



FREQUENTLY ASKED QUESTIONS

HOMEOWNERSHIP PROGRAM

WHEN APPLYING:

Do I have to be a first time home buyer?

- No, you do not have to be a first time home buyer; as long as you do not currently own any properties, you may apply to our program.

Who should apply for this program?

- This program is for County of Simcoe residents, who are currently renting, who are ready to purchase and maintain homeownership, but financially do not have enough funds to put towards a down payment.

Will I be required to make monthly payments towards this loan?

- No, there are never monthly payments paid towards this loan, but there are circumstances when you have to repay the loan, see Loan Discharge section below.

Will I be purchasing a County-owned home or getting any additional financial support from the County?

- No, the County does not have properties for sale under the Homeownership Program. Further, the County does not support closing costs or mortgage payments. This program provides up to 10% down payment assistance (up to a maximum of \$50,000) paid at closing to your lawyer in trust.

How often are maximum household income and maximum purchase price adjusted?

- Our fiscal year runs April 1st to March 31st; we usually make any changes effective April 1st for that year.

Can I combine this funding with the new Federal Homeownership program?

- No, these programs cannot be combined. To find out more information on the Federal Homeownership program visit <https://www.placetocallhome.ca/ffthbi/first-time-homebuyer-incentive>.

Can this be used to purchase an investment income property?

- No, the property must be the home you live in, and under program guidelines you are not allowed to own any other properties. You are allowed though, to rent out a room or have a secondary suite rental unit in your home.

Can I apply if I live with relatives?

- “Room & Board” and/or living with family does not qualify as a “Renter Household” unless you are staying in a separate rental unit within the home that can be rented out upon your departure.

Can I apply if I live outside the County of Simcoe?

- No, you must be a current resident of the County of Simcoe to apply. There is no time limit for how long you have lived in the County; you can apply as soon as you have a lease or rental agreement.

Are multiple borrowers or combined families allowed to apply?

- Yes, as long as all applicants live in the County of Simcoe, combined household income is within maximum income guideline, all applicants plan to live in the home as their principal residence and no applicants own any other properties.

I have my previous year’s Notice of Assessment, should I send it now or wait until July when it is required?

- Please send it now as it will save delays in having to submit it later when funding is available.

What Line from the Canada Revenue Agency Notice of Assessment is used to determine income?

- The County uses the combined total of Line 23600 (Net Income) of all household members to determine income.

Can I apply if I’m on Ontario Disability Support Program (ODSP) or other Social Assistance programs?

- Yes, although you need to be in a stable financial situation to support successful home ownership. Please talk to your financial institution, or a mortgage broker, to determine if you meet their lending qualifications.

My spouse won’t be going on title – are they still an applicant?

- Yes, your spouse is still an applicant and their income is still included in the application (even if their income is zero dollars). They are required to submit their Notice of Assessment, and upon home purchase they will also be required to sign a portion of our Loan Agreement.

What types of documents count as photo IDs?

- Any valid government issued ID, including Passport, Ontario Driver's License, Ontario Photo Card, Canadian Citizenship Card with Photo, Permanent Resident Card with Photo, Indian Status Card, Military ID. Please **do not** send a copy of your Ontario Health Card.

I'm Canadian, but cannot find my birth certificate; can I send something else?

- Yes, you can submit a copy of your passport or live birth record.

I'm not Canadian or I was not born in Canada; do I still need to submit my birth certificate?

- No, that is not necessary; please submit your Permanent Resident card, Citizenship card or Canadian Passport.

I don't want to ask my landlord for a letter. Can I submit something else?

- Yes, please submit a copy of your lease, along with a recent proof of payment receipt (an e-transfer or hand written receipt).

What happens when my mortgage pre-approval expires?

- We understand that most mortgage pre-approvals expire within 90 days, and we do not request another one when funding is offered. The mortgage pre-approval process is a good opportunity for you to determine if you are in a sound financial situation to enter into homeownership.

Does the mortgage pre-approval have to be for the program's maximum purchase price?

- No, the pre-approval should only be for a realistic amount of what you can be expected to purchase. We will not hold you to this amount when funding becomes available – we realize things can change during the time applicants are on our waitlist. You will not be required to ultimately get your mortgage from the company that gave you your pre-approval.

WHEN ON OUR WAIT LIST:

If I'm on a waiting list, when will funding become available?

- Usually one can expect to be offered funding between 6-12 months, but it can be a longer, or shorter, period of time. You are welcome to contact us periodically to check your status on our waitlist (email: iah@simcoe.ca).

How long am I given to find a home to purchase?

- Once funding is made available to you, you are given approximately 2 months to enter into an Agreement of Purchase and Sale. You do not have to close the purchase within the specified time; you are only required to have an accepted offer.

What happens if I can't find a home to purchase?

- You will automatically go back onto the bottom of our waitlist. You will be asked to reapply if you are unable to purchase a qualifying home after a second offer of funding.

Do I have to pay for a home inspection?

- Yes, a home inspection is a program requirement, and is paid for by the applicant.

Can I purchase a mobile home?

- Yes, but it cannot be on leased land; mobile homes in park communities would not qualify.

Can I purchase a new build? Can funding go towards required deposits?

- Yes, you can purchase a home under construction, but our funding can only be used towards the down payment at closing. You would be responsible for any deposits the builder requires. Please note you cannot have more than \$20,000 of your own funds to put towards the purchase.

Can I put any of my own funds toward the down payment?

- Yes, you are allowed up to \$20,000 of your own funding, including “gift” funding, to put towards the down payment in addition to our down payment assistance.

Can I have a co-signer or guarantor?

- Co-signers are not allowed on our program; guarantors are. The reason behind this is a guarantor doesn't have the same property rights as a co-signer since their name is only on the mortgage and not on the title of the property.

Can I apply any of the funding towards closing costs?

- No, program funds can only be applied to the down payment at closing.

Is the grant paid to me directly?

- No, funds are paid directly to the applicant's lawyer's trust account on closing.

How does the County of Simcoe register the down payment loan?

- The County's loan is registered on title in 2nd place behind the 1st mortgage you receive from a financial institution or private lender. 3rd mortgages or a Home Equity Line of Credit are not allowed under our program guidelines.

LOAN MAINTENANCE AND DISCHARGE:

What is a 20-year forgivable loan?

- If you live in the home for 20 years, and do not refinance for an amount exceeding your original mortgage, no repayment of our loan is required, and at that time our 2nd mortgage will be removed from title.

Under what circumstances would repayment be required?

- Death of all Borrowers;
- the Borrower becomes bankrupt, insolvent or is in mortgage default;
- sale of the property;
- the Borrower ceases to occupy the property as their sole and principal residence;
- refinancing above the original first mortgage amount;
- any representation, declaration or information provided to the County was proven false

While I participate in the program can I refinance my 1st mortgage?

- Yes, program guidelines allow you to refinance up to the original 1st mortgage amount for as long as our loan is on title. The process of registering a new 1st mortgage on title with the County's loan in place is called Postponement. The County's fee for postponing is \$528.35 (2023 fee).
- If the new first mortgage is to be a collateral mortgage, we will require evidence that the maximum funding available to you is not more than the existing first mortgage.
- If you are wanting to refinance for an amount greater than your original 1st mortgage amount then our loan will need to be discharged first.

My marital status is changing. Does the loan have to be paid back?

- No, separation and/or divorce does not automatically trigger loan repayment. As every situation is unique, please contact our office to discuss your situation.
- If you get married, and your new spouse is being added on title, that person will have to agree to take on the obligations under our Loan Agreement and the new mortgage.

Can I voluntarily repay the loan?

- Yes, at any time, and for any reason, you can pay the County back the loan based on our discharge calculation. If the loan is being repaid for any reason other than being sold, the County will commission an appraisal, at our own expense, to determine current market value for discharge purposes. (If a current professional appraisal exists, and a full copy of the report is shared with County staff, the County can use that appraisal to calculate discharge, therefore forgoing the need of a second appraisal.)

What is capital appreciation and how is it calculated?

- Program guidelines, established by the Ministry of Municipal Affairs and Housing, define capital appreciation as the sale price, or appraised price of the property, minus the original purchase price. Please note that renovations, realtor fees, taxes, etc. cannot be taken into account when determining capital appreciation.

How is the repayment discharge calculated?

- The discharge is a combination of 3 amounts:
 - the original loan amount you received
 - The percentage of the Capital Appreciation based on percentage of down payment assistance originally received
 - Legal fees to discharge our mortgage (2023 fee \$415.35)

Example (assumes 10% down payment assistance originally provided):

PURCHASE PRICE	SALE PRICE	GAIN/(LOSS)	ORIGINAL LOAN	CAPITAL APPRECIATION	REPAYMENT
\$205,000	\$180,000	(\$25,000)	\$20,500	\$(25,000)	\$0
\$205,000	\$200,000	(\$5,000)	\$20,500	\$(5,000)	\$15,500
\$205,000	\$225,000	\$25,000	\$20,500	\$2,500	\$23,000
\$205,000	\$320,000	\$115,000	\$20,500	\$11,500	\$32,000

I am thinking of repaying my loan and have questions, whom should I contact?

Please email iah@simcoe.ca or call 705-725-7215 x1119