

Wahta Mohawks Market Based Housing Policy and Procedures



**Wahta Mohawks
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wahtamohawks.ca



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1 Introduction

1.1 The Wahta Mohawks Market Based Housing Program is designed to:

- 1.1.1 Provide support for safe, affordable, and suitable housing to Wahta Mohawks Citizens on Wahta Mohawk Territory Land.
- 1.1.2 Provide capacity development support to Wahta Mohawks Citizens in homeownership maintenance responsibilities.
- 1.1.3 Provide support for loans (mortgages) in a form of a Wahta Mohawks guarantee to qualified Wahta Mohawks Citizens who wish to construct, purchase, renovate, or refinance a residential house on Wahta Mohawk Territory Lands.
- 1.1.4 Provide support for loans (mortgages) in a form of a Wahta Mohawks guarantee to qualified Wahta Mohawks Citizens or a Wahta Mohawks owned entity to construct or purchase housing unit(s) or Land for market rental purposes on Wahta Mohawk Territory Lands.

2 Purpose

2.1 This policy has been established to ensure a clear, fair and transparent process for Wahta Mohawk Citizens to build or rent a rent-to-own home on Wahta Mohawk Territory. The policy outlines the processes and requirements of the Citizen, Wahta Mohawks and the Lender. Further the policy establishes criteria required to participate in the market based housing process.



3 Scope

3.1 This policy is made under the authority of Mohawk Council Resolution #[insert#] effective as of [date] and takes the place of all previous and existing housing regulations and policies within the scope defined below in section

3.2 This policy is applicable to Wahta Mohawks Citizens who wish to build, purchase, or participate in a Rent-to-Own housing scheme on Wahta Mohawk Territory

4 Definitions

"**Accessory Structure**" means deck, boathouse, shed, garage, gazebo, flag pole, sleeping cabin or dock

"**Adequate Housing**" means a dwelling where a person has a security of tenure, a dwelling that is affordable, habitable, has services such as water and sanitation, is accessible and is culturally adequate.

"**Allocation**" means the process of selecting a tenant for a Wahta Mohawks Rental home of Housing Subsidy or Water and Sanitation subsidy

"**Applicant**" means a Citizen that makes application to the Wahta Mohawks Housing Committee for a Housing Subsidy, Housing Loan or Mortgage, Water and Sanitation Subsidy or any other form of financial assistance related to housing or housing construction on Wahta.

"**Arrears**" means Rent or other housing-related payments that are owed by a Tenant and have come due to the Wahta Mohawks or a financial institution and have not been received by the payment due date.

"**Authorized Occupant**" means a person who is permitted to reside in a Rental Home under the terms of a Tenancy Agreement but who is not a Tenant.

"**Certificate Independent Legal Advice**" and "**CILA**" means a document that attests that a person has received legal advice on a proposed contract, from an independent lawyer not associated with the other contracting party

"**Certified Independent Building Inspector**" means a building inspector who has documented certification from Ontario First Nation Technical Service Corporation or other Agency and who is qualified to inspect for compliance with the National Building Code and the Ontario Building Code.

"**Citizen**" means an individual whose name appears or is entitled to appear on the Wahta Mohawks Citizenship List.

"**Citizenship List**" means the list of persons who are Citizens of Wahta under terms of the *Wahta Mohawks Citizenship Code*.

"**CMHC**" means the Canada Mortgage and Housing Corporation

"**Council**" means the duly elected Chief and Council of the Wahta Mohawks.



"Gross Debt Service Ratio" means the percentage of the borrower's income that is needed to pay all required monthly housing costs (mortgage payments, property taxes, heat, insurance etc.)

"Home Lot" means an enclosed plot on which the owner's home stands sufficiently large enough to house a well and septic system

"Home" means a residential structure that is occupied by a person or persons situated on Wahta Mohawk Territory

"Housing Department" means the Wahta Mohawks department responsible for the administration of Wahta Mohawks housing programs.

"Housing Staff" means the Wahta Mohawks employee responsible for the day to day operations of Housing, and the delivery and administration of the Wahta Mohawks housing programs and services.

"Immediate Family" means: Spouse (including common-law) Father and Mother (natural, step or common-law), Child, Stepchild, Ward, Brother or Sister, Grandmother or Grandfather

"In-Camera Meeting" means a meeting held behind closed doors where only Committee members may be present. A Committee meeting may only go in camera when matters of a confidential nature are to be discussed. Minutes at an in-camera meeting are taken by a Committee member, and held separate from the regular minutes of the Committee.

"INAC" means Indigenous and Northern Affairs Canada, formerly Aboriginal Affairs and Northern Development Canada (AANDC).

"Lender" means a financial institution that has entered into a Credit Enhancement Agreement with the First Nations Market Housing Fund.

"Marital Agreement" means an agreement between two Married or Common Law persons that sets out the disposition of real property, namely the home lot (land that is a part of Wahta Mohawk Territory) and other marital assets, namely the home located on the home lot.

"Market Based Housing" means Home Ownership specific to affordability and suitability

"Mohawk Council Resolution" and **"MCR"** mean a resolution made by the Wahta Mohawk Council that has been duly passed.

"New Construction" means the construction of a new house on Wahta Mohawk Territory Lands

"NOS" means the Canadian National Occupancy Standards used to assess minimum bedroom requirements for a household based on Household Composition.

"Pledge" means enter into a Covenant with Wahta Mohawks where-by the Borrower signs a transfer for the home lot to Wahta Mohawks which Wahta Mohawks will hold in abeyance until the mortgage is discharged and the transfer will not be executed and will be returned to the Borrower OR the Borrower Defaults and the transfer will be executed and the home lot will be returned to Wahta Mohawks.



"Proof of Income" means documentation used to verify the annual income of a person and/or household and can include T-4's, Revenue Canada Notice of Assessment (T451), pay stubs or other such documented proof of income as required by the Housing Department or a financial institution.

"Purchase" means the acquisition of an existing Home on Wahta Mohawk Territory Lands by a Citizen as evidenced by a land transfer agreement and bill of sale for said house

"Refinance" means a process where a Citizen revises a payment schedule for repaying debt where the old loan is paid off and replaced with a new loan with different terms with the same or different lender to finance an existing home on Wahta Mohawk Territory Lands.

"Renovations" means the improvements of an existing home on Wahta Mohawk Territory Lands.

"Rent" means an amount of money paid, or required to be paid, by a Tenant to the Wahta Mohawks as described in a Tenancy Agreement in return for the right to occupy a Rental Home, but does not include a security deposit, Arrears, or other debts owed by the Tenant to the Wahta Mohawks in connection with the tenancy.

"Rental Agreement" means a written agreement made between the Wahta Mohawks and a Tenant under this Housing Policy that confers on the Tenant a right to occupy a Rental Home in exchange for the payment of Rent to the Wahta Mohawks, and includes any renewal of a Rental Agreement.

"Rental Home" means a Wahta Mohawks House that is owned by the Wahta Mohawks and that is occupied by a Tenant under the terms of a Tenancy Agreement.

"Rent-to-Own Agreement" means a written agreement made between the Wahta Mohawks and a Tenant under this Housing Policy, that confers on the Tenant a right to occupy a Rent-To-Own Home and the option to purchase the home and the lands on which the home is situated in exchange for the payment of Rent to the Wahta Mohawks for a fixed period, and includes any renewal of a Rent-to-Own Agreement.

"Rent-to-Own Home" means a house owned by the Wahta Mohawks which the Wahta Mohawks makes available to Members for use and occupation through a Rent-to-Own Agreement.

"Rent-to-Own Housing Policy" means the Wahta Mohawks Rent and Rent-to-Own Policy and Procedures

"Spouse" means either of two persons who are married to each other or who have lived with each other in a marriage-like relationship for a period of at least one year.

"Tenancy Agreement" means either a Rental Agreement or a Rent-to-Own Agreement between the tenant and Wahta Mohawks.

"Tenant" means a person who has entered into a Tenancy Agreement and pays Rent or who is required to pay Rent to the Wahta Mohawks in return for the right to use and occupy a Rental or Rent-to-Own Home.

"Total Debt Service Ratio" means the percentage of gross annual income required to cover payments associated with housing and all other debts and obligations, such as car loans and credit cards



"Wahta Mohawk Territory Lands" means land that Canada has set aside for the use and benefit of the Wahta Mohawks

"Wahta Mohawks House" means a house that is owned by the Wahta Mohawks and that is occupied by a Tenant under the terms of a Tenancy Agreement and includes the lands on which the house is situated.

5 Program Overview

5.1 Below is an overview of the how the program would work for Construction of a new home

- 5.1.1 An eligible borrower that has obtained mortgage approval from a lender will be required to meet the loan and program terms and conditions herein to obtain the funds required to build, purchase, renovate, or refinancing a home on Wahta Mohawk Territory Lands for residential or rental purposes.
- 5.1.2 Wahta Mohawks will provide a guarantee to the lender for the amortization period of the mortgage.
- 5.1.3 Wahta Mohawks will firstly confirm that the Borrower has lawful possession of the home lot in the form of a valid certificate of possession. Wahta Mohawks will require the Borrower to enter into a Covenant with Wahta Mohawks where-by the Borrower signs a transfer for the home lot to Wahta Mohawks which Wahta Mohawks will hold in abeyance until the mortgage is discharged; the transfer will not be executed and will be returned to the Borrower OR the Borrower Defaults and the transfer will be executed and the home lot will be returned to Wahta Mohawks. Wahta Mohawks will only hold possession of home lot solely as collateral for mortgage debt purpose. The eligible borrower may lose his/her equity contribution to the home upon re-sale (similar to foreclosure) of the home. Nonetheless, Wahta Mohawks will make all efforts to recognize the eligible borrowers' equity position by way of but not limited to home inspection/evaluation.
- 5.1.4 An eligible borrower must be a Wahta Mohawks Citizen. Co-applicant spouse may or may not be a Wahta Mohawks Citizen. If the co-applicant spouse is not a Citizen, then the co-applicant non-Citizen will require a Certificate of Independent Legal Advice and a Marital Agreement and provide said to Wahta Mohawks and the Lender.
- 5.1.5 An eligible borrower that has obtained a mortgage approval from lenders will be required to meet the loan and program terms and conditions herein to obtain the funds required to build, purchase, renovate, or refinancing a home on Wahta Mohawk Territory Lands for residential purposes. Wahta Mohawks will provide a guarantee to the lender for the amortization period of the mortgage.

6 Borrower Responsibilities

6.1 Any planning or construction costs which are incurred by the applicant prior to all executed security documentation for all types of Mortgages in this policy will be the responsibility of the applicant. If the applicants Mortgage request is not approved and/or the



applicant has not met the program criteria, any costs incurred by the applicant will be the responsibility of the applicant.

7 New Construction

7.1 Program Details and Criteria

- 7.1.1 Maximum Loan is \$250,000.00.
- 7.1.2 Maximum Amortization is 25 years
- 7.1.3 Down Payment of 5.00% cash equity is required
- 7.1.4 Wahta Mohawks Housing Subsidy may be applied and approved subject to availability and funding.
- 7.1.5 Sanitation and Water Subsidy may be applied and approved subject to availability and funding.
- 7.1.6 Life Insurance for the eligible borrower and their spouse is mandatory with loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 7.1.7 Home Insurance is mandatory, loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 7.1.8 CMHC Mortgage Insurance is mandatory if borrower cash equity contribution is under ten per cent (10%) of project or if required by the Lender(s).
- 7.1.9 Builders Risk Insurance is mandatory, if renovations require a General Contractor and the General contractor is not insured.
- 7.1.10 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 7.1.11 If the co-applicant is a non-Citizen spouse, an CILA is required, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital breakdown.
- 7.1.12 Gross Debt Service Ratio shall not to exceed thirty-two per cent (32%), according to mortgage underwriting criteria
- 7.1.13 Total Debt Service Ratio shall not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 7.1.14 Debts owed to Wahta Mohawks (as outlined in the Wahta Mohawks Financial Policy) must be paid in full prior to Wahta Mohawks guaranteeing a home loan for the applicant.
- 7.1.15 A hold back on construction of ten per cent (10%) of the mortgage amount is held back by lender unit final inspection report is provided showing the project is one hundred per cent (100%) complete.



7.2 Process Details

7.2.1 Pre-Qualification

- 7.2.1.1 Wahta Mohawks Citizen requests the application/orientation package from the Wahta Mohawks Housing Department.
- 7.2.1.2 The Citizen, now referred as the applicant submits completed application to the Wahta Mohawks Housing Department.
- 7.2.1.3 Wahta Mohawks Housing Department requests Wahta Mohawks Finance Department conduct an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy.
- 7.2.1.4 Wahta Mohawks Housing Department reviews submission of applicant documents and confirms the applicant submits the following
 - 7.2.1.4.1 Wahta Mohawks Market Housing Application forms to be fully completed
 - 7.2.1.4.2 Photo identification
 - 7.2.1.4.3 Proof of Wahta Mohawks Citizenship
 - 7.2.1.4.4 Evidence of equity contribution
 - 7.2.1.4.5 Non-Citizen (if applicable) require a Marital Agreement supported by Certificate of Independent Legal Advice
 - 7.2.1.4.6 Mortgage Life Insurance application (if available at time of application)
 - 7.2.1.4.7 Confirmation of Home Lot ownership and lawful possession.
- 7.2.1.5 Wahta Mohawks Housing Department will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant.
- 7.2.1.6 Upon meeting the initial criteria (items 7.2.1.4.1 to 7.2.1.4.7) as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

7.2.2 Pre-approval of Home Loan

- 7.2.2.1 Applicant makes application to the lender
- 7.2.2.2 Lender completes assessment, should there be any further submission requirements by the Lender, Wahta Mohawks Housing Department (at request of the applicant) will assist the applicant.
- 7.2.2.3 Lender advises applicant of amount they qualify to borrow and any terms and conditions they must meet. (e.g. submission of construction documents) within a specified period of time (usually 90 days).
- 7.2.2.4 Lender provides pre-approval loan documents to the applicant. Applicant and/or lender will provide copies to Wahta Mohawks Housing Department. This will allow further process to proceed.



7.2.3 General Contractor Selection

- 7.2.3.1 The applicant obtains four sets of drawings with the intention that the drawings are provided to Wahta Mohawks Housing Department, Building Contractor, Lender, and Building Inspector.
- 7.2.3.2 Applicant ensures that the Building Inspector provides approval of plan review to Wahta Mohawks Housing Department. This review must ensure that they meet at minimum the National Building Code.
- 7.2.3.3 Applicant is responsible to ensure contractors are reputable, qualified, has insurance and references. Contractors must meet building standards of all applicable regulatory bodies. Contractors must be in good standing with WSIB Ontario. Contractors must be willing to enter into fixed price contracts and must be capable of meeting construction costs prior to qualified loan advances. Loan advances prior to construction are prohibited. Applicant provides proof of all of the above to Wahta Mohawks and Lender.
- 7.2.3.4 Applicant ensures that contractor costs include installation of all utility services plus road access. These costs must be included in the final quote.
- 7.2.3.5 Applicant submits final quote, budget and contract to Wahta Mohawks and the Lender. At the discretion of Wahta Mohawks Housing Department, review of the contract will be done and reported back to the Applicant to confirm it meets budget requirements. Total project costs including permit and mortgage loan insurance fees less equity contribution must be equal to or less than the maximum loan amount of \$250,000.



7.2.4 Approval of Loan and Execution of Documents

7.2.4.1 Applicant requests Wahta Mohawks to request INAC Parcel Abstract Report to confirm lawful possession of home lot. Wahta Mohawks confirms receipt of report and advises back to the applicant Wahta Mohawks satisfaction that there are no liens, appeals, or interests in applicant's home lot.

7.2.5 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.

7.2.5.1 Applicants enter into agreement with Wahta Mohawks Lands Department. Agreement term will be not less than the amortization of the home loan, and will identify default clauses.

7.2.5.2 Lender reviews construction documents and pricing information and advises Wahta Mohawks of loan amount to be approved.

7.2.5.3 Upon completion of all of the above, Wahta Mohawks Housing Department will request Wahta Mohawks Chief and Council to execute a Mohawk Council Resolution for loan guarantee and will be provided to the lender.

7.2.5.4 Lender (if required) applies and obtains CMHC Mortgage Insurance.

7.2.5.5 Lender applies to the FNMHF and obtains the Credit Enhancement Certificate.

7.2.5.6 Lender confirms to the applicant and Wahta Mohawks Housing Department if the loan has been approved and the FNMHF Credit Enhancement has been executed and received.

7.2.5.7 Lender confirms to Wahta Mohawks Housing Department that applicant has met all applicable insurance requirements (life, home, and construction). Lender or applicant provides copies to Wahta Mohawks Housing Department.

7.2.5.8 Lender provides loan documents to Applicant for execution. Copies of executed loan agreement are provided to Wahta Mohawks Housing Department by the Lender.

7.2.5.9 Lender provides Guarantee document to Wahta Mohawks Housing Department. Wahta Mohawks Housing Department arranges for execution by Wahta Mohawks Chief and Council and provides copy to Lender.

7.2.5.10 Lender and Wahta Mohawks Housing Department confirm to applicant that all security documentation is in order.



7.3 Construction and Loan Advances

- 7.3.1 Applicant and contractor commence construction.
- 7.3.2 Wahta Mohawks Housing Department will have authorization for any site visits throughout construction.
- 7.3.3 Lender is to ensure that applicants equity is applied to construction costs prior to Wahta Mohawks Housing Subsidy and/or loan disbursements.
- 7.3.4 Applicant is responsible for ensuring the timely completion of progress and compliance inspections. The maximum number of progress advances is four.
- 7.3.5 Inspection Report and photographs of housing project are to be submitted to the lender and Wahta Mohawks Housing Department prior to each advance.
- 7.3.6 Applicant submits photographs of well and septic inspections to Wahta Mohawks Housing Department.
- 7.3.7 Upon each inspection and confirmation by Wahta Mohawks Housing Department, lender proceeds with disbursements. Holdback of 10% until confirmation that project is 100% complete along with confirmation that sub-contractors have been paid will be required and enforced by the lender. Project is verified complete by way of issuance of final inspection report by the Building Inspector, a copy of which is to be forwarded to Wahta Mohawks Housing Department.
- 7.3.8 Applicant is responsible to ensure that interest payments if applicable are made to the lender throughout construction period. Upon 100% completion of construction, applicant and lender sets interest adjustment date, and applicant is advised of when blended payments are to commence.
- 7.3.9 Wahta Mohawks Housing Department must issue a letter confirming project completion prior to Applicant moving into home.

8 Purchase - With or Without Renovations

8.1 Program Details

- 8.1.1 Maximum Loan is \$250,000.00.
- 8.1.2 Maximum Amortization is 25 years
- 8.1.3 Down Payment of 5.00% cash equity is required
- 8.1.4 Wahta Mohawks Housing Subsidy may be applied and approved subject to availability and funding.
- 8.1.5 Sanitation and Water Subsidy may be applied and approved subject to availability and funding.
- 8.1.6 Life Insurance for the eligible borrower and their spouse is mandatory with loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 8.1.7 Home Insurance is mandatory, loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 8.1.8 CMHC Mortgage Insurance is mandatory if borrower cash equity contribution is under ten per cent (10%) of project or if required by the Lender(s).
- 8.1.9 A Sales Agreement between Seller and Purchaser must be submitted to Wahta Mohawks Housing Department. A Qualified Inspection report, outlining but



not limited to condition of home, deficiencies, and remaining life of home is required.

- 8.1.10 The eligible Borrower will enter into a Covenant with Wahta Mohawks whereby the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 8.1.11 If the co-applicant is a non-Citizen spouse, an CILA is required, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital breakdown.
- 8.1.12 Gross Debt Service Ratio shall not to exceed thirty-two per cent (32%), according to mortgage underwriting criteria
- 8.1.13 Total Debt Service Ratio shall not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 8.1.14 Debts owed to Wahta Mohawks (as outlined in the Wahta Mohawks Financial Policy) must be paid in full prior to Wahta Mohawks guaranteeing a home loan for the applicant.
- 8.1.15 Wahta Housing Department will determine if qualified trades and/or General Contractor are a requirement for renovation project.
- 8.1.16 A hold back on construction of ten per cent (10%) of the mortgage amount is held back by lender unit final inspection report is provided showing the project is one hundred per cent (100%) complete.

8.2 Process Details

8.2.1 Pre-Qualification

- 8.2.1.1.1 Wahta Mohawks Citizen requests the application/orientation package from the Wahta Mohawks Housing Department.
- 8.2.1.1.2 The Citizen, now referred as the applicant submits completed application to the Wahta Mohawks Housing Department. Wahta Mohawks Housing Department requests Wahta Mohawks Finance Department conduct an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy. Wahta Mohawks Housing Department reviews submission of applicant documents and confirms the applicant submits the following
 - 8.2.1.1.3 Wahta Mohawks Market Housing Application forms to be fully completed
 - 8.2.1.1.4 Photo identification
 - 8.2.1.1.5 Proof of Wahta Mohawks Citizenship
 - 8.2.1.1.6 Evidence of equity contribution
 - 8.2.1.1.7 Non-Citizen (if applicable) require a Marital Agreement supported by a Certificate of Independent Legal Advice



- 8.2.1.1.8 Mortgage Life Insurance application (if available at time of application)
- 8.2.1.1.9 Confirmation of Home Lot ownership and lawful possession.
- 8.2.1.2 Wahta Mohawks Housing Department will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant. Upon meeting initial criteria as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

8.1 Pre-approval of Home Loan

- 8.1.1 Applicant makes application to the lender.
- 8.1.2 Lender completes assessment, should there be any further submission requirements by the Lender, Wahta Mohawks Housing Department (at request of the applicant) will assist the applicant.
- 8.1.3 Lender advises applicant of amount they qualify to borrow and any terms and conditions they must meet. (e.g. submission of construction documents) within a specified period of time (usually 90 days).
- 8.1.4 Lender provides pre-approval loan documents to the applicant. Applicant and/or lender will provide copies to Wahta Mohawks Housing Department.

8.2 General Contractor Selection

- 8.2.1 The applicant obtains four sets of drawings with the intention that the drawings are provided to Wahta Mohawks Housing Department, Building Contractor, Lender, and Building Inspector.
- 8.2.2 Applicant ensures that the Building Inspector provides approval of plan review to Wahta Mohawks Housing Department. This review must ensure that they meet at minimum the National Building Code.
- 8.2.3 Applicant is responsible to ensure contractors are reputable, qualified, has insurance and references. Contractors must meet building standards of all applicable regulatory bodies. Contractors must be in good standing with WSIB Ontario. Contractors must be willing to enter into fixed price contracts and must be capable of meeting construction costs prior to qualified loan advances. Loan advances prior to construction are prohibited. Applicant provides proof of all of the above to Wahta Mohawks and Lender. Applicant ensures that contractor costs include installation of all utility services plus road access. These costs must be included in the final quote.
- 8.2.4 Applicant submits final quote, budget and contract to Wahta Mohawks and the Lender. At the discretion of Wahta Mohawks Housing Department, review of the contract will be done and reported back to the Applicant to confirm it meets budget requirements. Total project costs



including permit and mortgage loan insurance fees less equity contribution must be equal to or less than the maximum loan amount of \$250,000.

8.3 Approval of Loan and Execution of Documents

- 8.3.1 Applicant requests Wahta Mohawks to request INAC Parcel Abstract Report to confirm lawful possession of home lot. Wahta Mohawks confirms receipt of report and advises back to the applicant Wahta Mohawks satisfaction that there are no liens, appeals, or interests in applicant's home lot.
- 8.3.2 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 8.3.3 Applicants enter into agreement with Wahta Mohawks Lands Department. Agreement term will be not less than the amortization of the home loan, and will identify default clauses.
- 8.3.4 Lender reviews construction documents and pricing information and advises Wahta Mohawks of loan amount to be approved.
- 8.3.5 Upon completion of all of the above, Wahta Mohawks Housing Department will request Wahta Mohawks Chief and Council to execute a Mohawk Council Resolution for loan guarantee and will be provided to the lender.
- 8.3.6 Lender (if required) applies and obtains CMHC Mortgage Insurance.
- 8.3.7 Lender applies to the FNMHF and obtains the Credit Enhancement Certificate.
- 8.3.8 Lender confirms to the applicant and Wahta Mohawks Housing Department if the loan has been approved and the FNMHF Credit Enhancement has been executed and received.
- 8.3.9 Lender confirms to Wahta Mohawks Housing Department that applicant has met all applicable insurance requirements (life, home, and construction). Lender or applicant provides copies to Wahta Mohawks Housing Department.
- 8.3.10 Lender provides loan documents to Applicant for execution. Copies of executed loan agreement are provided to Wahta Mohawks Housing Department by the Lender.
- 8.3.11 Lender provides Guarantee document to Wahta Mohawks Housing Department. Wahta Mohawks Housing Department arranges for execution by Wahta Mohawks Chief and Council and provides copy to Lender.



- 8.3.12 Lender and Wahta Mohawks Housing Department confirm to applicant that all security documentation is in order.

8.4 Construction and Loan Advances

- 8.4.1 Purchase proceeds will be the first disbursement. Lender will ensure that the applicants cash equity contribution is paid directly to the Seller, and then the lender will disburse the balance of the purchase price directly to the Seller. If project includes renovations, disbursement draws will be made by the lender according to direction of the Wahta Mohawks Housing Department.
- 8.4.2 Applicant and contractor commence construction.
- 8.4.3 Wahta Mohawks Housing Department will have authorization for any site visits throughout construction.
- 8.4.4 Lender is to ensure that applicants equity is applied to construction costs prior to Wahta Mohawks Housing Subsidy and/or loan disbursements.
- 8.4.5 Applicant is responsible for ensuring the timely completion of progress and compliance inspections. The maximum number of progress advances is four. Inspection Report and photographs of housing project are to be submitted to the lender and Wahta Mohawks Housing Department prior to each advance.
- 8.4.6 Applicant submits photographs of well and septic inspections to Wahta Mohawks Housing Department.
- 8.4.7 Upon each inspection and confirmation by Wahta Mohawks Housing Department, lender proceeds with disbursements. Holdback of ten per cent (10%) until confirmation that project is 100% complete along with confirmation that sub-contractors have been paid will be required and enforced by the lender. Project is verified complete by way of issuance of final inspection report by the Building Inspector, a copy of which is to be forwarded to Wahta Mohawks Housing Department.
- 8.4.8 Applicant is responsible to ensure that interest payments if applicable are made to the lender throughout construction period. Upon one hundred per cent (100%) completion of construction, applicant and lender sets interest adjustment date, and applicant is advised of when blended payments are to commence.
- 8.4.9 Wahta Mohawks Housing Department must issue a letter confirming project completion prior to Applicant moving into home.

9 Renovations

9.1. Program Details

- 9.1.1 Minimum Mortgage is \$25,000.00
- 9.1.2 Maximum Mortgage is \$100,000.00
- 9.1.3 Amortization is as follows



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- 9.1.3.1 \$25,001 - \$50,000 – 10 years
- 9.1.3.2 \$50,001 – \$75,000 – 15 years
- 9.1.3.3 More than \$75,001 – 25 years
- 9.1.4 Down Payment of five per cent (5%) cash equity is not required unless there is less than 10% equity home value, based on replacement value of home, or any other assessment deemed satisfactory by Wahta Mohawks Housing Department.
- 9.1.5 Above fee is payable by the Applicant (Borrower)
- 9.1.6 Life Insurance is mandatory, assigned firstly to Lender, assigned secondly to Wahta Mohawks.
- 9.1.7 Home Insurance is Mandatory, loss payable firstly to Lender, loss payable secondly to Wahta Mohawks.
- 9.1.8 CMHC Mortgage Insurance is mandatory by Wahta Mohawks if borrower loan to home value equity is under thirty per cent (30%) or if required by the Lender(s).
- 9.1.9 Wahta Mohawks will firstly confirm that the Borrower has lawful possession of the home lot in the form of a valid certificate of possession. The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 9.1.10 Wahta Mohawks will only hold possession of home lot solely as collateral for mortgage debt purpose.
- 9.1.11 Certificate of Independent Legal Advice is required of the co-applicant is a non-Citizen spouse, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital break down.
- 9.1.12 Gross Debt Ratio is not to exceed thirty-two per cent (32%), according to mortgage underwriting criteria
- 9.1.13 Total Debt Service Ratios not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 9.1.14 Any debt owed to Wahta Mohawks (as outlined in the Wahta Mohawks Financial Policy) must be paid in full prior to Wahta Mohawks guaranteeing a home loan for the applicant.
- 9.1.15 Wahta Mohawks Housing Department will determine if qualified trades and/or General Contractor are a requirement for the renovation project.
- 9.1.16 A hold back on construction of ten per cent (10%) is held back by lender unit final inspection report is provided showing one hundred per cent (100%) complete.



9.2 Process Details

9.2.1. Pre-Qualification

- 9.2.1.1 Wahta Mohawks Member requests the application/orientation package from Wahta Mohawks Housing Department.
- 9.2.1.2 Member (now referred as the applicant) submits completed application to the Wahta Mohawks Housing Department.
- 9.2.1.3 Wahta Mohawks Housing Department requests to Wahta Mohawks Finance Department conducts an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy.
- 9.2.1.4 Wahta Mohawks Housing Department reviews submission of applicants' documents. Wahta Mohawks Housing Department will confirm that the applicant submits the following documents.
- 9.2.1.5 Wahta Mohawks Market Housing Application forms to be fully completed
 - 9.2.1.5.1 Photo identification
 - 9.2.1.5.2 Proof of Wahta Mohawks membership
 - 9.2.1.5.3 Evidence of equity home value
 - 9.2.1.5.4 Renovation plan/budget
 - 9.2.1.5.5 Non-Citizen (if applicable) require a Marital Agreement supported by Certificate of Independent Legal Advice
- 9.2.1.6 Life Insurance application (if available at time of application)
- 9.2.1.7 Wahta Mohawks Housing Department requests to Wahta Mohawks Lands Department will confirm lot ownership and lawful possession.
- 9.2.1.8 Wahta Mohawks Housing will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant.
- 9.2.1.9 Upon meeting the initial criteria as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

9.3 Pre-approval of Home Loan

- 9.3.1 Applicant makes application to the lender
- 9.3.2 Lender completes assessment, should there be any further submission requirements by the lender, Wahta Mohawks Housing Department (at request of the applicant) will assist the applicant.
- 9.3.3 Lender advises applicant of amount they qualify to borrow and any terms and conditions they must meet. (i.e. submission of construction documents) within a specified period of time (usually 90 days).



- 9.3.4 Lender provides pre-approval loan documents to the applicant. Applicant and/or lender will provide copies to Wahta Mohawks Housing Department. This will allow further process to proceed.

9.4 General Contractor Selection (if deemed a requirement by Wahta Mohawks Housing Department)

- 9.4.1 By review and approval of Wahta Mohawks Housing Department, applicant will be advised how renovation project needs to be constructed (by way of general contractor, certified journeyman, or by applicant).
- 9.4.2 Applicant to submit six sets of drawings, one for Wahta Mohawks Housing Department and one to be forwarded to the lender. As a minimum, engineered plans will only be accepted.
- 9.4.3 Plans from local hardware stores may also be acceptable, provided they are engineered stamped.
- 9.4.4 Wahta Mohawks Housing Department reviews plans to ensure they meet, at minimum, the current versions of the national code. Any change orders and/or modifications must meet the minimum building codes. Construction project will follow Wahta Mohawks building codes and compliance.
- 9.4.5 Applicant applies for housing construction permit. Copies of permit are to be forwarded to Wahta Mohawks Housing Department and the Lender.
- 9.4.6 Applicant is responsible to ensure contractors are reputable, qualified, has insurance and must provide references. Contractors must meet Wahta Mohawks building standards. Contractors must be in good standing with Workers Compensation Health and Safety Board. Contractors must be willing to enter into fixed price contracts and must be capable of meeting construction costs prior to qualified loan advances. Loan advances prior to construction are prohibited. Applicant provides proof of all of the above to Wahta Mohawks Housing Department and lender.
- 9.4.7 Applicant ensures that contractor costs include installation of all utility services plus road access. These costs must be included in the final quote. This will be reviewed by Wahta Mohawks Housing Department on a case by case basis.
- 9.4.8 Applicant submits final quote, budget and contract to Wahta Mohawks Housing Department and the Lender. At the discretion of Wahta Mohawks Housing Department, review of the contract will be done and reported back to the applicant to confirm it meets budget requirements. Total project costs less equity contribution must be equal to or less than the maximum loan amount of \$100,000.

9.5 Approval of Loan and Execution of Documents

- 9.5.1 Applicant requests Wahta Mohawks to request INAC Parcel Abstract Report to confirm lawful possession of home lot. Wahta Mohawks confirms receipt of report and advises back to the applicant Wahta



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Mohawks satisfaction that there are no liens, appeals, or interests in applicant's home lot.

- 9.5.2 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 9.5.3 Applicants enter into agreement with Wahta Mohawks Lands Department. Agreement term will be not less than the amortization of the home loan, and will identify default clauses.
- 9.5.4 Lender reviews construction documents and pricing information and advises Wahta Mohawks of loan amount to be approved.
- 9.5.5 Upon completion of all of the above, Wahta Mohawks Housing Department will request Wahta Mohawks Chief and Council to execute a Mohawk Council Resolution for loan guarantee and will be provided to the lender.
- 9.5.6 Lender (if required) applies and obtains CMHC Mortgage Insurance.
- 9.5.7 Lender applies to the FNMHF and obtains the Credit Enhancement Certificate.
- 9.5.8 Lender confirms to the applicant and Wahta Mohawks Housing Department if the loan has been approved and the FNMHF Credit Enhancement has been executed and received.
- 9.5.9 Lender confirms to Wahta Mohawks Housing Department that applicant has met all applicable insurance requirements (life, home, and construction). Lender or applicant provides copies to Wahta Mohawks Housing Department.
- 9.5.10 Lender provides loan documents to Applicant for execution. Copies of executed loan agreement are provided to Wahta Mohawks Housing Department by the Lender.
- 9.5.11 Lender provides Guarantee document to Wahta Mohawks Housing Department. Wahta Mohawks Housing Department arranges for execution by Wahta Mohawks Chief and Council and provides copy to Lender.
- 9.5.12 Lender and Wahta Mohawks Housing Department confirm to applicant that all security documentation is in order.

9.6 Construction and Loan Advance

- 9.6.1 Applicant and contractor commence construction.
- 9.6.2 Wahta Mohawks Housing Department will have authorization for any site visits throughout construction.



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- 9.6.3 Lender is to ensure that applicants equity is applied to construction costs prior to Wahta Mohawks Housing Subsidy and/or loan disbursements.
- 9.6.4 Applicant is responsible for ensuring the timely completion of progress and compliance inspections. The maximum number of progress advances is four. Inspection Report and photographs of housing project are to be submitted to the lender and Wahta Mohawks Housing Department prior to each advance.
- 9.6.5 Applicant submits photographs of well and septic inspections to Wahta Mohawks Housing Department.
- 9.6.6 Upon each inspection and confirmation by Wahta Mohawks Housing Department, lender proceeds with disbursements. Holdback of 10% until confirmation that project is 100% complete along with confirmation that sub-contractors have been paid will be required and enforced by the lender. Project is verified complete by way of issuance of final inspection report by the Building Inspector, a copy of which is to be forwarded to Wahta Mohawks Housing Department.
- 9.6.7 Applicant is responsible to ensure that interest payments if applicable are made to the lender throughout construction period. Upon 100% completion of construction, applicant and lender sets interest adjustment date, and applicant is advised of when blended payments are to commence.
- 9.6.8 Wahta Mohawks Housing Department must issue a letter confirming project completion prior to Applicant moving into home.

10. Refinance

10.1 Program Details

- 10.1.1 Minimum Mortgage is \$25,000.00
- 10.1.2 Maximum Mortgage is \$250,000.00
- 10.1.3 Amortization is as follows
 - 10.1.3.1 \$25,001 - \$50,000 – 10 years
 - 10.1.3.2 \$50,001 – \$75,000 – 15 years
 - 10.1.3.3 More than \$75,001 – 25 years
- 10.1.4 Down Payment of five per cent (5.00%) cash equity is payable by the Applicant.
- 10.1.5 Life Insurance is mandatory, assigned firstly to Lender, assigned secondly to Wahta Mohawks. The mortgage life insurance must be sufficient to cover the outstanding balance of the mortgage.
- 10.1.6 Home Insurance is mandatory, loss payable firstly to Lender, loss payable secondly to Wahta Mohawks.
- 10.1.7 Builders Risk Insurances is mandatory, if there is not an insured General Contractor
- 10.1.8 CMHC Mortgage Insurance is mandatory by Wahta Mohawks if borrower loan to home value equity is under thirty per cent (30%) or if required by the Lender(s).
- 10.1.9 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the



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mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.

- 10.1.10 If co-applicant is a non-Citizen member spouse, an CILA confirmation is required, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital break down.
- 10.1.11 Gross Debt Service Ratio shall not to exceed thirty-two per cent (32%), according to mortgage underwriting criteria
- 10.1.12 Total Debt Service Ratio shall not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 10.1.13 Debts owed to Wahta Mohawks (as outlined in the Wahta Mohawks Financial Policy) must be paid in full prior to Wahta Mohawks guaranteeing a home loan for the applicant.
- 10.1.14 Hold back on construction ten per cent (10%) is held back by lender unit final inspection report is provided showing one hundred per cent (100%) complete.

10.2. Process Details

10.2.1. Pre-Qualification

- 10.2.1.1 Wahta Mohawks Member requests the application/orientation package from Wahta Mohawks Housing Department.
- 10.2.1.2 Member (now referred as the applicant) submits completed application to the Wahta Mohawks Housing Department.
- 10.2.1.3 Wahta Mohawks Housing Department requests to Wahta Mohawks Finance Department conducts an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy.
- 10.2.1.4 Wahta Mohawks Housing Department reviews submission of applicants' documents. Wahta Mohawks Housing Department will confirm that the applicant submits the following documents.
 - 10.2.1.4.1 Wahta Mohawks Market Housing Application forms to be fully completed
 - 10.2.1.4.2 Photo identification
 - 10.2.1.4.3 Proof of Wahta Mohawks membership
 - 10.2.1.4.4 Evidence of equity home value
 - 10.2.1.4.5 Renovation plan/budget
 - 10.2.1.4.6 Non-Citizen (if applicable) require a Marital Agreement supported by Certificate of Independent Legal Advice
 - 10.2.1.4.7 Life Insurance application (if available at time of application)



- 10.2.2 Wahta Mohawks Housing Department requests to Wahta Mohawks Lands Department will confirm lot ownership and lawful possession.
- 10.2.3 Wahta Mohawks Housing will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant.
- 10.2.4 Upon meeting the initial criteria (items 10.2.1.4.1 to 10.2.1.4.7) as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

10.3 Pre-approval of Home Loan

- 10.3.1 Applicant makes application to the lender.
- 10.3.2 Lender completes assessment, should there be any further submission requirements by the lender, Wahta Mohawks Housing Department (at request of the applicant) will assist the applicant.
- 10.3.3 Lender advises applicant of amount they qualify to borrow and any terms and conditions they must meet. (e.g. submission of construction documents) within a specified period of time (usually 90 days).
- 10.3.4 Lender provides pre-approval loan documents to the applicant. Applicant and/or lender will provide copies to Wahta Mohawks Housing Department. This will allow further process to proceed.

10.4 General Contractor Selection (if deemed a requirement by Wahta Mohawks Housing Department)

- 10.4.1 Wahta Mohawks will review each renovation plan/budget on a per file basis and advise applicant if project deems a general contractor requirement. This review will be based on, but not limited to, the scope of renovations, and renovation costs.
- 10.4.2 By review and approval of Wahta Mohawks Housing Department, applicant will be advised how renovation project needs to be constructed (by way of general contractor, certified journeyman, or by applicant).
- 10.4.3 Applicant to submit six sets of drawings, one for Wahta Mohawks Housing Department and one to be forwarded to the lender. As a minimum, engineered plans will only be accepted.
- 10.4.4 Plans from local hardware stores may also be acceptable, provided they are engineered stamped.
- 10.4.5 Wahta Mohawks Housing Department reviews plans to ensure they meet, at minimum, the current versions of the national code. Any change orders and/or modifications must meet the minimum building codes. Construction project will follow Wahta Mohawks building codes and compliance.
- 10.4.6 Applicant applies for housing construction permit. Copies of permit are to be forwarded to Wahta Mohawks Housing Department and the Lender.
- 10.4.7 Applicant is responsible to ensure contractors are reputable, qualified, has insurance and must provide references. Contractors must meet Wahta Mohawks



building standards. Contractors must be in good standing with Workers Compensation Health and Safety Board. Contractors must be willing to enter into fixed price contracts and must be capable of meeting construction costs prior to qualified loan advances. Loan advances prior to construction are prohibited. Applicant provides proof of all of the above to Wahta Mohawks Housing Department and lender.

- 10.4.8 Applicant ensures that contractor costs include installation of all utility services plus road access. These costs must be included in the final quote. This will be reviewed by Wahta Mohawks Housing Department on a case by case basis.
- 10.4.9 Applicant submits final quote, budget and contract to Wahta Mohawks Housing Department and the Lender. At the discretion of Wahta Mohawks Housing Department, review of the contract will be done and reported back to the applicant to confirm it meets budget requirements. Total project costs less equity contribution must be equal to or less than the maximum loan amount of \$250,000.

10.5 Approval of Loan and Execution of Documents

- 10.5.1 Applicant requests Wahta Mohawks to request INAC Parcel Abstract Report to confirm lawful possession of home lot. Wahta Mohawks confirms receipt of report and advises back to the applicant Wahta Mohawks satisfaction that there are no liens, appeals, or interests in applicant's home lot.
- 10.5.2 The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 10.5.3 Applicants enter into agreement with Wahta Mohawks Lands Department. Agreement term will be not less than the amortization of the home loan, and will identify default clauses.
- 10.5.4 Lender reviews construction documents and pricing information and advises Wahta Mohawks of loan amount to be approved.
- 10.5.5 Upon completion of all of the above, Wahta Mohawks Housing Department will request Wahta Mohawks Chief and Council to execute a Mohawk Council Resolution for loan guarantee and will be provided to the lender.
- 10.5.6 Lender (if required) applies and obtains CMHC Mortgage Insurance.
- 10.5.7 Lender applies to the FNMHF and obtains the Credit Enhancement Certificate.
- 10.5.8 Lender confirms to the applicant and Wahta Mohawks Housing Department if the loan has been approved and the FNMHF Credit Enhancement has been executed and received.
- 10.5.9 Lender confirms to Wahta Mohawks Housing Department that applicant has met all applicable insurance requirements (life, home, and construction). Lender or applicant provides copies to Wahta Mohawks Housing Department.



- 10.5.10 Lender provides loan documents to Applicant for execution. Copies of executed loan agreement is provided to Wahta Mohawks Housing Department by the Lender.
- 10.5.11 Lender provides Guarantee document to Wahta Mohawks Housing Department.
- 10.5.12 Wahta Mohawks Housing Department arranges for execution by Wahta Mohawks Chief and Council and provides copy to Lender.
- 10.5.13 Lender and Wahta Mohawks Housing Department confirm to applicant that all security documentation is in order.

10.6 Construction and Loan Advances

- 10.6.1 Applicant and contractor commence construction.
- 10.6.2 Wahta Mohawks Housing Department will have authorization for any site visits throughout construction.
- 10.6.3 Lender is to ensure that applicants equity is applied to construction costs prior to Wahta Mohawks Housing Subsidy and/or loan disbursements.
- 10.6.4 Applicant is responsible for ensuring the timely completion of progress and compliance inspections. The maximum number of progress advances is four. Inspection Report and photographs of housing project are to be submitted to the lender and Wahta Mohawks Housing Department prior to each advance.
- 10.6.5 Applicant submits photographs of well and septic inspections to Wahta Mohawks Housing Department.
- 10.6.6 Upon each inspection and confirmation by Wahta Mohawks Housing Department, lender proceeds with disbursements. Holdback of 10% until confirmation that project is 100% complete along with confirmation that sub-contractors have been paid will be required and enforced by the lender. Project is verified complete by way of issuance of final inspection report by the Building Inspector, a copy of which is to be forwarded to Wahta Mohawks Housing Department.
- 10.6.7 Applicant is responsible to ensure that interest payments if applicable are made to the lender throughout construction period. Upon 100% completion of construction, applicant and lender sets interest adjustment date, and applicant is advised of when blended payments are to commence.
- 10.6.8 Wahta Mohawks Housing Department must issue a letter confirming project completion prior to Applicant moving into home.

11. New Construction for Rental or Rent-to-Own Purposes

11.1. Program Details and Criteria

- 11.1.1. Maximum Loan is \$250,000.00
- 11.1.2. Maximum Amortization period is 25 years
- 11.1.3. A down payment of five per cent (5.00%) cash equity is mandatory
- 11.1.4. A Wahta Mohawks Housing Subsidy may be applied and approved subject to availability and funding
- 11.1.5. Sanitation and Water Assistance may be applied and approved subject to availability and funding.



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- 11.1.6. Life Insurance is mandatory for Citizens with the loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 11.1.7. For a Wahta Mohawks legally owned entity Life Insurance is not required.
- 11.1.8. Home Insurance is Mandatory, loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
- 11.1.9. CMHC Mortgage Insurance Wahta Mohawks Member(s) - Mandatory if borrower cash equity contribution is under thirty per cent (30%) of project or if required by the Lender(s).
- 9.6.9 Wahta Mohawks will firstly confirm that the Borrower has lawful possession of the home lot by holding a valid Certificate of possession. The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 11.1.10. Wahta Mohawks will only hold possession of home lot solely as collateral for mortgage debt purpose.
- 11.1.11. Wahta Mohawks will only hold possession of home lot solely for the mortgage debt purpose.
- 11.1.12. Wahta Mohawks or the a Wahta Mohawks legally owned entity will remain owner of home lot.
- 11.1.13. If co-applicant is a non-Wahta Mohawks Citizen spouse, an CILA confirmation is required, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital break down.
- 11.1.14. Clauses 11.1.10 and 11.1.11 are not applicable to a Wahta Mohawks legally owned entity.
- 11.1.15. A Citizen's debt to income ratio not to exceed thirty-two (32%), according to mortgage underwriting criteria
- 11.1.16. The total Debt Service Ratio is not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 11.1.17. Any debt owed to Wahta Mohawks (as outlined in the *Wahta Mohawks Financial Policy*) must be paid in full prior to Wahta Mohawks guaranteeing a home loan.
- 11.1.18. A Hold back on construction of ten percent (10%) is held back by lender unit final inspection report is provided showing one hundred per cent (100%) complete.



11.2 Process Details

11.2.1 Pre-Qualification

- 11.2.1.1 Wahta Mohawks Citizen requests the application/orientation package from the Wahta Mohawks Housing Department.
- 11.2.1.2 The Citizen, now referred as the applicant submits completed application to the Wahta Mohawks Housing Department.
- 11.2.1.3 Wahta Mohawks Housing Department requests Wahta Mohawks Finance Department conduct an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy.
- 11.2.1.4 Wahta Mohawks Housing Department reviews submission of applicant documents and confirms the applicant submits the following
 - 11.2.1.4.1 Wahta Mohawks Market Housing Application forms to be fully completed
 - 11.2.1.4.2 Photo identification
 - 11.2.1.4.3 Proof of Wahta Mohawks Citizenship
 - 11.2.1.4.4 Evidence of equity contribution
 - 11.2.1.4.5 Non-Citizen (if applicable) a Marital Agreement supported by Certificate of Independent Legal Advice
 - 11.2.1.4.6 Mortgage Life Insurance application (if available at time of application)
 - 11.2.1.4.7 Confirmation of Home Lot ownership and lawful possession.
- 11.2.1.5 Wahta Mohawks Housing Department will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant.
- 11.2.1.6 Upon meeting initial criteria (items 11.2.1.4.1 to 11.2.1.4.6) as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

12. Purchase for Rental or Rent to Own Purposes

12.1 Program Details

- 12.1.1 Maximum Loan is \$250,000.00.
 - 12.1.1.1 Maximum Amortization is 25 years
 - 12.1.1.2 Down Payment of 5.00% cash equity is required
 - 12.1.1.3 Wahta Mohawks Housing Subsidy may be applied and approved subject to availability and funding.
 - 12.1.1.4 Sanitation and Water Subsidy may be applied and approved subject to availability and funding.
 - 12.1.1.5 Life Insurance is Mandatory, loss payable firstly to lender, loss payable secondly to Wahta Mohawks.
 - 12.1.1.6 Home Insurance is Mandatory, loss payable firstly to lender, loss payable secondly to Wahta Mohawks.



- 12.1.7. The eligible Borrower will enter into a Covenant with Wahta Mohawks where-by the Borrower executes a transfer for the home lot to Wahta Mohawks until the mortgage is discharged. Wahta Mohawks will then transfer the home lot back to the Borrower. If the Borrower Defaults, Wahta Mohawks will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. The eligible borrower may lose his/her equity contribution to the home upon re-sale of the home. Wahta Mohawks will make all efforts to recognize the eligible borrower's equity position by way of but not limited to home inspection or evaluation.
- 12.1.8. Wahta Mohawks or the Wahta Mohawks legally owned entity will remain owner of home lot.
- 12.1.8.1. If co-applicant is a non-Wahta Mohawks Citizen spouse, an CILA confirmation is required, outlining that the co-applicant is fully aware of the joint and several indebtedness and non-interest of home possession if in event of marital break down.
- 12.1.8.2. Clause 33.1.9 is not applicable to a Wahta Mohawks legally owned entity.
- 12.1.8.3. A Wahta Mohawks Citizen's debt to income ratio not to exceed thirty-two (32%), according to mortgage underwriting criteria
- 12.1.8.4. Clause 33.1.11 is not applicable to a Wahta Mohawks legally owned entity.
- 12.1.8.5. A Citizens Total Debt Service Ratio may not to exceed forty per cent (40%), according to mortgage underwriting criteria
- 12.1.8.6. Clause 33.1.13 not applicable to a Wahta Mohawks legally owned entity.
- 12.1.8.7. Any debt owed to Wahta Mohawks (as outlined in the Wahta Mohawks Financial Policy) must be paid in full prior to Wahta Mohawks guaranteeing a home loan.
- 12.1.8.8. A Hold back on construction of ten percent (10%) is held back by lender unit final inspection report is provided showing one hundred per cent (100%) complete.

12.2. Process Details

12.2.1. Pre-Qualification

- 12.2.1.1. Wahta Mohawks Citizen requests the application/orientation package from the Wahta Mohawks Housing Department.
- 12.2.1.2. The Citizen, now referred as the applicant submits completed application to the Wahta Mohawks Housing Department.
- 12.2.1.3. Wahta Mohawks Housing Department requests Wahta Mohawks Finance Department conduct an internal credit check to ensure there are no accounts, such as loans, rental payments or other debts owed to Wahta Mohawks according to Wahta Mohawks Financial Policy.
- 12.2.1.4. Wahta Mohawks Housing Department reviews submission of applicant documents and confirms the applicant submits the following



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- 12.2.1.4.1. Wahta Mohawks Market Housing Application forms to be fully completed
- 12.2.1.4.2. Photo identification
- 12.2.1.4.3. Proof of Wahta Mohawks Citizenship
- 12.2.1.4.4. Evidence of equity contribution
- 12.2.1.4.5. Non-Citizen (if applicable) require a Marital Agreement supported by Certificate of Independent Legal Advice
- 12.2.1.4.6. Mortgage Life Insurance application (if available at time of application)
- 12.2.1.4.7. Confirmation of Home Lot ownership and lawful possession.
- 12.2.1.5. Wahta Mohawks Housing Department will review application and make recommendation to Wahta Mohawks Senior Administrator to approve subsidy amount for applicant.
- 12.2.1.6. Upon meeting initial criteria (items 33.2.1.4.1 to 33.2.1.4.7) as described above, Wahta Mohawks Senior Administrator will issue a conditional letter of support and confirm subsidy amount (if any) to the applicant and the Wahta Mohawks Housing Department. This conditional letter of support document will also state Wahta Mohawks requirement for CMHC Mortgage Loan Insurance.

12.3. Pre-approval of Home Loan

- 12.3.1.1. Applicant makes application to the lender
- 12.3.1.2. Lender completes assessment, should there be any further submission requirements by the Lender, Wahta Mohawks Housing Department (at request of the applicant) will assist the applicant.
- 12.3.1.3. Lender advises applicant of amount they qualify to borrow and any terms and conditions they must meet. (e.g. submission of construction documents) within a specified period of time (usually 90 days).
- 12.3.1.4. Lender provides pre-approval loan documents to the applicant. Applicant and/or lender will provide copies to Wahta Mohawks Housing Department. This will allow further process to proceed.

12.4. General Contractor Selection

- 12.4.1. The applicant obtains four sets of drawings with the intention that the drawings are provided to Wahta Mohawks Housing Department, Building Contractor, Lender, and Building Inspector.
- 12.4.2. Applicant ensures that the Building Inspector provides approval of plan review to Wahta Mohawks Housing Department. This review must ensure that they meet at minimum the National Building Code.
- 12.4.3. Applicant is responsible to ensure contractors are reputable, qualified, has insurance and references. Contractors must meet building standards of all applicable regulatory bodies. Contractors must be in good



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standing with WSIB Ontario. Contractors must be willing to enter into fixed price contracts and must be capable of meeting construction costs prior to qualified loan advances. Loan advances prior to construction are prohibited. Applicant provides proof of all of the above to Wahta Mohawks and Lender.

- 12.4.4. Applicant ensures that contractor costs include installation of all utility services plus road access. These costs must be included in the final quote.
- 12.4.5. Applicant submits final quote, budget and contract to Wahta Mohawks and the Lender. At the discretion of Wahta Mohawks Housing Department, review of the contract will be done and reported back to the Applicant to confirm it meets budget requirements. Total project costs including permit and mortgage loan insurance fees less equity contribution must be equal to or less than the maximum loan amount of \$250,000.



13. Default Scenarios

If in event that an Applicant defaults on their loan, the following will occur:

- 13.1. **Scenario 1** – Lender and Wahta Mohawks applicant (client) works together to bring account current within 90 days. Note that the lender is required to submit monthly reports to Wahta Mohawks. Lender takes action immediately, by phoning and/or writing a letter to the client.
 - 13.1.1. Client and lender work together to bring loan account current.
 - 13.1.2. Client continues to maintain loan account in good standing.

- 13.2. **Scenario 2** – Lender, Wahta Mohawks, and Wahta Mohawks applicant (client) bring account current after 90 days. Lender takes action immediately, by phoning and writing a letter to the client. Client is unable to catch up on missed payment and 90 days has lapsed. Lender advises client and Wahta Mohawks that further action is required. Client, lender, and Wahta Mohawks work together to determine successful process to bringing account current. All three parties must agree to one of the following:
 - 13.2.1. Special payment plan
 - 13.2.2. Capitalize loan arrears
 - 13.2.3. Re-amortize loan account
 - 13.2.4. Client continues to maintain loan account in good standing.

- 13.3. **Scenario 3** – At 120 days, Client, lender, and Wahta Mohawks work together, and it is determined that loan account cannot be maintained and /or restructured.
 - 13.3.1. Lender takes action immediately, by phoning and writing a letter to the client. Client is unable to catch up on missed payments. Lender advises Wahta Mohawks that further action is required.
 - 13.3.2. Wahta Mohawks realizes on the applicant's Covenant and will either dispose of the house and property or choose to add the house to its rental inventory and rent or lease the property. Lender formally advises client and Wahta Mohawks of default, and calls upon the Wahta Mohawks guarantee.
 - 13.3.3. Wahta Mohawks determines equity value in home on a specified date (value of home, less mortgage payout and other costs) and will advise client accordingly. Wahta Mohawks will recover costs incurred during this default process plus any overhead fees and such fees will be deducted from net sale or recovery proceeds. Net equity amount (if any) would be forwarded to the client (defaulted borrower) as equity value. In some cases, the client may not have an equity position in the home due to but not limited



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to house condition, determined value, amount required to payout the lender and Wahta Mohawks costs.

Wahta Mohawks determines eviction process or other satisfactory agreement, i.e. Rental agreement or Rent to own program.

- 32.1.1.1 Wahta Mohawks and the Lender mutually agree on whether loan account to be brought up to date and loan assumed by Wahta Mohawks or paid out by Wahta Mohawks.