



Homebuyer's Guide



Desjardins

Home sweet home!

Getting ready to move into your first house? Buying a new one? Purchasing a home is an important decision that involves all sorts of different factors. That's why it's important to prepare carefully.

Take the time to read through this guide. It's got all the information you need to find your very own home sweet home. Don't hesitate to contact your Desjardins advisor for help.

They can help you choose the mortgage loan that best suits your needs. They'll act in your best interests and guide and advise you throughout the entire home purchasing process.

Step-by-step breakdown of the purchase process!

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Budget

ONLINE TOOL

MY FIRST HOME

We can help you buy your first home. Get the lowdown on the key steps involved in buying a house or condo with a new tool in the **My First Home** section of AccèsD Web and mobile. You can also use it to find out how much you can realistically borrow and get preapproved for a mortgage in a just few steps—you'll get an answer quickly.



Making a budget is a crucial step toward setting the limits for purchasing a home.

A careful evaluation of your current finances, needs and priorities, and short- and medium-term financial resources will save you a lot of stress and allow you to plan your purchase with peace of mind.

Down payment

When you get a mortgage loan, you are required to invest a sum of money from your personal assets. It can come from savings accounts, deposit certificates, savings bonds, mutual funds or RRSPs (via the Home Buyer's Plan [HBP]). Other down payment sources, such as cash gifts, are also eligible under certain conditions.

How much do you need for a down payment?

The bigger your down payment, the smaller your loan and the less interest you will pay. The minimum down payment is 5% of the value of your property.¹ But if your down payment is less than 20%, you must get mortgage loan insurance from the Canada Mortgage and Housing Corporation (CMHC) or Sagen.^{TM2}

Mortgage insurance premiums vary based on the down payment and must be paid at the time of purchase or added to the loan amount. They can be as high as 4.5%³ of the mortgage loan amount and are non-refundable. Contact your Desjardins advisor for more information about mortgage insurance conditions.

HBP

The Home Buyers' Plan (HBP) allows first-time homebuyers or those who have not owned a home for at least 5 years to use funds from their RRSP (registered retirement savings plan) as a down payment for their primary residence.

There are 2 potential strategies:

1. Using savings you already have in an RRSP
2. The "90-day loan" strategy

In the first strategy, the HBP allows you to withdraw up to \$35,000 per calendar year from your RRSP (\$70,000 per couple) without paying any tax. You then have a maximum of 15 years to repay the amount (without interest) back into the RRSP. Each year, you must pay back a minimum of 1/15 of the amount withdrawn from the RRSP. For example, if you withdrew \$12,000, you would have to pay back \$800 per year

for 15 years. If you do not pay back the annual minimum, you are required to add the amount to your income and pay the applicable taxes.

The "90-day loan" strategy allows you to participate in the HBP even if you have little savings or have never contributed to an RRSP.

Here's what you do:

1. Borrow the amount you need from your Desjardins caisse, respecting the maximum allowable contribution.
2. Deposit it into a Desjardins RRSP for at least 90 days.
3. Withdraw this non-taxable amount from your RRSP and pay back the loan from your caisse.
4. Use your tax refund as a down payment to buy your home

As with the first option, you have a maximum of 15 years to reimburse your RRSP and you must pay back at least 1/15 of the amount withdrawn from the RRSP every year.



Benefits of the HBP

- Faster access to homeownership
- Larger down payment
- Smaller mortgage loan and lower mortgage insurance premium
- Non-taxable RRSP withdrawal
- No interest on your annual RRSP repayments
- Use of tax refund generated by new RRSP contributions for the down payment or transaction costs (notary, land transfer, etc.)

Considerations

- Budgetary impact of repaying 1/15 of the amount withdrawn from the RRSP each year (review your budget)
- Loss of interest income caused by withdrawing money from an existing RRSP, but possibility of savings over the long term. The interest is calculated based on the mortgage amount.
- Breakdown of a marriage or common-law partnership (if you are separated and have repaid your RRSP in full)
- Generally, you will not be prevented from participating in the HBP if you do not meet the first-time homebuyer requirement, provided that you live separate and apart from your spouse or common-law partner for a period of at least 90 days as a result of a breakdown in your marriage or common-law partnership. You will be able to make a withdrawal under the HBP if you live separate and apart from your spouse or common-law partner at the time of the withdrawal and began to live separate and apart in the year in which the withdrawal is made, or any time in the 4 preceding years. However, in the case where your principal place of residence is a home owned and occupied by a new spouse or common-law partner, you will not be able to make an HBP withdrawal under these rules.

The Canadian government's First-Time Home Buyer Incentive

- The incentive was introduced in the 2019 federal budget for first-time homebuyers with family income of up to \$120,000. It's an interest-free loan administered by the CMHC that provides buyers with 5% to 10% of the value of a 1 to 4 unit property.
- The loan is repayable after 25 years or when the house is sold, whichever comes first. It's also possible to reimburse it in full at any time without penalty.
- In order to take advantage of the incentive, you must make a minimum down payment of 5%. The loan cannot replace the down payment, but it can be used to facilitate your purchase by bolstering your down payment. Your reduced mortgage insurance premium will be reflected in the amount of your regular payment.
- The loans are interest-free for their entire lifespan, but any appreciation or depreciation in the market value of the house will be reflected in the total amount you have to repay. The more the value of the property increases, the higher the loan repayment amount. Conversely, if the value of the property decreases, so does the repayment amount.

For more information:

placetocallhome.ca/fthbi/first-time-homebuyer-incentive

Front-end costs

In addition to the down payment, there are other expenses that you'll need to cover before you get your mortgage or when you meet with the notary. You also need to plan for expenses for things like moving, changing your address and updating your home's interior design or landscaping. Following the inspection, you may also want—or need—to do renovations that aren't included in your financing.

Inspection fees

Before buying an existing home, you should have it inspected by an expert. A detailed report will tell you whether the house requires repairs in the short or long term and indicate any defects.

Appraisal fees

Your Desjardins caisse may want to know the market value of the property you wish to acquire. An expert—usually a chartered appraiser—will perform an appraisal and issue a report on your property's market value.

Legal expenses and fees

Notaries offer various services, including title searches and preparing, signing and registering various legal documents related to the purchase of your property.

Incidental fees and adjustment costs

These fees include all payments prepaid by the seller for a certain period (e.g., school and property taxes, hydro or natural gas fees and condo fees, where applicable). These expenses are transferred to you as of the date you purchase the home. Additional fees must be settled at the notary's office when signing the deed of sale.

Land transfer tax

You must pay land transfer tax when you buy a house. It's paid to the municipality and calculated as a percentage of the purchase price or municipal assessment (whichever is higher).

Here are the general provincial rates for land transfer tax rates (approximate data by region):

- **0.50%** on the first \$53,200
- **1.00%** on the amount over \$53,200 and less than \$266,200
- **1.50%** on the amount over \$266,200⁴.

However, municipalities have the right to set a higher rate (up to 3%) for property values exceeding \$500,000.

Tax on mortgage default insurance

This is a 9% tax on the mortgage default insurance premium you'll have to pay if your down payment is less than 20%. Please ensure you have these funds in your account because this amount must be paid before the sale is closed at the notary's office.

Other fees

- Home insurance premiums for your new property (they're generally higher for homeowners than for renters)
- Mortgage insurance premiums
- Location certificate fees, if a certificate isn't provided by the seller
- Sales taxes for new homes
- Sales tax on insurance premiums (CMHC/Sagen)

Don't forget about moving and public utility hook-up costs. You may also want to decorate and buy new furniture, appliances or tools for taking care of your yard and garden.

Your financial resources

In order to make wise choices that strike a balance between what you want and what you can afford, you'll need to crunch the numbers carefully. Here are some tools that can help.

Debt-to-income ratio

There are 2 golden rules of borrowing:

- No more than 32%⁵ of your gross household income should go to covering housing costs (gross debt service ratio or GDS).
- No more than 40%⁵ of your gross household income should go to paying off your debts, including housing costs (total debt service ratio or TDS).

You can refer to the monthly income and expenses calculation worksheet in the appendix to help you calculate these ratios.

Online calculators

Try our range of calculators⁶ at desjardins.com/ca/tools:

- Calculate how much you can afford to spend on a home
- Calculate and optimize your mortgage payments
- Find out what type of mortgage is right for you
- Get a realistic assessment of your maximum borrowing capacity using the **My First Home tool** in the **Home** section of AccèsD Web and mobile

Mortgage preapproval

Preapproval is always a good idea. It shows you're serious and makes it easier to work with your realtor or the seller.

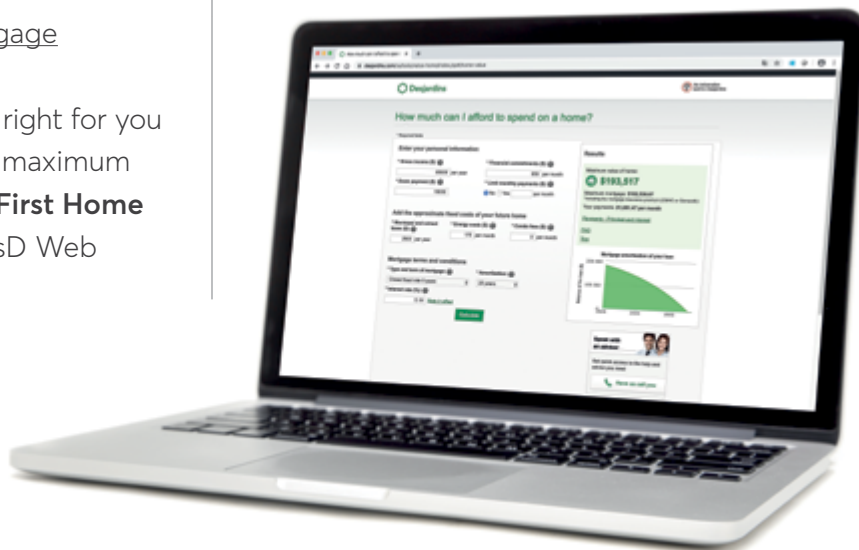
Meet with a Desjardins advisor and explain your financing needs. You'll get fast confirmation on the maximum you can spend on a home based on your borrowing capacity and down payment. It can also protect you from potential interest rate increases, if you get a guaranteed rate.

Desjardins members can also apply for mortgage pre-approval online using the **My First Home** feature on AccèsD. They'll get an immediate response with just a few clicks.



Advice

Avoid financial worries by looking for a house that's under your maximum borrowing capacity. That way, you'll be able to cover all your payments, deal with unexpected financial emergencies and maintain your current standard of living.



Choosing a house

Now that you've got a handle on your budget and financial resources, it's time to determine your selection criteria.

Identify your priorities—decide what's most important to you and the things you're willing to sacrifice.

Location

The location of your future residence is an important factor. Where you choose to live can have a big impact on your budget, habits and quality of life.



Advice

Having a hard time narrowing down which neighbourhood or city to live in?
Ask yourself these questions:

- How long would it take you to get to work?
How would you get there?
- What services are located nearby (daycares, schools, hospitals, stores, parks)?
- How much are the neighbouring homes worth?
- Is the area safe and quiet?

Type of home

Take the time to choose a home that fits your tastes and needs. There are many different types:

- Fully-detached (bungalow, 2-storey)
- Semi-detached
- Duplex (two units)
- Townhouse
- Condominium
- Undivided co-ownership
- Factory-built or modular homes

Each type has its own merits and fits different lifestyles.



Advice

To help you decide, ask yourself these questions:

- Do you need a lot of privacy? Could you see yourself sharing part of your space with neighbours or renters?
- Are energy efficiency and environmental quality (insulation, heating, air quality, ventilation, lighting, type of materials, etc.) important to you?
- How much time will you have to spend on upkeep?
- Do you need large rooms?
- Do you want a big backyard?

New or existing home

Each has benefits:

New home

- You can improve or select the exterior siding, flooring, plumbing and electrical accessories
- It's built according to recent construction standards (building, electricity, energy efficiency)
- Contractor's or builder's warranty

When buying or building a new home, always ask for references from the contractor to verify their qualifications and skills. Find out if they offer new home warranties and ask to visit a few homes they have built. If you're having a home built, it can also be very useful to hire an architect.

- GST and QST apply and partial provincial rebates may be available under certain conditions.

Existing home

- Established neighbourhood
- Landscaped and fenced yard
- Features may have been added (in-ground pool, finished basement, etc.)
- If you do major renovations, an existing home could be considered as a new home, in which case GST applies.

Self-built home

Talk to your Desjardins advisor or read our [Self-build Guide](#) for more information.

Green homes

Desjardins offers rewards for buying a new green home or doing green renovations that meet LEED, Novoclimat and Rénoclimat certification standards. The offer includes up to \$2,000 cashback for a new home or \$500 for green renovation projects and much more. For more information, visit desjardins.com/greenhome.



Active search

The first step in actively searching for a home is determining how much you can afford to spend. Mortgage preapproval saves a lot of work and guides the people you choose to help you. You'll be in a better position to determine your selection criteria and make an informed choice about what you can afford given your budget.

Time to start shopping!

Don't hesitate to ask any questions you may have about the properties you visit—the age of the roof, heating costs, whether the fireplace or woodstove meets insurance company requirements, the age of the windows and water heater, what's included in the selling price, the neighbourhood, what renovations need to be done, etc.

Your realtor is there to help you find the home that's right for you. Talk to them about your budget, your lifestyle and the type of neighbourhood you're looking for and give them your mortgage preapproval. They'll plan the visits, advise you during negotiations and help you draft the purchase offer.

Purchase offers

You've found the house of your dreams. It's got everything! It meets all your criteria and is within your budget.

Now it's time to make a purchase offer.

What it includes

Purchase offers are legally binding. They are contracts in which one party offers to buy another party's property under certain conditions.

Purchase offers include all the information required to identify the property, plus the conditions of the transaction:

- Address and lot number
- Deposit amount
- Possession date
- Tax adjustment
- Length of time the offer is valid (usually between 24 and 48 hours)
- What's included in or excluded from the selling price (e.g., curtains, household appliances)
- Approval of mortgage loan (condition on the purchase)
- Satisfactory inspection of the premises by an expert (condition on the purchase)
- Sale of your current house (if you're already a homeowner)
- Any other condition(s) deemed appropriate.

Purchase offer forms are available online, in bookstores and from your realtor. A legal advisor, a notary or your realtor can help you make a purchase offer.

Offers and counteroffers

What happens once an offer has been made? The seller can either accept it or turn it down. If they reject it, they can make a counteroffer (on the price, closing date and so on) that you can either accept or turn down. If you reject the counteroffer, you can then make a counteroffer of your own. When an offer is accepted by a seller, it constitutes an agreement to sell.

Once a purchase offer has been accepted and the conditions it contains are met, neither party can refuse to carry it out. Otherwise, the seller or buyer could be sued for damages. The buyer could even lose their deposit.

Inspections

You need to make sure the property is in good condition by having it checked over by a building inspector. An inspection report may be included as one of the conditions on the purchase. A negative inspection report may be a negotiating tool for you or could even render the purchase offer null and void.

Building inspectors provide reports that assess the condition of a house, including the foundation, roof, structure, windows, insulation, plumbing, electrical, etc. To find a building inspector, you can contact professional associations, orders or bodies whose members offer this service and who follow professional standards.

Location certificate

You must obtain a location certificate for the property. They are prepared by land surveyors and required by most mortgage lenders. If you are buying an existing home, the seller usually provides it. In the case of new construction, the land surveyor will prepare the certificate and the builder should cover the cost. You should always get a version of the certificate that shows the state of the property after all exterior construction has been completed.

A land surveyor establishes the physical boundaries of a property and produces a location certificate, which contains a description of the lot and building, identifies any illegalities and irregularities (e.g., a fence encroaching on a neighbour's property) and lists any easements or specific bylaws or regulations that may restrict a property owner's rights.

Mortgage financing

Set up a meeting with your Desjardins advisor to obtain a mortgage loan to purchase your property. Obtaining mortgage financing is often a condition on the purchase offer.



Mortgage loans and insurance

Not all borrowers are in the same financial situation. The rate is important, but it's not necessarily the top selection criteria for mortgage loans.

To help you make an informed decision, you need to determine your objectives for paying back the loan. Do you want to:

- Make lower regular payments so you can better balance your budget?
- Pay the least possible interest?
- Have the option to pay off your loan in 15 years instead of 25?
- Have the ability to share payments with your co-borrower in a way that respects your individual budgets and preferences?

Fixed-rate mortgage? Variable-rate mortgage? Fixed yearly rate resetter mortgage? Hybrid mortgage? Accelerated payments? There are many options and solutions available. Your Desjardins advisor will be able to suggest the one that's right for you.

Types of loans

With fixed-rate loans, the interest rate stays the same until the end of the term. Other loans have variable rates, meaning the interest rate varies according to the prime rate. Yearly rate resetter loans include a pre-established rate discount and the rate is revised annually. Depending on the type of mortgage loan you get, the term may vary from a few months to many years.

Purchase with renovations

Say you find the house you want but it's a little outdated. You have the funds you need for the minimum down payment, but you need additional financing to do some renovations.

Finance your renovations when you buy.

Let's say you buy a \$500,000 property and plan to do \$40,000 worth of renovations. The total cost will therefore be \$500,000 (purchase price) + \$40,000 (renovations) = \$540,000.

With the Purchase Plus Improvements Program, you can make improvements to your home without having to wait to save up the money. You also get a better interest rate than you would if you got a personal loan for the renovations.

When you apply for financing, you'll need to provide things like a detailed cost estimate for the renovations. For example, you can go to a hardware store and get an estimate of the cost of the materials. You need to have a down payment that covers at least 5% of the first \$500,000 of the total cost (purchase price + renovations) and 10% of amounts in excess of \$500,000. So in our

example above with a total cost of \$540,000, you would need a \$25,000 down payment on the purchase price and a \$4,000 down payment on the renovations, for a total down payment of \$29,000.



Advice

Here's a tip for paying off your mortgage faster.

Choose the weekly payment option and pay a little more each week. You'll save big in the long term and reduce the amortization period. Take a look at the following example:

\$200,000 loan with a \$50,000 down payment (25 years, 5-year term at 3.50% ¹)			
Payment method	Amount	Amortization	Cost of interest
Monthly	\$998.55/month	25 years	\$99,571.96
Standard weekly	\$229.39/week	25 years	\$99,094.76
Accelerated weekly (monthly divided by 4)	\$249.64/week	21.8 years	\$85,787.62

Based on the assumptions in this example, choosing the accelerated weekly payment option instead of monthly payments reduces the amortization by 3.2 years and saves you \$13,784.34.

Attractive options and coverage

Prepayment

This option allows you to make an early, penalty-free regular payment of up to 15% of your initial loan amount every year (or term, if the term is less than one year) in one or more instalments.



You can also increase your regular payments up to double the initial payment once per year (or once a term if the term is less than one year).

Solutions for front-end costs

Unless you've saved up enough to cover these costs, which you may have underestimated (e.g., land transfer tax, inspection fees, notary fees, etc.), find out about the solutions available to you. Your Desjardins advisor can help you weigh the options. But the best solution is still saving up before you buy.

First-Time Home Buyer's Tax Credit

Since 2018, residents of Quebec have been entitled to a non-refundable tax credit of \$750 on the purchase of their first home. This credit is on top of the \$626 offered by the federal government since 2009, for a total of \$1,376. Claim the benefits and credits you're eligible for when doing your taxes. Or better yet, hire a professional to do them for you so you don't forget anything. Make sure you tell your accountant that you've purchased a new home. They'll check to see if you qualify for the credit.

Loan insurance⁸

Many people think that if they already have salary insurance, they don't have to worry about protecting their loans. However, in most cases, salary insurance only covers two-thirds of your current income.

When you're deciding whether or not to get a loan insurance, you may consider your ability to make your mortgage payments if an accident or illness were to prevent you from working for a while. When you do the math, don't forget that in addition to paying for your house, your financial cushion also has to cover your other costs (groceries, clothes, taxes, electricity, children's education, other loans, etc.), plus any health-related expenses (medication, medical equipment and travel, etc.).

Depending on the type of financing you choose, loan insurance could help you stay afloat by offering 2 coverages:

- Life insurance will pay off the insured balance of your loan in the event of your death. That way, your loved ones won't get saddled with debt.
- Disability insurance lets you maintain your standard of living in the event of an accident or illness by helping you make your regular payments based on the insurance percentage you select.

It also provides access to the following support services: Psychological Assistance, Convalescence Assistance – Case Management and Legal Assistance.

Home insurance⁹

When it comes to getting home insurance, the choices aren't always clear. Desjardins offers made-to-measure coverage that fits your needs.

In addition to providing coverage against the most common types of claims, including fire, theft and vandalism, all-risk home insurance coverage from Desjardins also protects you against most sudden and accidental events that could damage your property and provides liability coverage if you unintentionally injure another person or damage their property.

Examples of covered events:

- A person breaks their leg after slipping on your snow-covered stairs.
- The fire in your fireplace spreads, causing damage to your property.

You can also tailor your insurance with optional coverage, such as coverage for your pool or hot tub, or fair value coverage for valuable items.

Municipal grants for homeownership

In order to attract families and new residents, some municipalities offer purchase credits, interest-free loans, transfer tax rebates, property tax credits and/or purchase incentives for energy-efficient houses.

Make sure to check with municipalities to see if you qualify for these programs and find out about the conditions they entail.



Deed of sale

Your purchase offer has been accepted, the property has passed inspection and you've obtained a mortgage. The last step is to sign the deed of sale at the notary's office.

Notaries take care of the legal aspects involved in transferring property titles and mortgage financing. They provide the mortgage deed (contract outlining the loan conditions) and the deeds of purchase and sale, which are drafted from the purchase offer and transfer the property title to the buyer. Notaries also perform title searches, examine documents published in the land register, review documents provided by the seller (tax receipts, location certificate, marriage contract or divorce papers) and ensure properties are free and clear of any encumbrances.

Make sure the notary receives all necessary documents from the seller, including mortgage deeds, tax receipts and the certificate of location. Review the adjustment statement that details the amount that has to be paid to the seller to conclude the sale. Your notary will pay the seller on your behalf with the funds you transfer to them. The funds include your down payment, taxes and other costs and the financing from Desjardins.

You also have to provide proof that an adequate amount of home insurance coverage is in force.

Home insurance must cover at least the amount of the financing and at most the replacement value of the building. If your loan is insured by CMHC or Sagen, the mortgage insurance amount must at least cover the building replacement cost.

The seller must guarantee that the property is free of any major defects that would make it unsuitable for its intended use.

Once all the documents have been verified and both parties have signed the deed of sale, you are officially a homeowner!

Ready to get started? Any questions?

Congratulations! You've reached the end of the Desjardins Homebuyers' Guide. If you want more information about our products, speak to a Desjardins advisor or visit desjardins.com/home.

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We can help you buy your first home. Get the lowdown on the key steps involved in buying a house or condo with a new tool in the Home section of AccèsD Web and mobile. You can also use it to find out how much you can realistically borrow and get preapproved for a mortgage in a just few steps—you'll get an answer quickly.



Monthly income and expenses calculation worksheet¹⁰

Gross monthly income			
Gross annual salary	\$45,000	\$ /m.	\$
Spouse's gross salary	+ \$40,000	+ \$ /m.	+ \$
Total gross income	= \$85,000	= \$ /m.	= \$
Gross monthly income	\$7,083.33.	\$ /m.	\$

Monthly housing costs			
Monthly mortgage payments	\$1,050	\$ /m.	\$
Estimated monthly municipal and school taxes	+ \$250	+ \$ /m.	+ \$
Estimated monthly heating and electricity costs	+ \$165	+ \$ /m.	+ \$
Total monthly expenses	\$1,465	\$ /m.	\$

GDS debt rate calculation: $\$1,465/\$7,083.33 = 20.7\%^{11}$

Other monthly expenses			
Car loan	350\$/m.	\$ /m.	\$ /m.
Home insurance	+ 100\$/m.	+ \$ /m.	+ \$ /m.
Student loan	+ 100\$/m.	+ \$ /m.	+ \$ /m.
Credit cards and lines of credit	+ 300\$/m.	+ \$ /m.	+ \$ /m.
Other	+ 0\$/m.	+ \$ /m.	+ \$ /m.
Total	850\$/m.	\$ /m.	\$ /m.

Total monthly housing costs and other expenses			
Monthly housing costs	1465\$/m.	\$ /m.	\$ /m.
Monthly expenses	+ 850\$/m.	+ \$ /m.	+ \$ /m.
Total monthly housing costs and other monthly expenses	2315\$/m.	\$ /m.	\$ /m.

TDS debt ratio calculation: $\$2,315/\$7,083.33 = 32.9\%$ of gross income¹²

Mortgage glossary

Amortization period

The number of years over which you've chosen to repay your loan. The maximum amortization is 25 years. The longer the amortization period, the lower your regular payments, but the more interest you pay.

Capital

The sum you borrow. It's the difference between the purchase price of your property and your down payment. Loan amount.

Closed mortgage

Loan that cannot be repaid in full before maturity without paying a penalty. Possibility of making accelerated payments of up to 15% of the initial mortgage loan amount without compensation and increasing regular payments by up to 100% without compensation. Examples are closed fixed-rate loans, yearly rate resetter loans, reduced variable rate loans and protected variable-rate loans.

Compensation

Amount required by the lender for partial or full repayment of a closed loan before maturity, over and above the prepayment limit.

Desjardins prime rate

Applicable interest rate for commercial loans, in Canadian dollars. Granted by Desjardins to its best clients.

Fixed rate

Interest rate that remains stable until the end of the term. It can apply to open or closed loans.

Interest

The cost of your loan, paid regularly for as long as funds are advanced by your caisse.

Interest rate

The cost of your loan, communicated in percentage, paid regularly, for as long as funds are advanced by your caisse.

Open mortgage

Flexible loan that can be repaid at any time, in full or in part, without compensation. Examples are open fixed-rate loans and regular variable-rate loans.

Prime rate

Annual interest rate periodically announced by the Bank of Canada as a reference point for determining applicable interest rates for commercial loans, in Canadian dollars. This rate, which is granted by financial institutions to their best clients, is offered to those with the highest credit ratings.

Protected variable rate

Interest rate that varies according to the prime rate. However, it can never exceed the maximum annual rate initially set.

Relevant organizations

Reduced variable rate

Interest rate that is lower than a fixed rate and that varies according to the Desjardins prime rate.

Regular payment

The amount you must regularly pay against your loan. Payments consist of a portion of your principal and a portion of the interest on your loan.

Regular variable rate

Interest rate that varies according to the Desjardins prime rate. No penalty in the event of repayment (total or partial) or increase in payments (unlimited).

Term

The period during which your interest rate and regular payment remain unchanged for a fixed-rate loan. For a variable-rate loan, the regular payments may remain unchanged, but the interest rate varies according to market fluctuations. This means that at the end of the term, a new term is negotiated with your financial institution.

Yearly resetter rate

1-year fixed rate, revised annually during the 5-year term, with a pre-established discount for each year.

Canadian Real Estate Association (CREA)

613-237-7111 | crea.ca

Québec Association of Building Inspectors (AIBQ)

514-352-2427 | aibq.qc.ca/en/

InterNACHI International Association of Certified Real Estate Inspectors of Quebec

514-867-1553

<https://internachiquebec.org/en/internachi/>

Association de la construction du Québec (ACQ)

1-888-868-3424 or 514-354-0609 | acq.org

(French only)

Association des professionnels de la construction et de l'habitation du Québec (APCHQ)

1-800-468-8160 or 514-353-9960 | apchq.com

(French only)

Insurance Bureau of Canada (IBC)

1-877-288-4321 or 514-288-4321 | bac-quebec.qc.ca/en/

Canadian Home Builders' Association (CHBA)

613-230-3060 | chba.ca

Sagen

1-877-470-4144 | sagen.ca

Government of Canada

bit.ly/2QiuLRv

Government of Quebec

<https://bit.ly/3EQuglJ>

First-Time Home Buyer Incentive

placetocallhome.ca/fthbi/first-time-homebuyer-incentive

Canada Mortgage and Housing Corporation (CMHC)

1-800-668-2642 | cmhc-schl.gc.ca

Transition énergétique Québec

1-866-266-0008 | transitionenergetique.gouv.qc.ca/en/

Guarantee Plan for new residential buildings

garantie.gouv.qc.ca/en

Garantie de construction résidentielle (GCR)

garantiegr.com/en/about-us (French only)

Future homeowner's checklist

1. Book movers or a moving truck (if you're moving yourself) as soon as possible.
2. Give notice to your currently landlord in a timely manner.
3. Clean up time! Sell anything you don't want to take to your new home or donate it to charity.
4. Start packing as soon as possible and mark your boxes clearly.
5. Confirm the details of your move with your movers.
6. Review the list of your possessions and valuables with your insurer.
7. Get photocopies of your medical, dental and school records if you're moving to a new neighbourhood.
8. Notify Canada Post, your loved ones and your service providers of your change of address.
9. Review any remaining details with your movers a few days before moving.
10. Give the keys to your landlord and check each room one last time.

Welcome home!

Notes

[illegible]

desjardins.com/home



SAGEN™ is the doing business as name of Genworth Financial Mortgage Insurance Company Canada.

At the time of publication, all of the information presented in this guide was accurate. Some restrictions apply. Product features may change without notice. Please check with your Desjardins advisor.

1. Notes apply to loans insured by CMHC or Sagen. The minimum down payment is 5% for 1- or 2-unit owner-occupied properties where the purchase price is under \$500,000. The minimum down payment for 1- or 2-unit owner-occupied properties where the purchase price is over \$500,000 is 5% for the first \$500,000 and 10% for the remainder. The minimum down payment for 3- and 4-unit properties is 10%.
2. Seasonal use properties and properties that are not accessible year round are not eligible for mortgage insurance (CMHC, Sagen).
3. A premium rebate of up to 25% may be granted if you take out a CMHC-insured loan to purchase an energy-efficient home.
4. Municipalities can also adopt bylaws to set higher rates on properties over \$500,000. In Montreal, a rate of 2% applies to the amount above \$532,300 and up to \$1,064,600, a rate of 2.5% applies to the amount above \$1,064,600 and up to \$2,059,000, a rate of 3.5% applies to the amount above \$2,059,000 and up to \$3,000,000 and a rate of 4% applies to the amount above \$3,000,000. The 1.5% rate is charged on the amount above \$266,200 and up to \$532,300. For other cities and municipalities, the brackets and rates may differ if they have adopted a similar bylaw. Excluding Montreal, rates cannot exceed 3%.
5. Percentage recommended by Desjardins.
6. The sample rates illustrated in these calculators do not reflect current rates. Online calculators are made available for information purposes and personal use only. They provide approximate results based on the information you enter. The estimate provided may change according to your financial and budget situation at the time of the loan and does not constitute a loan authorization.
7. This rate does not necessarily reflect promotions in effect and is given for illustration purposes only. The annual percentage rate (APR) is equal to the posted interest rate, assuming that there are no additional charges applicable to the loan. Should there be such charges, the APR could be different.
8. Product offered by Desjardins Insurance. Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.
9. Product offered by Desjardins Insurance. Desjardins Insurance and Desjardins Business Insurance refer to Desjardins General Insurance Inc.
10. Amounts in the first column of each table are hypothetical and for demonstration purposes only.
11. Since 20.7% is less than the maximum debt ratio of 32% of gross household income that should cover housing costs, this example complies with golden rule number 1.
12. Since 32.9% is less than the maximum debt ratio of 40% of gross household income that should cover debt servicing, this example complies with golden rule number 2.