

Lender Update

May 1, 2017

Subject: Nova Scotia Down Payment Assistance Program

On April 26, 2017, the Government of Nova Scotia announced a new initiative to assist eligible first-time homebuyers. Beginning May 1, 2017, the Down Payment Assistance Program (DPAP) will provide borrowers the down payment on a home with a repayable loan of up to a maximum 5% of the purchase price. The loans will be secured by a second mortgage up to a maximum \$14,000 in the Halifax Regional Municipality (HRM) and \$7,500 in the rest of the province.

The DPAP eligibility criteria and application process can be found on the Housing Nova Scotia website:

<https://housing.novascotia.ca/downpayment>

Genworth Canada will provide mortgage insurance for borrower(s) eligible under the Down Payment Assistance Program, applications for mortgage insurance are to be submitted as follows:

- Mortgages must be submitted as “Borrowed Down Payment” product. Product specific underwriting criteria can be found on the Genworth website: <http://genworth.ca/en/products/borrowed-down-payment-program.aspx>
- The “Borrowed Down Payment” mortgage insurance premium rates are as follows:

LTV	Premium Rate
90.01-95%	4.50%
85.01-90%*	4.00%
80.01-85%*	2.80%

* for 80.01-90% LTV, borrowed down payment must not exceed 5% of the property value.

- For all applications received where a portion of the down payment is from the Down Payment Assistance Program, repayment of the loan must be included in the total debt service ratio by including the loan payment in the ‘other obligations’. The Bank of Canada benchmark rate for the interest rate of the loan and a 10-year amortization period must be applied to determine the monthly loan payment.
- The Lender will be required to ensure the appropriate documentation is retained on file to confirm that the borrower(s) were approved under the Down Payment Assistance Program.

If you have any questions or concerns related to this update, please feel free to contact your appropriate Genworth representative below.

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Regards,



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