



Government Programs and Regulations

CMHC to Insure 30 Year Mortgages on Pilot Basis

Canada Mortgage and Housing Corporation (CMHC), working with FirstLine Mortgages, will be offering homeowner mortgage loans amortized up to 30 years as part of a pilot project to improve access to home ownership and choice for Canadians. Generally, 25 years has been the maximum amortization period permitted for CMHC-insured mortgages.

“The availability of extended amortization periods will improve access to home ownership for Canadians by lowering monthly principal and interest costs,” said Karen Kinsley, President of CMHC.

“It is part of our ongoing commitment to ensure that Canadians have access to quality, affordable homes. We are constantly working to extend home ownership eligibility to a larger number of Canadians.”

Details

The four-month pilot project, which begins March 3 and runs until the end of June 2006, will also be available through any other lenders who wish to participate in the pilot. CMHC will assess the pilot results and then determine whether this will be a permanent program.

Under the program, a premium surcharge of 0.25% will apply to homeowner mortgages with 30-year extended amortizations. As well, extended amortization applications will be assessed on the same basis as applications with standard amortization periods and borrowers will have to meet the current eligibility requirements.

For more information contact CMHC at 1-800-668-2642.

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