

Future-forward,
Broker focused.



	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 + current pay stub. <i>*A verbal verification of employment may be required.</i> <i>*Additional documentation may be requested.</i>
Hourly Wages	Confirmation of guaranteed hours and rate of pay. If hours are not guaranteed, a 2 year history is required to calculate the qualifying average.	Letter of employment + current pay stub(s) to confirm guaranteed hours. If income is non-guaranteed or fluctuating, a 2 years history will be required. <i>*Additional documentation may be requested.</i> <i>*A verbal verification of employment may be required</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 15000 from the NOAs. Income may be grossed up by 15% -or- add-backs for business use of home and capital cost allowance, motor vehicle expense, & net income. Incorporated Borrower – 2-year average <p>Stated Income: See BFS Stated Income Tip sheet for more information.</p>	<p>With 3rd Party Validation:</p> <p>Confirmation of Business Ownership and evidence that the business has been in existence for a minimum of two years should be provided.</p> <p>Primary documentation requirements for both sole proprietors/partnerships and incorporated borrowers include the following:</p> <ul style="list-style-type: none"> The two most recent years Notice of Assessments 2 years T1 Generals (with Statement of Business Activities and all schedules for the most recent two years for sole proprietorship/ partnerships); <p><i>*Additional documentation may be required depending on the type of self-employment and the qualifying details.</i></p> <p>...Continued on page 2.</p>

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Business For Self		<p>Secondary documentation requirements for both sole proprietors/partnerships and incorporated borrowers include the following:</p> <ul style="list-style-type: none"> Articles of Incorporation (for a Corporation); Business registration, GST/HST registration or Business License (for businesses operating in Quebec, proof the business is registered under the Registraire des entreprises database is sufficient); Business contracts supported by bank statements; Goods and Service Tax (GST) returns; Audited financial statements; Current Corporate Search. <p>Stated Income Please refer to the Stated Income program feature sheet.</p>
Bonus, Overtime & Commission Income	<p>Bonus, overtime income, or commission income may be used to qualify. As this income may fluctuate and may not be guaranteed, it must be averaged over a 2-year period.</p> <p>The guaranteed salary portion may be used in full.</p>	<p>Letter of employment + current pay-stub. Income is to be qualified on lesser of a 2-year average or most recent NOA.</p> <p>Average may be calculated using NOA's, T4's, or year end pay slips.</p> <p><i>*A verbal verification of employment may be required.</i></p>
Rental Income	<p>For 2-4 unit insured and insurable rentals, the following rental income is used.</p> <ul style="list-style-type: none"> 2-unit owner occupied subject: 100% of gross rent 3-4 unit owner occupied subject: 50% of gross rent 2-4 unit rental subj property: 50% of gross rent <p>For non-subject rentals on insured and insurable files, the cmls rental worksheet may be used.</p> <p>For uninsured mortgages, 80% of rents may be added for subject properties and/or outside rentals.</p>	<p>One of the following may be used to confirm rental income:</p> <ol style="list-style-type: none"> Lease agreement (must be arms length) and 3 months bank statements showing rental deposits. Letter of economic rent from a CMLS approved appraiser (only if a current lease agreement is not available). Most recent full T1 generals including the T776 Statement of real estate rentals.
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>

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Alimony / Support	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.	A copy of the written Separation/Divorce Agreement must be provided (signed by all parties), or a court order. AND one of the following: <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/Contract or Seasonal Income	Up to 100% of permanent part-time/contract or seasonal income will be considered based on guaranteed number of hours or two-year history. Up to 100% of income from a second part-time job will be considered if borrower can demonstrate a minimum two-year history.	<i>Letter of employment + current pay stub(s) to confirm guaranteed hours. If income is non-guaranteed or fluctuating, a 2 years history will be required.</i> <i>*Additional documentation may be requested.</i> <i>*A verbal verification of employment may be required.</i> <i>Income is calculated based on the lesser of the two-year average of the NOAs or most recent years NOA.</i>
Pension	Private and Public source pensions are considered. <i>NOTE: May be grossed up if confirmed non-taxable.</i> <i>If < 30k, it may be grossed up by 25%.</i> <i>If > 30k, it may be grossed up by 35%.</i>	One of the following Primary documents is required: <ol style="list-style-type: none"> 1. Most recent year T4A 2. Most recent years T1 Generals and NOA. One of the following secondary documentation is required: <ol style="list-style-type: none"> 1. 3 months recent bank statement showing at least 3 consecutive deposit; 2. Most recent pension stub/pension statement; 3. Letter from previous employer/pension administrator stating pension amount (award letter).
Parental Leave	100% of annual income will be considered if the income is guaranteed and return to work date is confirmed via employer.	Letter of employment. In addition, one of the following is required: <ol style="list-style-type: none"> 1. Previous year-end pay stub; 2. Most Recent T4(s). <i>*A verbal verification of employment may be required.</i>
Disability	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). Permanent Disability – Provide income confirmation from Insurance Company. <i>NOTE: May be grossed up if confirmed non-taxable.</i> <i>If < \$30K, it may be grossed up by 25%.</i> <i>If > \$30K, it may be grossed up by 35%.</i>	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. 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.

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Child Tax Benefit	Canada's Child Benefit is an acceptable income source for insured or insurable mortgage applications.	<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 15 years old. • Proof of the children's age is required (birth certificate). • Proof of deposit in the form of 2 months bank statements. • This cannot be the applicants only source of income and cannot exceed 30% of the total income used to qualify for insured applications.
Investment Income	<p>Investment income refers to the profit earned such as interest and dividends income.</p> <p>Retirement income refers to profit earned from registered retirement funds RRSP/RRIF.</p>	<p>Most recent investment statements to confirm principal balance (<i>Balance must be sufficient for the term of the mortgage</i>)</p> <p>And</p> <p>One of the following is required for 2 yrs:</p> <ol style="list-style-type: none"> 1. NOA with accompanying T1 Generals. NOA to confirm no taxes owing. 2. T5 3. T4RIF/T4RSP.

*Additional documents may be requested.