

<h2>General Guidelines</h2>	<ul style="list-style-type: none"> • Owner Occupied, Second Home & Rentals • 80% LTV including townhouses & condos • 30 Year Amortization on all programs <p><u>Credit Requirement & Ratios:</u></p> <ul style="list-style-type: none"> • <u>600+ beacon for one applicant, 550+ beacon for secondary</u> <ul style="list-style-type: none"> ○ 80% LTV ○ 50 / 50% GDS / TDS • <u>600+ Beacon – Extended Ratios</u> <ul style="list-style-type: none"> ○ Purchase 80% LTV ○ Refinance 75% LTV ○ 55 / 55% GDS / TDS ○ Owner-occupied only ○ Contact Regional Manager for Lending Locations <p><u>Mortgage Loan Amounts:</u></p> <ul style="list-style-type: none"> • Minimum \$100,000 to \$1,500,000 <p><u>Appraisal Requirements:</u></p> <ul style="list-style-type: none"> • Ordered directly from an AVEO approved appraiser or through Solidifi / RPS / Value Connect <p><u>Property:</u></p> <ul style="list-style-type: none"> • Condos: 500 sq ft • SFD: 720 sq ft <p><u>Lender & Application Fees:</u></p> <ul style="list-style-type: none"> • 1% Lender Fee can be capitalized provided there is capacity in ratios & LTV • AVEO can collect a higher fee to a max of 2% paying a total finders fee of 1% to broker • One time application fee: 1 year \$350 / 2 year \$400 / 3 year \$450 <p><u>Mortgage proceeds:</u></p> <ul style="list-style-type: none"> • Can be used to payout CRA Tax Arrears • Property Taxes Arrears • Max ETO (Equity Take Out) of \$200K exception may be considered on a case-by-case basis <p><u>Refinances within 12 months:</u></p> <ul style="list-style-type: none"> • Value will be based on the lower of purchase price or appraised value • Market value may be considered if major improvements have been completed • Down payment will be re-verified
<h2>Lending Locations</h2>	<p><u>Lending Locations BC / AB / SK / MB & ON:</u></p> <ul style="list-style-type: none"> • <u>Population of 5,000 + 30km radius</u> <ul style="list-style-type: none"> ○ Max 80% LTV • <u>Population of less than 5K</u> <ul style="list-style-type: none"> ○ Max 65% LTV

<h2>BFS Bank Statement Program</h2>	<ul style="list-style-type: none"> • Owner Occupied, Second Home & Rentals <p><u>Credit Requirement:</u></p> <ul style="list-style-type: none"> • 600+ Beacon on 1 applicant on file <ul style="list-style-type: none"> ○ 2nd applicant min 550 Beacon ○ 80% LTV ○ 50 / 50% GDS / TDS • Bankruptcy must be discharged for minimum of 2 years <p><u>BFS Documents Required:</u></p> <ul style="list-style-type: none"> • AVEO BFS Income Declaration Form with expenses and net income declared • Minimum of 6 months of business bank statements • 3 invoices / receipts that match 3 deposits or copy of current contract <ul style="list-style-type: none"> • <u>Sole Proprietorship</u> <ul style="list-style-type: none"> ○ Confirmation of BFS for 2 years via Business License or HST / GST registration ○ Personal bank statements can be considered provided personal vs business income and expenses can clearly be identified • <u>Corporations</u> <ul style="list-style-type: none"> ○ Confirmation of BFS for 2 years via Articles of incorporation or Corporate Search ○ Business bank statements ○ Income paid to applicant(s) are not considered an expense ○ CRA Statement of Accounts showing no taxes owing
<h2>BFS Alternative Income Program</h2>	<ul style="list-style-type: none"> • Owner Occupied, Second Home & Rentals <p><u>Credit Requirement:</u></p> <ul style="list-style-type: none"> • 600+ Beacon <ul style="list-style-type: none"> ○ 55 / 55% GDS / TDS (Owner Occupied) ○ 50 / 50% GDS / TDS (Second Homes & Rentals) ○ Purchase: Max 80% LTV ○ Refinance: Max 75% LTV <p><u>BFS documents required:</u></p> <ul style="list-style-type: none"> • Minimum of 6 months of current business bank statements • <u>Sole Proprietorship</u> <ul style="list-style-type: none"> ○ 2 years' T1 Generals with Statement of Business Activities & NOAs ○ Net Business Income can be grossed up 25% or add-back of CCA, Business Use of Home & Amortization ○ Omit vehicle loans / lease payments from liabilities if personally guaranteed and confirmed paid through the business • <u>Corporations</u> <ul style="list-style-type: none"> ○ Confirmation of BFS for 2 years via Articles of Incorporation or Corporate Search ○ 2 years' Accountant prepared Financial Statements or filed T2's ○ 2 years' T1 Generals & NOAs ○ Add-back of CCA, Business Use of Home, Amortization & 50% Net Income after dividends ○ Omit vehicle loans / lease payments from liabilities if personally guaranteed and confirmed paid through the business ○ NOA's showing no taxes owing <p><u>Newly BFS from Employee:</u></p> <ul style="list-style-type: none"> • 6 months of business bank statements or current contract confirming level of pay • Income can be based on last 2 years' T4 income for qualification • BFS industry must be the same as previous employment to be considered • <u>Confirmation of BFS</u> <ul style="list-style-type: none"> ○ Articles of Incorporation, Corporate Search, Business License or HST / GST

Rental PropertiesCredit Requirement:

- 600+ Beacon on 1 applicant on file
 - 2nd applicant min 550 Beacon
 - Max 80% LTV
 - 50 / 50% GDS / TDS
- Bankruptcy must be discharged for minimum of 2 years

Subject & Non – Subject Owner occupied with Suite:

- Must be self-contained with separate entrance
- 80% add-back to income
- Lease agreement or Market Rents from an AVEO approved appraiser

Subject Rental:

- Min population 25,000
- 80% add-back to income
- Lease agreement or Market Rents from an AVEO approved appraiser
- Max 70% LTV for Out of Province Rentals

Non - Subject Rental:

- AVEO Rental Worksheet
- Surplus add-back to income
- Deficits include in liabilities
- Lease agreement or Market Rents from an AVEO approved appraiser
 - Utilities & Heat must be included unless lease agreement confirms covered by tenants

Income Confirmation

Permanent Full Time Salary & Hourly Employees:

- Job Letter & Paystub must be dated within 30 days of submission
 - Additional income documentation may be required
- 2-year average required for O/T & Bonus
 - Ability to use current base income + 2-year average of 2022 / 2023 O/T and Bonus
 - Ex) 2022 \$98K + (2023 O/T \$30K + 2022 \$28K = \$58K / 2 = \$29K) = \$127K

Part Time / Casual Employees:

- Job Letter & Paystub must be dated within 30 days of submission
 - Additional income documentation may be required
- If Borrower has been working consistently for minimum of 6 months
 - YTD income can be annualized excluding O/T & Bonus
 - Ex) Jan – Jun YTD Regular Pay \$30,000 = \$60,000 Annual Income can be used
- Ideal for Teachers On-Call, Nurses & RCMP etc
 - Not available on Extended Ratios

Secondary Jobs:

- 100% of income can be used with minimum of 2-year history
- If employment is less than 2 years but 6 months or greater 50% of secondary income can be used

Income Qualified BFS Sole Proprietorship:

- Confirmation of 2 years' BFS via T1 Generals, NOA's & Statements of Business Activities
- 2-year average of net business income used
- If income is declining, then most current year's income will be used

Income Qualified BFS Incorporated:

- Confirmation of BFS for 2 years via Articles of Incorporation or Corporate Search
- Require 2 years' T1 Generals & NOA's for review
- 2-year average of T4 Income & Dividend Income considered (no gross up)
- If income is declining, then most current year income will be considered
- Dividend income can be considered even if it's not declared 2 years in a row
 - Ex) 2022 income derived from dividend + 2023 all derived from T4 divide by 2
 -

Maternity & Paternal Leave:

- 100% of Income of guaranteed income provided applicants return to work date can be verified along with position and salary via job letter and verbal
- Max of 18 months of leave of absence

Child Care Benefits:

- Must be received for the term of the mortgage
- Confirmation required via the following:
 - CRA Entitlement Letter
 - 3 months' bank statements confirming CCB deposits
 - Proof of Age for Children

Foster / Respite Care:

- Borrowers must have min 2 years' experience
- Foster Care Max of 6 children in their care including their own children
- Foster & Respite Care must be in home cannot be offsite
- Current contract showing terms of the foster / respite care agreement
- 3 – 6 months' bank statements confirming pay deposits

Non-Taxable Income:

- If income is less than or equal to \$30,000 – Gross up by 25%
- Greater than \$30,000 – Gross up by 35%

Disability Income:

- Short Term Disability
 - 100% of income can be used with confirmation of return to work
- Long Term Disability must be permanent

<p>Credit Counselling, Consumer-Proposal & Bankruptcy</p>	<p><u>Credit Requirement:</u></p> <ul style="list-style-type: none"> • 600+ Beacon <ul style="list-style-type: none"> ○ 55 / 55% GDS / TDS (Owner Occupied) ○ 50 / 50% GDS / TDS (Second Homes & Rentals) ○ Purchase: Max 80% LTV ○ Refinance: Max 75% LTV <p><u>Credit Counselling or Consumer Proposal or Bankruptcy Documents Required:</u></p> <ul style="list-style-type: none"> • Statement of Affairs • List of Creditors • Discharge Statement if Applicable <p><u>Credit Counselling or Consumer Proposal:</u></p> <ul style="list-style-type: none"> • Must be paid out prior to funding or with proceeds from refinance <p><u>Bankruptcy:</u></p> <ul style="list-style-type: none"> • Must be discharged <p><u>Double Bankruptcy / Bankruptcy + CP or CC / CP + CP or CC:</u></p> <ul style="list-style-type: none"> • Must be 10 years apart between filings
<p>Liability Calculations</p>	<p><u>Heating Cost:</u></p> <ul style="list-style-type: none"> • The greater of \$100 / month or .75 / square feet • Below ground sq footage can be excluded from calculation • Condo's \$100 / month up to 1600 sq ft <p><u>Property Taxes:</u></p> <ul style="list-style-type: none"> • New construction the municipal mill rate based on purchase price if known or: • BC 0.50% / AB 0.65% / SK 0.75% / MB 1.25% / ON 1.25% <p><u>BC Home Owners Grant – Net Property Tax:</u></p> <ul style="list-style-type: none"> • Basic Grant of \$570 for Greater Vancouver & Victoria • \$770 Grant for Remainder of BC <p><u>Secured LOC:</u></p> <ul style="list-style-type: none"> • Balance amortized over 25 years at Benchmark rate <p><u>Student Loans:</u></p> <ul style="list-style-type: none"> • Payment noted on credit bureau • if not in repayment 1.5% of balance as monthly payment <p><u>Personal Lines of Credit / Student Lines of Credit / Credit Cards:</u></p> <ul style="list-style-type: none"> • 3% of balance as monthly payment <p><u>Vehicle Loans:</u></p> <ul style="list-style-type: none"> • For BFS applicant if the vehicle payment is going through the business bank account, we may be able to remove the loan on a case-by-case basis <p><u>Shelter Cost:</u></p> <ul style="list-style-type: none"> • When living with family must use the fair market rents of the area borrower is living in as a monthly liability

Ontario Only Programs

<p>Ontario Only</p> <p>General Guidelines</p>	<ul style="list-style-type: none"> • Owner Occupied & Second Homes • Purchases & Refinances • 30 Year Amortization on all programs <p><u>Credit Requirement & Ratios:</u></p> <ul style="list-style-type: none"> • <u>600 + Beacon on Main income Earner (secondary applicant can be < 600 Beacon, no less than 500)</u> <ul style="list-style-type: none"> ○ 80% LTV ○ 55 / 60% GDS / TDS • <u>500+ Beacon</u> <ul style="list-style-type: none"> ○ 65% LTV ○ 45 / 50% GDS / TDS ○ Location restrictions apply - contact Regional Manager • Bankruptcy must be discharged for 2 years • Credit Counselling & Consumer Proposals can be paid with proceeds • Contact Regional Manager for Lending Locations <p><u>Heat Cost:</u></p> <ul style="list-style-type: none"> • Up to 1,000 sq ft \$75 / month • Up to 2,500 sq ft \$100 / month • Up to 5,000 sq ft \$150 / month <p><u>Properties:</u></p> <ul style="list-style-type: none"> • Min 450 sq ft Condos including Studios • Min 750 sq ft SFD <p><u>Gifted Down Payment:</u></p> <ul style="list-style-type: none"> • Immediate Family includes Parents, Grandparents, Siblings, Aunt & Uncle <p><u>Lender & Application Fees:</u></p> <ul style="list-style-type: none"> • 1% Lender Fee can be capitalized provided there is capacity in ratios & LTV • AVEO can collect a higher fee to a max of 2% 50 / 50 fee split with broker • One time application fee: 1 year \$350 / 2 year \$400 / 3 year \$450
<p>Ontario Only</p> <p>Lending Location & Sliding Scale</p>	<p><u>Greater Toronto Area:</u></p> <ul style="list-style-type: none"> • 80% of the first \$2,000,000 & 50% of remainder <p><u>Populations of 100,000 +:</u></p> <ul style="list-style-type: none"> • 80% of the first \$1,500,000 & 50% of remainder <p><u>Populations of 30,000 +:</u></p> <ul style="list-style-type: none"> • 80% of the first \$1,000,000 & 50% of remainder <p><u>Populations < 30,000:</u></p> <ul style="list-style-type: none"> • 80% of first \$800,000 & 50% of remainder

Ontario Only Programs

Ontario Only

Income Confirmation

Permanent Full Time Salary & Hourly Employees:

- Job Letter & Paystub dated within 30 days of submission
 - Additional income documentation may be required
 - 2-year average of O/T & Bonus
 - Ability to use current base income + 2-year average of 2022 / 2023 O/T and Bonus
 - Ex) 2022 \$98K + (2023 O/T \$30K + 2022 \$28K = \$58K / 2 = \$29K) = \$127K

Part Time / Casual Employees:

- Job Letter & Paystub dated within 30 days of submission with guaranteed hours
 - Additional income documentation may be required
 - If not guaranteed 2-year average required

BFS Income Qualified:

- Sole Proprietorship 2 years' T1 Generals, NOAs & Statements of Business Activities
 - 2-year average of net business income can be grossed up by 15%
 - If income is declining, then most current year's income will be used + 15% gross up

Child Care Benefits:

- Max age of 15 years old
- Max 100% of CCB income can be used for qualifying
- Confirmation required via all of the following:
 - CRA CCB entitlement letter
 - 3 months' bank statements confirming deposits
 - Proof of age of children

Long Term Disability Income:

- Obtain all of the following:
 - Award Letter from insurer
 - Recent bank statements confirming deposit of disability income

Rental Income:

- Owner Occupied with Suite
 - 50% add-back to income
 - Suite must be self-contained
- Non-Subject Rental Income
 - AVEO Rental Worksheet
 - Surplus added to income & deficit added to liabilities
- New Rental Income confirmed via:
 - Market rents from an AVEO approved appraiser
- Existing Rental Income confirmed via any 2 of the following:
 - Current signed leased with copy of first & last deposit
 - Market Rents from an AVEO approved appraiser
 - 3 months' bank statements confirming rental income

Ontario Only Programs

<p>5 Year No Stress Ontario Only</p> <p>General Guidelines</p>	<ul style="list-style-type: none"> • Owner Occupied • 30 Year Amortization • Contract Rate Qualifying <p><u>Credit Requirement & Ratios:</u></p> <ul style="list-style-type: none"> • 640+ Beacon on all applicants • 39 / 44% GDS / TDS • 80% LTV <p><u>Properties:</u></p> <ul style="list-style-type: none"> • Condos: 500 sq ft • SFD: 700 sq ft • Well & Septic Max 70% LTV • Max 2 units <p><u>Appraisals:</u></p> <ul style="list-style-type: none"> • 2 appraisals may be required on property valued at \$1.5M + in Major Centers <ul style="list-style-type: none"> ◦ All other location for property valued at \$1M +
<p>5 Year No Stress Ontario Only</p> <p>Lending Location & Sliding Scale</p>	<p><u>Populations of 100,000 + 50km Radius:</u></p> <ul style="list-style-type: none"> • Max 80% LTV <p><u>Populations of 50,000 + 25km Radius:</u></p> <ul style="list-style-type: none"> • Max 80% LTV <p><u>All Other Locations:</u></p> <ul style="list-style-type: none"> • Max 65% LTV <p><u>Sliding Scale:</u></p> <ul style="list-style-type: none"> • Max 75% on the first \$1,000,000 & 60% of remainder

Ontario Only Programs

5 Year No Stress Ontario Only

Income Confirmation

- Minimum 2 years of same employment including BFS

Permanent Full Time Salary & Hourly Employees:

- Job Letter & Paystub dated within 30 days of submission
 - Additional income documentation may be required
- 2-year average of O/T & Bonus
- Ability to use current base income + 2-year average of 2022 / 2023 O/T and Bonus
- Ex) 2023 \$98K + (2023 O/T \$30K + 2022 \$28K = \$58K / 2 = \$29K) = \$127K

Part Time / Casual Employees:

- Job Letter & Paystub dated within 30 days of submission
 - Additional income documentation may be required

BFS Income Qualified:

- Sole Proprietorship 2 years' T1 Generals, NOA's & Statements of Business Activities
 - 2-year average of net business income can be grossed up by 15%
 - If income is declining, then most current year's income will be used + 15% gross up
- Confirmation of BFS for 2 years
 - Article of incorporation, Corporate Search, Business License, HST / GST registration

Child Care Benefits:

- Max age of 13 years old as CCB must be for the term of the mortgage
- Confirmation required via one of the following:
 - CRA Entitlement Letter & Proof of Age for Children
 - 3 months' bank statements confirming CCB deposits & Proof of Age for Children

Rental Income:

- Income confirmed via Market Rents from an AVEO approved appraiser or lease agreement
- Owner Occupied with Suite
 - 100% add-back to income
 - Suite must be self-contained
- Non-Subject Rental Income
 - AVEO Rental Worksheet
 - Surplus added to income & deficit added to liabilities

AVEO Standards

<p>Payout Penalties</p>	<p><u>Penalty based on principle balance at time of payout:</u></p> <ul style="list-style-type: none"> • <u>1-year term</u> <ul style="list-style-type: none"> ○ 3% penalty • <u>2-year term</u> <ul style="list-style-type: none"> ○ 3% penalty 1st year ○ 2% penalty 2nd year • <u>3-year term</u> <ul style="list-style-type: none"> ○ 3% penalty 1st year ○ 2% penalty 2nd year ○ 1% penalty 3rd year
<p>What We Don't Do</p>	<ul style="list-style-type: none"> • Leased Lands, Co-Ops, Condo Conversions • Holding Companies & Rental Pools under AVEO Simplified Rental Only • Time Shares, Fractional Interest, Other Undivided Interests • Rent to Owns, Mobiles, Manufactured Homes • No former grow-ops, even if fully remediated
<p>Servicing & Funding</p>	<ul style="list-style-type: none"> • AVEO has our own residential servicing department • Servicing can be reached at service@cmls.ca or 1 888 995 2657 • <u>20 / 20 prepayment option is available</u> <ul style="list-style-type: none"> ○ Borrowers can apply up to 20% lump sum payment onto the mortgage on any payment date with a minimum of \$500 ○ Borrowers can increase the mortgage payment by 20% annually • Borrowers can request for prepayment privilege by going on the client portal at www.cmls.ca, or by contacting servicing directly • Funding is processed through FNF – Fidelity National Financial • Solicitor conditions expected to be complete 48 hours prior to funding date to successfully fund on time
<p>Underwriting Service</p>	<ul style="list-style-type: none"> • Our underwriters use "Smart Sense" underwriting when reviewing files • Our applications are generally reviewed within 24 business hours depending on volume • Document reviewed within 48 hours depending on volume • Always email documents to mortgagedocuments@cmls.ca with your deal number & client's last name in the subject line and include your underwriter (C000202456 – Doe) • Visit our website at www.cmls.ca/brokers/aveo for all forms / documents & calculators
<p>Our Service Level Commitment</p>	<ul style="list-style-type: none"> • Call us prior to submission, as we can assist in packaging your file and ensuring it meets our criteria • Should we require further collaboration, we will seek the advice of our credit team • When confident that we have a viable solution, we will inform you immediately • We will respond to your emails or telephone calls within 2 - 4 business hours unless we are in a meeting or attending events • We will keep you informed about all AVEO information and rate updates
<p>Ask AMI</p>	<ul style="list-style-type: none"> • Email askami@cmls.ca with deal number in the subject line for updates on your file • AMI will provide you with both broker & solicitor conditions outstanding conditions, if any • AMI can provide you with a status update pending, approved, instructed, and funded • Only the submission agents and current agent on file can access AMI by using the registered email address we have on record • Ex) Submission agent is Jane Doe (jane@abc.ca) and agent is Joe Doe (joe@abc.ca) only these 2 emails will allow AMI to respond