

CMLS Financial is one of Canada's largest independently owned mortgage services companies. Built on innovation, dedicated customer care and new technologies. We are proud to be Canada's Mortgage Company™ since 1974.



	Guidelines	Documentation
Salaried	100% of guaranteed income may be used. Employment must be permanent. Probationary periods may be considered on a case by case basis.	Letter of employment with verbal confirmation + current pay stub. <i>*Additional documentation may be requested</i>
Hourly Wages	Confirmation of guaranteed hours and rate of pay. If hours are not guaranteed, 2 years NOAs are required to calculate average.	Letter of employment with verbal confirmation + current pay stub(s) to confirm guaranteed hours. If income is non-guaranteed or fluctuating, 2 years NOAs are required. Income is to be qualified on lesser of a 2 year NOA average or most recent NOA. <i>*Additional documentation may be requested</i>
Business For Self	<p>Any individual with 25% or more interest in a business for 2 years or more.</p> <p>Insured / Insurable Transactions with 3rd Party Validation: For income to qualify;</p> <ul style="list-style-type: none"> The lesser of current year income or an average of the 2 most recent years self-employed income. Determined as per the following; <ul style="list-style-type: none"> Sole Proprietor – 2-year average of Line 150 from the NOAs. Income may be grossed up by 15% -or- add-backs for business use of home and capital cost allowance Incorporated Borrower – 2-year average <p>Uninsured Conventional Transactions with 3rd Party Validation: For income to qualify;</p> <ul style="list-style-type: none"> The lesser of current year income or an average of the 2 most recent years self-employed income. <p>Stated Income: A reasonability test will be performed which considers various factors including industry norms, credit profile, and nature of the business. See BFS Stated Income Tip sheet for more information.</p>	<p>With 3rd Party Validation: For all deals, Insured and Uninsured.</p> <ol style="list-style-type: none"> Confirmation of Business Ownership and Evidence that the business has been in existence for a minimum of two years should be provided by one (or more) of the following: <ul style="list-style-type: none"> Articles of Incorporation (for a Corporation); T1 Generals with Statement of Business Activities and all schedules for the most recent two years (for sole proprietorship/partnerships); Most recent two years' Financial Statements for the corporation, prepared by a licensed accountant <ul style="list-style-type: none"> Business registration, GST/HST registration or Business License; <p><i>*Additional documentation may be required if the information provided does not confirm the applicant owns the business.</i></p> <p>...Continued page 2.</p>

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Business For Self		<p>Plus the following:</p> <p><u>Insured Mortgages</u></p> <ol style="list-style-type: none"> 1. The two most recent years Notice of Assessments and/or T1 Generals. If T1's, they are to be completed by a tax professional, preferably an accountant. <p><u>Uninsured Conventional Mortgages</u> – all documentation listed in each category is required</p> <p><u>Corporations</u></p> <ol style="list-style-type: none"> 2. The two most recent years Notice of Assessments 3. T1 Generals completed by a tax professional, preferably an accountant 4. Two years of complete Financial Statements for the corporation, prepared by a licensed accountant <p>Sole Proprietor</p> <ol style="list-style-type: none"> 1. The two most recent years Notice of Assessments 2. T1 Generals with Statement of Business Activities and all schedules for the most recent two years, completed by a tax professional, preferably an accountant <p>Partnership</p> <ol style="list-style-type: none"> 1. The two most recent years Notice of Assessments 2. T1 Generals completed by a tax professional, preferably an accountant <p>Stated Income Please refer to Business For Self (ALT A) product feature sheet</p>
Bonus, Overtime & Commission Income	<p>100% of bonus or overtime income must be averaged over a 2-year period.</p> <p>The guaranteed salary may be used in full. For self-employed, income is determined using the Self-Employed (with 3rd party validation) guidelines above.</p> <p><i>*Use of bonus and/or overtime income, for qualification, is limited to 25% of base income. CMLS Financial may waive the aforementioned at its sole discretion.</i></p>	<p>Letter of employment with verbal confirmation + current pay-stub. Income is to be qualified on lesser of a 2-year NOA average or most recent NOA.</p>

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Rental Income	<p>For owner occupied 2 to 4 unit insured and insurable rentals, 100% addback may be considered for 2nd unit and 50% for 3rd and 4th units. For non-subject rentals on insured and insurable, our rental worksheet may be used.</p> <p>**May not apply to all Promo Rates. See specific rate sheets for further info or contact your Regional Manager.</p> <p>For uninsured mortgages, 50% of rents may be added for subject properties and/or outside rentals.</p> <p>For rental income from suites, within an owner occupied property, please see our Investment Property and Rental Income tip sheet.</p>	<p>One of the following may be used to confirm rental income:</p> <ol style="list-style-type: none"> 1. Lease agreement 2. Letter of economic rent from a CMLS Financial approved appraiser (only if a current lease agreement is not available) 3. T776 Statement of Rental Income
Guarantor (a borrower not on title)	<p>If the guarantor resides in the property, the income will be considered for qualification purposes provided the guarantor is the spouse.</p> <p>If the guarantor does not reside in the property, the income will be considered case-by-case provided the guarantor is an immediate family member.</p>	<p>Documentation is dependent on the employment type of the guarantor; please review documentation requirement.</p> <p><i>Example: If the guarantor is salaried, please review the section of this document on salaried income.</i></p>
Alimony / Support	<p>100% may be used provided income represents less than 50% of total income and confirmed court ordered. Support income cannot be applicants only source of income.</p>	<p>A copy of the executed Separation Agreement must be provided (signed by all parties), AND one of the following:</p> <ul style="list-style-type: none"> • Most recent Tax Return confirming declared support income supported by NOA • 3 month deposit account history showing support payment deposits
Part-Time	<p>Up to 100% of permanent part-time income will be considered based on guaranteed number of hours.</p> <p>Up to 100% of income from a second part-time job will be considered if borrower can demonstrate a minimum two-year history.</p>	<p>Letter of employment with verbal confirmation + current pay stub.</p> <p>For a second part-time job, two years of NOA's will be used to calculate and average.</p> <p><i>Income is calculated based on the lesser of the two-year average of the NOAs or most recent years NOA.</i></p>
Contract	<p>Must show current contract is in place for a minimum of 12 months and deemed renewable.</p> <p>Quality of employment, supply/demand of services, and the terms of contract will also be considered and evaluated.</p>	<p>Receipt of Contract/Letter of employment. Current pay stub to confirm taxes are deducted at the source.</p> <p>Two most recent years of NOA's and T4's/T1 Generals to confirm income and no income tax arrears.</p> <p>Income is calculated based on the lesser of the two-year average of NOAs or most recent years NOA.</p> <p><i>*Additional documentation may be requested</i></p>

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Pension	<p>CPP, OAS, Survivors Benefit, Annuity and other pensions are all considered.</p> <p><i>NOTE: May be grossed up if confirmed non-taxable. If < 30k, it may be grossed up by 25%. If > 30k, it may be grossed up by 35%.</i></p>	<p>Two of the following may be used to confirm pension income:</p> <ol style="list-style-type: none"> 1. Most recent year T4A or T1 Generals. 2. 3 months bank statements. 3. Pension statement issued. 4. Most recent NOA (all pages) 5. Letter from the Pension administration confirming amount.
Parental Leave	<p>100% of annual income will be considered if the income is guaranteed and return to work date is confirmed via employer.</p>	<p>Letter of employment with verbal confirmation.</p> <p><i>*Additional documentation may be requested</i></p> <p>The income is to be confirmed by way of:</p> <ul style="list-style-type: none"> • The two most recent years of filed T1Generals, or the Tax Summary forms(including all schedules), and • The two most recent years associated Notices of Assessment (NOAs).
Seasonal Income	<p>Defined as someone who consistently works less than 12 months in a year, such as fishermen and landscapers. The borrower must be able to show consistent earnings over the past 2-3 years to demonstrate a solid trend and to show that the income may continue into the future.</p> <p>Total annual income is calculated based on a two-year average. For <u>declining income</u>, the lesser of the two years income should be used.</p>	<ul style="list-style-type: none"> • The two most recent years T1 Generals, and • A current letter of employment, and • A pay stub
Disability	<p>Short Term Disability - 100% of income can be used provided the client's return date, position and salary can be verified by their employer (and return date is prior to closing).</p> <p>Permanent Disability – Provide income confirmation from Insurance Company.</p> <p><i>NOTE: May be grossed up if confirmed non-taxable. If < \$30K, it may be grossed up by 25%. If > \$30K, it may be grossed up by 35%.</i></p>	<p>Short Term – A current letter of Employment confirming the applicant's base salary, is on short term disability and their guaranteed return to work date. Verbal confirmation is also required.</p> <p>Permanent Disability - Letter from insurance company with verbal confirmation of annual disability, permanent status and whether it's non-taxable. If letter is outdated (exceeds 120 days), you must obtain a copy of current bank statements confirming deposits.</p>
Child Tax Benefit	<p>Canada's Child Benefit is now an acceptable income source for mortgage applications. (Currently Available on our Regular Rates only)</p>	<ul style="list-style-type: none"> • CMLS will require the Child Care Benefit notice confirming the client(s) are eligible for the monthly entitlement • Maximum age of children is 12 years old • Proof of the children's age is required (birth certificate). • Proof of deposit in the form of bank statements for 90 days • This cannot be the applicants only source of income and cannot exceed 30% of the total income used to qualify for insured applications

*Additional documents may be requested