

Selection Process

- Applicants must submit a **complete** application.
- All applicants will be notified of the results.
- Successful applicants will receive a 60-day commitment letter, which they can present to a financial institution as proof of the down payment assistance.
- Applicants must provide an accepted 'Offer to Purchase' within the 60-day limit and must close the sale within 90 days of the accepted 'Offer to Purchase'.
- Your closing date must be a **minimum** of 20 days to a **maximum** 90 days from the date all conditions are met.
- If the applicant is unsuccessful within this timeframe, the funds will be withdrawn and offered to someone else.



Contact for further information

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Conditions for Repayment

- No repayment of the loan after 20 years (or more), which is the affordability period.
- If an event of default occurs (e.g. insolvency, leasing of the unit, purchaser ceases to occupy the unit as a sole and principal residence) within 20 years of the date of purchase, it is deemed a sale. The purchaser would be required to repay the loan, plus a percentage share of the realized capital gains proportionate to the down payment assistance. For example, if a purchaser was assisted with 5% of the purchase price, the original down payment amount plus 5% of the capital gain would have to be repaid.
- If home is sold before 20 year period expires and seller experiences a capital loss, repayment would be waived provided the sale meets the following criteria:
 - ✓ the unit is sold at a fair market value; and
 - ✓ the purchase and sale of the unit is an arm's-length transaction.
- In the event of the death of a homeowner prior to the expiry of the 20-year affordability period, only the principal would have to be repaid.

Investment in Affordable Housing (IAH) for Ontario

Homeownership Program



Canada  Ontario

District of Parry Sound
Social Services
Administration Board

May 15, 2012

Information Sheet

- The Homeownership component of the Investment in Affordable Housing (IAH) for Ontario Program 2011 has been developed to assist low- to moderate-income rental households to purchase affordable homes by providing down payment assistance in the form of a forgivable loan. Objectives of the program are to:
 - ✓ Ease the demand for rental housing by assisting renter households across the province to purchase affordable homes.
 - ✓ Provide low and moderate income individuals and families with an opportunity to move up the socio-economic ladder through homeownership.
 - ✓ Encourage developers to build affordable housing by fostering demand.
- This is a secured forgivable loan for down payment assistance only. The purchaser is responsible for all other related costs including legal costs, closing costs, title registration, and a home inspection for resale homes. If no event of default occurs, the down payment loan is forgivable after 20 years.
- Eligible homes may be either resale homes or new construction units, including conversions from non-residential use that qualify for Tarion's new home warranty.

- Maximum eligible house price is \$200,000
- Maximum household income is \$62,000
- Down payment assistance of \$10,000 is available towards the purchase price of a new home, as funding permits

Applicant Eligibility

- To be eligible for down payment assistance, the prospective purchaser (s) must meet the following minimum criteria:
 - ✓ Be a Canadian citizen, landed immigrant, or have refugee claimant status.
 - ✓ Minimum age of 18 years with a gross household income at or below \$62,000.
 - ✓ Total household assets of \$20,000 or less.
 - ✓ Be a current renter household in the District of Parry Sound.
 - ✓ Home must be purchased in the District of Parry Sound and be the sole and principal residence.
 - ✓ Cannot own or have an interest in a house or land anywhere in the world.
 - ✓ Be able to qualify for a mortgage.
 - ✓ Not owe any social housing provider arrears.
 - ✓ Complete a Homeownership Application and provide all necessary documentation.

A parent or another party not living in the home and not on title to the home may guarantee the obligations of a borrower under his or her mortgage in favour of the primary lender. This would be in the form of a Guarantee Agreement. Guarantors would not enter into homeownership agreements or be subject to the purchaser's eligibility requirements. A Guarantee Agreement may satisfy a primary lender's requirement for security.

Unit Eligibility

- Maximum eligible new home price is \$200,000 and must be located within the District of Parry Sound.
- Down payment assistance of \$10,000 towards the cost of an eligible home, as funding permits.
- Eligible homes may be resale homes or new builds including detached, semi-detached, townhouse, condo, or row house. Mobile homes, trailers, or duplexes are ineligible.

