

The Homeownership Program provides down-payment assistance to eligible first-time home buyers in the form of a forgivable loan for the purchase of a home. The home must be the sole and principal residence of the approved purchaser(s), and must be located within Leeds and Grenville.

### Program Rules

- Funding is intended to support first-time homebuyers in the purchase of a home.
- The down-payment assistance loan will be up to 5 percent of the purchase price of the home, to a maximum of \$14,000, with a maximum purchase price of \$280,000.
- The funding is available for down-payment assistance only, and may not be used for any construction financing.
- Applicants will be required to enter into an Agreement of Purchase and Sale for an eligible home within 120 days of initial approval of their application.
- Approved applicants are responsible for all closing costs, including legal fees, costs to register the down-payment assistance loan on title, land transfer tax, utility connection fees and/or security deposits as applicable. Closing costs can be \$1,500 to \$2,300 or more. Obtain a quote from your legal representative.
- The Homeownership down-payment assistance is provided in the form of an interest-free, forgivable loan registered on title, and does not require monthly payments.
- The Homeownership down-payment assistance is considered by Canada Mortgage and Housing Corporation (CMHC) as homeowner equity for the purposes of securing CMHC mortgage insurance.
- On the 20<sup>th</sup> anniversary date of the closing date, the down-payment assistance loan may be released at the request and expense of the homeowner.

### Events of Default of Loan Agreement

1. The home is sold, rented or leased.
2. The home is no longer the sole and principal residence of the loan recipient(s).
3. The loan recipient becomes bankrupt or insolvent.
4. The loan recipient misrepresented their eligibility for the program.
5. The loan recipient used the proceeds of the loan for a purpose other than the purchase of the home.
6. The Borrower fails to maintain property insurance that includes fire and theft coverage, and/or fails to provide a copy of insurance coverage within timelines requested.
7. The Borrower fails to provide a complete and accurate Annual Update within timelines requested.
8. The death of the loan recipient.

If any of the above events of default occur prior to the 20<sup>th</sup> anniversary date of closing, **the original loan amount plus 5 per cent of the realized capital gain** (difference between the original purchase price and the market value of the home at the time of the event) **shall immediately become due and payable to the United Counties of Leeds and Grenville.**

### Eligible Homes/Units

- Home purchased must be located in Leeds and Grenville.
- Newly constructed or resale homes are eligible units.
- Homes must be modest in size and priced at \$280,000 or less.

- Homes may be detached, semi-detached, condominiums, stacked homes, row houses, or apartments. Multi-residential properties such as duplexes and triplexes are not eligible.
- New homes must be registered with a Tarion New Home Warranty.
- Resale homes require a home inspection by a Registered Home Inspector (RHI) with the Ontario Association for Home Inspectors (OAHI).

### **Household Eligibility**

- Must be renting and residing within Leeds and Grenville. Renting means that you are paying monthly rent for a self-contained unit to a Landlord that is arms-length from the renter. Arms-length means that the renter and the landlord are independent, and have no relationship to each other outside of a landlord/tenant relationship.
- Must be a first-time homebuyer purchasing a home that will be their sole and principal residence. A first-time homebuyer means that all applicants/co-applicants have not previously owned a home, or had a financial interest in a home.
- Must not own a home or have any vested interest in a residence; the Counties reserves the right to give priority to applicants of any target groups as identified in their local Housing and Homelessness Plan.
- Must be at least 18 years of age to apply.
- Gross household income must not exceed \$84,000, and assets may not exceed \$50,000 (see policy Appendix A for included and exempted assets).
- No member of the household may owe arrears to any social housing provider in Leeds and Grenville; arrears must be verified as paid in full.
- No member of the household may owe any monies in respect of funding received for any Affordable Housing Program or Investment in Affordable Housing Program (IAH) components administered by the United Counties of Leeds and Grenville.
- Must submit documentation verifying a pre-approved mortgage from a primary lending institution at time of application.
- Completed applications are reviewed on a first-come basis.

### **Application Process**

- Approved applicants will receive an initial commitment letter which can be presented to a financial institution.
- Upon receipt of an Agreement of Purchase and Sale/Offer to Purchase signed by the buyer and the seller, eligible applicants will receive a final commitment letter specifying the amount of down-payment assistance to be provided.
- Final approvals are subject to funding availability.
- Applications and Fact Sheets can be obtained at any Community and Social Services office, or at [www.leedsgrenville.com](http://www.leedsgrenville.com).
- To request an application package, or for more information call 613-342-3840 or 1-800-267-8146, extension 2450.

#### **Applications are available from:**

**The United Counties of Leeds and Grenville  
Community and Social Services Division – Housing Department  
25 Central Avenue West, Suite 200  
Brockville, ON K6V 4N6**

**Telephone: 613-342-3840 or 1-800-267-8146, extension 2450  
[www.leedsgrenville.com](http://www.leedsgrenville.com)**