirement, to a maximum of \$25,000 for conventional requests. Must be supported by 2 competitive quotations.

**Closing Costs**

- Remind the customer to set aside additional funds for legal expenses and moving costs.
- For CMHC/Genworth insured mortgages, the client must also provide evidence of cash for closing costs equal to 1.5% 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.

**Entering SIN Information**

In situations where customers have not provided their SIN information (i.e. customer does not have a valid SIN or has refused to provide one for privacy reasons), enter 999-999-998 on the Filogix application to ensure the Credit Bureau is flagged appropriately.

## Bridge Financing

<b>General</b>	<p>Bridge Financing assists a customer with the sale and purchase of their residence.</p> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>▪ The purchase date that their new home closes on is 15 days before the closing date of their current residence</li> <li>▪ The new equity from the current residence is therefore not available on the closing date of the new loan</li> <li>▪ A Bridge Finance Loan provides the customer with short-term assistance to meet this shortfall</li> <li>▪ Once the sale on their current residence closes, the loan is paid off with proceeds from the sale.</li> </ul>
<b>Who is Eligible</b>	<ul style="list-style-type: none"> <li>▪ Short term Bridge Financing is to be used to help customers who are obtaining mortgage financing with TD Canada Trust</li> <li>▪ TD Canada Trust does not provide Bridge Financing to customers who have not committed to take a TD Canada Trust mortgage product</li> </ul>
<b>Security Requirements</b>	<ul style="list-style-type: none"> <li>▪ For most short term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory</li> <li>▪ Approval without security is for periods not longer than 90 days</li> </ul>
<b>Processing an Application</b>	<ul style="list-style-type: none"> <li>▪ <b>All applications must be referred to a local TD Canada Trust branch for processing and not to the IMAC</b></li> <li>▪ The client must attend the branch to complete the bridge loan</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>▪ A Standard Letter of Direction and Irrevocable Assignment of Funds from real property transactions are prepared</li> <li>▪ The documents are to be signed by customer(s) in the presence of a TD Canada Trust employee and sent to the Solicitor handling sale and purchase transactions on behalf of the customer</li> <li>▪ Solicitor must acknowledge the documents. This will ensure the net sale proceeds from the existing home are directed to the Bank to repay the Bridge Financing loan.</li> <li>▪ Solicitor must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer</li> </ul>
<b>Proceeds</b>	<ul style="list-style-type: none"> <li>▪ Loan proceeds are advanced 'in trust' to customer(s) solicitor, subject to the terms and conditions of the Letter of Direction.</li> </ul>

## GST/HST

As of July 1, 2010, Ontario harmonized its retail sales tax with the GST to implement the HST at the rate of 13% and British Columbia harmonized its provincial sales tax with the GST to implement the HST at the rate of 12%. Other provinces, including Nova Scotia and Newfoundland and Labrador also charge HST at a rate of 15% and 13% respectively.

Contractors hired by someone to build a house on land they own or lease must charge them GST/HST on the labour and material provided when building the house. Clients may qualify for a rebate of some of the GST or the federal part of the HST paid on labour and materials, but they must apply for the rebate. You cannot apply for it on their behalf.

Refer to the CRA website for more information surrounding GST/HST.



# Construction Draw Financing

<b>Eligible Purposes</b>	<ul style="list-style-type: none"> <li>▪ Principal Residence only</li> <li>▪ Purchase from a Residential Home Builder</li> <li>▪ Purchased from a Contractor: Maximum 2 units (duplex with 1 unit occupied as residence), single family or semi-detached.</li> <li>▪ Self-built Home: Maximum 1 unit occupied as principal residence, single family or semi-detached.</li> <li>▪ Renovations or improvements of existing home where there are structural changes or costs exceed the lesser of :             <ul style="list-style-type: none"> <li>▪ 10% of 'as improved' value or \$40,000 (applies to both conventional and insured)</li> </ul> </li> </ul> <p><b>Note:</b> Purchase from a Contractor occurs when an individual who either owns their land and/or purchases the land, hires a General Contractor and builds their home through that one General Contractor. A Self-built home occurs when an individual, who either owns their land and/or purchases the land, acts as their own General Contractor and hires qualified, licensed trade persons to build their home.</p>
<b>Eligible Properties</b>	<p><b>Owner occupied only</b></p> <ul style="list-style-type: none"> <li>▪ <b>Purchase price / Lending value must be less than \$1 million if LTV &gt; 80%</b></li> <li>▪ Residential Home Builder: Maximum 2 units (duplex with 1 unit occupied as principal residence), single family or semi-detached</li> <li>▪ Contractor or Self-built: Maximum 1 unit occupied as principal residence, single family or semi-detached</li> <li>▪ Condo/Strata properties are ineligible</li> <li>▪ Leased Land is ineligible</li> <li>▪ Non-Residents are ineligible</li> <li>▪ Builder/Contractor and property must be registered under the New Home Warranty Plan</li> </ul>
<b>Land</b>	<ul style="list-style-type: none"> <li>▪ Lot upon which the home is to be built must meet TDCT Residential Guidelines and must be a fully serviced lot</li> <li>▪ If it is not a fully serviced lot, the cost to service must be included in the construction costs (i.e. hydro, water or well and septic)</li> </ul>
<b>Loan-to-Value (LTV) Sliding Scale</b>	<p><b>Conventional:</b>          Maximum 80% of the lesser of appraised value or cost to construct (including land)          Subject to Sliding Scale policy          Maximum of house and 10 acres will be considered (applies to non-urban rural properties only)</p> <p><b>High-Ratio Insured:</b>  <u>Purchases:</u> Maximum 95% of the lesser of appraised value or cost to construct (including land)  <u>Renovation/Refinances:</u> Maximum 80% of the completion value (as determined by the Insurer)          Maximum of house and 10 acres will be considered (applies to non-urban rural properties only)</p>
<b>Equity/Down Payment Minimum Amounts</b>	<p><b>Conventional:</b></p> <ul style="list-style-type: none"> <li>▪ Minimum 20% of lesser of appraised value or cost to construct (including land), from own resources</li> <li>▪ Source of equity must be indicated at time of application</li> <li>▪ <u>Customer's equity must be injected into the project up front</u></li> </ul> <p><b>High Ratio Insured:</b></p> <ul style="list-style-type: none"> <li>▪ Minimum 5% of lesser of appraised valued or cost to construct (including land), from own resources</li> <li>▪ For closing costs, minimum 1.5% of lesser of appraised value or cost to construct (including land), from own resources</li> <li>▪ Source of equity must be indicated at time of application</li> <li>▪ <u>Customer's equity must be injected into the project up front</u></li> </ul> <p><b>Note:</b> Residential Contractor Build &amp; Self-build          It is also important that customer(s) provide evidence of sufficient resources to cover construction costs up to the first draw.  <b>Note:</b> For Self-build, the customer must have additional resources, or the ability to carry an additional credit facility equal to at least 15% of the construction costs to allow for cost overruns</p> <p><b>Note: Land value where land already owned (construction draw only):</b> Note: We will consider appraised land value towards confirming down payment provided land is owned and free and clear.</p> <p>Alternatively, the customer must provide confirmation that the Builder/Contractor does not require payment until that time</p>

<b>Sweat Equity</b>	<ul style="list-style-type: none"> <li>▪ Include a reasonable estimate based on applicant's skills. Amount must not exceed 50% of minimum equity requirement, to a maximum of \$25,000 for conventional requests. Must be supported by 2 competitive quotations.</li> </ul>																		
<b>Income Confirmation</b>	<ul style="list-style-type: none"> <li>▪ Full confirmation of income is required</li> <li>▪ The draw mortgage is not eligible for the Equity Lending Program (NIQ Program)</li> </ul>																		
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>▪ Mortgage must be set up for a closed term of 1 to 10 years. When the first draw is funded, the mortgage will convert to Prime + 1% and remain as Prime + 1% until the IAD date, which occurs after the earlier of: <ul style="list-style-type: none"> <li>○ The final draw is processed, or</li> <li>○ 86% of the authorized mortgage has been advanced</li> </ul> </li> <li>▪ Closed VIRM, 6 month convertibles and 1 year open mortgages are not available for construction draw application.</li> <li>▪ CashBack Mortgages are available.</li> <li>▪ Rate is committed to the client at time of approval. <b>Rate is the higher of posted broker rate or posted rate less the applicable discount (as per the Chart).</b></li> <li>▪ Your customer must understand that by selecting the rate as outlined above, they will be <b>locked into the term selected at the time of the first advance</b>. However, the term and conditions begin when the mortgage goes on repayment (i.e. when principal and interest payments begin).</li> <li>▪ We would hold the rate for up to one year as per Construction Draw policy.</li> </ul> <p><b>*All discounts or additions are applicable to the current posted rate.</b>  <b>*** Please note all offers are subject to change***</b></p> <table border="1" data-bbox="802 781 1105 1304" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Term</th> <th>Discount</th> </tr> </thead> <tbody> <tr> <td>1 Year</td> <td>N/A</td> </tr> <tr> <td>2 Year</td> <td>N/A</td> </tr> <tr> <td>3 Year</td> <td>0.45%</td> </tr> <tr> <td>4 Year</td> <td>1.00%</td> </tr> <tr> <td>5 Year</td> <td>1.00%</td> </tr> <tr> <td>6 Year</td> <td>1.00%</td> </tr> <tr> <td>7 Year</td> <td>1.00%</td> </tr> <tr> <td>10 Year</td> <td>1.00%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>▪ Build must be complete within 1 year.</li> <li>▪ If your customer would like a Closed VIRM, you must ensure the mortgage is initiated as a 1 - year closed Fixed Rate Mortgage. Upon conversion from Prime + 1% and after the conversion IAD payment has been made your customer can: <ul style="list-style-type: none"> <li>○ Continue with the 1-year Fixed Mortgage or</li> <li>○ Early renew into a Closed VIRM.</li> <li>○ If your customer chooses a Closed VIRM product, your customer will be subject to the prevailing rates at the time of the early renewal. Rates are not guaranteed, this includes any discretion. TD does not hold the variance in this scenario; therefore the closed VIRM will be priced at the prevailing rate on the day of the early renewal.</li> </ul> </li> <li>▪ If mortgage insured it cannot be converted to a closed VIRM until after 6 months on repayment and is subject to standard prepayment penalties</li> </ul> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>1) <b>You cannot port an existing mortgage rate to the property being constructed</b></li> <li>2) <b>Special offers are not available to Construction Draw mortgages</b></li> </ol>	Term	Discount	1 Year	N/A	2 Year	N/A	3 Year	0.45%	4 Year	1.00%	5 Year	1.00%	6 Year	1.00%	7 Year	1.00%	10 Year	1.00%
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<b>Appraisals</b>	<p>In order for a draw to be released the broker will be responsible for ordering a property inspection report at their expense from a TD Canada Trust recognized appraiser. The inspection report is subject to review and acceptance by TD Canada Trust.</p>																		
<b>Required Documentation</b>	<p><b>Residential Home Builder:</b></p> <ul style="list-style-type: none"> <li>▪ Signed Purchase and Sale Agreement</li> <li>▪ Offer to Purchase for lot if land not owned, or Deed (evidence of ownership) if land is owned</li> <li>▪ Construction Specs or Plans (floor layout and exterior view) plus specification sheet</li> </ul>																		

	<ul style="list-style-type: none"> <li>▪ Evidence of sufficient resources to cover construction costs up to the first draw (at least 35% complete if 3 draws or at least 15% complete if 4 draws). Alternatively, the customer must provide confirmation that the contractor does not require payment until that time</li> </ul> <p><b>Self-build:</b></p> <ul style="list-style-type: none"> <li>▪ Signed Construction Contract (Contractor) including construction cost estimates</li> <li>▪ List of cost estimates from various contractors together with the Progress Advance Worksheet (Self-build) (see Appendix 7)</li> <li>▪ Offer to Purchase for lot if land not owned, or Deed (evidence of ownership) if land is owned)</li> <li>▪ Construction Specs or Plans (floor layout and exterior view) plus specification sheet</li> </ul> <p><b>Contractor:</b></p> <ul style="list-style-type: none"> <li>▪ Evidence of sufficient resources to cover construction costs up to the first draw (at least 35% complete if 3 draws or at least 15% complete if 4 draws). Alternatively, the customer must provide confirmation that the contractor does not require payment until that time</li> <li>▪ Signed Construction Contract (Contractor) including construction cost estimates</li> <li>▪ List of cost estimates from various contractors together with the Progress Advance Worksheet (Self-build) (see Appendix 7)</li> <li>▪ Offer to Purchase for lot if land not owned, or Deed (evidence of ownership) if land is owned)</li> <li>▪ Construction Specs or Plans (floor layout and exterior view) plus specification sheet</li> </ul>
<p><b>Construction Costs</b></p>	<p>During the application process, the customer will need to understand the initial costs that they will be responsible for:</p> <ul style="list-style-type: none"> <li>▪ <b>Land:</b> to secure construction financing, the customer is required to own the land, as TD Canada Trust will need to register a first mortgage on it. <u>We will consider up to 50% of the appraised land value towards confirming customer's ability to carry the construction costs provided land is free and clear.</u></li> <li>▪ <b>Servicing:</b> the land needs to be fully serviced, this includes site preparations and municipal services such as septic service, water connection, sewer connection, hydro and gas service.</li> <li>▪ <b>Soft costs:</b> These are out-of-pocket expenses for services and charges that the customer is likely to incur at the outset of, and throughout the construction phases. Depending on the plans and location of the home, these will likely include: <ul style="list-style-type: none"> <li>○ Property taxes</li> <li>○ Municipal permits</li> <li>○ Fees for architects and engineers</li> <li>○ Fees for realtors and solicitors</li> <li>○ Fees for appraisals and inspections</li> </ul> </li> <li>▪ <b>Initial building costs:</b> the customer is expected to finance the initial stage of construction (approximately 35% of construction) with their own money</li> <li>▪ <b>Cost overruns:</b> for Self-build, the customer must have additional resources, or the ability to carry an additional credit facility, equal to at least 15% of the construction costs to allow for cost overruns.</li> <li>▪ <b>Interest costs:</b> The customer is required to make interest-only payments on all amounts advanced until their regular principal and interest payments begin.</li> <li>▪ In addition to the costs already outlined, you will also need to budget for lien holdbacks.</li> </ul>
<p><b>Advances</b></p>	<ul style="list-style-type: none"> <li>▪ Customer's solicitor will be instructed to register the mortgage for the full authorized amount prior to 1<sup>st</sup> advance</li> <li>▪ Maximum construction period is 1 year from application date</li> <li>▪ Funds are typically advanced to the solicitor (in trust) in a series of 3 draws or advances when the construction of the property has reached a predetermined stage of completion</li> <li>▪ Requests for 4 draws/advances will be considered and approval must be obtained via the Credit Centre and Insurer (if applicable) at the time of application</li> <li>▪ Each advance will require authorization from the Credit Centre or the Insurer. Please note that in Quebec, authorization is obtained from the <b>Branch or the Insurer.</b></li> <li>▪ Any encumbrances on the land must be paid and discharged prior to the 1<sup>st</sup> advance, or with proceeds from the 1<sup>st</sup> advance</li> <li>▪ The solicitor must complete a sub-search on the property prior to each advance. Any title defects must be resolved by the solicitor and customer before any advances can be processed</li> </ul> <p><u>If the customer no longer requires the full approved amount to be advanced, customers can request that the mortgage be put on repayment without the additional funds. This must be processed prior to 85% completion. A mortgage automatically converts to monthly principal and interest (P+I) payments at the rate and term initially committed to the customer, once the mortgage is advanced.</u></p> <p><b>Note:</b> For insured mortgages, the credit center must notify the insurer for final inspection.</p> <p><b>Advance Schedule</b>  <b>1<sup>st</sup> Draw/Advance - The Rough-In Stage</b></p>

	<p>Construction at least 35% complete – When home is completely closed in or ‘roughed in’. The foundation, sub-floor, framing, sheathing, roof, roughed-in electric and plumbing.</p> <p>When the rough-in stage is completed, an appraiser must be sent to the home to inspect the property and confirm that the stage is complete. Up to this point the customer will have paid all expenses from their own resources. TD Canada Trust will release the first advance of funds to the solicitor who will keep a percentage as a lien holdback. At this point, interest-only payments will commence. The amount of the first advance is determined by a formula based on the total requested mortgage amount and the remaining cost to construct the home.</p> <p><b>2<sup>nd</sup> Draw/Advance – The Drywall Stage</b></p> <p>Construction at least 65% complete – When interior is completed to the drywall stage (taped and finished,) this should include exterior completion, pouring of the basement floor, and installation of heating.</p> <p>When the drywall stage is complete, an appraiser must be sent to the home to inspect the property. TD Canada Trust will release the second advance to the solicitor. Once again a lien holdback will be applied.</p> <p>The amount of the second advance is dependent on the requested mortgage amount, the amount of the first advance and the remaining cost to construct the home.</p> <p><b>3<sup>rd</sup> and Final Draw/Advance – The Completed Stage</b></p> <p>Construction at least 97% complete – The structure must be fit to be occupied and have finished interior doors, floors, carpentry, painting, heating, plumbing, electrical, walks, and driveways (subject to season).</p> <p>When the home is completed, an appraiser must be sent to the home to inspect the property. When the appraiser has determined that the building is complete, TD Canada Trust will release the final advance of funds to the solicitor. A lien holdback will again be applied.</p> <p>NOTE: If the customer is receiving 4 draws, the first draw may be requested when the excavation, backfill, and foundation are complete. The construction is 15% complete.</p> <p>During the draw stage, interest payable on advances shall be TD Canada Trust Prime Lending Interest Rate plus 1% (calculated and payable monthly) and will be adjusted with changes in TD Canada Trust Prime Lending Rate on the first day of each month.</p>
<p><b>Lien Holdbacks</b></p>	<ul style="list-style-type: none"> <li>▪ If applicable, the customer’s solicitor will be instructed to hold back a percentage to meet Provincial requirements</li> <li>▪ These funds are normally released after the solicitor confirms that the construction lien period has expired. The percentage of hold back required and length of time that is held varies provincially</li> </ul> <p><b>British Columbia – 10% Holdback required, 55 days</b>  <b>Alberta &amp; Saskatchewan – 10% Holdback required, 45 days</b>  <b>Manitoba – 7.5% Holdback required, 40 days</b>  <b>Ontario – 10% Holdback required, 45 days</b>  <b>Quebec – 15% Holdback required, 35 days</b>  <b>New Brunswick and PEI – 20% Holdback required, 60 days</b>  <b>Nova Scotia – 10% Holdback, 60 days</b>  <b>Newfoundland – 10% Holdback, 30 days</b></p>
<p><b>Additional Documentation (Solicitor)</b></p>	<p>The solicitor will be instructed to obtain the following prior to releasing the first advance to the customer:</p> <ul style="list-style-type: none"> <li>▪ Builder’s all-risk insurance assigned to the Bank</li> <li>▪ Plot Plan showing the location of all buildings to be constructed</li> <li>▪ Confirmation that all necessary building permits are in place</li> <li>▪ Confirmation that the property is registered under the relevant Provincial New Home Warranty plan</li> </ul> <p>The solicitor will be instructed to obtain the following prior to releasing the final advance to the customer:</p> <ul style="list-style-type: none"> <li>▪ Well Water Portability and Flow Certificates and Septic Certificates, if applicable</li> <li>▪ Occupancy permit</li> <li>▪ New Home Warranty Certificate</li> </ul>
<p><b>Construction Financing Example</b></p>	
<p>Below is an example of construction financing which demonstrates how much money these two homebuilders receive at each stage of construction. In the example below, the homebuilder already owns the land. The value of the completed project is \$400,000, which includes \$275,000 to construct and \$125,000 for the value of the serviced land.</p>	

Terry is borrowing \$300,000. This represents a 75% loan-to-value.

**STEP ONE: How Much Money Terry Will Need to Get Started**

What will be the total cost to construct the home? (costs based on builder/contractor quotes or building plans)	<b>A</b>	\$275,000
Cost of land (if not already owned)		\$0
Servicing costs (if not included in construction costs)	+	\$0
Soft costs	+	\$12,000
Cost overruns [A x .15]	+	\$41,250
Cost to complete Rough-in stage [A x .35]	+	\$96,250
<b>MINIMUM MONEY NEEDED TO GET STARTED</b>	=	\$149,500

**STEP TWO: How Much Money TD Canada Trust Retains at Each Stage of Construction**

At each stage of construction, TD Canada Trust will retain the **funds equivalent to the remaining construction costs** that are required to complete the project. It is important to calculate these amounts because they will affect the amount of money that you will receive at each advance.

**ROUGH-IN STAGE**

Total estimated construction cost (from line A)	<b>A</b>	\$275,000
Percentage of construction still to be completed		65%
<b>AMOUNT TDCT RETAINS AT ROUGH-IN STAGE</b> (Remaining cost to complete (A x 0.65))	<b>B</b>	\$178,750

**DRYWALL STAGE**

Total estimated construction cost (from line A)	<b>A</b>	\$275,000
Percentage of construction still to be completed		35%
<b>AMOUNT TDCT RETAINS AT DRYWALL STAGE</b> (Remaining cost to complete (A x 0.35))	<b>C</b>	\$96,250

**COMPLETED STAGE**

Total estimated construction cost (from line A)	<b>A</b>	\$275,000
Percentage of construction still to be completed		0%
<b>AMOUNT TDCT RETAINS AT DRYWALL STAGE</b> (Remaining cost to complete (A x 0.00))	<b>D</b>	\$0

**STEP THREE: Construction Stages and Lien Holdbacks**

At each stage of construction, the customer may be eligible for a mortgage advance. This will depend on the amount of money you are borrowing. Each time you receive a mortgage advance, a lien holdback will be held in trust by the solicitor.

**FIRST ADVANCE**

Mortgage amount (selected by customer)	<b>E</b>	\$300,000
Minus remaining construction costs (line B)	- <b>B</b>	\$178,750
First advance to the solicitor (E-B)	<b>F</b>	\$121,250
Minus the lien holdback (assume 10%)	- <b>G</b>	\$12,125
<b>TOTAL FUNDS AVAILABLE TO CUSTOMER AT FIRST ADVANCE (F-G)</b>	<b>H</b>	\$109,125

**SECOND ADVANCE**

Mortgage amount (line E)	<b>E</b>	\$300,000
Minus amount of first advance to solicitor (line F)	- <b>F</b>	\$121,250
Minus remaining construction costs (line C)	- <b>C</b>	\$96,250
Second advance to solicitor (E-F-C)	<b>I</b>	\$82,500
Minus the lien holdback (assume 10%)	- <b>J</b>	\$8,250
<b>TOTAL FUNDS AVAILABLE TO CUSTOMER AT SECOND ADVANCE (I-J)</b>	<b>K</b>	\$74,250

**THIRD ADVANCE**

Mortgage amount (line E)	<b>E</b>	\$300,000
Minus amount of first and second advances to solicitor (line F+I)	- <b>L</b>	\$203,750
Minus remaining construction costs (line D)	- <b>D</b>	\$0
Third advance to solicitor (E-L-D)	<b>M</b>	\$96,250
Minus the lien holdback (assume 10%)	- <b>N</b>	\$9,625
<b>TOTAL FUNDS AVAILABLE TO CUSTOMER AT THIRD ADVANCE (M-N)</b>	<b>O</b>	\$86,625

**Factory Built Homes**

<b>Overview</b>	The Construction Draw Policy will include factory built homes. These homes are assembled in a factory environment and completed after transport to the site of use. They are commonly referred to as 'pre-fabricated' or 'modular' homes.
<b>Property Criteria</b>	Must be owner-occupied, single family dwelling on owned, <b>not</b> leased land. Refinances are not available on factory built homes. <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%.</b>

<b>Approved Builders</b>	<ul style="list-style-type: none"> <li>• Guildcrest Homes</li> <li>• Kent Homes</li> <li>• Prestige Homes</li> </ul>
<b>Rates</b>	<ul style="list-style-type: none"> <li>• Rate is Prime + 1% during construction and then converts to the Broker rate at completion. Must close within 120 days to qualify.</li> <li>• Discretionary pricing is permitted on modular homes on owned land. Discretionary pricing does not apply to mini or mobile homes on owned land.</li> </ul>
<b>Advances</b>	<p><b>First Draw/advance</b> When the foundation is complete The construction is 10% complete.</p> <p><b>Second Draw/Advance (Drop off draw)</b> When the Factory Built Home is dropped off on location as confirmed by solicitor. This draw occurs at 65% of the cost of the unit. The second draw applies to conventional deals only.</p> <p><b>Third Draw/Advance</b> When the Factory Built Home has been affixed to the foundation. Typically this would occur within 2 days of drop off. The construction is 85% complete.</p> <p><b>Fourth and Final Draw/Advance</b> Construction at least 97% complete; the structure must be fit for occupation and have finished interior doors, floors, carpentry, painting, heating, plumbing, electrical, walks and driveways (subject to season).</p> <p><u>If a customer is to receive 5 draws, the first draw can be requested as a land draw (50% of land cost, for purchase of land only). Land must be fully serviced.</u></p> <p><u>NOTE: For Factory Build Homes, an inspection is not required at the Drop off draw (65% of the cost of the unit).</u></p> <p><u><b>Important:</b> High Ratio mortgages would follow the above draw/advance schedule with the exception of the second Drop off draw (i.e. Typically the draw schedule would be 10%, 85% and 97%)</u></p>
<b>Required Documentation</b>	<ul style="list-style-type: none"> <li>• A signed Purchase and Sale Agreement for a manufacturer built home.</li> <li>• A signed Purchase and Sale Agreement for the lot if being purchased, or a Deed if the land is owned.</li> <li>• Detailed manufacturer plans for the unit.</li> <li>• A signed builder/contractor agreement, including a detailed list of onsite finishing and assembling costs.</li> </ul>
<b>Who to Authorize the Draws</b>	<ul style="list-style-type: none"> <li>• <b>Insured:</b> Insurer</li> <li>• <b>Conventional:</b> Broker IMAC would authorize the draw for all draws except the 65% draw. The 65% draw is initiated by the solicitor upon completion of Form 532242 – Confirmation of Delivery for a Factory Built Home – signed by the builder and customer.</li> </ul>

**FULL PACKAGE REQUIRED WHEN SUBMITTING A DRAW MORTGAGE FOR APPROVAL.**

## Equity Lending Policy

The Bank's Equity Lending Policy is intended for those customers who may not be able to confirm their income(s) by conventional methods but otherwise demonstrate a strong profile.

### Equity Lending Policy – LTV up to 65%

#### Self-Employed, Contract Applicants

<b>Conventional Mortgage Financing</b>	<ul style="list-style-type: none"> <li>• Owner-occupied Purchase Financing up to 65% LTV; no exceptions permitted</li> <li>• Owner-occupied ETO (Equity Take Out) Financing up to 65% LTV</li> <li>• Subject to Applicable Sliding Scale</li> <li>• Single Advance</li> <li>• Maximum amortization is 30 years with stated income</li> </ul>
<b>All applications for self-employed, contract, etc., must be supported by:</b>	<ul style="list-style-type: none"> <li>• Offer to Purchase (where applicable)</li> <li>• Copy of MLS Listing (where applicable)</li> <li>• Minimum beacon score of 650 for all applicants unable to provide standard income confirmation</li> <li>• No previous bankruptcy for all applicants</li> <li>• No current or recent TDCT mortgage arrears</li> <li>• Confirmation of business status supported by Master Business License or Articles of Incorporation</li> <li>• Three years on credit bureau recommended</li> <li>• Copies of most recent Notice of Assessment from Revenue Canada showing there are no outstanding tax arrears</li> <li>• Income from line 150 of the NOA must be entered into the Comment section of the application and will be used by the Credit Centre to complete a mandatory Income Reasonability Assessment.</li> <li>• Maximum TDS of 40% (base on stated income)</li> </ul>
<b>Down Payment</b>	<ul style="list-style-type: none"> <li>• From own sources, <b>cannot be borrowed or gifted.</b></li> <li>• Minimum down payment of 35% plus closing costs must be confirmed without recourse to borrowing – Secondary Financing not permitted</li> </ul>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$1,000,000</li> <li>• Maximum two (2) properties may be financed under equity lending policy provided immediate family member resides in 2nd home and <b>total</b> mortgage amount cannot exceed \$1,000,000</li> </ul>
<b>Rates and Terms</b>	<ul style="list-style-type: none"> <li>• Conventional Mortgages</li> <li>• Fixed Rate 6 months to 7years, and 10 years</li> <li>• Closed VIRM</li> <li>• Broker Rate</li> </ul>
<b>Ineligible Product</b>	<ul style="list-style-type: none"> <li>• Cashback mortgages CANNOT be offered on any Equity Lending deal.</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Maximum 4 units where 1 unit is owner occupied principal residence</li> <li>• New Construction or Resale – Single Advance</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Full appraisal of the subject property required in every instance</li> </ul>



## Equity Lending Policy – LTV up to 65%

### New Immigrants

<b>Conventional Mortgage Financing</b>	<ul style="list-style-type: none"> <li>• Owner-occupied Purchase Financing up to 65% LTV; no exceptions permitted</li> <li>• Owner-occupied ETO (Equity Take Out) Financing up to 65% LTV</li> <li>• Subject to Applicable Sliding Scale</li> <li>• Single Advance</li> <li>• Maximum amortization is 25 years</li> </ul>
<b>All applications for New Immigrants must be supported by:</b>	<ul style="list-style-type: none"> <li>• Offer to Purchase (where applicable)</li> <li>• Copy of MLS listing (where applicable)</li> <li>• Applicants must be residents in Canada (Landed Immigrant Status) or confirm an application for Landed Immigrant Status has been made and received/acknowledged by Immigration Canada</li> <li>• Cannot be a resident of Canada for greater than 5 years</li> <li>• Income from line 150 of the NOA must be entered into the Comment section of the application and will be used by the Credit Centre to complete a mandatory Income Reasonability Assessment. <ul style="list-style-type: none"> <li>◦ New Immigrant applicants who have income from Canadian sources and are required to file a tax return in Canada can provide stated income that will be tested for reasonability against Line 150 of their NOA. If the customer has not filed a required tax return, the Credit Centre will be unable to proceed with the application until proof is provided that the customer has met their tax obligation.</li> </ul> </li> <li>• For new immigrant applicants who do not have income from Canadian sources and are not required to file a tax return in Canada, include within the Comment section of the application that your new immigrant customer has no Canadian income. <ul style="list-style-type: none"> <li>◦ New Immigrant applicants who have no income from Canadian sources and are therefore unable to provide an NOA must provide evidence of liquid assets in Canada greater than or equal to 50% of the property value/purchase price, inclusive of down payment.</li> </ul> </li> <li>• New immigrant applicants must have <b>one</b> of the following: <ul style="list-style-type: none"> <li>• Satisfactory international credit bureau</li> <li>• Satisfactory letter of reference from a Bank within their country of origin</li> <li>• <b>Evidence</b> of liquid assets equal to at least 6 months principal, interest and taxes, in addition to the down payment. The investment statement or confirmation must be dated within 60 days of the application date.</li> </ul> </li> </ul>
<b>Down Payment</b>	<ul style="list-style-type: none"> <li>• From own sources, <b>cannot be borrowed or gifted.</b></li> <li>• Minimum down payment of 35% plus closing costs must be confirmed without recourse to borrowing, and funds must be in Canada at the time of application – Secondary Financing not permitted</li> </ul>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$1,000,000</li> <li>• Maximum two (2) properties may be financed under equity lending policy provided immediate family member resides in 2nd home and <b>total</b> mortgage amount cannot exceed \$1,000,000</li> </ul>
<b>Rates and Terms</b>	<ul style="list-style-type: none"> <li>• Conventional Mortgages</li> <li>• Fixed Rate 6 months to 7years, and 10 years</li> <li>• Closed VIRM</li> <li>• Broker Rate</li> </ul>
<b>Ineligible Product</b>	<ul style="list-style-type: none"> <li>• Cashback mortgages CANNOT be offered on any Equity Lending deal.</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Maximum 4 units where 1 unit is owner occupied principal residence</li> <li>• New Construction or Resale – Single Advance</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Full appraisal of the subject property required in every instance</li> </ul>

# Insured New to Canada Policy (No Established Canadian Credit History)

<b>Overview</b>	
<ul style="list-style-type: none"> <li>This policy applies to customers who have immigrated to Canada within the last 36 months and who are looking for an insured mortgage but do not have Canadian Credit Bureau history. Customers who are new to Canada but do have a Canadian Credit Bureau do not fall under this policy.</li> <li>Each customer and their mortgage application are reviewed on an individual basis.</li> </ul>	
<b>Documentation Requirements for all borrowers</b>	<ul style="list-style-type: none"> <li>Confirmation of down payment and closing costs to be without recourse to additional borrowing</li> <li>Purchase and Sale Agreement/MLS listing (if applicable)</li> <li>Standard Income Confirmation</li> <li>Confirmation of Landed Immigrant Status (Permanent Resident Card)</li> <li>Preceding 12 month history of Rent and 12 month history of 2 regular periodic (e.g. monthly) obligations.             <ol style="list-style-type: none"> <li><b>Rent:</b> <ul style="list-style-type: none"> <li>Supporting Bank Statements and letter signed by landlord indicating:                   <ul style="list-style-type: none"> <li>Date the tenant moved in</li> <li>Monthly rent amount</li> <li>Amenities included in the rent</li> <li>Payment history</li> </ul> </li> </ul> </li> <li><b>Regular periodic obligations:</b> <ul style="list-style-type: none"> <li>copy of bill &amp; payment confirmation via bank statement/paid invoices</li> <li>E.g. Hydro/Utilities/Telephone/Cable</li> </ul> </li> </ol> </li> <li><b>Mandatory:</b> Payments must be timely. No late payments.</li> <li>If unable to obtain the 12 month history of rent and 12 month history of 2 regular periodic obligations, LTV will be limited to 90% and the following may be accepted:             <ul style="list-style-type: none"> <li>Satisfactory Letter of Reference from a recognized Financial Institution outlining history and past credit experience. Must be dated within 60 days of approval. Or;</li> <li>6 months of Satisfactory Bank Statements from Primary Account.</li> </ul> </li> </ul>
<p>If there are ANY deficiencies in the above mentioned Documentation, the underwriter <b>must</b> be advised. The underwriter <b>must</b> in turn advise the insurer what documentation/information was used to qualify the applicant. <b>NOTE:</b> As a best practice for all New to Canada applicants, documents should be sent to the underwriter up front. This will assist in decisioning the deal.</p>	
<b>Down Payment (must be confirmed)</b>	<ul style="list-style-type: none"> <li>For LTV of 95%, the down-payment must come from the borrower's own resources</li> <li>For LTV less than 95% the remainder can come from a corporate Relocation Subsidy or be gifted by an immediate family member (underwriter must be advised in all cases). Gifted down payments must be accompanied by the approved gift letter.</li> <li><b>At 95% the client is to have the down payment from own savings, not gifted. If the client has put more than 5% then the additional portion can be gifted.</b></li> <li>Example: for a client with LTV of 90%, 5% must be from the borrower's own resources and the remaining 5% can come from a relocation subsidy or be gifted from an immediate family member</li> </ul>
<b>Borrower Qualification</b>	<ul style="list-style-type: none"> <li>Must have immigrated/relocated to Canada within last 36 months</li> <li>3 months minimum full-time employment in Canada (borrowers being transferred under relocation program can be looked at on exception)</li> <li>Must have obtained landed immigrant status</li> <li>Guarantor's Income Confirmation required (if applicable)</li> <li>Maximum GDS 32%, TDS 40%</li> <li>All debts held outside of the country must be included in the TDSR (rent earned outside of Canada is to be <b>excluded</b> from the GDS/TDS calculation)</li> </ul>
<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>Insured Mortgages : 1st position</li> </ul>
<b>Ineligible Products</b>	<ul style="list-style-type: none"> <li>Insured Business for Self</li> <li>Progress Advance</li> <li>Cottage and Second Homes</li> <li>Rental Properties</li> </ul>
<b>Eligible Purposes</b>	<ul style="list-style-type: none"> <li>Purchase (single advance)</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>Maximum 2 units where one unit is owner occupied principal residence.</li> <li>New Construction or Resale, single advance</li> <li><b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>Non-owner occupied properties</li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>Fixed and VIRM</li> <li>Standard pricing applies</li> <li>CashBack option can be offered provided it is <b>not</b> the source of the down payment. Clients must qualify using the posted rate.</li> </ul>
<b>Premiums</b>	<ul style="list-style-type: none"> <li>Standard Premiums apply</li> </ul>
<b>Max Amortization</b>	<ul style="list-style-type: none"> <li>Up to 25 Years</li> </ul>

# Mobile/Modular/Floating Homes

## Property Type

- Financing on leased land is not available in Quebec.
- Non-residents are eligible for leased land financing, but would not be eligible under the CLIP program as the CLIP program is only for owner-occupied.

### Mobile Home

By definition, a mobile home is a transportable, single or multiple-section-family dwelling ready for occupancy upon completion of set-up. It is ready for occupancy upon completion of setup in accordance with required factory-recommended installation instructions and building code requirements. To be eligible for the **CLIP mortgage**, a Mobile home must meet **ALL** of the following requirements:

- The unit must be designed to be moved again from the site, not permanently affixed
- A single or multiple-section, one storey building manufactured in accordance with the CSA Z240 MH Series<sup>1</sup> for new builds
- Must be designed to be transportable and meet maximum road widths as prescribed by provincial/territorial authorities
- New manufactured units must be set-up and anchored to meet local/provincial/territorial requirements or in accordance with CAN3/CSA-Z240.10.1-08<sup>2</sup>
- New unit must have a one-year warranty against defects in material and workmanship

<sup>1</sup>CSA Z240 MH Series is the certification standard developed by the Canadian Standard Association for manufacturers licensed under CSA. The certification standard includes, but not limited to, requirements on structural, construction, plumbing, and installation of Mobile Homes.

<sup>2</sup>CAN3/CSA-Z240.10.1-08 is the site preparation, foundation and anchorage standards developed by the Canadian Standard Association.

Confirmation of these standards met must be provided with the Agreement of Purchase and Sale.

All mobile homes (on leased or owned land) are completed as CLIPs. On **leased land**, the security is a chattel on the mobile and an assignment of the lease. On **owned land**, the security is a chattel on the mobile and collateral on the land.

### Mini Home

By definition, a mini home is set up like a mobile home where it is a transportable, single or multiple-section-family dwelling ready for occupancy upon completion of set-up. Set-up in accordance with building code requirements. It would be transported on its own chassis/wheels like a mobile home and can be semi permanently affixed to the ground.

### Home Affixed to Site (i.e., modular)

By definition, a modular home is a unit that is intended for residential use, constructed as a unit or component of parts, off site. It is transported to the job site as a finished unit or component of parts that are assembled and placed in a proper foundation.

- If the land is owned, it can be submitted to the IMAC as a conventional or regular insured mortgage.
  - Discretionary pricing **is permitted** on modular homes on owned land. Discretionary pricing does not apply to mini, or mobile homes on owned land.
  - If the unit was originally manufactured as a mobile home, CMHC insurance is required regardless of the loan-to-value. Discretionary pricing is not permitted.
- If the unit is on leased land (prepaid long term lease), it may be eligible for Leased Land Mortgage CMHC insurance is required regardless of the loan-to-value and discretionary pricing is not permitted.

### Floating Homes

- Floating homes are a single family dwelling not exceeding three stories in building height. The superstructure of the home must conform to the applicable provincial or territorial, or band council building code or in its absence, to the National Building Code of Canada
- Floating homes must be located in marinas or subdivisions designed for this type of housing
- Floating homes must be located in areas where the appropriate approvals of municipal, provincial, territorial and federal jurisdictional agencies for year round occupancy are in place
- Add-on structures are permitted only if they can be attached
- No discretionary pricing permitted, posted rates only

### CLIP Documentation Requirements for Short Term Lease

- On CLIP deals, the following information should be included in the deal notes:
  - Property details (MLS #, PPSA info, purchase offer, etc)
  - Name of mobile home park
  - If mobile home park on freehold or leasehold land. If leasehold, do the lease terms meet TD lending guidelines?
  - Monthly site lease rent
- The borrower and the landlord must have entered into a tenancy/lease agreement, or the borrower must have a Letter of Consent from the owner. The lease may be a short-term lease or a long-term lease.

- Copy of the Tenancy/lease agreement must be obtained and forwarded to your credit centre for review.
  - Must be in favor of the borrower.
  - Must be signed by the landlord.
  - May be short term provided that it is a typical term for the area.
  - Must be assignable to the Bank and subsequent purchasers.
  - No restrictions as to the Bank's access to the unit.
  - No restrictions or limitations on the re-sale of the unit (i.e. Purchase Price or type of Purchaser).
  - Not re-negotiable at the landlord's discretion prior to the expiry of the term.
- The borrower, the landlord and the Bank must enter into an Assignment of Lease Consent Agreement for Manufactured Homes as a condition of the approval. A copy of the Agreement and accompanying letter has been included in Appendix 5. Prior to submitting the deal for approval, brokers should verify with the borrower that the landlord will be willing to sign the Agreement. The Agreement has the following clauses:
  - The landlord acknowledges the property is not a fixture to the land, and has no interest in the property
  - The landlord agrees to provide notices to the Bank, should the tenant is default under the tenancy/lease agreement
  - The Bank will cover borrower's rent arrears for up to 90 days. The Bank is also responsible for rent payments while in possession of the property.
  - Only the Bank's version is acceptable. Any exceptions must be forwarded to the IMAC for approval
  - A copy of the agreement must be provided to the client at approval and executed by the solicitor prior to funding as an approval condition. (The completed agreement is not required to be faxed to IMAC)
- Copy of the site map showing the exact location of the mobile home on the site

#### CLIP Product Eligibility and Restriction

- Owner-occupied applications only
- Loan-to-Value
  - Purchase
    - Fixed rate mortgages 95%
    - VIRM mortgages 90%
  - Refinance
    - Max LTV 80%
- **Purchase price / lending value must be less than \$1 million if LTV > 80%**
- Maximum amortization is 25 years
- No CashBack or Special Offer Mortgages
- No discretionary pricing, posted rates only
- Closed VIRMs priced at Broker Rate + 0.20%, refer to the Broker Rate Sheet
- Not assumable or assignable
- Term, rate and amortization is portable
- If the unit is permanently affixed to the land even if it was originally manufactured as a mobile home, (For example, comes with a built in garage, has a basement, cannot be moved without significant damage to the unit), and is in a park (short term lease or monthly rent), it is **not eligible** for a CLIP mortgage.

**Important: CLIP mortgages are not eligible for In-House Registration Program**

## In-House Registration Program

**The In-House Registration Program (IHR) allows for your Refinance transactions to be processed quickly and efficiently at the branch.**

<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Fixed Price</b> - No surprises for your clients, you are able to quote the entire program price upfront</li> <li>• <b>Reduced Costs</b> - Title Insurance may reduce costs and eliminates need for Survey</li> <li>• <b>Enhanced Customer Experience</b> - Customers can access funds as soon as documents are signed</li> <li>• <b>No Lawyer Required</b> – Client meets with Branch Lenders to close transactions</li> <li>• <b>Turnaround Time</b> - Consistent turnaround time</li> <li>• <b>Referral Opportunities</b> - Satisfied customers refer their friends and family</li> </ul>
<b>Qualifying Mortgage Transactions</b>	<ul style="list-style-type: none"> <li>• You can submit mortgage refinances or increases of existing mortgages on residential properties that are currently owned in the name of the customer, consisting of not more than four (4) units.           <ul style="list-style-type: none"> <li>○ Conventional Variable Rate Closed</li> <li>○ Conventional Fixed Rate Open or Closed</li> <li>○ CMHC and GENWORTH</li> </ul> </li> </ul>
<b>Non-Qualifying Mortgage Transactions</b>	<ul style="list-style-type: none"> <li>• The following transactions/properties cannot be processed through the In-House Registration Program:           <ul style="list-style-type: none"> <li>○ Purchase Transactions</li> <li>○ Agricultural Properties</li> <li>○ Blanket/Inter-Alia Mortgages</li> <li>○ Construction and/or Multiple Draw Mortgages</li> <li>○ Commercial Properties</li> <li>○ Transactions behind OR requiring a discharge of a private mortgage</li> <li>○ First Nations Bank originations</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>o Mobile Homes/CLIP Mortgages</li> <li>o Transactions requiring an external postponement</li> <li>o LOC Boats</li> <li>o Properties with outstanding DCTs</li> <li>o Properties located in the Territories and Nunavut</li> <li>o Transactions on Leased Lands</li> <li>o Mortgages registered "In Trust"</li> <li>o Mortgages signed under Power of Attorney</li> <li>o Properties outside the province where the branch is located</li> <li>o Transactions requiring a title transfer</li> <li>o Self Directed RSP Mortgages</li> <li>o Vacant Lands</li> <li>o Discharges of Judgments, tax liens, condo arrear liens, Executions or any other lien or is not a registered mortgage with lender</li> <li>o Properties registered in the name of a business or company</li> </ul> <ul style="list-style-type: none"> <li>• <b>Non-residents are not eligible to use IHR.</b></li> </ul>
<p><b>Submitting your Mortgage for Approval</b></p>	<ul style="list-style-type: none"> <li>• By asking the right questions you will avoid unnecessary delays. Please ask or investigate the following while interviewing your clients: <ol style="list-style-type: none"> <li>1. <b>Does your customer have any outstanding mortgages, lines of credit or loans?</b> If the answer is "yes", obtain particulars from your customer. This may validate the encumbrances registered on title.</li> <li>2. <b>Will the customer be discharging an OFI or TDCT mortgage with this refinance transaction?</b> If the answer is yes: <ul style="list-style-type: none"> <li>• Complete the Broker Discharge Request Form (Appendix 2) and obtain a signature from all customers</li> <li>• For OFI Mortgages: <ul style="list-style-type: none"> <li>o Submit the form to the OFI</li> <li>o Follow-Up for receipt of the Discharge Statement</li> <li>o Review the Discharge Statement with the customer, obtain their approval to proceed</li> <li>o Send a copy of the Discharge Statement (valid within 10 days of the funding date) and Discharge Request form to the IMAC.</li> </ul> </li> <li>• For TDCT Mortgages: <ul style="list-style-type: none"> <li>o Send the completed Discharge Request form to the branch. The branch must order the formal discharge statement immediately from the CAS.</li> </ul> </li> </ul> <p><b>NOTE: The Broker is ALWAYS responsible for ensuring the discharge statement gets ordered.</b></p> </li> <li>3. <b>Does your customer have an existing TD Canada Trust mortgage on the property? If so, will it be discharged to place the new TD Canada Trust mortgage on title?</b> If the answer is "yes", ensure this is disclosed on the application for the IMAC.</li> <li>4. <b>Are all parties who are on title applying for the mortgage together?</b> 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.</li> <li>5. <b>Obtain from your customer as much information regarding the property legal description as possible.</b></li> <li>6. <b>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 fire insurance coverage over the property.</b></li> </ol> </li> </ul>
<p><b>4-Step Process for Brokers using TD IHR Program</b></p>	<ol style="list-style-type: none"> <li>1. <b>Submit your deal via Filogix to the TD Canada Trust IMAC for verification and approval</b> <ul style="list-style-type: none"> <li>o IMAC will provide you with the customer's conditional approval.</li> <li>o Arrange for your customer to accept and fulfill conditions.</li> <li>o If accepted, arrange to have your customer complete and sign the Mortgagor's Acknowledgement and if required to payout an existing OFI mortgage, the Broker Discharge Request Form <b>Note:</b> For efficiency, the Broker Discharge Request Form has been provided to you in Appendix #2 and the Mortgagor's Acknowledgement has been provided in Appendix #3.</li> </ul> </li> <li>2. <b>Forward to the IMAC all conditions, completed Mortgagor's Acknowledgement, Discharge Request Form (if required) and OFI Discharge Statement (if required).</b> <ul style="list-style-type: none"> <li>o IMAC will then assign the servicing branch and forwards hand-off letter to the branch.</li> <li>o IMAC requests First Canadian Title to arrange for necessary searches and mortgage document delivery.</li> </ul> </li> <li>3. <b>Signing Mortgage Documents</b> is arranged with the branch and then branch requests funds from Credit Administration Services.</li> <li>4. <b>Funding</b> - Branch notifies you that the documents have been signed and notifies the customer that the funds have been released.</li> </ol>

## TDCT Broker Mortgage Program – Process Flow

<b>Broker Submits Deal</b>	<ul style="list-style-type: none"> <li>Using Filogix</li> <li>Select TD Canada Trust - IMAC</li> <li>Lender reference assigned</li> <li>Broker/Customer to select servicing branch transit #</li> <li>Brokers will not be able to submit an application via Expert without the client's home telephone number.</li> <li>If the customer is a corporation, advise them that the branch will request legal documentation of the business even if they are an existing TDCT customer, they will also be asked to answer questions related to the business for authentication purposes</li> <li><b>IMPORTANT:</b> Mortgages held in the name of a company must be branch fulfilled.</li> </ul>
<b>IMAC Receives Application</b>	<ul style="list-style-type: none"> <li>Underwriter assigned</li> <li>Underwriter reviews deal within 24 hour SLA (Service Level Agreement)</li> <li>Contacts the customer if an Equifax Alert is present on the client's credit bureau with the following message:</li> <li>***Warning***Identification Theft Alert – Please Contact Consumer at (000)-000-0000 Before Extending Credit</li> <li>If IMAC is unable to get in touch with the customer, they will inform the Broker of the situation. IMAC and the Broker will work out the best time for IMAC to call the customer to verify the Alert.</li> <li>IMAC is unable to proceed with the application until the customer has been contacted at the number provided on the Credit Bureau report and the condition has been fulfilled. <b>Note: The customer must contact the credit bureau on their own to have this condition waived, the broker cannot do this on their behalf</b></li> <li>If the customer is a corporation, the IMAC must confirm the continuing existence of the corporation</li> </ul>
<b>Conditional Approval (Commitment goes to Credit Assistant)</b>	<ul style="list-style-type: none"> <li>Review all conditions/send Conditional Approval (commitment) to Broker</li> <li>Credit Assistant to follow up on all condition documents</li> </ul>
<b>"Broker File Complete"</b>	<ul style="list-style-type: none"> <li>Broker to fulfill all conditions on Approval/Commitment letter</li> <li>Send documents to the IMAC – <b>Minimum 10 days before closing</b></li> </ul>
<b>IMAC Credit Assistant</b>	<ul style="list-style-type: none"> <li>Reviews all conditions documents and completes the file</li> <li>Prepares hand off letter to Branch Manager/Manager Financial Services</li> </ul>
<b>Branch Role</b>	<ul style="list-style-type: none"> <li>Call broker within 24 hours to thank for referral business and confirm the details of the deal including the Mortgage term, rate and prepayment period</li> <li>Branch pays out and closes unsecured credit conditions</li> <li>Call customer within 24 hours to review the deal and confirm details, set up an appointment for the customer to come to the branch to sign the final documents</li> <li>Branch calls broker to confirm appointment have been set</li> <li>Mortgage commitment and TDCT Credit Protection application printed</li> <li>Customer comes to branch to sign documents</li> <li>If the customer is a corporation, request the corporation's legal documents and ask the customer questions related to the business for authentication purposes</li> <li>Once final documents are signed and completed, calls Broker again to confirm the deal has been signed and completed</li> <li>Branch releases Mortgage to the CAS</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Note:</b> Branch contacts customer and Broker within 24 hours of receiving the Hand-Off Letter.</p> <p>For refinance or transfer deal, please ensure discharge statement is valid and leave enough time for CAS to payout on time.</p> <p><b>NOTE: The Broker is ALWAYS responsible for ensuring the discharge statement gets ordered.</b></p> </div>
<b>Credit Administration Services (CAS)</b>	<ul style="list-style-type: none"> <li>Lawyer instructions sent to Solicitor for closing</li> </ul>

# Mortgage Transfer Plan

## Summary

TD Canada Trust accepts transfers of mortgage from the following financial institutions subject to applicants and properties meeting TD Canada Trust's normal lending criteria:

- Schedule 1 Banks
- Life Insurance Companies
- Les Caisses Populaires Desjardins (Quebec only)
- Credit Unions, Trust Companies, or other Banks will be considered subject to review of the mortgage document or standard charge terms

The following mortgage are not eligible for transfer:

- Private mortgages
- Collateral mortgages (e.g. Manulife One accounts and Scotia Total Equity Plan accounts are secured by collateral mortgages and cannot be transferred)
- Mortgages where there is no blended monthly Principal and Interest Payment
- Mortgages with a non-assignable or non-transferable clause in the mortgage document or standard charge terms

**Note: This transfer plan applies to properties up to a maximum of 4 units only**

## Transfer Deals

- Broker provides the IMAC with the payout statement
- IMAC provides the Branch and the CAS with a copy of the payout statement
- Branch also provides the CAS with a copy of the payout statement & disbursement form for funding. Note: the Request for Mortgage Assignment Form has been provided as Appendix 4.
- **TD is unable to transfer in a property tax account.**

## Eligible Transfer Amount

Transfers are intended to be a transfer of the principal balance only. Accrued interest, administration/transfer fees and pre-payment penalties (if any) are normally paid by the client. However, the following 'tolerances' will be permitted:

### Insured Mortgages

- Accrued interest and transfer/administration fees to a maximum of the lesser of:
- \$1000 over the principal balance stated on the discharge statement OR
- The original insured amount (original mortgage amount)

**Note: Re-amortization is not permitted on Insured Mortgages**

### Conventional Mortgages

Accrued interest, transfer/administration fees and pre-payment penalties (if any) to a maximum of the lesser of:

- 2% to a maximum of \$2500 over the principal balance stated on the discharge statement OR
- Maximum of 80% LTV based on appraised value at the time of transfer

**Note: Re-amortization to 30 years is permitted subject to the credit centre approval**

## 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.

## Mortgage transfer with Increases

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

## Appraisals

- APV can be used for conventional mortgage transfers at no cost to the customer or Brokers
- In the event that a full appraisal is required, the cost of the appraisal will be covered by TD Canada Trust Broker Services. A copy of the invoice is to be sent to the credit centre and a cheque will be issued to the appraisal company three weeks after the mortgage funds

## Required Documentation

- Obtain the following from your customer:
- Copy of most recent renewal agreement or annual statement
- Current printout of the mortgage balance (wherever possible to confirm accurate balance)
- Copy of Discharge Statement obtained from other Lender.
- Copy of original registered mortgage document including all schedules and, if applicable, standard charge terms
- Confirmation that property taxes are up-to-date and not in arrears
- Confirmation of fire insurance particulars (current Homeowner Insurance Policy) \*Except Quebec
- For Insured Mortgage, the Insurer Reference # is required

## High Ratio Second Home Policy

**High ratio financing is available through CMHC and Genworth for up to two properties where the second home is owner occupied or occupied by the mortgagor's relative on a rent-free basis.**

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• High Ratio Fixed Rate Mortgages (Open and Closed)</li> <li>• High Ratio VIRM (Closed)</li> </ul>
<b>Eligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>• Purchase and Refinance Single Advance</li> <li>• Progress Advance / Purchase plus Improvements</li> <li>• Refinance plus Improvements</li> <li>• CLIP Program – CMHC only – Refer to Mobile/Modular/Floating Home for guidelines on the CLIP program</li> </ul>
<b>Eligible Properties</b>	Single Unit Properties: <ul style="list-style-type: none"> <li>• Owner Occupied</li> <li>• Occupied by a relative of the owner on a <b>rent free</b> basis</li> <li>• <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Multi Unit Properties</li> <li>• Rental Properties</li> <li>• Time Share Interests</li> <li>• Life Leases</li> <li>• Rental Pools</li> <li>• Fractional Interest/Co-ops</li> </ul>
<b>Property Criteria</b>	Standard TDCT property criteria applies, including but not limited to: <ul style="list-style-type: none"> <li>• Year round road access</li> <li>• Fully serviced with municipal water and sanitary sewers, well and septic tank or a combination of both</li> <li>• Winterized with a permanent heat source</li> <li>• Located in Canada</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• Standard credit qualification criteria apply</li> <li>• TDS submitted must include servicing of both properties, including taxes, heat and condo fees (if applicable) for client's principal residence.</li> </ul>
<b>Down payment Restrictions</b>	<ul style="list-style-type: none"> <li>• Gifted down payment is not permitted</li> </ul>
<b>LTV</b>	<ul style="list-style-type: none"> <li>• Purchase – 95%</li> <li>• Refinance – 80%</li> </ul>
<b>Premiums/Fees</b>	<ul style="list-style-type: none"> <li>• Standard mortgage insurance premiums and fees apply</li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>• 6 months – 7 years and 10 year fixed rate</li> <li>• Closed VIRMS</li> </ul>
<b>Amortization</b>	<ul style="list-style-type: none"> <li>• Maximum of 25 years</li> </ul>



## Cottage Properties

**Conventional and Insured financing is available for purchases of quality cottage properties that may not be accessible year-round, or is accessible year-round but does not meet all standard property criteria.**

- There must be no intent to occupy these properties year round. Properties that are occupied year round must meet all standard property criteria.
- Credit Centres reserve the right to decline or require default insurance through Genworth Financial Canada, where marketability of property is questionable.

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• Conventional fixed rate mortgages and closed VIRMs up to 50% LTV</li> <li>• High Ratio <b>Genworth Financial</b> insured fixed rate mortgages (Open and Closed) up to 90% LTV</li> </ul>
<b>Ineligible Products</b>	<ul style="list-style-type: none"> <li>• High Ratio VIRM (Closed)</li> </ul>
<b>Eligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>• Purchase – Single Advance Only</li> </ul>
<b>Ineligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>• Refinance or Equity Take-Out (ETO) applications</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Single Unit properties, new construction or existing</li> <li>• Owned Land</li> <li>• <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Multi unit properties</li> <li>• Leased Land</li> <li>• Rental Properties</li> <li>• Rental Pools, Time Shares, Co-ops</li> </ul>
<b>Property Criteria</b>	<ul style="list-style-type: none"> <li>• Must have minimum of a kitchen, 3 piece bathroom, bedroom and common area</li> <li>• "Seasonal access only" is acceptable (i.e. road is not plowed or only accessible by boat)</li> <li>• No permanent heat source required (i.e. wood stove, fireplace, stove or heat blower)</li> <li>• Water source need not be potable, however running water is required</li> <li>• Indoor plumbing can be chemical, portable or holding tank</li> <li>• Foundation may be floating if normal for area (i.e. sitting on blocks)</li> </ul> <p><b>Note:</b> Property must meet minimum square footage requirements of 850 to qualify for conventional financing. Valuation restricted to 5 acres of property.</p>
<b>Appraisal Requirements</b>	<p>Full Appraisal for both Conventional and Insured applications.</p> <ul style="list-style-type: none"> <li>• Must confirm property is in a recognized vacation area, comparables exist to support the purchase price and show evidence of market activity/liquidity.</li> <li>• Genworth will order a full appraisal on all high ratio applications and will contact client's directly to gain access to the property</li> </ul>
<b>Borrower Eligibility</b>	<p><b>High Ratio</b></p> <ul style="list-style-type: none"> <li>• Minimum beacon score of 680</li> <li>• Sufficient income to service all debts including carrying costs for principal residence</li> <li>• No prior bankruptcy or judgments, no R3's in the past 24 months</li> <li>• No 3rd party guarantor (other than spousal)</li> <li>• No gifted down payment</li> </ul> <p><b>Conventional</b></p> <ul style="list-style-type: none"> <li>• Minimum beacon score of 680</li> <li>• Sufficient income to service all debts including carrying costs for principal residence</li> <li>• Standard down payment requirements apply</li> </ul>
<b>LTV</b>	<ul style="list-style-type: none"> <li>• Genworth insured: 90%</li> <li>• Conventional: 50%</li> </ul>
<b>Premiums/Fees for Insured Mortgages</b>	<ul style="list-style-type: none"> <li>• Up to 65% - 1.25%</li> <li>• 65.01% – 75% - 1.40%</li> <li>• 75.01% – 80% - 1.75%</li> <li>• 80.01% - 85% - 2.50%</li> <li>• 85.01% - 90% - 2.75%</li> </ul>
<b>Maximum Loan Amount</b>	<p><b>High Ratio</b></p> <ul style="list-style-type: none"> <li>• \$350 000.00</li> </ul> <p><b>Conventional</b></p> <ul style="list-style-type: none"> <li>• \$500 000.00</li> </ul>
<b>Minimum Property Value for Conventional Mortgages</b>	<ul style="list-style-type: none"> <li>• \$75 000.00</li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>• 6 months – 7 years and 10 year fixed rate</li> <li>• Closed VIRMS</li> </ul>
<b>Amortization</b>	<ul style="list-style-type: none"> <li>• Maximum of 25 years</li> </ul>

## Non-Resident Borrowers

**Applicants under these guidelines do not reside in Canada. Maximum exposure of 3 properties per non-resident investor**

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>Conventional Mortgages, Fixed and Variable rate</li> </ul>
<b>Eligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>Purchase or Refinance</li> <li>Single Advance</li> </ul>
<b>Ineligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>Progress Advance (construction draw)</li> <li>Purchase Plus Improvements</li> <li>Refinance Plus Improvements</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>Rental Properties Up to 4 Units</li> <li>Recreational Properties meeting conventional standards</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>A minimum down payment of 10% of purchase price must come from the customer's own resources and remainder can be gifted or borrowed</li> <li>Standard down payment guidelines apply</li> </ul>
<b>LTV</b>	<ul style="list-style-type: none"> <li>Maximum 65% LTV subject to Sliding Scale; no exceptions permitted</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>Full appraisal required</li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>All standard fixed rate term mortgages are available</li> <li>5 year closed variable rate mortgages</li> </ul> <p>TDBFG is required to remit withholding tax to the country of residence on interest revenue earned from non-residents, thus tax is only partially recoverable on the Bank's Canadian tax return. As a result, the effective interest collected on a mortgage loan to non-residents is lower than would be the case on the same loan made to residents. <b>For this reason, fixed rates must not be discounted beyond the posted rate less 1% or the broker rate, whichever is higher. Closed VIRMs will be priced at Broker Rate + 0.20%.</b></p>
<b>Amortization</b>	<ul style="list-style-type: none"> <li>Maximum of 25 years</li> </ul>
<b>Customer and Application Verification</b>	<p>All aspects of the application must be verified:</p> <ul style="list-style-type: none"> <li>Standard income confirmation is required. <b>Note: Equity Lending cannot be applied to Non-Resident lending</b></li> <li>Verification of all assets and credit obligations, including the down payment is required</li> <li>Confirmation and verification of the customer's identity is required under Know Your Customer Guidelines</li> <li>Ensure all debts including housing costs from principal residence are input for debt servicing calculations</li> <li>Standard debt servicing calculations apply, maximum GDS 32% and TDS 40%</li> </ul>
<b>Credit Investigation</b>	<ul style="list-style-type: none"> <li>Contact Equifax to obtain a copy of the required Credit Bureau</li> <li>Equifax will provide an international credit bureau, however there may be cases where they are cost prohibitive or take too long, in those cases a letter of reference from the financial institution where the customers currently have borrowings will be required. The broker will be required to obtain this if required.</li> </ul>

## Non-Permanent Resident Borrowers

**Applicants under these guidelines will typically be employed by established, well-respected companies, who are being re-located Canada for a specific period of time for work purposes.**

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>Conventional Mortgages, Fixed Rate and closed VIRMs</li> </ul>
<b>Eligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>Purchases Only</li> <li>Single Advance</li> </ul>
<b>Ineligible Loan Purposes</b>	<ul style="list-style-type: none"> <li>Refinance, Equity-take-Outs</li> <li>Progress Advance (construction draw)</li> <li>Purchase Plus/Refinance Plus Improvements</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>Owner Occupied Properties - Maximum One Unit</li> <li>New Construction and Resale</li> <li><b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>LTV</b>	<ul style="list-style-type: none"> <li>Maximum 80% for Conventional Financing subject to Sliding Scale.</li> <li>Maximum 90% for Insured Financing (see below for submission information)</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>Full appraisal required</li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>6 months – 7 years and 10 year fixed rate</li> <li>Closed VIRMS</li> </ul>
<b>Insurance Premiums</b>	<ul style="list-style-type: none"> <li>Normal CMHC/GENWORTH fees and premiums apply</li> </ul>
<b>Amortization</b>	<ul style="list-style-type: none"> <li>Maximum of 25 years</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li><b>Equity lending cannot be applied to Non-Permanent Resident lending</b></li> <li>Client must have relocated to Canada within the last 24 months</li> <li>Maximum GDS/TDS: 32%/40%</li> <li>Client must be eligible to work in Canada</li> <li>Client must be employed in Canada for a minimum of 3 months</li> <li>Confirmation of valid Canadian Employment Authorization Form (Work Permit form #1442)</li> <li>Must confirm sale of principal residence in their home country, or be able to carry both properties</li> <li>A minimum down payment of 10% (of purchase price) must come from the customer's own resources.</li> <li>This program is not available for diplomats or any other foreign political parties that do not pay income tax in Canada</li> <li>All other standard borrower eligibility criteria apply</li> </ul>
<b>Credit Investigation</b>	<ul style="list-style-type: none"> <li>For CMHC insured deals, CMHC will obtain copies of credit bureau.</li> <li>For Conventional and Genworth insured deals, the Credit Centre is required to contact Equifax to obtain a copy of the required credit bureau. The Credit Centre will review the credit bureau for Conventional requests and forward the credit bureau to Genworth.</li> <li>Equifax will provide an international credit bureau, however, 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 customers currently have borrowings will be required.</li> </ul>

## Portability Plus

**Portability Plus allows TD Canada Trust mortgage customers to take their current mortgage rate and term with them when they move. The customer can avoid paying some or all of the prepayment charges when they move by taking (or porting) their mortgage terms to their new property.**

### Details:

- Note: A minimum of \$20,000 in new money is required for Broker ports.
- The benefits of Portability Plus can accrue ONLY to 1 mortgage
- The new mortgage amount can be less than, equal to, or greater than the discharged mortgage. However, if the new mortgage amount is less than or equal to the discharged mortgage, or if there is less than \$20,000 in new money, the port would have to be looked after by the branch.
- Rate and term can be ported only from mortgage to mortgage.
- 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.
- In a refinance situation, the discharge of the old mortgage must be concurrent with the funding of the new mortgage.
- The term of the new mortgage must be equal to the term remaining on the old mortgage at the time of discharge.
- For refinance transactions, there is a minimum increase requirement of \$20,000.
- For refinance transactions, a minimum of 5 business days from Final Approval (i.e. all conditions met) is required for funding to allow time for branch fulfillment. All refinances must be branch fulfilled.
- A minimum of one borrower from the existing mortgage must be on the new mortgage.

### Rate and Term:

- If the new mortgage amount is less than or equal to the existing amount, the existing rate and remaining term are transferred to the new mortgage.
- If the new mortgage amount is greater than the discharged mortgage amount, the existing term and rate are transferred but the additional funds are lent at current rates. The final rate is based on a weighted average of the existing rate and the new rate.

Example: A customer with a \$120,000 mortgage requires \$150,000 for their new property. The current remaining term is 3 years and the rate is 7.00%. The new mortgage will be for 3 years, and the additional \$30,000 will be lent at 7.50%. This results in a weighted rate of  $(120,000 * 7.00\% + 30,000 * 7.50\%) / 150,000 = 7.10\%$

### Amortization

- The maximum amortization permitted in a new high-ratio Port Plus application is 25 years.

### Prepayment Charge:

- If new mortgage amount is equal to or greater than the discharged mortgage amount, **no compensation is due.**
- If the new mortgage amount is **less** than the discharged mortgage amount, the **compensation is prorated, customer pays the difference.**
- For non concurrent closings (new mortgage funding after the existing mortgage is discharged), compensation is payable in full by the mortgagors at time of mortgage discharge.

### Pre-Payment Penalty Refunds

- 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

## Replacement Mortgages

**The Replacement Mortgage policy allows returning TD Canada Trust mortgage customers to recover some or all of the 3-months interest prepayment charge they paid when their original mortgage was discharged.**

### Details:

- Customer has previously discharged a TDCT Mortgage, paid a 3-months interest prepayment charge or IRD, and is now replacing it with a new closed mortgage within one year of the discharge. (fixed or variable)
- In a Replacement Mortgage situation, **the Interest Rate Differential (IRD) is always applied** (retroactively for non-concurrent closings) to the discharged mortgage.
- If at the time of the discharge the 3-months interest amount was greater, and was applied as the prepayment charge, the customer may be entitled to a refund of the difference (i.e. 3-months interest amount less the IRD). Calculation and payment of any rebate is processed by the Credit Administration Services unit, at the time the new replacement mortgage is funded.
- Available for Mortgage to Mortgage in Refinance and Purchase and Sale situations.

- A customer is able to replace a Home Equity Line of Credit FRAO (Fixed Rate Advantage Option) with a Mortgage, during a purchase or sale scenario only (all other guidelines apply). A minimum of one borrower on the existing Home Equity Line of Credit must be on the new mortgage. The mortgage replacement must occur within one year of the Home Equity Line of Credit FRAO discharge.
- The new mortgage **must** be funded within one year of discharging the old mortgage.
- For Fixed or Variable Rate Mortgages, the new mortgage may be for an amount less than, equal to or greater than the discharged mortgage.
- A minimum of one borrower from the existing mortgage must be on the new mortgage.
- **All penalties (IRD, 3 months' interest, cashback clawback) are waived if a full balance transfer occurs with 120 days of maturity for a Mortgage to Mortgage transaction.** It is important to note that the minimum increase for a refinance is \$20,000. If there isn't a full balance transfer, up to 3 months' interest could be charged. The amount of interest charged depends on the number of months remaining until maturity.
  - Mortgages maturing in one month – no charge.
  - Mortgages maturing within 2 months – one months interest is charged.
  - Mortgages maturing within 3 months – 2 months interest is charged.
  - Mortgages maturing within 4 months – 3 months interest is charged.
- For Reverse Mortgage Replacement (i.e. new mortgage funds prior to discharge of existing) discharge of existing must be within 120 days of the funding of the new mortgage.
- For refinance transactions, a minimum of 5 business days from Final Approval (i.e. all conditions met) is required for funding to allow time for branch fulfillment. All refinances must be branch fulfilled.
- For refinance transactions, there is a minimum increase requirement of \$20,000.

#### Calculation: Discharge of Fixed Rate Mortgage

- IRD is always payable.
- If 3 month interest compensation is greater than IRD calculated, the difference is waived/refunded to the customer on advance of the replacement mortgage.
- If the IRD calculated is greater than 3 month interest compensation, no refund.

#### Example:

3-month interest compensation: \$2500  
 IRD: \$1000  
 Customer waived/refunded: \$1500

#### Calculation : Discharge of Closed VIRM

- In a variable rate product, IRD is always \$0.00. 3 months interest applies when a Closed VIRM is discharged prior to maturity.
- Waiver/refund of 3-month interest compensation is prorated based on the amount of Replacement Mortgage, to a maximum of 100% of 3 months interest compensation.
- New mortgage amount divided by old mortgage amount X 100 = NN%  
 Compensation amount x NN% = refund amount

#### Example:

Discharged mortgage: \$100,000  
 3-mth interest comp: \$ 1,000  
 Replacement Mortgage: \$ 50,000

50,000 divided by 100,000 = 50%  
 1,000 x 50% = 500

Customer waiver/refund: \$ 500

## Exception for Canadian Military Personnel

**Canadian Military Personnel who are discharging their TDCT mortgage due to re-assignment within, or outside of Canada may be eligible to receive a rebate in the difference between IRD and 3-months interest compensation.**

The following policy applies to Canadian Military personnel who discharge their TDCT mortgage due to **re-assignment within, or outside of Canada:**

- When IRD is higher than 3 months interest compensation, TD Canada Trust will waive the **difference** between IRD and 3-months interest compensation.
- The Ministry of Defense will reimburse Military personnel 3-month interest compensation if they need to sell their home due to re-assignment.
- TD Canada Trust waiving the difference between IRD and 3 months interest, for military personnel being relocated within, or outside of Canada, effectively means that these customers do not incur any out-of-pocket mortgage compensation costs.
- Assignment confirmation should be retained on file (i.e. posting instruction).

**Note:** This policy applies to personnel who are re-assigned within, or outside of Canada.

- Customers are not required to have a replacement mortgage to qualify for this offer.
- If the qualifying customer is discharging a CashBack mortgage, the CashBack clawback still applies and is still payable by the customer.

## Interest Rate Differential (IRD) Calculation Example

### IRD Calculation Example

Let's assume the following:

- \$100,000 5-year fixed rate mortgage
- Rate = 6.5%
- Discount = 0 bps
- Mortgage broken after 3 years
- Prevailing rate = 5%\*

The prevailing rate is the posted rate for the closest remaining term minus the most recent customer discount. Please note: The most recent customer discount refers to the discount the customer received on the **original** mortgage or since the last renewal – that is, the discount they received on the mortgage they are now discharging.

In this example, we'd take the current 2-year fixed mortgage rate, which is equal to 5%.

The chart below provides a formula for estimating the IRD compensation for this example. This is only an approximation, but it can help explain the IRD to your clients.

IRD Approximation	
Customer Rate	6.5%
Prevailing Rate	5.0% (posted rate for the closest remaining term minus the most recent discount)
IRD	6.5% - 5.0% = 1.5%
Remaining Term	2 years
IRD Compensation	\$100,000 x 1.5% x 2 years = \$3,000 (equal to the Bank's lost revenue)

## Requesting Mortgage Information

If your customer is considering discharging their mortgage, they can request an Information Only Statement at any TD Canada Trust branch. **IMPORTANT:** Information included on the Information Only Statement is subject to change, and **should not be used to determine final compensation payments.** This information is used strictly for general mortgage information purposes and for answering general customer enquiries. **NOTE: The Broker is ALWAYS responsible for ensuring the discharge statement gets ordered.**

Customers who have decided to discharge their mortgage can request a formal discharge statement as follows:

- **Customers using In-House Registration (IHR)** must contact a TD Canada Trust branch to order a formal discharge statement.
- **Customers not using IHR** can contact a TD Canada Trust branch to order a formal discharge statement. Alternatively, they can contact their own solicitor to order the discharge statement for them.

## Enhanced Disclosure of Mortgage Prepayment Charges

### What is a prepayment charge?

When your customer decides to pay off their outstanding balance 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, equivalent to the difference between your annual interest rate and the posted interest rate on a mortgage that is closest to the remainder of the term, less any rate discount you received, multiplied by the amount being prepaid, and multiplied by the remaining time left on the term.

### Prepayment Privilege

Your customer can pay up to 15% of your original mortgage amount each year without incurring a prepayment charge and can also increase their payments up to 100% of the original payment amount.

The following **TD documents** may help your client to complete this calculator:

- o Mortgage loan agreement or mortgage commitment,
- o Mortgage renewal agreement
- o Annual mortgage statement

Tools available to customer requesting prepayment information include:

- o Printable **Prepayment brochure**, available at any branch, provides customers with what they need to know about compensation charges.
- o **Online prepayment calculator** on [www.tdcanadatrust.com/prepaymentcalculator](http://www.tdcanadatrust.com/prepaymentcalculator) that provides customers with an **estimate** of their compensation charges.
- o **Toll-free phone number** (English/French: 1-800-281-8031 / 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.

<h2>Rental Properties up to 4 units</h2>	
Applies to non-owner occupied properties up to 4 units.	
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Non-Owner Occupied Properties up to 4 units</li> <li>• If &gt; 4 units refer to Multi Unit Residential website. Copy and paste the following URL to your browser: <a href="http://www.tdcanadatrust.com/mur/index.jsp">http://www.tdcanadatrust.com/mur/index.jsp</a></li> <li>• Commercial content is maximum 20% of square footage.</li> </ul>
<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• All conventional mortgage terms are available</li> <li>• On insured deals fixed terms only available</li> <li>• Amortizations up to 25 years on insured deals</li> <li>• Amortizations up to 30 years on conventional deals</li> <li>• Construction Draw is not permitted</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• A standard appraisal is required</li> </ul>
<b>Equity/Down Payment Minimum</b>	<ul style="list-style-type: none"> <li>• Minimum down payment of 25% from own resources for conventional deals. Credit request must indicate source of funds.</li> <li>• Minimum down payment of 20% from own resources for Insured Deals. Credit Request must indicate source of funds.</li> <li>• No gifted down payment</li> <li>• Minimum beacon score of 620</li> <li>• Net worth must be 25% of mortgage amount – minimum \$100,000</li> </ul>
<b>LTV (Conventional)</b>	<ul style="list-style-type: none"> <li>• Purchase or refinance, LTV not to exceed 75%</li> </ul>
<b>LTV (High Ratio)</b>	<ul style="list-style-type: none"> <li>• <b>TD only participates in the CMHC program.</b></li> <li>• For rental properties up to 4 units the maximum LTV is 80% if insured.</li> </ul>
<b>Required Documentation</b>	<ul style="list-style-type: none"> <li>• Offer to Purchase (where applicable)</li> <li>• Copy of MLS listing (where applicable)</li> <li>• Confirmation of Gross Rental Income via signed lease agreements (where applicable)</li> <li>• Minimum DSCR is 1.10 based on a 25 year amortization. All properties/units must be self-supporting. Maximum TDS of 40%.</li> <li>• Confirmation of Income</li> <li>• Confirmation of the amount and source of down payment</li> <li>• For purchase transactions where the property is not rented, <b>market rent</b> can be used for qualification purposes               <ul style="list-style-type: none"> <li>• Maximum LTV of 65% when market rent is used; no exceptions permitted</li> <li>• Market rent assessment must be provided by the appraiser and included in the appraisal comments</li> </ul> </li> </ul> <p><b>Note: Revenue properties do not qualify for the Equity Lending Program</b></p>
<b>Assignment of Rent</b>	For British Columbia, Alberta, Manitoba, Saskatchewan <ul style="list-style-type: none"> <li>• Assignment of Rents is included in the Standard Charge Terms – a separate Assignment of Rents document is not required</li> </ul>
<b>Property Owned under a Business Entity</b>	<ul style="list-style-type: none"> <li>• An applicant can finance a mortgage under a personal holding company for either a rental property or owner occupied property.</li> <li>• The bank will consider these <b>ONLY</b> in cases where the business entity is a personal holding company AND the income to service the facility is the personal income of the principals of the holding company or the rental income from the subject property</li> </ul>

	<ul style="list-style-type: none"> <li>• The principal(s) of the holding company must complete a full application, guarantee the mortgage, and sign both the Mortgage Commitment and mortgage charge as guarantor(s)</li> <li>• A copy of the Articles of Incorporation must be obtained to confirm who has the authority to bind the corporation</li> <li>• Anti-Money Laundering (AML) regulations require that when your customer (the borrower) is a corporation, you will be required to advise your customer that at the time of signing the branch will request that your customer brings in their corporation's legal documents. In addition, your customer will be asked to answer questions related to the business for authentication purposes.</li> <li>• <b>IMPORTANT:</b> Mortgages held in the name of a company must be branch fulfilled.</li> </ul> <p><b>Business Status Confirmation</b>  TD must confirm that Canadian companies not incorporated within the last 12 months have an "Active" status prior to opening a mortgage product in order to remain compliant with AML regulations.</p> <p>When processing an application for a mortgage in a company name, you must advise the customer that:</p> <ul style="list-style-type: none"> <li>• TD Bank is required to obtain a Business Status Report (BSR) showing an "Active" status in order to complete the application.</li> <li>• They must ensure their corporation records remain active and in good standing with the company registry.</li> </ul> <p>Important things to remember:</p> <ul style="list-style-type: none"> <li>• Valid Articles of Incorporation must be obtained from the customer.</li> <li>• If the status of an incorporated company shows an "Inactive" status when the BSR is obtained, the IMAC will advise you via the Broker Commitment. <b>Note:</b> The IMAC must receive a BSR showing an "Active" status at least 10 days prior to funding.</li> <li>• TD will not process an application for a mortgage registered in a company name in less than 10 business days if the BSR shows an "Inactive" status.</li> <li>• A new approval condition outlining the BSR requirement will be added for applicable deals.</li> <li>• Brokers must disclose the Holding Company details in the submission notes to the IMAC.</li> <li>• The BSR tool retrieves information from provincial or federal government registries to obtain the current status of incorporated companies as "Active" or "Inactive". Obtaining a BSR with an "Active" status is a mandatory requirement for the sale of mortgages.</li> </ul>
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<b>Multi-Unit Residential Mortgages</b>	
<p>TD Canada Trust is one of the largest providers of multi-unit residential (MUR) financing in the country, with headquarters in Toronto and offices located nationally.</p> <p>Refer to Multi-Unit Residential website. <a href="http://www.tdcanadatrust.com/mur/index.jsp">http://www.tdcanadatrust.com/mur/index.jsp</a></p>	
<b>MUR Contact Information:</b>	<p><b>Phone #:</b> 1-877-299-9058 (staffed 8.00 - 5:00 pm EST)</p> <p><b>Fax#:</b> 416-307-8423</p> <p><b>E-mail :</b> <a href="mailto:murinfo@td.com">murinfo@td.com</a></p>
<b>Eligible Purposes</b>	<ul style="list-style-type: none"> <li>• Residential buildings with at minimum 5 self-contained legally zoned units</li> <li>• Acquisitions, refinances, capital improvements, equity take-outs</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• Based on Cost of Funds plus a credit spread. Credit spread determined by size and risk of loan, conventional or CMHC insured.</li> </ul>
<b>Broker's Fees</b>	<ul style="list-style-type: none"> <li>• Paid directly by customer</li> </ul>



<b>General Underwriting Criteria</b>		<b>Conventional &lt; \$1MM</b>	<b>Conventional &gt; \$1MM</b>	<b>CMHC 5/6 Units</b>	<b>CMHC 7+ Units</b>
	Maximum LTV	75%	75%	85%	85%
	Minimum DSC: Term<10 years Term>10 years	1.20-1.30x 1.20-1.30x	1.20-1.30x 1.20-1.30x	1.10 – 1.20x 1.10 – 1.20x	1.30x 1.20x
	Term	Personal: 3-5 yrs Corporations: 3-10 yrs	Personal: 3-5 yrs Corporations: 3-10 yrs	Personal: 3-5 yrs Corporations: 3-10 yrs	Personal: 3-5 yrs Corporations: 3-10 yrs
	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
	<b>Typical Customer Information Required</b>		<b>Conventional &lt; \$1MM</b>	<b>Conventional &gt; \$1MM</b>	<b>CMHC 5/6 Units</b>
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
<b>Typical Due Diligence Required</b>		<b>Conventional &lt; \$1MM</b>	<b>Conventional &gt; \$1MM</b>	<b>CMHC 5/6 Units</b>	<b>CMHC 7+ Units</b>
	Appraisal	Required	Required	Required	Completed by CMHC
	Phase I Environmental	Not usually required	Required	Not usually Required	Required
	Structural/Mechanical	Not usually required	Required	Completed by CMHC	Completed by CMHC
	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	

<b>Security Supporting Documentation Requirements</b>		<b>MUR Individual Mortgage Transaction Amount &lt; = \$2MM</b>	<b>MUR Individual Mortgage Transaction Amount &gt; \$2MM</b>
	Solicitors	One solicitor; acts for Bank and Borrower (except BC) *	Two solicitors required
	Title Insurance	Required (except B.C.)	Optional
	<p><b>*One solicitor may act for Bank and Borrower subject to the following:</b></p> <ul style="list-style-type: none"> <li>○ Title insurance being obtained;</li> <li>○ The Bank to verify the Borrower's counsel is a member in good standing of the Law Society;</li> <li>○ The solicitor is to use the Bank's standard forms and agreements without addition, deletion or amendment;</li> <li>○ For mortgages over \$1million, the Bank must obtain proof of adequate liability and fidelity insurance (including errors &amp; omissions insurances) to cover the loan, from the solicitor.</li> </ul> <p>The one solicitor policy is not applicable in British Columbia, where two solicitors (respectively representing the Bank and the Borrower) must continue to be used.)</p>		

<b>Insured Business For Self – Stated Income Program</b>	
Applicants under these guidelines must be self-employed who are unable to provide traditional income confirmation and do not have at least 35% equity.	
<b>Note:</b> Commissioned applicants are not eligible for the Insured Business for Self program.	
<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• Fixed Rate Mortgages</li> <li>• Closed Variable Interest Rate Mortgages</li> <li>• Cashback Mortgages</li> </ul>
<b>Ineligible Product</b>	<ul style="list-style-type: none"> <li>• CLIPs on owned or leased land</li> </ul>
<b>Eligible Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance</li> </ul>
<b>Ineligible Purposes</b>	<ul style="list-style-type: none"> <li>• Progress Draws</li> <li>• Foreign Employee Applications</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Owner Occupied – Maximum 2 units</li> <li>• New Construction or Resale</li> <li>• <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Rental Properties</li> <li>• Multi Unit Properties</li> <li>• Recreational and Cottage Properties</li> <li>• Leased Land</li> </ul>
<b>Equity Take Out Limits</b>	<ul style="list-style-type: none"> <li>• \$200,000</li> <li>• No dollar maximum if consolidation of existing first and second mortgages but subject to maximum LTV amounts as stated below</li> </ul>
<b>LTV</b>	<ul style="list-style-type: none"> <li>• 90% Maximum LTV for purchases</li> <li>• 80% Maximum LTV for refinances</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Insurer will do an appraisal on all properties and will require: <ul style="list-style-type: none"> <li>• the dwelling to be readily marketable</li> <li>• located in markets with demonstrated ongoing re-sale demand</li> <li>• pre-1950 built homes must have been substantially modernized – with remaining economic life exceeding the amortization by a minimum of 10 years</li> </ul> </li> </ul>
<b>Terms/Rates</b>	<ul style="list-style-type: none"> <li>• Minimum 1 year term – Standard Broker Rates apply</li> </ul>
<b>Amortization</b>	<ul style="list-style-type: none"> <li>• 30 Years for Conventional</li> <li>• 25 Years for High Ratio</li> </ul>
<b>Down Payment and Closing Costs</b>	<ul style="list-style-type: none"> <li>• 100% own resources without recourse to borrowing</li> <li>• No gifted down payment</li> <li>• Minimum 1.5% of the purchase price must be confirmed from borrower's own resources without recourse to borrowing to cover closing costs</li> </ul>
<b>Occupancy Requirements</b>	<ul style="list-style-type: none"> <li>• All applicants must occupy the property</li> <li>• Spousal guarantors are accepted provided they occupy the property</li> </ul>

	<ul style="list-style-type: none"> <li>• Non occupant co-borrowers or guarantors are not permitted</li> <li>• Mortgages in the name of a business are not permitted</li> </ul>																								
<b>Insurance Premiums</b>	<table border="1"> <thead> <tr> <th>LTV Ratio</th> <th>PURCHASE</th> <th>REFINANCE</th> <th>REFINANCE-TOP UP</th> </tr> </thead> <tbody> <tr> <td>Up to 65%</td> <td>0.80%</td> <td>0.80%</td> <td>1.50%</td> </tr> <tr> <td>65.01% - 75%</td> <td>1.00%</td> <td>1.00%</td> <td>2.60%</td> </tr> <tr> <td>75.01% - 80%</td> <td>1.64%</td> <td>1.64%</td> <td>3.85%</td> </tr> <tr> <td>80.01% - 85%</td> <td>2.90%</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>85.01% - 90%</td> <td>4.75%</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	LTV Ratio	PURCHASE	REFINANCE	REFINANCE-TOP UP	Up to 65%	0.80%	0.80%	1.50%	65.01% - 75%	1.00%	1.00%	2.60%	75.01% - 80%	1.64%	1.64%	3.85%	80.01% - 85%	2.90%	N/A	N/A	85.01% - 90%	4.75%	N/A	N/A
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<b>Borrower Qualification</b>	<ul style="list-style-type: none"> <li>• No previous bankruptcy</li> <li>• No tax arrears as per most recent Notice of Assessment (NOA) <ul style="list-style-type: none"> <li>• Before submitting the deal, if NOA is not on hand, Broker can verbally confirm with the customer(s) that they are up to date on their personal taxes and provide comments to the underwriter that this has been verbally confirmed.</li> <li>• Brokers must advise the customer that the deal will not be final unless a copy of the NOA is received.</li> </ul> </li> <li>• Confirm all TDCT mortgages are up to date and in good standing with no current or recent arrears</li> <li>• Self Employed borrowers must be able to substantiate that they have experience working in the same field for a minimum of 2 years. This can include time spent working as a non self-employed worker in the same field</li> <li>• Minimum 3 years on credit bureau with 3 trade lines</li> <li>• Copy of current lender's offer of renewal where mortgage is being switched or refinanced at maturity</li> <li>• Beacon Score Requirements (defined by the lowest score from all borrowers average score):</li> <li>• LTV <math>\leq</math> 75% - minimum beacon score of 600</li> <li>• LTV <math>\leq</math> 85% - minimum beacon score of 620</li> <li>• LTV <math>\leq</math> 90% - minimum beacon score of 650</li> <li>• Maximum GDS 32% and TDS 40% - based on stated income</li> <li>• <b>Maximum of 3 years self employed</b> - Applicants that have been self employed for greater than 3 years are not eligible under this policy and must be approved following the standard total debt services (TDS) ratio and income confirmation guidelines</li> </ul>																								
<b>Documentation Requirements</b>	<p><b>Self Employed:</b> Copy of the Notice of Assessment confirming no tax arrears.</p> <ul style="list-style-type: none"> <li>• Before submitting the deal, if NOA is not on hand, Broker can verbally confirm with the customer(s) that they are up to date on their personal taxes and provide comments to the underwriter that this has been verbally confirmed.</li> <li>• Brokers must advise the customer that the deal will not be final unless a copy of the NOA is received</li> </ul> <p>One form of written third party documentation evidencing at least two full years self-employment, such as:</p> <ul style="list-style-type: none"> <li>• Business Credit Bureau Reports*</li> <li>• GST / HST Returns*</li> <li>• Audited Financial Statements for last two years prepared and signed by a CA*</li> <li>• Business License</li> <li>• Articles of Incorporation</li> </ul> <p>*TD considers these the preferred methods of confirming self employment as they provide better evidence of business activity. The Credit Centre may request these forms where they feel it warranted</p> <p><b>Salaried/Commissioned Sales:</b> if one of the applicants is salaried/commissioned sales their income is to be confirmed as per standard income confirmation guidelines. Refer to the <b>Lending Policy Guidelines, Income Confirmation</b> section.</p>																								

## Six-Month Convertible Mortgage

**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.**

<b>Term</b>	<ul style="list-style-type: none"> <li>• Six months</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• Fixed for six months</li> <li>• Convert to a longer term at any time throughout the term</li> </ul>
<b>Financing available</b>	<ul style="list-style-type: none"> <li>• Conventional and high-ratio</li> <li>• <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Payment Options</b>	<ul style="list-style-type: none"> <li>• All payment options are available</li> </ul>
<b>Payment Flexibility</b>	<ul style="list-style-type: none"> <li>• Payments can be increased by up to 100% over term</li> <li>• Prepayments up to 15% of the original principal amount per year</li> <li>• Mortgage may be prepaid in full upon payment of a 3 month interest penalty or IRD, whichever is more</li> <li>• Payment Pause, Payment Reduction, Payment Vacation available</li> </ul>

## One-Year Open Mortgage

**A TD Canada Trust One-Year Open Mortgage lets a customer prepay any amount of their mortgage, at any time with no administration costs and no prepayment charges. And though the interest rate is fixed over the term, the customer has the option of converting to a longer term at any time during the one year at no cost.**

<b>Term</b>	<ul style="list-style-type: none"> <li>• One year</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• Fixed for one year</li> </ul>
<b>Financing Available</b>	<ul style="list-style-type: none"> <li>• Conventional and high-ratio</li> <li>• <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>
<b>Payment Options</b>	<ul style="list-style-type: none"> <li>• All payment options are available</li> </ul>
<b>Payment Flexibility</b>	<ul style="list-style-type: none"> <li>• Payments can be increased by up to 100% over the term without charge</li> <li>• Full or partial prepayments on any date without charge</li> <li>• Payment Pause, Payment Reduction, Payment Vacation available</li> </ul>

## Variable Interest Rate Mortgage – Closed

**Great rates, fixed payments, the ability to pay of the mortgage faster, and the security of locking into a fixed rate at any time.**

<b>Target Market</b>	<ul style="list-style-type: none"> <li>🚩 Customers who seek low rates but can accept interest rate volatility and want the added flexibility to convert into a fixed term product at any time</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>🚩 Five-year (Closed)</li> </ul>
<b>Rate</b>	<ul style="list-style-type: none"> <li>🚩 Rate is set on the first day of each month and based of off TD Mortgage Prime Rate Compounded monthly</li> <li>🚩 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.</li> </ul>
<b>Down Payment</b>	<ul style="list-style-type: none"> <li>🚩 5% down from own resources without recourse to additional borrowings (Maximum 95% LTV)</li> </ul>
<b>Payment Frequency</b>	<ul style="list-style-type: none"> <li>🚩 Payment frequency of weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, or monthly can be set up on a new or existing VIRM.</li> </ul>
<b>Restrictions</b>	<ul style="list-style-type: none"> <li>🚩 Not portable</li> <li>🚩 Not transferrable</li> <li>🚩 Not assumable</li> </ul>
<b>Principal and Interest Payments</b>	<ul style="list-style-type: none"> <li>🚩 Payments are fixed for the entire 5 year term</li> <li>🚩 Payments may be set using a higher interest rate to pay off the principal faster and to safeguard against interest rate increases</li> <li>🚩 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.</li> <li>🚩 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.</li> </ul> <p>Trigger point:</p> <ul style="list-style-type: none"> <li>🚩 <b>Conventional:</b> 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%.</li> <li>🚩 <b>Insured:</b> 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.</li> </ul>
<b>Payment Flexibility</b>	<ul style="list-style-type: none"> <li>🚩 Payments can be increased by up to 100% over term</li> <li>🚩 Prepayments up to 15% of original principal amount per year</li> <li>🚩 Mortgage may be prepaid in full upon payment of a 3 month interest penalty</li> <li>🚩 Payment Pause, Payment Reduction, Payment Vacation available</li> </ul>
<b>Conversion from VIRM to Fixed Rate Mortgage</b>	<p>Customers have the option to early renew a Closed VIRM into a Closed Fixed Rate term that is the lesser of either:</p> <ul style="list-style-type: none"> <li>○ The remaining term or</li> <li>○ minimum 3 year fixed term</li> </ul> <ul style="list-style-type: none"> <li>🚩 For example: if the remaining term is 1 year 11 months, the customer can early renew into a 2 year term, (or longer if desired). If the remaining term is 4 years, the customer can choose to renew into a minimum of a 3 year term, without paying compensation. Note: Remaining terms are always rounded up.</li> <li>🚩 The payment must be based on the remaining amortization.</li> <li>🚩 Re-amortization of the loan is not permitted</li> </ul>

# CashBack Mortgages

**CashBack Mortgages are great for first-time homebuyers or current homeowners who are looking to trade up. Customers will receive cash equivalent of 4% or 5% (depending on the term) of their mortgage principal.**

<b>Term</b>	<ul style="list-style-type: none"> <li>🚩 4% CashBack on a 5-year fixed term</li> <li>🚩 5% CashBack on a 6, 7 or 10 year fixed term</li> <li>🚩 Note: CashBack is paid approximately 24 - 48 hours after funding.</li> </ul>															
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>🚩 Fixed for the full term</li> <li>🚩 Maximum discretion of 25bps off of posted CashBack Mortgage interest rates</li> </ul>															
<b>Down Payment</b>	<ul style="list-style-type: none"> <li>🚩 5% down from own resources without recourse to additional borrowings (Maximum 95% LTV)</li> </ul>															
<b>Financing Available</b>	<ul style="list-style-type: none"> <li>🚩 Conventional and High Ratio</li> <li>🚩 <b>Purchase price / lending value must be less than \$1 million if LTV &gt; 80%</b></li> </ul>															
<b>Amortization</b>	<ul style="list-style-type: none"> <li>🚩 Up to and including 30 years for Conventional</li> <li>🚩 Up to and including 25 years for High Ratio</li> </ul>															
<b>Maximum CashBack</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Term</th> <th>Cashback %</th> <th>Maximum CashBack</th> </tr> </thead> <tbody> <tr> <td>5 years</td> <td>4%</td> <td>\$20,000</td> </tr> <tr> <td>6 years</td> <td>5%</td> <td>\$25,000</td> </tr> <tr> <td>7 years</td> <td>5%</td> <td>\$35,000</td> </tr> <tr> <td>10 years</td> <td>5%</td> <td>\$35,000</td> </tr> </tbody> </table>	Term	Cashback %	Maximum CashBack	5 years	4%	\$20,000	6 years	5%	\$25,000	7 years	5%	\$35,000	10 years	5%	\$35,000
Term	Cashback %	Maximum CashBack														
5 years	4%	\$20,000														
6 years	5%	\$25,000														
7 years	5%	\$35,000														
10 years	5%	\$35,000														
<b>Restrictions</b>	<ul style="list-style-type: none"> <li>🚩 Not available on Purchase Plus Improvement deals</li> <li>🚩 Cannot be combined with any other offer</li> <li>🚩 CLIP program</li> <li>🚩 Leased land</li> </ul>															
<b>Portability</b>	<ul style="list-style-type: none"> <li>🚩 Port and port plus available</li> <li>🚩 Can only be ported once                             <ul style="list-style-type: none"> <li>○ Subsequent port have to be set up as a Port Plus mortgage without the cashback feature code</li> </ul> </li> </ul> <p>If all conditions of a port are met and the new mortgage amount is:</p> <ul style="list-style-type: none"> <li>🚩 Equal to the existing amount and the customer retains the existing term and rate: The customer does not need to repay the CashBack Clawback. The Credit Center manually adjusts the Discharge Statement for the CashBack Clawback amount.</li> <li>🚩 Less than the existing mortgage amount, the customer retains the existing term and rate. The customer repays a pro-rated portion of the CashBack Clawback. The Credit Center manually adjusts the Discharge Statement for the CashBack Clawback amount.</li> <li>🚩 Greater than the existing amount and the customer retains the existing term and rate (new rate is blended based on existing rate and new rate for increased portion): The customer does not need to repay the CashBack Clawback. The Credit Center manually adjusts the Discharge Statement.</li> </ul>															
<b>Payment Frequency</b>	<ul style="list-style-type: none"> <li>🚩 Payment frequency of weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, or monthly</li> </ul>															
<b>Payment Flexibility</b>	<ul style="list-style-type: none"> <li>🚩 Payments can be increased by up to 100% over term</li> <li>🚩 Prepayments up to 15% of original principal amount per year</li> <li>🚩 Mortgage may be prepaid in full upon payment of a 3 month interest penalty or IRD, whichever is more</li> <li>🚩 Payment Pause, Payment Reduction, Payment Vacation available</li> </ul>															

## Flexible Mortgage Features

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

<p><b>Payment Reduction</b></p>	<p><b>Prepaid Payment Reduction:</b> Mortgage customers who have taken advantage of prepayment privileges and have paid down their mortgage balance ahead of their contractual amortization schedule are eligible for a Payment Reduction. The period of time that a customer can take a Payment Reduction is dependent on the prepaid amount accumulated and the current Principal and Interest Payment to a maximum of 4 monthly payments.</p> <p><b>Non prepaid Payment Reduction:</b> This feature applies to Mortgage customers who would like to reduce the equivalent of one regular monthly Principal and Interest mortgage payment without having to prepay. Customers can reduce the equivalent of one monthly mortgage payment per calendar year up to a maximum of four monthly mortgage payments over the life of their mortgage (Amortization Period).</p>
<p><b>Payment Vacation</b></p>	<p>Mortgage customers, who have taken advantage of prepayment privileges and have paid down their mortgage balance ahead of their contractual amortization schedule, are eligible for a Payment Vacation. The period of time that a customer can take a Payment Vacation which cannot exceed 4 months and is dependent on the prepaid amount accumulated and the current Principal and Interest Payment.</p>
<p><b>Payment Pause</b></p>	<p>Customers can skip the equivalent of one monthly mortgage payment per calendar year up to a maximum of four monthly mortgage payments over the life of their mortgage (Amortization Period).</p>
<p><b>Terms and Conditions</b></p>	<ul style="list-style-type: none"> <li>• Customers' mortgage and other credit must be in good standing at all times, for all features</li> <li>• Mortgage balance must not exceed the lesser of 90% loan-to-value (LTV), or the original principal amount borrowed, for all features at the time of request</li> <li>• Customers must have made additional payments by either lump sum or increased frequency to be eligible for a prepaid reduction or vacation features.</li> <li>• Must be new mortgage customers or current customers who renew their mortgage on or after January 24, 2011</li> </ul> <p>Note that customers are required to continue to pay their realty taxes and creditor insurance payments, if applicable.</p>

# TD Broker Services Mortgage Comparison Chart



	Fixed Rate Mortgage	Six-Month Convertible Mortgage	One-Year Open Mortgage	CashBack Mortgage	Variable Interest Rate (Closed)
<b>Term</b>	Choice of 1-7 and 10 years	6 months	1 year	Choice of 5, 6, 7 and 10 year terms	5 years
<b>Amortization up to 30 Years<sup>2</sup></b>	✓	✓	✓	✓	✓
<b>Key Features</b>	<ul style="list-style-type: none"> <li>Fixed interest rate for the duration of mortgage term</li> </ul>	<ul style="list-style-type: none"> <li>Ability to convert to a longer closed term at any time at no cost</li> </ul>	<ul style="list-style-type: none"> <li>Pre-payable at any time without compensation</li> <li>Can be converted without a fee to a closed term mortgage</li> </ul>	<ul style="list-style-type: none"> <li>Fixed-rate mortgage with a cash back percentage calculated on the principal</li> <li>5 year term – 4% cash back</li> <li>6, 7 and 10 year terms – 5% cash back</li> </ul>	<ul style="list-style-type: none"> <li>Variable interest rate with fixed payments</li> <li>At any time, can be converted to a closed Fixed Rate Mortgage, with a minimum term equivalent to the lesser of 3 years <b>or</b> the remaining period of the original term</li> </ul>
<b>This Mortgage is right for...</b>	<ul style="list-style-type: none"> <li>People who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen</li> </ul>	<ul style="list-style-type: none"> <li>People who prefer a short term, with flexibility of converting to a longer term at any time</li> </ul>	<ul style="list-style-type: none"> <li>People who plan on selling in the near future</li> <li>People who want to make a prepayment that is greater than 15% of the original principal amount <b>or</b> pay the mortgage out in full in the short term during the term</li> </ul>	<ul style="list-style-type: none"> <li>People who need funds for renovations, to cover moving costs, furniture and appliances, etc.</li> </ul>	<ul style="list-style-type: none"> <li>People who are not concerned with interest rate volatility</li> </ul>
<b>Interest Rate</b>	Fixed for the selected term	Fixed for 6 months	Fixed for 1 year	Fixed for the selected term	<ul style="list-style-type: none"> <li>Variable interest rate</li> <li>Set on the 1st of each month</li> </ul>
<b>Payment Frequency</b>	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly	Weekly, Bi-Weekly, Semi-Monthly, Monthly
<b>Repayment Flexibility</b>	<ul style="list-style-type: none"> <li>Payments can be increased by up to 100% over the term without charge</li> <li>Prepayments up to 15% of original mortgage principal amount each year</li> <li>Payment Reduction<sup>1</sup></li> <li>Payment Vacation<sup>1</sup></li> <li>Payment Pause<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Payments can be increased by up to 100% over the term without charge</li> <li>Prepayments up to 15% of original mortgage principal amount each year</li> <li>Payment Reduction<sup>1</sup></li> <li>Payment Vacation<sup>1</sup></li> <li>Payment Pause<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Increase payments to any amount</li> <li>Fully open to prepay without compensation</li> <li>Payment Reduction<sup>1</sup></li> <li>Payment Vacation<sup>1</sup></li> <li>Payment Pause<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Payments can be increased by up to 100% over the term without charge</li> <li>Prepayments up to 15% of original mortgage principal amount each year</li> <li>Payment Reduction<sup>1</sup></li> <li>Payment Vacation<sup>1</sup></li> <li>Payment Pause<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Payments can be increased by up to 100% over the term without charge</li> <li>Prepayments up to 15% of original mortgage principal amount each year</li> <li>Payment Reduction<sup>1</sup></li> <li>Payment Vacation<sup>1</sup></li> <li>Payment Pause<sup>1</sup></li> </ul>
<b>FYI</b>	<ul style="list-style-type: none"> <li>Additional prepayments subject to a compensation charge</li> <li>Reinvestment fee of \$300 for discharge prior to maturity during the initial term</li> </ul>	<ul style="list-style-type: none"> <li>Additional prepayments subject to a compensation charge</li> <li>Reinvestment fee of \$300 for discharge prior to maturity during the initial term</li> </ul>		<ul style="list-style-type: none"> <li>Additional prepayments subject to a compensation charge</li> <li>Reinvestment fee of \$300 for discharge prior to maturity during the initial term</li> <li>Pro-rated amount of cash back must be paid back if discharged early</li> </ul>	<ul style="list-style-type: none"> <li>Additional prepayments subject to a compensation charge</li> <li>Reinvestment fee of \$300 for discharge prior to maturity during the initial term</li> </ul>

<sup>1</sup>Some conditions apply. <sup>2</sup>Maximum amortization period for Insured High Ratio mortgages is 25 years.



# Making a prepayment?

## Here's what you need to know about compensation charges

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To help you make smart, informed decisions about your mortgage prepayment options, we have prepared this guide to compensation charges (also known as prepayment charges) and other fees associated with paying down or paying off a mortgage.

### Mortgage Types

Your mortgage type will affect the type of prepayment charge that you may encounter. For example, the type of prepayment charge that may apply can depend on whether your mortgage has a fixed or variable interest rate and whether it is an open or closed term. To help you understand these important distinctions, we've provided a detailed explanation of these below.

#### Fixed vs. Variable Interest Rate Mortgages

**Fixed Rate Mortgage:** When you get a fixed rate mortgage, your interest rate will not change throughout the entire term of your mortgage. As a result, your payments are always the same and you will know how much of your mortgage will be paid off at the end of your term.

**Variable Rate Mortgage:** When you get a variable rate mortgage, your interest rate will change when the TD Mortgage Prime Rate changes. When rates change, your payment amount still remains the same, but the amount that is applied toward interest and principal will change. If interest rates drop, more of your mortgage payment is applied to the principal balance owing. If interest rates rise, more of your monthly payment will go toward interest. At a certain point, you may have to choose from certain options regarding payment arrangements. Please ask us for details. **Note:** Open VIRM not available to Brokers.

#### Open vs. Closed Term Mortgages

**Open Mortgage:** Requires you to make set payments at set times. You are also allowed to pay any amount toward your mortgage at any time, without incurring any additional costs for doing so. Interest rates are typically higher than those for closed mortgages because of this privilege.

**Closed Mortgage:** Requires you to make set payments at set times. However, if you want to pay more than allowed, or renegotiate or refinance your mortgage before the end of your term, you will be charged a prepayment charge. Interest rates are typically lower than for an open mortgage.

#### Long-term Mortgages vs. Short-term Mortgages

**Long-term Mortgage:** A long-term mortgage is generally for three years or more. Long-term mortgages are often the best choice when current interest rates are reasonable and you want the security of budgeting for the future.

**Short-term Mortgage:** A short-term mortgage is usually for two years or less. Short-term mortgages are a good option if you believe interest rates will be lower at your maturity date. Usually, the shorter the term, the lower the interest rate.

## So how does the type of mortgage I choose affect my prepayment charge?

Firstly, if you select an open mortgage or you choose not to make any changes to your mortgage payments or term, such as renewing your mortgage early or paying down/paying off your mortgage prior to the maturity date, then a charge will not apply.

For a closed mortgage, if you decide to pay off your mortgage within the mortgage term (or even an amount greater than your prepayment privileges), you will have to pay a prepayment charge.

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

- Partially prepaying amounts higher than allowed by your mortgage
- Refinancing your mortgage
- Transferring your mortgage to another lender

This charge is calculated as three months interest for closed variable interest rate mortgages. For closed fixed interest rate mortgages, the prepayment charge is the greater of three months interest or an Interest Rate Differential (IRD) amount. Three (3) Months Interest Amount is an amount equal to three (3) months (90 days) interest at the annual interest rate on the amount that you prepay. The actual calculation takes into account the compounded annual amount of interest to be paid, determines what the daily interest would be and then multiplies that number by 90.

The IRD amount is equivalent to the difference between your annual interest rate and the posted interest rate on a mortgage that is closest to the remainder of the term less any rate discount you received, multiplied by the amount being prepaid, and multiplied by the time that is remaining on the term (see below for some examples). We use a more precise formula that, in the case of a full prepayment, takes into account the value to us of receiving the prepayment amount now compared to the value of us receiving the regular payments under the current payment schedule (the “Full IRD Amount”). In the case of a partial prepayment, the IRD amount to be paid is the proportion of the Full IRD Amount based on the proportion that the prepayment amount is of the outstanding balance.

If you require further information on any of our mortgages, please visit [www.tdcanadatrust.com/mortgages](http://www.tdcanadatrust.com/mortgages)  
Please obtain the exact amount by contacting us at any branch or by calling 1-800-281-8031.

## Avoiding or reducing a prepayment charge

### Avoiding a prepayment charge when paying off your mortgage *in full* prior to its maturity date –

#### Choose an open mortgage

If you choose an open mortgage, then you will avoid paying a prepayment charge.

#### Portability Plus – take your mortgage with you

##### What is “porting” a mortgage? And how can I use this to my advantage?

If you're thinking about moving and you want to keep your current interest rate, then you may be able to take it with you. Portability Plus® is a feature that lets you keep the actual interest rate and remaining term you have on the outstanding balance of your current mortgage (except variable rate mortgages or Home Equity Line of Credit fixed rate portions). 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.

When you “port” your mortgage to another property, you will not have to pay a prepayment charge at that time on the amount that you port. The terms and conditions of the new mortgage will be outlined when you port.

### To qualify for porting, you must meet the following requirements –

- You own or have purchased another property and you are not in default on your current mortgage
- You have completed and have been approved for a new mortgage (note: new mortgage must fund within 120 days of the discharge of your current mortgage)

### Reducing a prepayment charge when paying off your mortgage prior to its maturity date –

In many cases, you can reduce the prepayment charge that may be applicable when you pay out the mortgage and also reduce the amount of interest you pay over time. Some examples of how you can achieve this are –

- Over the term, increase your monthly payment by up to 100% of the original regular mortgage payment
- Each calendar year, make one or more lump-sum payments of up to 15% of the original principal amount
- Change your payment frequency to a more frequent payment schedule (i.e. monthly to biweekly)

By reducing the principal balance of your mortgage, you will reduce the balance on which the IRD or three months interest is calculated.

### Additional fees when discharging a mortgage

It is important to note that additional fee(s) may be charged when a mortgage is paid in full and discharged. These may include –

- **A Discharge/Assignment Fee**

This is an administration fee for preparing the discharge/assignment request

- **A Reinvestment Fee**

If you prepay your mortgage in full before the maturity date during the first term (i.e. you never renewed your mortgage)

- **An Administration Fee for Open Variable Rate Mortgages**

Only applicable if you are prepaying your mortgage

- **A Cashback Reimbursement**

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

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

The amount of the Cashback Reimbursement is calculated as follows:

$$\text{Cashback Amount} \times \frac{\text{Number of months remaining in the term at the time of prepayment}}{\text{Number of months remaining in term}} = \text{Cashback Reimbursement}$$

## Calculation of the prepayment charge explained

### How is the prepayment charge calculated?

If you wish to make a prepayment of more than 15% of the original borrowed amount in any single year or if you are paying off your closed mortgage in full prior to the maturity date, there will be a prepayment charge. The prepayment charge is equal to the greater of:

**a) The Three (3) Months Interest Amount or  
b) The Interest Rate Differential Amount (both are described below)**

**Three Months Interest Amount:** An amount equal to three (3) months (90 days) interest at the current interest rate on the mortgage on the amount that you prepay.

To estimate the prepayment charge using the **Three Months Interest Amount:**

- Step 1:** \_\_\_\_\_ (A) The amount you want to prepay  
**Step 2:** \_\_\_\_\_ (B) Your Annual interest rate expressed as a decimal (for example, 6.75% = .0675)  
**Step 3:** \_\_\_\_\_ (C)  $A \times B = C$   
**Step 4:** \_\_\_\_\_ (D)  $C \div 4 = D$ , D is your estimated three (3) months interest amount

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

**Interest Rate Differential (IRD) Amount:** An amount, calculated at an interest rate equal to the IRD, on the amount you prepay, for the remaining term of your mortgage.

The IRD is defined as the difference between your annual interest rate and the current posted interest rate for a Similar Mortgage<sup>1</sup>, less the rate discount<sup>2</sup> received by you on your mortgage for the term you have selected.

To estimate the prepayment charge using the **Interest Rate Differential Amount:**

- You should first determine the posted rate for a Similar Mortgage as follows –  
 Use the chart below to find the term for a Similar Mortgage:

If the number of months remaining on the mortgage 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 up to 17 months	1-year closed fixed rate
From 18 months up to 29 months	2-year fixed rate
From 30 months up to 41 months	3-year fixed rate
From 42 months up to 53 months	4-year fixed rate
From 54 months up to 65 months	5-year closed, fixed rate
From 66 months up to 77 months	6-year fixed rate
From 78 months up to 101 months	7-year fixed rate
From 102 months up to and including 120 months	10-year fixed rate

Determine the current posted rate for the Similar Mortgage term by visiting [www.tdcanadatrust.com/mortgagerates](http://www.tdcanadatrust.com/mortgagerates). This is the posted rate for a Similar Mortgage, which is used in Step 2 below.

- Step 1:** \_\_\_\_\_ (A) The current interest rate (this is the interest rate for your mortgage and includes any rate discount received by you)  
**Step 2:** \_\_\_\_\_ (B) The posted interest rate for a Similar Mortgage (see below), less any rate discount received by you under your current mortgage  
**Step 3:** \_\_\_\_\_ (C)  $A - B = C$ , (write C as a decimal)  
**Step 4:** \_\_\_\_\_ (D) The amount you want to prepay  
**Step 5:** \_\_\_\_\_ (E) The number of months remaining in the term of your mortgage, excluding the current month  
**Step 6:** \_\_\_\_\_ (F)  $(C \times D \times E) \div 12 = F$ , F is your estimated IRD amount

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

**Please note:** changes to the following will impact the IRD calculation –

- The remaining term for the Similar Mortgage
- The remaining number of months in the IRD calculation
- Our posted rates (which may change at any time)
- Changes in the prepayment amount

## Prepayment Example Calculation

The actual calculation will be more precise and will generally result in a lower prepayment charge than the estimated prepayment charge below. To obtain the exact amount of your prepayment charge, please contact us at any branch or by calling **1-800-281-8031**. Alternatively, you can input your specific information into our online payment calculator at [www.tdcanadatrust.com/mortgagerates](http://www.tdcanadatrust.com/mortgagerates) to obtain an estimate of the amount.

### Example:

To better understand the prepayment calculation, we have included the below sample calculation.

Assume the following details for the existing mortgage.

<b>Remaining term of mortgage, not including the current month</b>	28 months
<b>Outstanding mortgage balance</b>	\$100,000
<b>Interest rate</b> (which includes the discount received; posted rate at the time the mortgage originated was 6%)	5.00%
<b>Discount received on interest rate</b>	1.00%

### To determine the Similar Mortgage interest rate:

<b>Term for a Similar Mortgage</b> In this case, the 28 months remaining on the mortgage corresponds to a 2-year fixed rate term. See chart above.	2-year fixed rate
<b>Posted interest rate for a Similar Mortgage term of 2 years</b> For a listing of current posted rates, visit <a href="https://www.tdcanadatrust.com/mortgagerates">https://www.tdcanadatrust.com/mortgagerates</a>	5.00%*
<b>Posted interest rate for a Similar Mortgage less rate discount</b> (5.00% - 1.00%)	4.00%

\* For this example we are assuming that the current posted rate is 5.00%.

**To estimate the prepayment charge using the Three Months Interest Amount:**

<b>Step 1</b>	\$100,000 (A)	the amount prepaid
<b>Step 2</b>	0.05 (B)	the interest rate on the mortgage, expressed as a decimal
<b>Step 3</b>	\$5,000 (C)	$A \times B = C$
<b>Step 4</b>	\$1,250 (D)	$C / 4 = D$ , D is the estimated three months interest amount

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

**To estimate the prepayment charge using the Interest Rate Differential Amount:**

<b>Step 1</b>	5.00% (A)	the interest rate on the mortgage
<b>Step 2</b>	4.00% (B)	the posted interest rate for a Similar Mortgage, less any discount received under the mortgage
<b>Step 3</b>	0.01 (C)	$A - B = C$ , expressed as a decimal
<b>Step 4</b>	\$100,000 (D)	the amount prepaid
<b>Step 5</b>	28 (E)	number of months remaining on the term of this mortgage, excluding the current month
<b>Step 6</b>	\$2,333 (F)	$(C \times D \times E) / 12 = F$ , F is the estimated IRD amount

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

In this example, the IRD amount would be payable as it is greater than the three months interest amount.

- If this scenario included a discharge, then the Discharge Fee and any applicable government registration fees would apply
- If a cashback amount was received, a proportionate amount is payable as set out on page 4
- If this was a full prepayment in the first term (never renewed), the Reinvestment Fee would also apply

To get a better understanding of how each of these variable factors affects the IRD amount, try using our new online calculator at [www.tdcanadatrust.com/prepaymentcalculator](http://www.tdcanadatrust.com/prepaymentcalculator)

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.

Date: \_\_\_\_\_

Mortgagee: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Fax # (OFI): \_\_\_\_\_

\_\_\_\_\_

Telephone # (OFI): \_\_\_\_\_

**Dear Sirs:**

Existing Mortgag No.: \_\_\_\_\_

Name of Mortgagor(s): \_\_\_\_\_

\_\_\_\_\_

Property Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The effective date of the Mortgage payout statement should be: \_\_\_\_\_

Please provide a current Mortgage payout statement reflecting the mortgage balance, payment status, per diem and mortgage type (high ratio or conventional) for purposes of **Discharge to The Toronto-Dominion Bank** and forward it to:

Broker Name: \_\_\_\_\_

Broker Telephone #: \_\_\_\_\_

Broker Fax #: \_\_\_\_\_

---

**Mortgage Payout Statement Request Authorization Form:**

I/We, the Mortgagor(s) identified above, hereby irrevocably authorize and direct \_\_\_\_\_ to provide The Toronto-Dominion Bank with the requested Mortgage payout statement, by forwarding it to the Broker identified above.

Witness \_\_\_\_\_ Mortgagor \_\_\_\_\_

Witness \_\_\_\_\_ Mortgagor \_\_\_\_\_

1. (a) I acknowledge and agree that I have applied to The Toronto-Dominion Bank ("TD Canada Trust") for a/an:
    - (i) first residential Mortgage Loan;
    - (ii) Line of Credit or Business Line of Credit secured by a first \_\_\_\_ second \_\_\_\_ collateral mortgage; or
    - (iii) personal Loan or Business Loan secured by a first \_\_\_\_ second \_\_\_\_ collateral mortgage;

**or**

  - (b) I acknowledge and agree that I wish to provide The Toronto-Dominion Bank ("TD Canada Trust") with a collateral mortgage in support of a guarantee or increase an existing collateral mortgage in support of a guarantee.
2. I understand the nature of this transaction. The mortgage referred to above will be an encumbrance registered against my property. TD Canada Trust may use a third party service provider to register the mortgage and may title insure the mortgage to protect its interest. I consent to the sharing of my information necessary to effect these transactions with the third party service provider and/or title insurer. I have been given the opportunity to obtain independent legal advice and I have decided not to hire a lawyer to represent me in this transaction. I acknowledge that I have no legal representation in this transaction and that TD Canada Trust will ensure only that its own interests are protected and that TD Canada Trust has no obligation to protect my interests. I acknowledge that I can, at my own expense, retain a lawyer to represent me at any stage of this transaction.
 

**(Applicable in B.C. and New Brunswick only)** Any lawyer, notary or commissioner I may meet with is only witnessing my signature and is not acting for me.
  3. If my application or guarantee is accepted, TD Canada Trust will require me to execute one or more of a mortgage, mortgage amending agreement, credit agreement, guarantee agreement and/or other supporting documentation to secure its interests in the subject property. I authorize TD Canada Trust or its agents to make any non-material change to the mortgage I signed, which may be required in order to facilitate registration with the appropriate government agencies. I hereby agree to execute or re-execute at my cost any documents or additional documents that TD Canada Trust may reasonably require to make its mortgage security enforceable or resolve any uncertainties relating to my title in the subject property.

4. Spousal Information (initial the appropriate clause) **(not applicable in B.C. and Quebec)**

	Mortgagor 1	Mortgagor 2	Mortgagor 3	Mortgagor 4	
(a)	_____	_____	_____	_____	Title to the property is in both our names and we are legally married to each other.
(b)	_____	_____	_____	_____	I am not legally married.
(c)	_____	_____	_____	_____	I am legally married and the property is occupied by me and my spouse. My spouse's name is _____.
(d)	_____	_____	_____	_____	I am legally married, but the property has never been occupied by me and my spouse.
(e)	_____	_____	_____	_____	I am legally married, but separated from my spouse. The property was occupied by me and my spouse. My spouse's name is _____.
(f)	_____	_____	_____	_____	I am legally married, but separated from my spouse. The property was occupied by me and my spouse. My spouse has released his/her interest in the property by a separation agreement or a court order.
(g)	_____	_____	_____	_____	I am legally married, but separated from my spouse. The property was never occupied by me and my spouse.

For the purposes of this Section 4, "legally married" in **Saskatchewan** includes unmarried couples, of the opposite or same sex, who (i) have been cohabiting continuously for a period of not less than two years, or (ii) for a period ending within the preceding 24 months, did cohabit continuously for a period of not less than two years.

For the purposes of this Section 4, "legally married" in **Manitoba** includes two individuals who (i) have been cohabiting in a conjugal relationship for a period of at least 3 years; or (ii) have registered a common-law relationship under section 13.1 of The Vital Statistics Act; or (iii) have previously cohabited in a conjugal relationship for at least 3 years, were separated as at June 30, 2004, but have resumed cohabitation and have continued to cohabit for a period of at least 90 days. The spouse/common law partner will need to declare on the mortgage that they are either the first spouse or common-law partner to acquire homestead rights on the property, or that a previous spouse or common-law partner acquired homestead rights but those rights were released or terminated.



5. If the mortgage is to secure my guarantee, I agree to pay the following:
- (i) TD Canada Trust's fees; and
  - (ii) all legal fees and disbursements arising out of my retention of a lawyer, if any, with respect to the mortgage of the subject property, obtaining independent legal advice, execution of the guarantee, or otherwise, all on a solicitor and client basis.

Witness: \_\_\_\_\_

Mortgagor 1  
Signature: \_\_\_\_\_

Witness: \_\_\_\_\_

Mortgagor 2  
Signature: \_\_\_\_\_

Witness: \_\_\_\_\_

Mortgagor 3  
Signature: \_\_\_\_\_

Witness: \_\_\_\_\_

Mortgagor 4  
Signature: \_\_\_\_\_

Date:	Telephone # (OFI):	Fax # (OFI):
To:		
Address:		

**Important**

Please complete this section and fax this page with the Assignment Payout Statement.

Is the registered mortgage/charge securing more than one credit facility?

Yes \*

No

Is the security a collateral mortgage/charge?

Yes \*

No

**\*If Yes to either, please immediately contact TD Canada Trust at the fax/phone provided below.**

Please provide a current mortgage payout statement reflecting the mortgage balance, payment status, per diem and mortgage type (high ratio or conventional) and title insurer's name/policy number (if title insured) for the **Purpose of Assignment** for the mortgage/credit agreement set out below and forward it to:

Address: <b>TD Canada Trust Branch #</b> c/o Credit Administration Services		
Attention:	Telephone #:	Fax #:

Existing Mortgage/Credit Agreement # (at OFI):	TD Canada Trust Mortgage/Credit Agreement #:
Name of Mortgagor(s):	
Property Address:	
The effective date of the payout statement should be:	

**Authorization:**

I/We, the Mortgagor(s) identified above, hereby irrevocably authorize and direct \_\_\_\_\_ to cancel any automatic renewal on the mortgage/credit agreement identified above and to provide TD Canada Trust with the requested Assignment Payout Statement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Mortgagor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Mortgagor



T:

F:

Dear

Thank you for choosing The Toronto-Dominion Bank "TD Canada Trust" for your financial needs. Your business is important to us and we are committed to providing you with the very best service.

In order to complete your purchase of your mobile/modular/floating home, the Landlord Consent Agreement attached must be signed by you, your landlord and TD Canada Trust.

Please note it is very important to have this Agreement executed through your solicitor/notary prior to the closing date. Should you have any questions regarding this agreement, please contact your solicitor/notary for advice.

Our administration service centre will provide instructions on this transaction to your solicitor/notary,  
at  
within the next few days.

We appreciate the opportunity you've given us to help meet your financial needs and we look forward to providing you with a comfortable banking experience.

Sincerely,

# Assignment of Lease Consent Agreement for Manufactured Homes

This Agreement is subject to all the rights and obligations of the tenant and landlord in the Site Lease Agreement.

TO: The Toronto-Dominion Bank (the "Lender")<sup>1</sup>  
ADDRESS: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

Re: \_\_\_\_\_<sup>2</sup> ("Tenant") Lease of Land  
\_\_\_\_\_<sup>3</sup> (the "Site") Manufactured Home Site No.  
\_\_\_\_\_<sup>4</sup> ("Site Lease") from  
\_\_\_\_\_<sup>5</sup> ("Landlord") located at  
\_\_\_\_\_<sup>6</sup> ("Community") & Security Interest /Mortgage of Lender over  
**Tenant's Rights in manufactured homes ("Home")/Site Lease.**

By signing below, the Landlord agrees with the Lender and with each other person who has signed this consent as follows:

- The Landlord confirms that:
  - The Tenant is about to or has entered into the Site Lease with the Landlord for a \_\_\_\_\_<sup>7</sup> term, commencing on \_\_\_\_\_<sup>8</sup> at a current rental of \$ \_\_\_\_\_<sup>9</sup> payable \_\_\_\_\_<sup>10</sup>
  - The Site Lease, once executed, and / or the rules and regulations of the Community, if any, are attached as Schedule "A" to this Consent.
  - The Site Lease constitutes a valid and binding obligation of the Landlord and Tenant and neither the Landlord nor the Tenant is in default under the Site Lease as of the date of this Agreement.
- The Home, including all attachments to it, is now and will at all times remain the property of the Tenant. The Home is not and will not become a permanent fixture of the Community or the Site. The Landlord shall have no interest in the Home.
- The Landlord acknowledges and consents to the Lender's security interest over the Tenant's personal property, including the Home, and to the mortgage of or assignment to the Lender of the Tenant's interest in the Site Lease and in any renewals, extensions, replacements or amendments of the Site Lease.
- If the Tenant defaults under the Site Lease, before terminating the Site Lease or commencing eviction proceedings, the Landlord will advise the Lender in writing at the above address of the Tenant's default, within a reasonable time frame (within 90 days) and allow the Lender a reasonable amount of time (within 45 days after receipt of the notice) to cure the default, including payment of all arrears. The Lender will not be liable for any of the Tenant's covenants including payment of rent, prior to such notice, or until the Lender takes possession of the Home, whichever occurs first.
- So long as all arrears are paid and obligations under the Site Lease are upheld, and ongoing rental payments are made when due then, upon default of the Tenant under the Lender's security, the Lender (including its employees and agents, but subject to the terms of the mortgage and/or other security agreed between the Lender and the Tenant) may enter the Community and take possession of or sell the Home (other than by on-site auction) while it is in the Community, or the Lender may remove the Home from the Community, on condition that the Lender promptly repairs any damage to the Community caused by such removal. Upon such removal or sale of the Home, the Lender will have no further obligations to the Landlord.
- If the Lender sells the Home to a purchaser approved by the Landlord (which approval shall not be unreasonably withheld) and if the purchaser wishes the Home to remain in the Community, then the Lender may assign to the purchaser the Site Lease (for the remaining term, if any) or the Landlord will enter into a new lease with the purchaser on substantially the same terms and conditions as the Site Lease, whichever the Landlord chooses.<sup>11</sup>
- The Consent is binding upon the parties hereto and their respective successors, assigns, executors and administrators. The Landlord warrants that the persons signing below are duly authorized to sign this consent. The Lender signs this agreement to acknowledge receipt of a copy of this agreement and this agreement shall not impose any additional obligations on the Lender other than those stipulated in this agreement.
- For further clarity, in the event that the Landlord does not advise the Lender in writing within 90 days of default under the Site Lease by the Tenant, the Lender shall have 45 days from receipt of written notice to cure the default, but shall only be liable for a maximum of 90 days arrears plus the period after the written notice is received from the Landlord and the default is cured.

Dated the \_\_\_\_\_ date of \_\_\_\_\_, 20\_\_\_\_<sup>12</sup>.

\_\_\_\_\_  
Signature of Landlord

\_\_\_\_\_  
Signature of Tenant

\_\_\_\_\_  
Signature of Lender

\_\_\_\_\_  
Print Name of Landlord

\_\_\_\_\_  
Print Name of Tenant

**The Toronto-Dominion Bank**  
\_\_\_\_\_  
Print Name of Lender

<sup>1</sup> Insert branch address

<sup>2</sup> Insert name of borrower(s)

<sup>3</sup> Insert description of site on which the Home is located and boundaries measured from fixed point of reference

<sup>4</sup> Insert site #

<sup>5</sup> Insert name of Landlord

<sup>6</sup> Insert name and description of Community

<sup>7</sup> Insert term of Site Lease (e.g. month to month, one year)

<sup>8</sup> Insert date Site Lease commences

<sup>9</sup> Insert rental

<sup>10</sup> Insert frequency of rental payments (e.g. monthly)

<sup>11</sup> Providing the physical condition of the home meets community standards

<sup>12</sup> Insert day, month and year.

This Agreement has a modification (the addition of paragraph 8) from the model agreement endorsed in December 2002 by the Canadian Manufactured Housing Institute and the Canadian Bankers' Association.

**To: The Manager  
TD Canada Trust**

This is to confirm that the undersigned is making a gift of \$ \_\_\_\_\_

To: \_\_\_\_\_

Name(s): \_\_\_\_\_ Relationship: \_\_\_\_\_

\_\_\_\_\_ Relationship: \_\_\_\_\_

**Property To Be Purchased:**

Street: \_\_\_\_\_ City: \_\_\_\_\_

Prov.: \_\_\_\_\_ Postal Code: \_\_\_\_\_

No part of the gift is being provided by any Third Party having any interest (direct or indirect) in the sale of the subject property.  
The money is a genuine gift and does not have to be repaid.

Given by: \_\_\_\_\_  
(Signature)

Received by: \_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Telephone Number)

Date: \_\_\_\_\_ MM/DD/YYYY

\*\*\*\*\*

**Verification of Gift Source**

Choose one of the options stated below to verify sufficient assets to cover the amount of gift stated.

1) Bring this form to your Bank/Trust Company and have them fill out the bottom of this form.

or

2) Attach copies of bank book or statements of investment showing accumulation of funds for the amount to be given.

\_\_\_\_\_  
(Bank/Trust Company Name)

\_\_\_\_\_  
Address (Branch Stamp)

\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
(Title)

Date: \_\_\_\_\_ MM/DD/YYYY

The above named individual has sufficient assets to cover the amount of gift stated.

Borrower's Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Insurer Reference Number: \_\_\_\_\_

Description	Cost
Land Cost	
<b>Administrative Fees:</b>	
Plans and Related Costs	
Survey Certificate and Related Costs	
Construction Permit	
Site insurance (if applicable)	
Legal Fees	
<b>Land Preparation:</b>	
Septic Tank/Well (if applicable)	
Sewer/Water Hook-up	
Excavating	
<b>Foundation:</b>	
Concrete & Forms	
Foundation insulation	
<b>Framing &amp; Trusses:</b>	
<b>Exterior Finishing:</b>	
Windows & Exterior Doors	
Roofing	
Insulation	
Exterior Finish	
<b>Interior Finishing:</b>	
Interior Doors	
Wiring and Electrical	
Plumbing and Fixtures	
Flooring	
Drywall	
Painting	
Cabinets	
Fireplace & Chimney	
<b>Mechanical:</b>	
Heating system, air conditioning, air exchanger, other	
<b>Seasonal Work:</b>	
Driveway	
Landscaping	
Steps & Walks	
Patio/Deck	
<b>Other (Specify):</b>	
<b>TOTAL:</b>	

The branch must retain in their file all corresponding invoices and/or quotes.

Broker Name: \_\_\_\_\_

Date: \_\_\_\_\_