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From: [Foster, Doug FIN:EX](#)
To: [Tran, Tu N FIN:EX](#)
Subject: FW: HOME Partnership - media docs - 3:30 pm Dec 13
Date: Tuesday, December 13, 2016 5:52:00 PM
Attachments: [NR HOPE DRAFT8 Dec13.docx](#)
[HousingDownpayment TechBrief PPT C - Dec 12 - 3PM.PPTX](#)
[HOME Partnership MLA Kit KM-QA 13Dec16 16.docx](#)
[HOME Partnership ConsolidatedQA Dec12 DRAFT CLEAN.DOCX](#)
[HOME Partnership Homeowner Package - Dec 13 - 10am.docx](#)
Importance: High

From: Edwardson, Jamie GCPE:EX
Sent: Tuesday, December 13, 2016 3:26 PM
To: Mentzelopoulos, Athana FIN:EX; Chandler, Penelope E FIN:EX; Edwardson, Jamie GCPE:EX; Keirstead, Zoe FIN:EX; McLachlin, Jessica GCPE:EX; Menzies, Brian FIN:EX; Snider, Marty C FIN:EX
Cc: Foster, Doug FIN:EX; Tran, Tu N FIN:EX; Dube, Jonathan FIN:EX; MacLean, Shelley FIN:EX
Subject: FW: HOME Partnership - media docs - 3:30 pm Dec 13
Importance: High
Here's the current status of materials on the housing project.

- News release
- Tech deck
- MLA KMs and QA
- Internal tech Q and A
- Homebuyer's package (graphic still needed – pending)

Jamie Edwardson

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From: [MacLean, Shelley FIN:EX](#)
To: [Foster, Doug FIN:EX](#)
Subject: 2 items from the MO
Date: Tuesday, December 13, 2016 3:46:37 PM
Attachments: [HOME slides 14Dec 2016.pptx](#)
[QA for Cab HOME Changes.docx](#)
[SN Updates to Home Ownership Mortgage Equity Partnership.docx](#)
Importance: High

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[DATE]

Dear [homebuyers],

Congratulations!

We are pleased to advise that you are eligible for assistance through the B.C. Home Owner Mortgage and Equity Partnership (HOME Partnership) program.

Loans advanced under the program will match your down payment up to a maximum of 5% of the purchase price of your first home. The HOME Partnership Loan amount that you are eligible for will depend on the final purchase price of your home and your down payment amount.

You must ensure the total down payment (the down payment you have plus the HOME Partnership Loan) meets the minimum down payment requirements to obtain an insured first mortgage for your home.

Attached is the Homebuyer's Kit with a Program Overview and a Purchaser's Checklist. **Please read through this package to ensure you understand the program guidelines and requirements.**

Also included are:

- Lender's Package
- Real Estate Agent's Package
- Lawyer/Notary Public's Package

As you work towards purchasing your first home, you can provide these information packages to the professionals you are working with. These packages outline the requirements for the program and the steps required to receive the HOME Partnership Loan.

Your eligibility status is valid for six months. You must purchase a home before [Expiry DATE]. If you do not complete the purchase of a home within this time frame, please contact HOME Partnership staff to reassess eligibility.

If you have any questions or concerns, please contact HOME Partnership staff at 604-439-4727 or 1-844-365-4727.

Sincerely yours,

Name

B.C. Home Owner Mortgage and Equity Partnership program, BC Housing

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MLA Kit – BC Home Owner Mortgage and Equity Partnership
Dec. 13, 2016

Key Messages:

- If you're entering the market to buy your first home, the B.C. government is launching a new program to partner with you on the down payment for your mortgage.
- Through the B.C. Home Owner Mortgage and Equity Partnership (HOME Partnership) program, the Province is investing about \$703 million in partnership loans over the next three years to help an estimated 42,000 B.C. households enter the market for the first time.
- The HOME Partnership program matches the amount first-time homebuyers have already saved for their down payment up to \$37,500, or 5% of the maximum purchase price of \$750,000, with a 25-year loan that is interest-free and payment-free for the first five years.
- Saving for a down payment can be hard for first-time buyers. As the first five years are interest- and payment-free, the program partners with first-time buyers to help them enter the housing market and help make homeownership more affordable.
- During the first five years, there are no monthly interest or principal payments required, as long as the home remains the homebuyer's principal residence.
- After the first five years, homebuyers begin making monthly payments at current interest rates.
- Ensuring the dream of home ownership remains within reach is a key part of our approach to housing affordability, along with increasing housing supply; smart transit expansion; supporting first-time home buyers; ensuring consumer protection; and increasing rental supply.

Questions and Answers:

1. What is the HOME Partnership program?

The B.C. Home Owner Mortgage and Equity Partnership (HOME Partnership) program partners with first-time homebuyers by matching the amount they've already saved for their down payment with a 25-year mortgage loan of up to 5% of the home's purchase price.

The loan is interest-free and payment for the first five years if the home remains the buyer's principal residence. The maximum loan amount of \$37,500 is based on a home purchase price of \$750,000. Through the program, the Province is providing about \$703 million in loans over the next three years (starting Feb. 15, 2017) to help an estimated 42,000 B.C. households enter the market for the first time.

2. What are the HOME Partnership program's benefits?

Saving for a mortgage down payment can be hard for first-time homebuyers. As the first five years are interest- and payment-free, the program partners with first-time buyers to help them enter the housing market and help make homeownership more affordable.

3. When does this program begin?

Applications will be accepted starting Jan. 16, 2017, for purchases that close on or after Feb. 15, 2017.

4. How long will this program run?

The program will run from Jan. 16, 2017 until March 31, 2020.

5. Is the program available throughout the province?

Yes, the HOME Partnership program will assist first-time British Columbia homebuyers province-wide. The \$750,000 threshold was chosen so that first-time buyers will be able to find a property, regardless of which region of the province they choose to buy and live in.

6. How does the partnership loan work?

The HOME Partnership Loan will match the cash down payment provided by the applicant, up to a maximum of 5% of the purchase price (the maximum purchase price is \$750,000 and thus the maximum loan is \$37,500). The combined cash down payment and partnership loan must meet the minimum down payment requirements to qualify for an insured residential first mortgage for the home and be equal to or less than 20% of the purchase price.

Repayment details:

- Year 0-5 – payment and interest free
- Year 6-25 – monthly repayments at market interest rate

7. How does this program help potential homebuyers with affordability?

This program is designed to partner with first-time homebuyers who can afford the costs of home ownership but are having trouble saving the required down payment. The program also helps first-time homebuyers during the first five years when the costs of home ownership are often the most challenging. In many areas of the province, the average home can cost \$400,000 or \$500,000. Saving the required minimum down payment of \$20,000 or \$25,000 can be difficult for many people.

8. How else are you helping British Columbians with housing affordability?

We heard British Columbia's first-time buyers when they told us they want their government to help them access the housing market, so they can build a secure and stable future for themselves and their families.

The Province has a number of programs aimed at making housing more affordable, and not every program is right for every person. Other programs helping home buyers and homeowners include the First Time Home Buyers program, the Newly Built Homes exemption, the home owner grant, and property tax deferral.

This year, we've committed to investing \$855 million to support the creation of 4,900 units of affordable rental housing. These units are specifically designated for low- to moderate-income renters, adults with developmental disabilities, youth aging out of care, seniors, students, women and children fleeing abuse, and First Nations.

9. What criteria must home buyers meet to qualify for partnership assistance?

To qualify for a partnership loan, all individuals who will have a registered interest on the title of the home must be included on the application and meet all of the following eligibility requirements:

- Have been a Canadian citizen or permanent resident for at least five years.
- Have resided in British Columbia for at least one year immediately preceding the date of their application.

- Be a first-time home buyer who has not owned an interest in a residence anywhere in the world at any time (and has never received a first-time homebuyers' exemption or refund).
- The home being purchased will only be used as their principal residence for the first 5 years. (Principal Residence is defined as the home that is designated (and is eligible to be designated) as the owner's principal residence for tax purposes, and where all persons registered on title live permanently in a self-contained unit with access to all living facilities at all times to conduct their daily activities (such as: cooking, sleeping, and bathroom).
- Purchase a home that is \$750,000 or less.
- The combined, gross household income of all individuals on title must not exceed \$150,000.
- Show proof of pre-approval for an insured high-ratio first mortgage (mortgage down payment is less than 20% of the home price).

10. What is the average home price in cities throughout the province?

Average home prices vary in the different regions of the province. The \$750,000 threshold was chosen to help ensure that first-time buyers will be able to find a property regardless of where they live in the province.

MLS benchmark prices (November 2016) are as follows according to local real estate boards:

Community	Condo	Townhome	Single-family detached home
Greater Vancouver	\$512,100	\$667,100	\$1,511,100
Greater Victoria	\$371,300	\$501,300	\$620,100
South Okanagan*	\$200,595	\$288,275	\$432,449
Fraser Valley	\$258,600	\$424,300	\$860,800

Sources:

Greater Vancouver: <http://www.rebgv.org/monthly-reports?month=November&year=2016>

Greater Victoria: <http://www.vreb.org/pdf/VREBNewsReleaseFull.pdf>

*(Average price) South

Okanagan: http://www.soreb.org/includes/South_Okanagan/stats/2016/NOV16/NOV16SO.pdf

Fraser Valley: <http://www.fvreb.bc.ca/statistics/Package201611.pdf>

According to the Canadian Real Estate Association, the average price of a home sold in October 2016 was:

- BC Northern: \$265,459 - <http://creastats.crea.ca/cari/>
- Kamloops and District: \$362,352 - <http://creastats.crea.ca/kaml/>
- Chilliwack and District: \$417,242 - <http://creastats.crea.ca/chil/>
- Kootenay: \$290,183 - <http://creastats.crea.ca/koot/>

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B.C. Home Owner Mortgage and Equity Partnership program

Technical Briefing

December 2016





B.C. Home Owner Mortgage and Equity Partnership program: Overview

Partners with eligible homebuyers on the purchase of their first home

- Matching repayable loans for up to 5% of the purchase price, maximum of \$37,500.
- No interest, no payment for the first 5 years.
- Applications accepted starting January 16, 2017.
- Three-year program - loans advanced from February 15, 2017, to March 31, 2020.

Anywhere in British Columbia





Homebuyer Eligibility

All individuals with a registered interest on title must reside in the home and:

- Be a first-time homebuyer
- Have been a Canadian citizen or permanent resident for at least five years
- Have resided in B.C. for at least 12 months
- Have a combined gross income of \$150,000 or less
- Have saved at least half of the minimum down payment they will require
- Applicants must be pre-approved for a 1st mortgage before applying

**1st mortgage must be high-ratio insured from an NHA approved lender,
for more than 80% of the purchase price**



Eligible Properties

Any legal, self-contained, mortgageable residence located in BC

- Must be used as the homebuyer's principal residence for the first 5 years
- Rental properties and seasonal/recreational properties not eligible

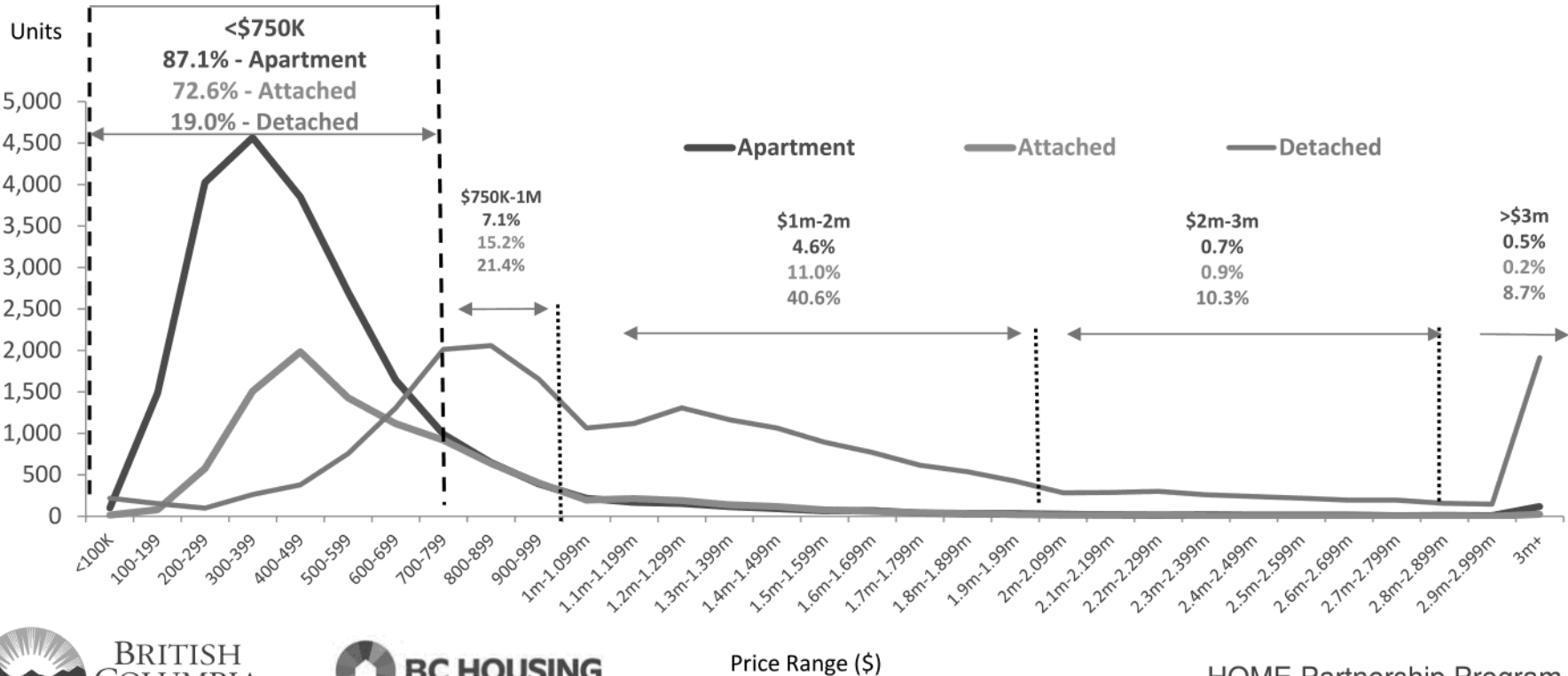


**Purchase price cannot exceed
\$750,000**



87% of apartments, 72% of attached homes, 19% of detached homes currently on market could qualify

MLS® Residential Sales by Product Type
Metro Vancouver 2016 (Jan-Nov)





Distribution of Homes in Metro Vancouver that could qualify for HOME Partnership

MLS® Residential Sales by Product Type – Metro Vancouver 2016 (Jan-Nov)





HOME Partnership Loan Examples

Example #1 – Home purchase price \$480,000, homebuyer has saved \$12,000

- Minimum down payment required for an insured first mortgage - \$24,000
- HOME Partnership Loan - \$12,000 (matching homebuyer's down payment, equal to 2.5% of purchase price)
- Total down payment - \$24,000

HOME Partnership enabled this homebuyer to purchase their first home as they did not have the minimum down payment saved to qualify for an insured first mortgage.



HOME Partnership Loan Examples

Example #2 – Home purchase price \$600,000, homebuyer has saved \$30,000

- Minimum down payment required for an insured first mortgage - \$35,000
- HOME Partnership Loan - \$30,000 (matching homebuyer's down payment, equal to 5% of purchase price)
- Total down payment - \$60,000

HOME Partnership enabled this homebuyer to purchase their first home as they did not have the minimum down payment saved to qualify for an insured first mortgage.



HOME Partnership Loan Examples

Example #3 – Home purchase price \$750,000, homebuyer has saved \$52,500


- Minimum down payment required for an insured first mortgage - \$50,000
- HOME Partnership Loan - \$37,500 (maximum 5% of purchase price)
- Total down payment - \$90,000


At 3% APR, this homebuyer will save \$5,201 in interest payments during the first 5 years of their mortgage compared to if they had purchased the home without HOME Partnership .



Apply Online

Applicants register for a *MyBCHousing* account and complete their HOME Partnership applications online

 MENU

 **MyBCHousing**

My BC Housing Account

Email

Password

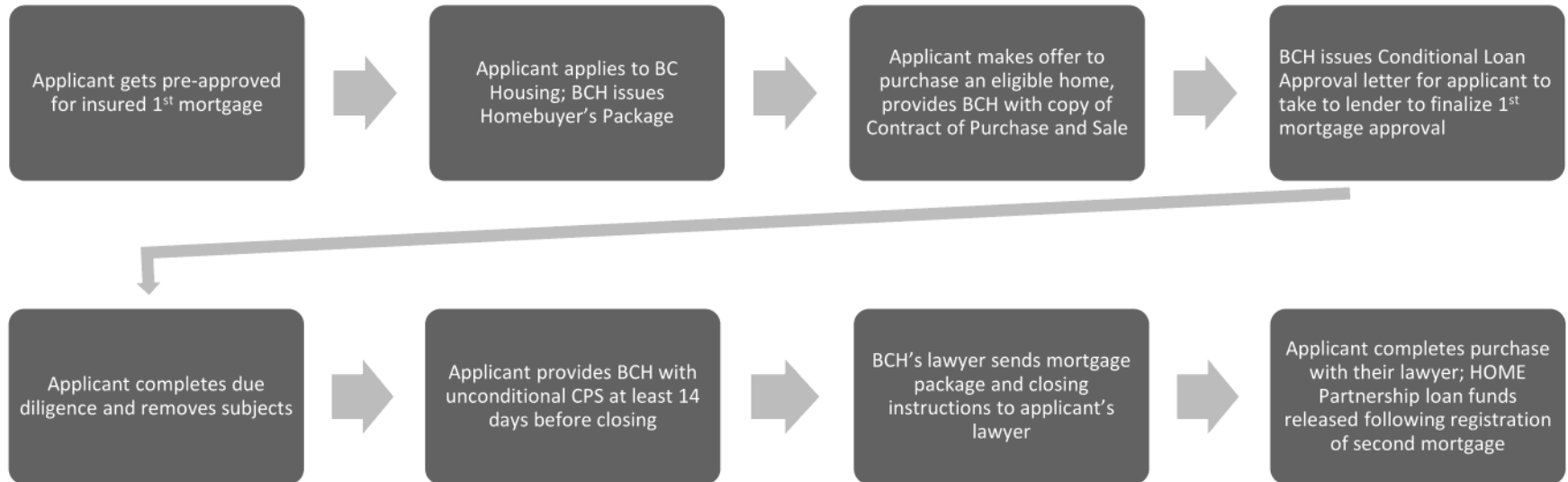
Sign in

[I forgot my password](#)

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Process





Homebuyer's Package

Provided to homebuyer once they apply online and eligibility is confirmed

- Confirmation of eligibility letter highlighting key details and dates
- Homebuyer's Package - program overview and Homebuyer's Checklist
- Information and program overview for the professionals the homebuyer will work with:
 - Lender's Package
 - Real Estate licensee's Package
 - Lawyer/Notary Public's Package



HOME Partnership Loans

- Up to 25 year term, registered second mortgage
- Interest and payment free for the first five years
- Monthly principal and interest payments begin in year six, amortized over remaining 20 years
- Interest rate for years 6 to 10 set near first mortgage rate at time mortgage is registered
- Interest rate reset to near first mortgage rate at years 10, 15 and 20
- Homeowner may repay in full or in part at anytime without penalty



HOME Partnership Loans

- Due and payable in full upon:
 - The home ceasing to be the principal residence in the first five years
 - Default on the first mortgage
 - Sale of home or change of ownership (adding anyone to title)
 - Any other default on the HOME Partnership second mortgage



Forecast HOME Partnership Loans

	2016/17	2017/18	2018/19	2019/20	Total
New Loans Issued (number)	2,778	11,110	13,110	15,110	42,108
New Loans Issued (\$ millions)	47	185	219	252	703

Estimated Average Loan Amount : \$16,685





Questions?

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