

## **Fact Sheet**

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**NOTE:** Details are subject to change at the discretion of the Chatham-Kent Housing Services Division (CKHS) and per the requirements of the Ministry of Municipal Affairs and Housing.

**Be sure to check back regularly for updates!**

### **Investment in Affordable Housing (IAH 2014 Ext.) Homeownership Overview**

1. The Affordable Homeownership Program is being delivered by Chatham-Kent Housing Services on behalf of the Federal and Provincial governments.
2. Provides qualified low to moderate-income households with interest-free down payment loans of 10% (ten) of the purchase price of the home to a **maximum of \$25,000**.
3. Recipients of the loan can purchase a new or resale home with a maximum purchase price of **\$410,895.00** located in Chatham-Kent.
4. Funding will be in the form of a 20 year interest-free loan registered on title.
5. The funding is available only for down payment on the purchase of a home and cannot be used for any construction financing or any other purpose.
6. The funding will be paid directly to the home purchaser's lawyer upon closing.
7. The home purchaser will be responsible for covering all costs associated with finalizing the purchase of the home, including legal fees, land transfer tax, and any other related costs.
8. All homes must have a home inspection completed at the expense of the home purchaser and must provide verification. (i.e., copy of inspection and paid invoice)
9. The funding plus a percentage of the capital property appreciation will become payable if at any time prior to the 20th anniversary:
  - a) the home is no longer the sole and principal residence of the homeowner; or
  - b) the home is sold, transferred, disposed of; or
  - c) the homeowner wishes to increase the original financing for the home; or
  - d) there is any default of the funding agreement.
10. The percentage of the capital appreciation payable will be the same percentage used to determine the amount of the original funding. For example, if the home purchaser received down payment funding of 7% (seven) of the purchase price, then the homeowner would be required to repay 7% (seven) of the capital appreciation in addition to the original funding.
11. Should the funding become payable, the Municipality may at its expense, commission an appraisal of the property in order to determine the fair market value and the property appreciation.

## **How Do I Qualify?**

You must meet the following seven requirements:

1. Have rented consecutively in Chatham-Kent for 12 months
2. Currently a resident of Chatham-Kent and renting
3. Be at least 18 years old
4. Not own or not partly own another home or property
5. Not owe money to a Social Housing landlord
6. Be a legal resident of Canada
7. Have a total gross household income of **\$95,000** or less
8. Qualify for a mortgage at a recognized financial institution
9. Intend to have this home as your one and only residence (you cannot transfer or lease it to someone else)

## **What can I buy?**

Homes must be single residential units which may include detached, semi-detached, condo apartment or a row home. Mobile homes are not eligible. Multi-residential units, such as duplexes and triplexes, are not eligible.

The home must be in Chatham-Kent and have a maximum purchase price of **\$410,895.00** You can purchase either a new construction unit or a resale home.



### **Note:**

1. If you do not qualify for a mortgage, you cannot apply for down payment assistance.
2. Households looking for funds to offset construction costs on land that they currently own are not eligible for funding.
3. If the home is *not* on municipal services (water and sewer), the water and septic systems must be inspected by a certified professional.
4. All homes must have a home inspection completed by a Registered Home Inspector or Associate/Applicant Member of the Canadian Association of Home and Property Inspectors. The cost of the inspection is at the purchaser's expense. Please see the Ontario Association of Home Inspectors webpage at [www.oahi.com](http://www.oahi.com).

## **How Do I Get an Application**

- i. Download and print a copy from our website at [www.chatham-kent.ca](http://www.chatham-kent.ca)
- ii. Call the Housing Claims Analyst at: **519.351.1228 extension 2408** and we can mail an application to you
- iii. Email: [ckhousingservices@chatham-kent.ca](mailto:ckhousingservices@chatham-kent.ca)
- iv. Visit the Chatham-Kent Housing Services office during regular office hours: Monday to Friday (excluding holidays) 8:30 a.m. to 4:30 p.m.

Please deliver or mail your completed application to:

**Chatham-Kent Housing Services**  
Attn: Affordable Homeownership  
435 Grand Ave W, P.O. Box 1296  
Chatham ON N7M 5R9

### **Note:**

1. Only signed original applications in pen will be accepted.
2. Faxed applications are not permitted.
3. Be sure your application is complete and includes supporting documents.

## **Home Buying Process**

### **Step 1 – Apply**

- a) Deliver or mail your completed application along with your supporting documents to Chatham-Kent Housing Services (CKHS)
- b) Complete applications will be assessed on a first come, first serve basis having regard to a fair distribution of program funds.

### **Step 2 – CKHS Reviews Application**

- a) Your application is reviewed for completeness and eligibility.
- b) If complete and eligible, go to Step 3
- c) If incomplete, applicant is notified and must start over at Step 1, losing first come, first serve ranking. Resubmitted applications will be considered on a first come, first serve basis based upon its resubmitted date and time. Be sure to refer to the application checklist to avoid submitting an incomplete application.
- d) If ineligible, applicant is notified of status. End of process.

### **Step 3 – Notification**

- a) If upon review, application is complete and applicant is eligible and program funds remain available:
  - I. Applicant receives an Acknowledgement Letter.
  - II. Applicant must obtain a mortgage pre-approval within 14 calendar days from the date of the Acknowledgement Letter. The mortgage pre-approval must be obtained from a National Housing Act (NHA) approved lender. A list of NHA approved lenders can be found on the [Canada Mortgage and Housing Corporation](#) website. Once mortgage pre-approval has been obtained, a copy must be submitted to Chatham-Kent Housing Services (CKHS).
  - III. The applicant must remain in compliance of program criteria and timelines throughout the process, in order to receive a 10% (ten) down payment loan up to a maximum of \$25,000.
- b) If program funds are no longer available:
  - I. Applicant receives a letter advising the funds are no longer available and the application will not proceed. End of process.

### **Step 4 - Mortgage Pre-Approval Supplied by Applicant and Agreement of Purchase & Sale**

- a) Once a mortgage pre-approval has been given to CKHS, if upon review, applicant is eligible and program funds remain available:
  - I. Applicant will receive a Notice of Eligibility Completion letter.
  - II. Confirmed applicant must submit an accepted unconditional Agreement of Purchase and Sale within 60 calendar days from the date of the Notice of Eligibility Completion letter.
  - III. Applicant must submit a Home Inspection Report from a certified home inspector to CKHS.
- b) CKHS forwards the Agreement of Purchase and Sale to the Ministry of Municipal Affairs and Housing, and requests the funds.

### **Step 5 - Program Funds**

Approximately 30 days are required for the applicant's lawyer to receive program funds. As a result, selected applicants will need to plan for this timeframe when purchasing and choosing a Closing Date.

### **Step 6 – Applicant Completes Purchase**

- a) Funds are provided to applicant's lawyer, subject to satisfaction of all program's requirements.
- b) Loan agreement is registered on title as second mortgage by applicant's lawyer.

### **Important Information for Applicants**

1. Submitting an application does not mean you are automatically eligible to receive program funds.
2. All applicants are cautioned not to rely on program funds unless and until they receive a Notice of Eligibility Completion Letter confirming the application has been approved for program funding.

### **Mortgages and Mortgage Insurance**

You may have a parent or another party not living in the home guarantee your first mortgage. However, due to the terms of the loan, you cannot have a guarantor on title, nor can you have a co-signer on title that will not be living with you in the home.

The loan from Chatham-Kent Housing Services (CKHS) must be registered as the second mortgage after registration of any mortgage securing the primary financing (first mortgage). If a household requires additional financing, that mortgage will be registered as the third mortgage, after the loan from CKHS. The Municipality of Chatham-Kent will permit the postponement of the AHP mortgage to only "renewals" of the current first mortgage on the property.

Affordable Homeownership Program approval and mortgage insurance underwriting approval are two separate processes. In some cases, households may be approved by CKHS under this program, but may not be eligible for a mortgage or mortgage insurance.

For participants opting to use Canada Mortgage and Housing Corporation (CMHC) insurance. CMHC will recognize the down payment assistance as owner's equity in its underwriting evaluation.

### **Land Transfer Tax Rebate**

First-time homebuyers who purchase a newly constructed or resale home will receive a rebate of the Land Transfer Tax (LTT). The maximum LTT rebate is \$4,000. Talk to your lawyer about the LTT, or go to the website for the [Ministry of Finance](#) for more information.

### **Home Buyers' Plan**

To participate in the Home Buyers Plan (HBP), you must meet both the HBP eligibility and RRSP withdrawal conditions.

You must be considered a [first-time home buyer](#). Even if you or your spouse or common-law partner has previously owned a home, you may still be considered a first-time home buyer. It is possible only one of you may be a first-time home buyer.

The Home Buyers' Plan (HBP) is a program that allows you to withdraw funds from your registered retirement savings plan (RRSPs) to buy or build a qualifying home for yourself or for a related person with a disability.

You can withdraw up to \$25,000 in a calendar year. Your RRSP contributions must remain in the RRSP for at least 90 days before you can withdraw them under the HBP, or they may not be deductible for any year. Generally, you have to repay all withdrawals to your RRSPs within a period of no more than 15 years. You will have to repay an amount to your RRSPs each year until your HBP balance is zero. If you do not repay the amount due for a year, it will have to be included in your income for that year.

For more information, please visit: [Home Buyers Plan](#)

**Disclaimer:** Details contained herein are for informational purposes only, and are not to be relied upon as a comprehensive or precise representation of the program, its terms and conditions or eligibility rules.

**Questions**

If you have any further questions or need more information, please call:

**Chatham-Kent Housing Services Division: 519.351.1228**

