



Construction Mortgages

Interest Rate

Interest rate during construction and until final advance will be fixed at 1% over the one year closed rate, adjusted every 90 days. The mortgage term begins at final advance or 12 months from the date the final commitment letter is issued. The take out interest rate to be set within 120 days prior to the final advance (but not to precede commitment date).

Progress Advances

If your home is being built by a qualified contractor, we can arrange for progress advances based on a cost to complete basis. *Note: Homes must be built by a qualified contractor to be eligible for progress advance loan. Self-built projects may qualify for private money.*

Advances are determined by the percentage of the work to be completed in relation to the construction cost, less the land.

The hold back of funds is based on the greater of the fixed price contract or the appraisers estimated costs. Clients are required to put all of their down payment/equity into the project prior to the lender advancing mortgage funds.

Draw 1

Completion of foundation (prior to backfill)
 Construction is 16% complete leaving 84% to be completed
 $\text{Construction Cost } (\$150,000) \times 84\% = \$126,000$ Holdback
 $\text{Approved Loan Amount} - \text{Holdback } (\$160,000 - \$126,000) = \$34,000$ Gross/Net Advance minus Builder's Lien Holdback

Draw 2

Roof on, exterior walls, roughed in plumbing, wiring and insulation (prior to drywall)
 Construction is 55% complete leaving 45% to be completed
 $\text{Construction Cost } (\$150,000) \times 45\% = \$67,500$ Holdback
 $\text{Approved Loan Amount} - \text{Holdback } (\$160,000 - \$67,500) = \$92,500$ Gross Advance
 $\text{Gross Advance Previous Advance } (\$92,500 - \$34,000) = \$58,000$ Net Advance minus Builder's Lien Holdback

Draw 3

Interior complete
 Construction is 80% complete leaving 20% to be completed
 $\text{Construction Cost } (\$150,000) \times 20\% = \$30,000$ Holdback
 $\text{Approved Loan Amount} - \text{Holdback } (\$160,000 - \$30,000) = \$130,000$ Gross Advance
 $\text{Gross Advance} - \text{Previous Advances } (\$130,000 - \$92,500) = \$37,500$ Net Advance minus Builder's Lien Holdback

Draw 4

Building complete
 Construction is 100% complete
 $\text{Construction Cost } (\$150,000) \times 0\% = 0\%$ Holdback
 $\text{Approved Loan Amount} - \text{Holdback } (\$160,000 - \$0) = \$160,000$ Gross Advance
 $\text{Gross Advance} - \text{Previous Advances } (\$160,000 - \$130,000) = \$30,000$ Net Advance minus Builder's Lien Holdback

Builder's Lien Holdbacks

A holdback will be retained from each advance until the solicitor handling the mortgage provides confirmation that all Mechanics Liens/Construction Lien Act Holdback requirements (In Nova Scotia 10% for 45 days) have been met.

Acceptable Down Payments

- Cash
- Gift
- Existing Home Sale Proceeds
- Equity in Land

Required Documentation

- Construction must be completed according to plans and specifications approved by the lender and complying with applicable building codes and regulations. Prior to the mortgage approval, the lender must receive copies of fixed price contracts or labour and material estimates and applicable building permits and plans.
- Insured Mortgages require new home warranty!
- A copy of the occupancy permit is required at time of final advance



CONSOLIDATE YOUR DEBT WITH YOUR CURRENT MORTGAGE

Keep your credit healthy by consolidating your debt with your mortgage and make everyday living less challenging!

USE THE EQUITY TO:

- Pay off credit card balances
- Home renovations
- Invest in your future
- Get cash

Low interest rates with manageable payments make debt consolidation an easy challenge!





BANKRUPT CLIENTS

Clients discharged from Bankruptcy must update their credit bureau with discharge certificate and creditors list!

The following criteria is required:

REFINANCE OR TRANSFERRING YOUR CURRENT MORTGAGE!

ALL CREDIT CARRIED THROUGH THE BANKRUPTCY IS NOT CONSIDERED AS CREDIT REQUIRED!

- First time Bankruptcy
- 24 months discharge
- 12 months secured credit card re-establishment
- 12 months GIC investment–Installment credit re-establishment available through www.ourbestbate.org for discharged bankrupts (Click the link GIC investments) or
- 12 months vehicle loan or
- 12 months second credit card (*Preferrably non-secured*)
- Beacon score of 600 or over

PURCHASE THAT NEW HOME!

ALL CREDIT CARRIED THROUGH THE BANKRUPTCY IS NOT CONSIDERED AS CREDIT REQUIRED!

- First time Bankruptcy
- 24 months discharge
- Up to 10% down payment
- 12 months secured credit card
- 12 months GIC investment–Installment credit re-establishment available through www.ourbestbate.org for discharged bankrupts (Click the link GIC investments) or
- 12 months vehicle loan or
- 12 months second credit card (*Preferrable non-secured*)
- Beacon score of 600 or over



CONSUMER PROPOSAL CLIENTS CREDIT COUNSELLING CLIENTS

Clients discharged from Consumer Proposal or Credit Counselling must update their credit bureau with discharge certificate and creditors list!

The following criteria is required:

REFINANCE OR TRANSFERRING YOUR CURRENT MORTGAGE!

ALL CREDIT CARRIED THROUGH THE CONSUMER PROPOSAL OR CREDIT COUNSELLING IS CONSIDERED AS CREDIT REQUIRED WITH ONE NEW TRADE!

- 12 months discharge
- 12 months secured credit card re-establishment 60 days after filed in consumer proposal minimal \$600 limit. Absolutely no late payments or over limit balances will be tolerated!
- Beacon score of 600 or over

PURCHASE THAT NEW HOME!

ALL CREDIT CARRIED THROUGH THE CONSUMER PROPOSAL OR CREDIT COUNSELLING IS CONSIDERED AS CREDIT REQUIRED WITH TWO NEW TRADE!

- 24 months discharge
- 5% down payment
- 12 months secured credit card re-establishment 60 days after filed in consumer proposal minimal \$600 limit. Absolutely no late payments or over limit balances will be tolerated!
- 12 months GIC investment installment credit re-establishment available for discharged clients at www.ourbestrate.org. (Click the link)
- GIC INVESTMENTS:
Absolutely no NSF payments will be tolerated!
- Beacon score of 600 or over

PRODUCTS



- REFINANCE MORTGAGE
- REFINANCE REVENUE PROPERTY MORTGAGE
- EQUITY MORTGAGE
- DEBT CONSOLIDATION MORTGAGE
- TRANSFER TO A BETTER RATE MORTGAGE
- CONSUMER PROPOSAL PAYOUT MORTGAGE
- REVENUE CANADA PAYOUT MORTGAGE
- NEWCOMERS MORTGAGE
- NEW HOME CONSTRUCTION MORTGAGE
- PURCHASE MORTGAGE
- PURCHASE WITH HOME IMPROVEMENT MORTGAGE
- PURCHASE REVENUE PROPERTY MORTGAGE
- BUSINESS FORSELF MORTGAGE (Self Employed)
- COMMERCIAL MORTGAGES
- SECURED CREDIT CARDS
- LEASE-TO-OWN VEHICLES
- GIC INVESTMENTS (Installment Credit For Re-establishment)
- FORECLOSURES
- DEBT SOLVING

**FOR FURTHER INFORMATION REGARDING THE PRODUCTS OFFERED
EMAIL US AT
mortgagemoney@eastlink.ca
OR CALL 902.567.1113**