

This page is a PDF cover page which contains information about the document that follows.

## Overview

This document contains material delivered at the **Life after Operating Agreements: The Practical and the Possible** forum which took place on March 31, 2016, organized by the City of Toronto Shelter, Support and Housing Administration Division.

## Contact us

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## More information

Please visit [www.toronto.ca/socialhousing](http://www.toronto.ca/socialhousing) and select Planning for End of Operating Agreements.



# The Benefits of CMHC Multi-Unit Mortgage Loan Insurance

The Advantages are Clear

# CMHC Multi-Unit – Categories

CMHC is Canada's provider of mortgage loan insurance for the purchase, refinance and construction of multi-unit residential properties (5+ units)

- Purchase transactions
- Refinance
- New construction
  - (Progress advances and take-out financing)
- Special purpose facilities
  - (Retirement and Long-Term Care)
- Affordable housing
- Buildings with some commercial space (<20%)

## Advantages for Borrowers

- **More Flexibility**  
Obtain financing of up to 85% of the property's lending value
- **Lower Interest Rates**  
Interest rate savings available throughout the life of CMHC-insured loans
- **Reduced Renewal Risk**  
Mortgage renewal with no need to re-qualify

# Borrower Eligibility

- Personal and corporate borrowers
- Net worth equal to at least 25% of the loan amount, with a minimum of \$100,000
- Corporate borrowers – additional personal and/or corporate guarantees required over and above loan covenants – additional guarantee is 2% of loan amount for each percentage in LTV ratio above 60%
- Additional guarantee during construction will be 100% of the loan amount until stabilized rents achieved

# Resources for Mortgage Professionals

- 1 877 Multi GO
- [www.cmhc.ca/multi-unit](http://www.cmhc.ca/multi-unit)
- CMHC Multi-Unit Product Feature Sheets
- <http://www.cmhc.ca/hmiportal>



TAKE A fresh LOOK AT WHAT'S POSSIBLE

Mortgage Loan Insurance for Multi-Unit Residential Projects

CANADA MORTGAGE AND HOUSING CORPORATION

### CMHC MULTI-UNIT STUDENT HOUSING

**PROVIDES MORE OPTIONS FOR THE FINANCING OF STUDENT HOUSING PROJECTS.**

CMHC Mortgage Loan Insurance enables Approved Lenders to offer flexible loans for the construction, purchase and refinance of purpose-built student housing projects.

FEATURES	BENEFITS
<ul style="list-style-type: none"><li>Available for new construction, purchase and refinance transactions of purpose-built student housing projects.</li><li>Insured financing of up to 85% loan-to-value ratio is available.</li><li>Approach that recognizes potential revenues.</li><li>Greater flexibilities offered when guarantee is provided by the educational institution.</li></ul>	<ul style="list-style-type: none"><li><b>More Flexibility</b> – Borrowers can obtain mortgage financing up to 85% of the lending value of the property.</li><li><b>Lower Interest Rates</b> – CMHC insured financing provides access to competitive interest rates for the life of the mortgage.</li><li><b>Reduced Renewal Risk</b> – CMHC Mortgage Loan Insurance offers product features that meet project financing needs and facilitate renewals.</li><li><b>Availability</b> – Available for properties that support the housing needs of Canadian publicly funded educational institutions, including universities and colleges.</li></ul>

www.cmhc.ca 1-877 Multi GO

The terms and conditions herein are in addition to and subject to CMHC's mortgage insurance standard terms and conditions and underwriting policies, unless specifically specified otherwise. The terms and conditions may change at any time. © 2009, Canada Mortgage and Housing Corporation.

CMHC SCHL HOME TO CANADIANS



TAKE A *fresh*  
LOOK AT  
WHAT'S POSSIBLE

Mortgage Loan Insurance  
for Multi-Unit  
Residential Properties

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OPPORTUNITIES IN AFFORDABLE HOUSING



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# AFFORDABLE HOUSING 2016

## PROCESS: CASE STUDY



- 300 + Units
- Completed federal agreement
- Required a non-course loan
- Loan request \$16-18M
- Progressive 5-7 year capital plan
  - Parking Garage
  - Windows
  - Elevators
  - Mechanical Systems



# UNDERSTAND THE REFINANCING 5 STEP PROCESS

Step1:  
develop  
strategy

## Step 1: develop strategy

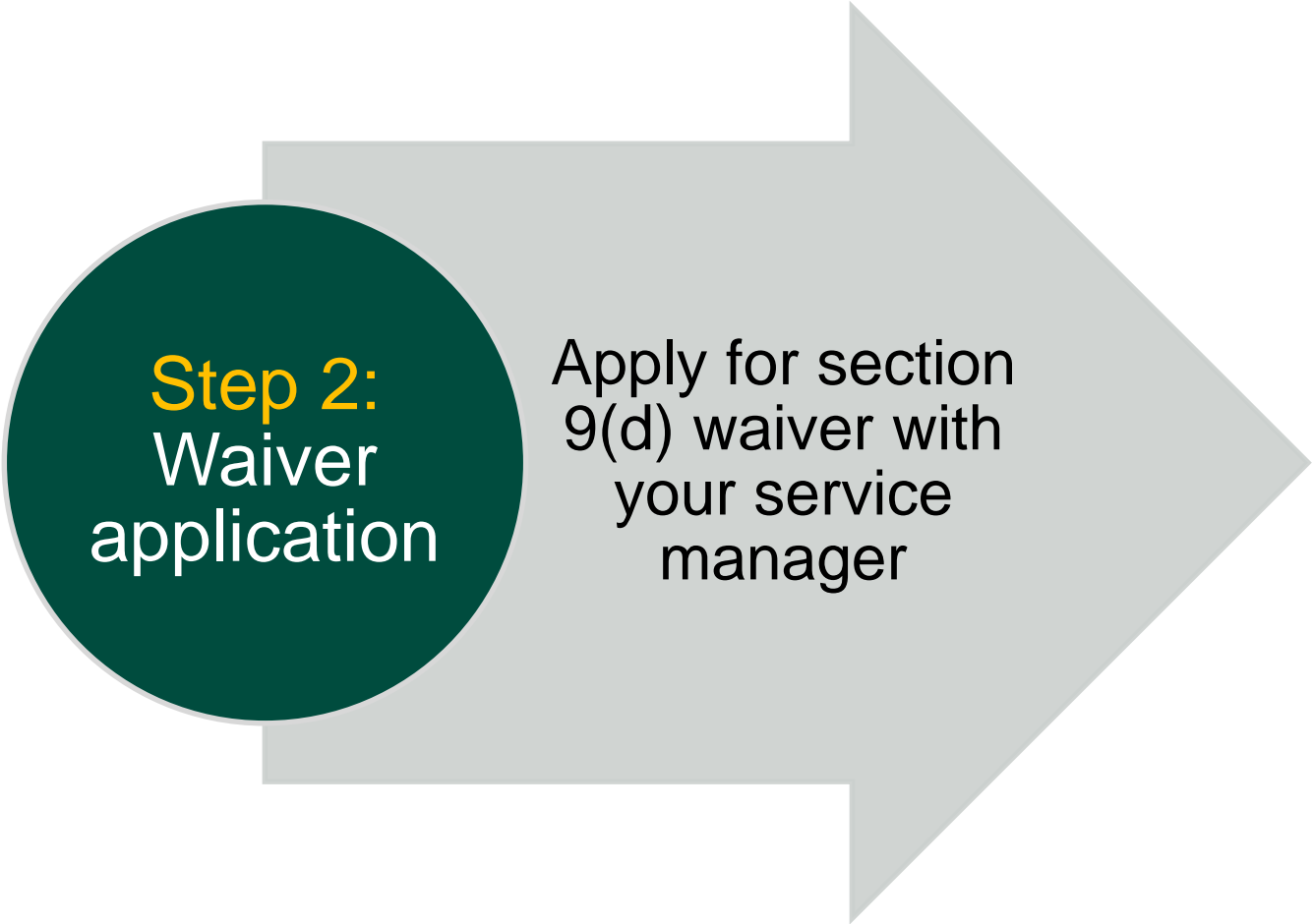
- **Coming to end of operating agreement**
  - capital upgrade strategy
  - budget to continue to provide affordable units
- **Leaving your agreement early**
  - speak with your service manager
  - develop a sustainable plan



# UNDERSTAND THE REFINANCING 5 STEP PROCESS

Step1:  
develop  
strategy

Step2:  
waiver  
application



# UNDERSTAND THE REFINANCING 5 STEP PROCESS

Step1:  
develop  
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Step2:  
waiver  
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Step3:  
CMHC  
application

## Step 3: CMHC application

- Work closely with your lender to determine loan options
- You will need to provide: Rent roll, operating statement, financial statements



# UNDERSTAND THE REFINANCING 5 STEP PROCESS

Step1:  
develop  
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Step2:  
waiver  
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Step3:  
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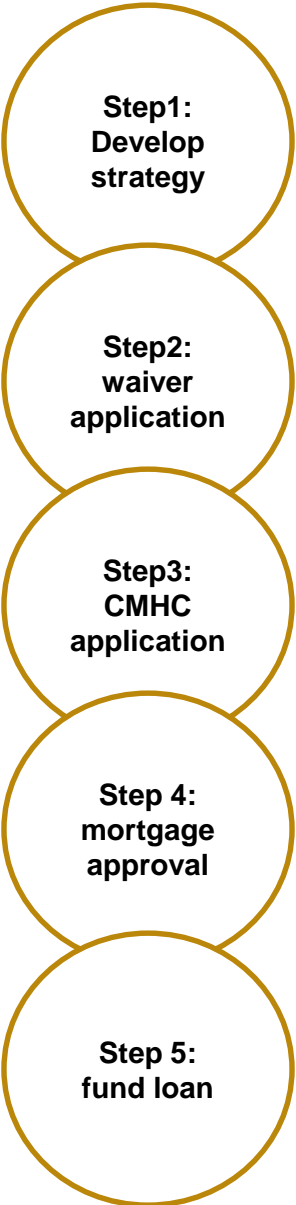
Step 4:  
mortgage  
approval

## Step 4: mortgage approval

- Valuation analysis is completed
- Site inspection is completed
- Timeline is 4-6 weeks

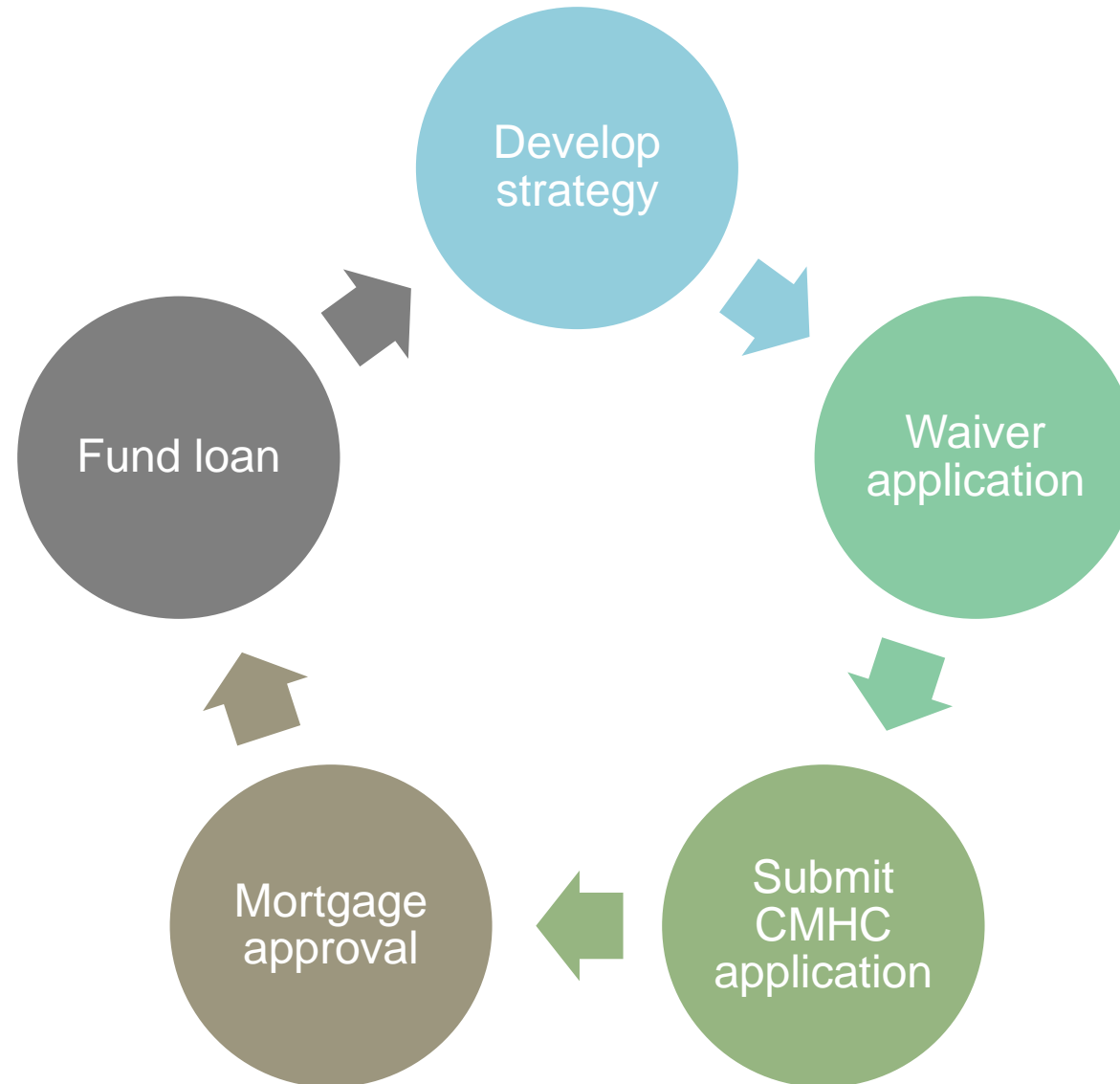


# UNDERSTAND THE REFINANCING 5 STEP PROCESS





# UNDERSTAND THE REFINANCING 5 STEP PROCESS



THANK YOU

## SPECIAL FREE CONSULTING OFFER

To receive a **free assessment** to help you determine the lending options available for your property please send an email to **[affordablehousing@firstnational.ca](mailto:affordablehousing@firstnational.ca)**

Assessment includes:

- A detailed loan analysis for your property
- Initial consultation to determine the best mortgage strategy

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