

### HOLD BACK REQUIREMENT

- The full committed mortgage amount will be advanced to the solicitor at closing with instructions to hold back the cost of the improvements until an inspection by an RFA approved appraiser (at the cost of the client) confirms all work has been completed.
- Once we receive this report, we'll review and provide our acceptance. Upon acceptance, RFA will authorize the solicitor to release the holdback.
- All improvements must be completed within 180 days of the advance.

### LENDING VALUE

#### Uninsurable, Insurable, & Insured

Based on the lesser of the:

- The sum of the itemized improvements added to the base purchase price; or
- The "improved" value of the property as determined by a full appraisal\*

\*Client paid appraisal for Uninsurable/Insurable. An additional appraisal is not required for Insured if the insurer completes and shares the appraisal with RFA.

**Note:** Lending value for Insured/Insurable mortgages are subject to Mortgage Insurer approval.

### THE DEAL

- An appraisal completed by FNF, NAS, RPS (Brookfield), Solidifi, or an appraiser from our approved appraiser list outlining the current "as is" value and the "improved" value.
- Detailed list of improvements, including copies of the contracts outlining the scope of work and cost estimates

### MAXIMUM IMPROVEMENT AMOUNT

#### Uninsurable

- The lesser of \$40,000 or 20% of the "initial" property value

#### Insurable

- **CMHC:** Maximum 10% of the "as improved" value of the property.
- **Sagen/Canada Guaranty:** Improvements can exceed \$40,000 or 20% of the "initial" value, as supported by the Insured, without progress draws.

Subject to borrowers meeting RFA's minimum beacon/credit and income requirements.



#### Before

- Mortgage amount \$450,000, 5 year fixed rate of 4.59%, 25 Year Amortization, Monthly Payments \$2,513.19

#### After

- Mortgage amount \$490,000 (\$40K more), 5 Year Fixed Rate of 4.59%, 25 Year Amortization, Monthly Payments \$2,736.59
- For a difference of \$223.40 a month your client can upgrade their new home and increase its property value!

The examples herein are for illustrative purposes only and do not necessarily reflect the final terms and conditions of the mortgage obtained. The monthly payment amounts illustrated above depict Principal & Interest payments only. Interest rates, terms, products and promotions are subject to change without notice.