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First-Time Home Buyer Incentive

On ***July 10, 2019***, Jean-Yves Duclos, Minister of Families, Children and Social Development, announced the new **First-Time Home Buyer Incentive**. Below are the details, criteria and conditions of this new Incentive.

DETAILS:

- Starts September 2, 2019, with the first closing on November 1, 2019.
- For the purchase of an existing home, an incentive amount of five per cent may be available.
- For the purchase of a newly constructed home, an incentive amount of five per cent or 10 per cent may be available.
- This is a shared equity mortgage with the Government of Canada.

CRITERIA:

- The property must be located in Canada and must be suitable and available for full-time, year-round occupancy.
- Eligible for Canadian citizens, permanent residents, and non-permanent residents who are legally authorized to work in Canada.
- Available to first-time home buyers with qualified annual household incomes up to $120,000.
- The above-listed income (up to $120,000) is subject to qualifying income requirements set out by lenders and mortgage loan insurers.
- At least one borrower must be a first-time home buyer.
- The minimum down payment must come from traditional down payment sources.
- A participant's insured mortgage and the incentive amount cannot be greater than four times the participant's qualified annual household income.

CONDITIONS:

- No on-going repayments are required.
- The incentive is not interest bearing.
- The borrower can repay the Incentive at any time without a pre-payment penalty.
- Refinancing of the first mortgage will not trigger repayment.
- The Incentive is a second mortgage on the title of the property.
- The first mortgage must be greater than 80 per cent of the value of the property and is subject to a mortgage loan insurance premium.
- At the present time, the buyer must repay the incentive after 25 years or if the property is sold - whatever comes first.
- The repayment of the Incentive is based on the property's fair market value.
- If your property value goes down, you are still responsible for repaying the shared equity mortgage based on the current home value at time of repayment.

For more information, please visit the Government of Canada website at *https://www.placetocallhome.ca/fthbi/first-time-homebuyer-incentive.cfm*.

And to sign up for updates about the First-Time Home Buyer Incentive as they become available, please visit *https://www.cmhc-schl.gc.ca/en/nhs/canada-first-time-home-buyer-incentive*.