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Second Mortgage Program

This program provides borrowers with the additional flexibility of allowing a Second Mortgage to be registered against their property up to 95% combined LTV on a purchase.

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
<p>Acceptable Loan Purpose & Applicable Loan-to-Value Limits</p>	<ul style="list-style-type: none"> • Purchase transactions: 95% Combined Loan-To-Value (CLTV) based on 1st & 2nd mortgages <ul style="list-style-type: none"> - Property value ≤ \$500,000 - 5% down payment required - Property value > \$500,000 and < \$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
<p>Special Conditions</p>	<ul style="list-style-type: none"> • The 1st mortgage must be Genworth-insured under any of the following scenarios: <ul style="list-style-type: none"> - Purchase/Purchase Plus applications - Combined Loan to Value (CLTV) is > 90% - Alt. A applications • Under all scenarios, the 1st mortgage must meet the following conditions: <ul style="list-style-type: none"> - Current at time of 2nd mortgage application with stable repayment history - 2nd mortgage agreement must contain cross-default clause (default on the first constitutes default on the second) - In the event of a re-advanceable 1st mortgage, no amount may be re-advanced until after the 2nd mortgage is paid out - If CLTV > 90%, the 1st mortgage must be held by the same lender

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Loan Characteristic	Program Guidelines
Eligible Properties	<ul style="list-style-type: none"> • Maximum 4 units where at least 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. • In addition, for 3 & 4 units, 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
Maximum Property Value	<ul style="list-style-type: none"> • Property value must be less than \$1,000,000
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 rate payable will be the lesser of the premium of the combined 1st and 2nd loan amounts, or the premium of the 2nd mortgage amount only 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%

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For submissions of new insured concurrent first and second mortgages the premium payable on each mortgage will be based on the cumulative LTV of the combined first and second loan amounts.

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

Borrower Qualification	<p>Income & Employment</p> <ul style="list-style-type: none"> • Standard income and employment verification requirements apply <p>Credit</p> <ul style="list-style-type: none"> • Minimum credit bureau score of 680 is recommended <p>Down Payment</p> <ul style="list-style-type: none"> • 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. <p>Additional Criteria</p> <ul style="list-style-type: none"> • The mortgage payment to be used on the 1st mortgage for qualification purposes will be the greater of the actual P+I payment or the calculated P+I payment based on the Bank of Canada qualifying rate • For 3 & 4 Units, the additional guidelines apply: <ul style="list-style-type: none"> - Borrowers must have clean credit, stable employment/income, down payment from own resources, positive net worth and liquid assets to cover 3 months payments - If the down payment is a gift, we require an acceptable guarantor. A guarantor is also needed if there are significant variations from the qualification guidelines
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Loan Characteristic	Program Guidelines
Debt Service Ratios	<ul style="list-style-type: none"> • GDS 39% / TDS 44%
Documentation / Information 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 • For 3 & 4 unit properties 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
Assumptions / Assignments	<ul style="list-style-type: none"> • Mortgage is assumable subject to meeting lender guidelines
Eligible Products	<ul style="list-style-type: none"> • Business For Self (Alt-A) Program • Homebuyer 95 Program • Purchase Plus Improvements Program • Vacation/Secondary Homes Program (Type A Properties)
Ineligible Products	<ul style="list-style-type: none"> • Borrowed Down Payment Program • New to Canada Program • Progress Advance Program • Vacation/Secondary Homes Program (Type B Properties) • Investment Program • Family Plan

* 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.