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Investment Property Program

Genworth’s Investment Property Program provides qualified borrowers an opportunity to purchase an investment property with as little as a 20% down payment.

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: 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: 80% LTV
Loan Security	<ul style="list-style-type: none"> • First mortgages
Eligible Properties	<ul style="list-style-type: none"> • 2-4 units • 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 • In addition, the property must meet the following criteria: <ul style="list-style-type: none"> - Municipal zoning - Fully self-contained units - Must be located in a major centre with a viable investor market

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Loan Characteristic	Program Guidelines
Ineligible Property Types	<ul style="list-style-type: none"> • 1-unit dwellings • Time-share Interests • Vacation Homes • Commercial zoning • Rooming Houses • Quarter Share / Shared Ownership • Rental Pools
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
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%	1.45%	3.15%
65.01% - 75%	2.00%	3.45%
75.01% - 80%	2.90%	4.30%

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

Income & Employment

- Standard income and employment verification requirements apply

Credit

- Borrowers should have a strong history of managing their credit
- Minimum credit bureau score of 680 is recommended
- Two (2) trade lines with at least two (2) years history
- No prior bankruptcy
- Genworth Canada will consider applications with lower scores based on the overall merit of the application and where other risk mitigating factors exist

Down Payment

- Must be from own resources and may include personal savings, RRSP withdrawal, existing home equity, proceeds from sale of property

Rental Income

- Genworth will accept 100% of the rental income across Canada subject to:
 - Each applicant having minimum credit score of 680
 - Income can be validated using a two year average based on lease agreements or
 - Where rental income cannot be validated with lease agreements for a two year period, income for new or existing units is to be confirmed via fair market rent from an appraisal. Lenders should apply a market vacancy rate in accordance with their internal policy.
- If the above credit and income requirements cannot be met, 50% of rental income is to be used for qualification.
- Taxes and heat are to remain excluded from the debt service ratio calculation
- Total Debt Service Ratio (TDSR) Calculation::

$$\text{TDS: } \frac{\text{Principal} + \text{Interest} + 50\% \text{ Condo Fees (if applicable)} + \text{Other Debts}}{\text{Gross Annual Income} + \% \text{ of Gross Rents}}$$

Loan Characteristic	Program Guidelines
Borrower Qualification (continued)	Additional Criteria <ul style="list-style-type: none"> • Personal guarantees are required when the borrower is not an individual (e.g. corporate entity). • The personal guarantee cannot be released without prior consent from Genworth
Debt Service Ratios	<ul style="list-style-type: none"> • GDS 39% / TDS 44%
Documentation Requirements	<ul style="list-style-type: none"> • Standard documentation requirements apply • Genworth Canada may request that the lender provide a copy of the required documentation on a case-by-case basis • Genworth Canada requires that the lender obtains a general assignment of rents and leases or include this requirement in the standard charge terms
Portability	<ul style="list-style-type: none"> • Our mortgage default insurance is portable, so home buyers can take advantage of a lender's portability plan. For further details, refer to Portability Feature Product Overview. • When porting from an existing standard Genworth Canada insured loan to an Investment Property loan, the premium will be the lesser of: <ul style="list-style-type: none"> - The outstanding mortgage balance multiplied by 0.50% + the top-up amount multiplied by the top-up premium rate, or - The new loan amount multiplied by the full premium rate
Assumptions / Assignments	<ul style="list-style-type: none"> • Mortgage is assumable subject to meeting lender guidelines
Eligible Products	<ul style="list-style-type: none"> • Purchase Plus Improvement Program
Ineligible Products	<ul style="list-style-type: none"> • Business For Self (Alt-A) Program • Borrowed Down Payment Program • Family Plan Program • Homebuyer 95 Program • New To Canada Program • Progress Advance Program • Vacation/Secondary Homes Program • Second Mortgage 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.