

FIRST-TIME HOME BUYER

Incentive Program

The First-Time Home Buyer Incentive helps qualified homebuyers reduce their monthly mortgage carrying costs without adding to their financial burdens.

ELEGIBILITY & REQUIREMENTS

BORROWER ELEGIBILITY:

Canada Citizens, permanent residents, and non-permanent residents who are legally authorized to work in Canada

REQUIREMENTS:

At least one homeowner must be a first-time home buyer, which is considered as the following:

- Have never purchased a home before;
- Have gone through a breakdown of marriage or common-law partnership (even if the other first-time home buyer requirements are not met;
- In the last 4 years did not occupy a home that was occupied by the homebuyer or their spouse;
- Annual Family income not up to \$120,000;
- The purchase price has to be 4 times the Buyer's annual income.

INCENTIVE BY PROPERTY TYPE

Property Type	Incentive (%)
New Construction	5% or 10%
Existing Home	5%
New or re-sale mobile home	5%

EXAMPLE

Anita wants to buy a new home for \$400,000.

Under the First-Time Home Buyer Incentive, Anita can apply to receive \$40,000 in a shared equity mortgage (10% of the cost of a new home) through the program, on top of the minimum required down payment of \$20,000 (5% of the purchase price) from savings.

This lowers Anita's mortgage amount and reduces the monthly expenses.

What if Anita has an annual qualifying income of \$83,125?

To be eligible for the First-Time Home Buyer Incentive, Anita will have to purchase a home that is no more than \$350,000.

Anita still has the required a minimum down payment of 5% of the purchase price (\$17,500) from savings and can apply to receive \$35,000 in a shared equity mortgage (10% of the cost of a newly constructed home).

This would reduce Anita's mortgage payments by \$200 less a month or \$2,401 per year.

What if Anita sells the home for \$420,000?

At this time, the Incentive will need to be repaid. Anita will repay the incentive as a percentage of the home's current value. This would result in Anita repaying 10%, or \$42,000 at the time of selling the house.



or Call 519.616.2656

