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# Progress Advance Program

This program lets residential home builders and individual home buyers take advantage of insured progress advances while the property is being built. Insurance is based on the lesser of the market value of the work in place or the cost to complete.

**Three Program Options:**

- Residential Home Builder program: for people who are buying a home through a residential home builder
- Contractor program: for people who either own their own land or buy the land from a general contractor, and then build their home through that one general contractor (more than 50% of the cost to complete is done by one contractor)
- Self-Built Program: for people who either own their own land or purchases the land and acts as their own general contractor and hires qualified, licensed trade persons to build their home

**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
<a href="#">Acceptable Loan Purpose &amp; Applicable Loan-to-Value Limits</a>	Purchase Transactions: <ul style="list-style-type: none"> <li>• 95% LTV               <ul style="list-style-type: none"> <li>- Property value ≤ \$500,000 - 5% down payment required</li> <li>- Property value &gt; \$500,000 and &lt; \$1,000,000 - 5% down payment required up to \$500,000, with an additional 10% down payment on the portion of the home value above \$500,000</li> </ul> </li> </ul>

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Loan Characteristic	Program Guidelines
<b>Loan Security</b>	<ul style="list-style-type: none"> <li>• First mortgages</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Maximum 2 units where 1 unit must be owner occupied</li> <li>• Single-family detached and semi-detached homes</li> <li>• Condominium properties are not eligible</li> <li>• New construction must conform to the National Building Code and the latest edition of Residential Standards Canada - or the applicable municipal and provincial building codes</li> <li>• Pre-fabricated homes are eligible for full coverage. Genworth Canada Approved pre-fabricated manufacturers are admissible for specific disbursement methods (as outlined in Appendix A), are eligible to receive a full advance with no holdbacks and may receive payment on delivery of the module(s)</li> </ul>
<b>Maximum Property Value</b>	<ul style="list-style-type: none"> <li>• Property value must be less than \$1,000,000</li> </ul>
<b>Qualifying Terms and Interest Rates</b>	<ul style="list-style-type: none"> <li>• Fixed, standard variable, capped variable and adjustable rate mortgages are permitted</li> <li>• Maximum interest rate term of 25 years</li> <li>• The qualifying interest rate is the greater of the contract rate or 5-year benchmark rate</li> </ul>
<b>Amortization Options</b>	<ul style="list-style-type: none"> <li>• Up to 25 years</li> </ul>

**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%	0.60%	0.60%
65.01% - 75%	1.70%	5.90%
75.01% - 80%	2.40%	6.05%
80.01% - 85%	2.80%	6.20%
85.01% - 90%	3.10%	6.25%
90.01% - 95%	4.00%	6.30%

Note: The insurance premium is non re-fundable, payable in full at the time of the first advance, in instalments at the time of each advance, or at the end of construction

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<b>Residential Home Builder Program and Contractor Program Qualification</b>	<ul style="list-style-type: none"> <li>• Builder/contractor must meet general profitability and credit worthiness as per lender's guidelines</li> <li>• Builders/contractors must be members of a Lender approved New Home Warranty Program (NHWP)</li> <li>• Incentive programs, if any, must meet Genworth Canada guidelines</li> <li>• Builders/contractors must be approved by Genworth Canada to benefit from full coverage on all insured progress advances</li> </ul>
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Loan Characteristic	Program Guidelines
<p><b>Borrower Qualification</b></p>	<p><b>Income &amp; Employment</b></p> <ul style="list-style-type: none"> <li>• Standard income and employment verification requirements apply</li> </ul> <p><b>Credit</b></p> <ul style="list-style-type: none"> <li>• &gt;80% LTV: At least one applicant is required to have a minimum credit bureau score of 600</li> <li>• ≤ 80% LTV: At least one applicant should have a minimum recommended credit bureau score of 680</li> </ul> <p><b>Down Payment</b></p> <ul style="list-style-type: none"> <li>• Qualified home buyers may use traditional down payment sources including personal savings, RRSP withdrawal, non-repayable gift from immediate family member(s), sweat equity, existing home equity, proceeds from sale of property</li> <li>• Government grants may be considered if pre-approved by Genworth</li> </ul>
<p><b>Debt Service Ratios</b></p>	<ul style="list-style-type: none"> <li>• GDS 39% / TDS 44%</li> </ul>
<p><b>Documentation / Information Requirements</b></p>	<p>Borrower documentation requirements to be retained in lender’s file (both full and standard service):</p> <ul style="list-style-type: none"> <li>• Residential Home Builder program: all schedules and plans</li> <li>• Contractor program: all plans and specifications approved by the municipality and a copy of the contract with contractor(s)</li> <li>• Self-Built program: all plans and specifications approved by the municipality, estimates and/or contracts for all aspects of the construction</li> </ul> <p><b>Borrower documentation requirements (full service only)</b></p> <p><b>With loan submission:</b></p> <ul style="list-style-type: none"> <li>• A signed offer to purchase detailing land cost and construction costs.</li> <li>• Self-Built program: a completed <a href="#">Genworth Canada Construction Worksheet</a></li> </ul> <p><b>During Construction:</b></p> <p>Inspections are to be ordered using <a href="#">Genworth’s Inspection Request Worksheet</a>.</p> <p><b>Inspection requirements:</b></p> <p><b>Standard service (inspection and disbursement management under the lender’s control)</b></p> <ul style="list-style-type: none"> <li>• Lender is fully authorized to make interim and final advances in accordance with their institution’s internal practices on progress draw mortgages. Advances must not be made for land only</li> <li>• Genworth Canada authorization is not required for any advances or calculations</li> <li>• Lender is responsible for confirming the market value of the home</li> </ul> <p><b>Full Service:</b></p> <ul style="list-style-type: none"> <li>• Genworth Canada will pay for up to 4 progress advance inspections. If more than 4 advances are required, the customer is responsible for the cost of the additional inspections required</li> <li>• Lender must submit the <a href="#">Genworth’s Inspection Request Worksheet</a> directly to the assigned Genworth Canada appraiser or to the National Underwriting Centre</li> <li>• The assigned appraiser will inspect the property, determine the percentage complete and inform Genworth</li> <li>• We will calculate the authorized amount and advise lender</li> <li>• Minimum amount for first draw is when the property is 15% complete (Excavation, backfill, and foundation) and will include 100% of the land cost less amount of borrower down payment. Advances must not be made for land only.</li> </ul>

Loan Characteristic	Program Guidelines
<b>Portability</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Assumptions / Assignments</b>	<ul style="list-style-type: none"> <li>• Mortgage is assumable subject to meeting lender guidelines</li> </ul>
<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• Business For Self (Alt-A) Program</li> <li>• Borrowed Down Payment Program</li> <li>• Homebuyer 95 Program</li> <li>• New to Canada Program</li> <li>• Vacation/Secondary Homes Program (Type A Properties)</li> </ul>
<b>Ineligible Products</b>	<ul style="list-style-type: none"> <li>• Family Plan Program</li> <li>• Investment Property Program</li> <li>• Purchase Plus Improvements Program</li> <li>• Second Mortgage Program</li> <li>• Vacation/Secondary Homes Program (Type B Properties)</li> </ul>

**Appendix A – Pre-fabricated Inspection Process:**

1st Advance: Land Preparation	2nd Advance: Module(s) Cost	Final Advance: Finishing Cost
<ul style="list-style-type: none"> <li>• Excavation, backfill</li> <li>• Water supply (well and septic tank, where applicable)</li> <li>• Concrete forms</li> <li>• Concrete</li> <li>• Crushed Stone</li> <li>• Foundation damp proofing 100% of the land cost (less the amount of the down payment)</li> </ul> <p>(1st inspection required)</p>	<p>Complete cost of the unit on delivery</p>	<p>These disbursements require an inspection to determine the percentage complete</p> <p>Genworth Canada full service will cover up to 4 inspections for each file. Additional inspections must be arranged at the lenders expense</p> <p>(2nd and 3rd inspections required)</p>

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\* For specific underwriting guidelines related to the above eligible products, please refer to the applicable product overview at [www.genworth.ca](http://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.