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Business For Self (Alt. A) Program

This program is designed for self-employed borrowers who are unable to provide traditional income verification but have a proven 2-year history of managing their credit and finances responsibly. Eligible borrowers typically own a small size business for a minimum of two years, which can be confirmed via a third-party arm's length document. In addition, the borrower is required to declare their annual income and annual business revenue, which should be reasonable based on the industry, length of operation and type of business.

Note:

To ensure eligibility for this program, please refer to the corresponding lender updates below addressing recent changes to the mortgage insurance guidelines:

- Loans > 80% LTV - [Subject: High-Ratio Mortgage Insurance Changes](#)
- Loans ≤ 80% LTV - [Subject: Low-Ratio Mortgage Insurance Changes](#)

Loan Characteristic	Program Guidelines
Acceptable Loan Purpose & Applicable Loan-to-Value Limits	<ul style="list-style-type: none"> • Purchase transactions: 90% LTV 1 & 2 units
Loan Security	<ul style="list-style-type: none"> • First and second mortgages
Eligible Properties	<ul style="list-style-type: none"> • Maximum 2 units where 1 unit must be owner occupied • New construction covered by a lender approved New Home Warranty Program • Existing resale properties • Readily marketable residential dwellings, located in markets with demonstrated ongoing re-sale demand • Estimated remaining economic life of the property should be a minimum of 25 years

A consumer-friendly product designed to enhance affordability & access to homeownership.

Loan Characteristic	Program Guidelines
Maximum Property Value	<ul style="list-style-type: none"> Property value must be less than \$1,000,000
Maximum Loan Amounts	<ul style="list-style-type: none"> Metro Toronto, Metro Calgary & Metro Vancouver: \$750,000 Rest of Canada: \$600,000 Exceptions will be considered on a case-by-case basis
Qualifying Terms and Interest Rates	<ul style="list-style-type: none"> Fixed, standard variable, capped variable and adjustable rate mortgages are permitted Maximum interest rate term of 25 years The qualifying interest rate is the greater of the contract rate or 5-year benchmark rate
Amortization Options	<ul style="list-style-type: none"> Up to 25 years

Premium Rate:

The premium payable will be the lesser of the premium as a % of the total new loan amount or the premium as a % of the top-up portion on the additional loan amount (if existing insured) based on the rates below:

LTV Ratio	Premium Rate	Top-Up Premium
Up to 65%	1.50%	3.00%
65.01% - 75%	2.60%	6.50%
75.01% - 80%	3.30%	7.00%
80.01% - 85%	3.75%	7.50%
85.01% - 90%	5.85%	9.00%

Note: The insurance premium is non-refundable, paid at the time of closing and may be added onto the mortgage

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Borrower Qualification	<p>Income & Employment</p> <ul style="list-style-type: none"> Minimum of two (2) years business-for-self tenure The self-employed borrowers stated income should be reasonable based on the length of operation, type and size of the business, and should be able to service the required mortgage as per the GDS/TDS guidelines Reasonableness of the stated income should also be reflective of the personal financial profile of the borrower Lender to provide the line 150 from the borrower(s) most recent years' Notice of Assessment (NOA) <p>Credit</p> <ul style="list-style-type: none"> > 80% LTV Minimum credit bureau score of 650 is recommended ≤ 80% LTV: At least one applicant should have a minimum recommended credit bureau score of 680 Minimum 2 trade lines with at least two (2) years history No mortgage, installment or revolving credit delinquencies appearing on the credit bureau in the past 12 months No reported defaults on residential mortgages for the past 7 years No previous bankruptcy
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Loan Characteristic	Program Guidelines
<p>Borrower Qualification (continued)</p>	<p>Down Payment</p> <ul style="list-style-type: none"> • ≤ 90% LTV Minimum 5% of the down payment from the borrowers own savings. The remainder may be gifted from an immediate family member. • Qualified home buyers may use traditional down payment sources including personal savings, non-repayable gift from immediate family member(s), proceeds from sale of property. <p>Additional Criteria</p> <ul style="list-style-type: none"> • Borrowers with commission income are ineligible • Lender to ensure borrower(s) have no tax arrears • All applicants used to qualify must occupy the property (If two unit property, one unit must be owner occupied) • Spousal guarantors acceptable • Borrowers are permitted one (1) Genworth Canada insured Business for Self Program mortgage
<p>Business Information Requirements</p>	<p>Lender to provide the following information in the notepad to establish the type and size of the business, and help substantiate the reasonability of the borrowers stated income:</p> <ul style="list-style-type: none"> • Industry type/profession of the borrowers business • Business type (sole proprietor, partnership or incorporated and percentage ownership) • Borrower(s) to provide stated annual gross business revenue
<p>Debt Service Ratios</p>	<ul style="list-style-type: none"> • GDS 39% / TDS 44%
<p>Documentation / Information Requirements</p>	<p>Sole Proprietorship:</p> <ul style="list-style-type: none"> • A one-owner operation where the owner directs all the activities of the business, assumes all authorities and obligations, and is liable for its business debts. The sole proprietor income is reported to revenue Canada on the standard tax return (T1 General) together with Revenue Canada's required statement of business or professional activities. • Documentation requirements - Any one of the following must confirm at least two (2) years business-for-self tenure: <ul style="list-style-type: none"> - Business License - GST/HST Return Summary - T1 Generals with statement of business activities attached for a minimum 2 years prepared by an arm's length third-party - Audited Financial Statements for the last 2 years, prepared and signed by a CA - Plus the most recent years' Notice of Assessment from the borrower(s) to confirm the line 150 amount and no income tax arrears (Note: in the province of Quebec, both federal and provincial NOA's will be required) <p>Partnerships:</p> <ul style="list-style-type: none"> • Partnerships are businesses owned by two or more individuals who share the profits or losses of the business operation. The partnership income is reported to Revenue Canada on the standard tax report (T1 General) together with Revenue Canada's required statement of business or professional activities, which reflects the percentage of the NET income or loss for each partner of the enterprise. • Documentation requirements - Any one of the following must confirm at least two (2) years business-for-self tenure: <ul style="list-style-type: none"> - Business License - GST/HST Return Summary - T1 Generals with statement of business activities attached for a minimum 2 years prepared by an arm's length third-party - Audited Financial Statements for the last 2 years, prepared and signed by a CA • Plus the most recent years' Notice of Assessment from the borrower(s) to confirm the line 150 amount and no income tax arrears (Note: In the province of Quebec, both federal and provincial NOA's will be required)

Loan Characteristic	Program Guidelines
Documentation / Information Requirements (continued)	<p>Corporations:</p> <ul style="list-style-type: none"> • A limited company or corporation is a legal entity, separate from the persons (all shareholders) who own it. The business can own assets, enter into contracts and conduct business transactions in its own capacity. The company is called limited because the liability of the shareholders is limited to their investment. All provincial Corporations must obtain articles of incorporation from the province in which they are registered or may be federally incorporated. The applicant's personal income will be reported by T4 from the corporation. • Documentation requirements - Any one of the following must confirm at least two (2) years business-for-self tenure: <ul style="list-style-type: none"> - Articles of incorporation - Audited Financial Statements for the last 2 years, prepared and signed by a CA - Plus the most recent years' Notice of Assessment from the borrower(s) to confirm the line 150 amount and no income tax arrears (Note: in the province of Quebec, both federal and provincial NOA's will be required)
Portability	<p>Mortgage default insurance is portable under this program:</p> <ol style="list-style-type: none"> 1. When porting from an ALT. A to another ALT. A mortgage, the premium will be the lesser of: <ul style="list-style-type: none"> • The increase in the loan amount multiplied by the top-up premium rates defined in the table above, or • The new loan amount multiplied by the full premium rate 2. When porting from an ALT. A loan to an existing standard Genworth Canada insured loan, the premium will be the lesser of: <ul style="list-style-type: none"> • The increase in the loan amount multiplied by our standard premium top-up rates as described in our Portability feature Product Overview, or • The new loan amount multiplied by the full standard premium rate 3. When porting from an existing standard Genworth Canada insured loan to an ALT. A loan, the premium will be the lesser of: <ul style="list-style-type: none"> • The outstanding mortgage balance multiplied by 2.30% + the top-up amount multiplied by the top-up premium rate, or • The new loan amount multiplied by the full premium rate <p>Example for Scenario #3: Outstanding mortgage balance = \$100,000 Top-up mortgage amount = \$80,000 New Loan Amount = \$180,000 (90% LTV)</p> $(\$100,000 \times 2.30\%) + (\$80,000 \times 9.00\%) = \$9,500$ $(\$180,000 \times 5.85\%) = \$10,530$ <p>Premium Payable is \$9,500</p> <p>When porting with a top-up mortgage amount, the blended amortization option is available</p>
Assumptions / Assignments	<ul style="list-style-type: none"> • Mortgage is assumable subject to meeting lender guidelines
Eligible Products	<ul style="list-style-type: none"> • Progress Advance Program • Purchase Plus Improvement Program • Second Mortgage Program
Ineligible Products	<ul style="list-style-type: none"> • Borrowed Down Payment Program • Family Plan Program • New to Canada Program • Investment Property Program • Vacation/Secondary Homes Program

* For specific underwriting guidelines related to the above eligible products, please refer to the applicable product overview at www.genworth.ca

Genworth Canada HomeOpeners are a summary prepared for convenience purposes only. For full details of your policy as it relates to the products contained in this document, please refer to the product overviews at <http://genworth.ca/en/products/productoverview.aspx> and/or any lender-specific product documentation, where applicable. In the case of any inconsistencies, the terms of the full product documentation shall prevail.

Underwritten by
Genworth Financial Mortgage Insurance Company Canada

National Underwriting Centre: 1.800.511.8888
genworth.ca

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