

There are a few qualifiers to apply for this incentive:

- you need to have the minimum down payment to be eligible
- your maximum qualifying income is no more than \$120,000
- your total borrowing is limited to 4 times the qualifying income

How does it work?

The Incentive enables first-time homebuyers to reduce their monthly mortgage payment without increasing their down payment. The Incentive is not interest bearing and does not require ongoing repayments.

Through the First-Time Home Buyer Incentive, the Government of Canada will offer:

- 5% for a first-time buyer's purchase of a re-sale home
- 5% or 10% for a first-time buyer's purchase of a new construction

How do I know how much I have to pay back?

You can repay the Incentive at any time in full without a pre-payment penalty. You have to repay the Incentive after 25 years or if the property is sold, whichever happens first. The repayment of the Incentive is based on the property's fair market value.

- You receive a 5% incentive of the home's purchase price of \$200,000, or \$10,000. If your home value increases to \$300,000 your payback would be 5% of the current value or \$15,000.
- You receive a 10% incentive of the home's purchase price of \$200,000, or \$20,000 and your home value decreases to \$150,000, your repayment value will be 10% of the current value or \$15,000.

How is repayment calculated?

- If a homebuyer receives a 5% Incentive, the homebuyer will repay 5% of the home's value at repayment.
- If a homebuyer receives a 10% Incentive, the homebuyer will repay 10% of the home's value at repayment.

IMPORTANT: The property must be located in Canada and must be suitable and available for full-time, year-round occupancy.

Refinancing of the first mortgage will not trigger repayment.

What are the mortgage details?

- Total borrowing is limited to 4 times the qualifying income. The combined mortgage and Incentive amount cannot exceed four times the total qualifying income. The amount for the mortgage loan insurance premium is excluded from this calculation.
- Mortgages must be eligible for mortgage loan insurance through either Canada Guaranty, CMHC or Genworth. The first mortgage must be greater than 80% of the value of the property and is subject to a mortgage loan insurance premium.

What are the down payment requirements?

- Minimum down payment is 5% of the first \$500,000 of the lending value and 10% of the lending value above \$500,000.
- The minimum down payment must come from traditional down payment sources.
- Note: Unsecured personal loans or unsecured lines of credit used to satisfy minimum down payment requirements are not eligible for the program.
- Note: For 3-4 units properties, the minimum down payment is 10%.

Link is [HERE](#)