



# Government Programs and Regulations

## CMHC Purchase Plus Improvements

### Program

Canada Mortgage and Housing Corporation (CMHC) insured mortgage loans are available to cover the purchase price of a home as well as an amount to pay for immediate major renovations or other improvements that the purchaser may wish to make to the property. This option eliminates the need to obtain secondary financing after the purchase to pay for improvements. The homebuyer obtains a single first mortgage, makes a single mortgage payment, and benefits from first mortgage interest rates.

### Details

The insured loan will be based on the lower of:

- The purchase price plus the actual cost of improvements, or,
- The “as improved” market value. Prior to approval, CMHC will determine the market value of the property after ren-

ovations/improvements. The lending value will not exceed the market value of the property after renovations/improvements.

Applicants must have the following:

- A minimum of 5% down payment of total cost (purchase price plus renovations/improvements).
- Cost estimates for renovations/improvements.
- Qualifications to obtain a CMHC-insured loan through an approved lender.

For more information call CMHC at (416) 221-2642 or [www.cmhc.ca](http://www.cmhc.ca).

*Mortgage loans are available to cover the purchase price of a home as well as an amount to pay for immediate major renovations or other improvements*

### Example:

Purchase Price	\$100,000
Renovations/improvements costs	\$25,000
Total cost	\$125,000
<b>Lending Value</b>	<b>\$125,000</b>
Maximum Mortgage (95%)	\$118,750
Minimum 5% down payment	\$6,250



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