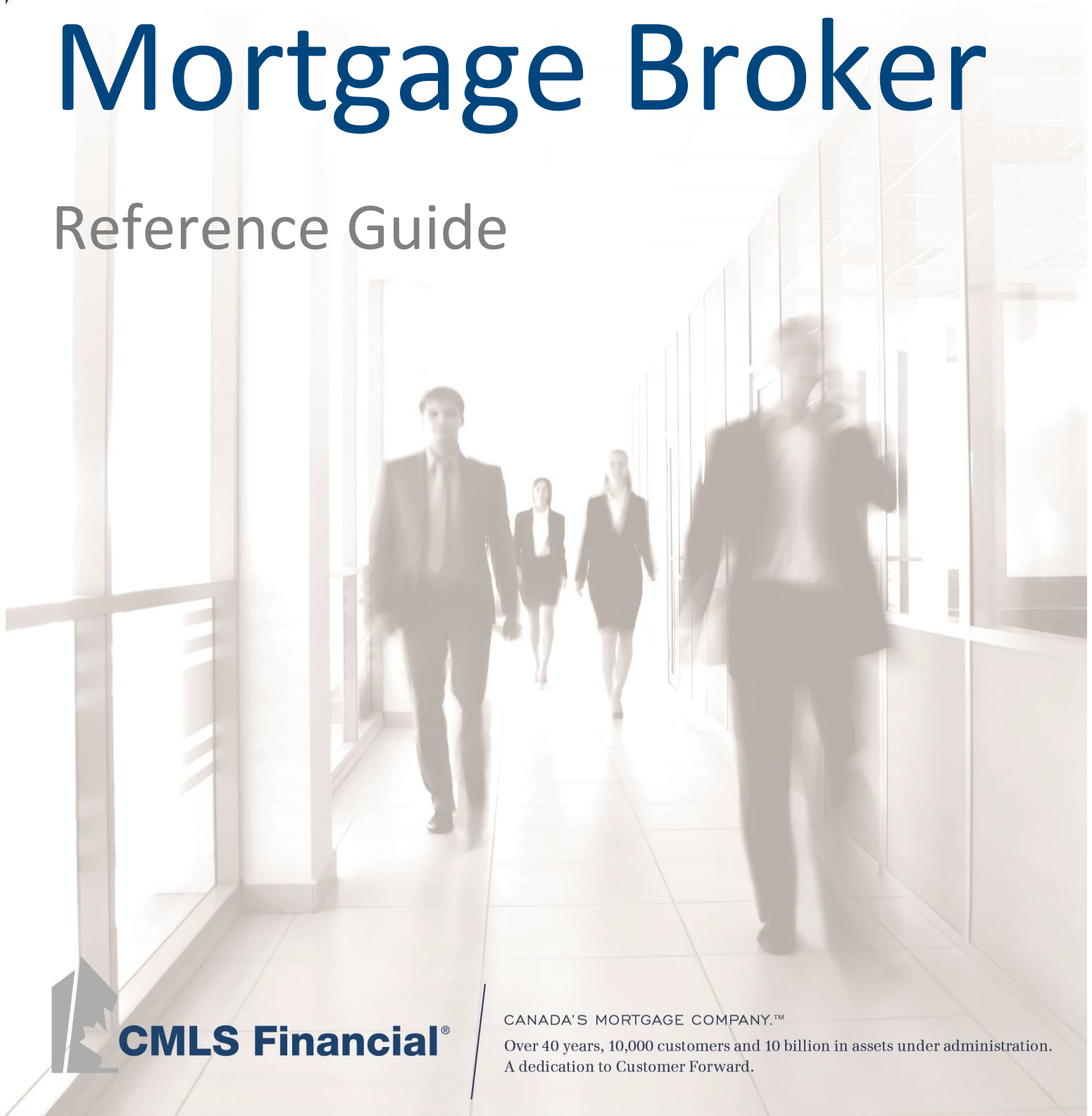




Residential Mortgage Broker

Reference Guide



CMLS Financial[®]

CANADA'S MORTGAGE COMPANY.[™]

Over 40 years, 10,000 customers and 10 billion in assets under administration.
A dedication to Customer Forward.

Table of Contents

	Page
About CMLS Financial	3
Product Features	5
Income Guidelines / Documentation	7
Debt Servicing	10
Source of Down Payment	11
No Fee Switch/Transfer	12
Investment Property & Rental Income	13
Business for Self (Alt A)	14
Borrowed / Flex Down Payment	15
Purchase Plus Improvements	16
New to Canada	17
Automated Pre-Approval Program	18
Pre-Approval Checklist	20
Property Tax Guidelines	21
Client Consent Form	23
Commercial Mortgages	25
Servicing Fee Table	26

About CMLS Financial

Founded in 1974, CMLS Financial is one of Canada's largest, independently owned mortgage services companies offering both Residential and Commercial mortgages. We originate our residential mortgages exclusively through mortgage brokers in five provinces across Canada, (British Columbia, Alberta, Saskatchewan, Manitoba and Ontario).

As a CMLS Financial registered broker, this guide is designed for you to use as a quick reference tool to gain a better understanding of our products, lending guidelines, and servicing. The guide will be updated and redistributed as changes occur to our lending guidelines and services. Each product sheet has a version date so you will know when our most recent change occurred.

We hope you will find this guide useful, and encourage you to contact your CMLS Financial Regional Managers to answer any questions about our policies.

Contact Info

National Sales Managers

Regional Manager	Territory	Mobile Phone	TF Phone	Email
Susan Lambert	Ottawa Region	613.447.6169	877.798.2657	susan.lambert@cmls.ca
Rodrigo Cubric	Central GTA	647.401.2828	833.444.5644	rodrigo.cubric@cmls.ca
Kamran Daryushnejad	GTA East	647.299.2657	877.944.2657	kamran.daryushnejad@cmls.ca
Tomo Brank	Oakville, Mississauga, Northwest Ontario	647.242.6490	844.265.2657	tomo.brank@cmls.ca
Brian Ingram (SLG)	Ontario and Eastern Canada	905.875.6370	833.888.2657	brian.ingram@cmls.ca
Steve Ennis (SLG)	British Columbia and Western Canada	604.787.4885	833.276.2657	steve.ennis@cmls.ca
Ara Manoukian	Golden Horseshoe SW Ontario	905.906.7303	877.948.2657	ara.manoukian@cmls.ca
Christa Boyd	Northern Alberta and Manitoba	780.935.4321	866.606.0969	christa.boyd@cmls.ca
Sam Samadi	Calgary Alberta South Saskatchewan	403.613.9503	855.799.2657	sam.samadi@cmls.ca
Jeremy Hewitt	British Columbia GVA East Fraser Valley Interior	604.374.8440	888.660.2657	jeremy.hewitt@cmls.ca
Colleen Williams	Victoria and Vancouver Island	250.415.6730	833.444.6044	colleen.williams@cmls.ca
Clinton Grayson	Greater Vancouver Area	778.387.2657	833.444.5844	clint.grayson@cmls.ca

Underwriting Management Team (East & West)

Name	Title	Direct Line	Toll Free Phone	Email
Ted Cadigan	Director, Underwriting	604.639.9433	866.426.2657 x291	ted.cadigan@cmls.ca
Ben Ho	Escalation Manager	604.639.9429	866.426.2657 x129	ben.ho@cmls.ca
Jason Gress	Escalation Manager	587.880.6398	866.995.2657 x618	jason.gress@cmls.ca
Darren Todd	Manager	416.479.8104	877.938.2657 x493	darren.todd@cmls.ca

Document Submission

Submit document files to mortgagedocuments@cmls.ca. Ensure the mortgage number is in the subject line and please CC your dedicated underwriter.

Underwriting Offices

Western Underwriting Vancouver

Oceanic Plaza Building
2110 - 1066 West Hastings Street
Vancouver, BC V6E 3X2

Eastern Underwriting Toronto

18 York Street, Suite 1500
Toronto, ON M5J 2T8

Client Servicing Management

Brokers can contact CMLS Financial about their clients, but must have submitted a "Client Consent Form" on page 21.

Clients can contact CMLS Financial at:

Phone: 1.888.995.2657
Email: service@cmls.ca
Fax: 1.888.226.5124

Brokers can contact CMLS Financial at:

Phone: 1.888.987.2657
Email: service@cmls.ca
Fax: 1.888.226.5124

Programs Offered	Standard Purchase, Refinance, Transfer/Switch (including Collateral), Rental Property, BFS Alt A (Stated), New to Canada, Purchase Plus, Second Home, Borrowed/Flex Down Payment, Spousal Buyouts & Equity Buyouts.
Loan Purpose	<p>Purchase up to 95% LTV (1-2 units max); up to 90% LTV (3-4 units) “No Fee” Transfer & “No Fee” Collateral Switch – Up to \$3,000 in new funds may be capitalized to help cover discharge fees, administration fees, accrued interest and penalties due to the relinquishing lender. Rental Properties (1-4 units) Refinance up to 80% LTV</p> <p>Add 5 bps to standard rates for BFS Alt A stated income (Owner Occupied Purchases Only):</p> <ul style="list-style-type: none"> LTV up to 65% (back-end insured, CMLS Financial to pay premium) LTV of 65.01 to 90% (insured, borrower to pay premium) <p>Bridge Financing available; contact your CMLS Financial Regional Manager for more information.</p>
Loan Amount	<p>Minimum mortgage amount \$50,000 (min \$150,000 for Switch/Transfer). Maximum mortgage amount:</p> <ul style="list-style-type: none"> High-Ratio: \$924,999.10 + premium Conventional: Maximum \$999,999.99 Uninsured Max \$1,000,000 subject to sliding scale parameters Stated Income (Alt A): \$750,000 in Greater Toronto, Calgary, and Vancouver; max \$600,000 for rest of Canada Rentals: \$750,000 in Greater Toronto, Calgary, Vancouver; max \$600,000 for rest of Canada <p><i>Exceptions for larger loan amounts may be considered case by case; contact your Regional Manager for more information.</i></p>
Terms	<p>FIXED: 1, 2, 3, 4, 5, 7 and 10 years ARM: 3 and 5 years (May convert into a fixed term equal to closest and greater than the time remaining in current term, i.e. 1.4 years remaining, must be converted into a 2 year term or greater)</p>
Amortization	<p>Minimum 10 years Maximum 30 years</p>
Payment Frequency	Monthly / Semi-Monthly / Bi-Weekly / Weekly (Accelerated payments are also available)
Interest Rate	<p>120 day rate guarantee. Borrower is entitled to a one-time rate drop up to 5 business days prior to closing. Fixed: Interest is compounded semi-annually, not in advance ARM: Interest is compounded monthly, not in advance</p>
Property & Location	<p>Primary Residence (1-4 units), Rental/Investment (1-4 units), Second Home (maximum 1 unit), New Construction and existing properties.</p> <p>Readily marketable residential dwellings, located in markets with demonstrated ongoing re-sale demand. The property must be located in areas that are acceptable to CMLS Financial and must be suitable and available for year-round occupancy.</p> <p>In addition, the property must meet the following criteria:</p> <ol style="list-style-type: none"> Residential zoning Fully self-contained Remaining economic life > Requested Amortization + 5 years <p>New construction must be covered by a CMLS Financial approved New Home Warranty Program.</p>

Property Restrictions	<p>Minimum Population: CMLS Financial will lend in areas with a minimum 5000 population (Regional Restrictions may apply)</p> <p>Minimum square footage: ≥ 750 square feet (Condo must be ≥ 500 square feet and minimum 1 separate bedroom).</p> <p>Ineligible: Leasehold properties, Seasonal use or Seasonal access, Quarter share/shared ownership or fractional interest, Rental Pools, Rental Condos, Floating homes, Rooming/boarding houses, Water access only homes, Properties with restricted covenants, Grow Ops or deemed remediated, Co-operative/co-ownership housing, Mobile or Modular homes, Heritage homes or designated Historical Home, Time share properties, Life leases, Geo-thermal/dome homes, Commercial and industrial use properties, Working farms (including hobby farms), Vacant land, Rural areas with population less than 5,000, Log homes, Homes on reserve lands, Rent to Own, Post-tension cable construction, Properties with incomplete repairs, including condos with incomplete remediation, Foundations other than poured concrete or concrete block, or concrete pad/piers.</p>
Credit Scores & Bureau	<p>High or Low Ratio Insured files, require a minimum beacon score of 640 for all applicants.</p> <p>Low Ratio Insurable files, require a minimum beacon score of 680 for at least one applicant and minimum 640 for any other applicant.</p> <p>Low Ratio Uninsured files, require a minimum beacon score of 660 for all applicants.</p> <p>Specialty programs may have additional beacon score requirements.</p> <p>Applicants contributing to income should have 2 established trade lines reporting for 12 months.</p> <p>A “zero” beacon score due to lack of credit will only be allowable for New to Canada applications. We will permit income from a “zero” beacon so long as sufficient alternative credit has been demonstrated, and meets insurer guidelines.</p> <p>The age of the credit bureau must not exceed 30 days at the time of submission.</p>
Prepayment Privileges	<p>Up to 20% of the original principal amount, per year, without penalty. Multiple payments allowed (minimum \$100).</p>
Payment Increase	<p>Fixed and ARM: Option to increase payment by up to 20% of the original registered amount, without penalty each anniversary year.</p> <p>Changes to Prime (ARM Only): P & I payment will be adjusted each time there is a change in CMLS Financial Prime, on the payment following the change.</p>
Early Payout Penalty	<p>Fixed: Greater of 3 months interest or Interest Rate Differential (based on CMLS Financial posted rate). For fixed rate terms > 5 years, if prepayment occurs after the first 5 years of the term, only a prepayment charge of 3 months interest calculated on the outstanding loan amount is required (If less than 3 months, interest to maturity is charged)</p> <p>ARM: 3 months interest at current customer rate (If less than 3 months, interest to maturity is charged)</p>
Assumability & Portability	<p>Available upon qualification.</p> <p>CMLS Financial will allow a maximum of 30 day gap on Ports</p>
Appraisals	<p>Appraisals are not always required by CMLS Financial. In the event that a full appraisal is required:</p> <ol style="list-style-type: none"> 1. On high-ratio mortgages the cost will typically be borne by the mortgage insurer (other than for private sales). 2. On conventional mortgages the cost will be borne by the borrower (other than for switch/transfer) and must be completed by a CMLS Financial approved appraiser.
Property Taxes	<p>By default, taxes are collected by CMLS Financial and paid on borrower’s behalf where LTV >80%. <i>Exceptions may be permitted case-by-case, see property tax tip sheet for full details.</i></p>
Special Notes	<p>CMLS Financial requires all mortgages to have Lender Title Insurance.</p>

	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 of T4 income grossed up by 15% and Line 120 dividend income without gross up. <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"> 1. 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); 1. 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>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 style="text-align: right;">... Continued on page 2</p>

Guidelines
Documentation

Business For Self		Sole Proprietor <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 Partnership <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 Stated Income: Please refer to Business For Self (ALT A) product feature sheet
Bonus, Overtime & Commission Income	100% of bonus or overtime income must be averaged over a 2-year period. The guaranteed salary may be used in full. For self-employed, income is determined using the Self-Employed (with 3rd party validation) guidelines above. <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>	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.
Rental Income	For owner occupied 2 to 4 unit insured and insurable rentals, 100% addback may be considered for 2nd unit and 50% for 3 rd and 4th units. For non-subject rentals on insured and insurable, our rental worksheet may be used. **May not apply to all Promo Rates. See specific rate sheets for further info or contact your Regional Manager. For uninsured mortgages, 50% of rents may be added for subject properties and/or outside rentals. For rental income from suites, within an owner occupied property, please see our Investment Property and Rental Income tip sheet.	One of the following may be used to confirm rental income: <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

	Guidelines	Documentation
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.</p> <p>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).</p> <p>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 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.</p> <p>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>
Pension	<p>CPP, OAS, Survivors Benefit, Annuity and other pensions are all considered.</p> <p>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%.</p>	<p>One 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.
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>
Investment	<p>Must confirm that investment portfolio can sufficiently support continuity of investment income.</p> <p>Income is calculated based on the lesser of the two-year average income or the last year's income.</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 T1 Generals, or the Tax Summary forms (including all schedules), and • The two most recent years associated Notices of Assessment (NOAs).

	Guidelines	Documentation
Seasonal Income & Employment Insurance	100% of Employment Insurance income and Seasonal income will be considered provided the applicant has been employed for at least two years, and the income is regular, recurring, and continuous. Income is calculated based on the lesser of the two-year average income or the last year's income.	Letter of employment with verbal confirmation + current pay stub. The income must be validated with the two most recent years NOA's plus T4s/T1 Generals
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. 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%.	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.
Child Tax Benefit	Canada's Child Benefit is now an acceptable income source for mortgage applications. (Currently Available on our Regular Rates only)	<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 15% of the total income used to qualify

*Additional documents may be requested

Qualifying Rates	<p>All Insured and Insurable fixed and adjustable term mortgages are qualified on the greater of the Bank of Canada 5 year benchmark rate or contract rate.</p> <p>Uninsured fixed and adjustable terms with up to 25 year am are qualified at the greater of the Bank of Canada 5 year benchmark rate or 200 basis points above the contract rate. Uninsured fixed and variable terms with up to 30 year amortization are qualified at the greater of the Bank of Canada 5 year benchmark rate or 200 basis points above the contract rate.</p>
Debt Servicing Ratios	<p>GDS & TDS = Maximum 39.0% & 44.0% with beacons greater than or equal to 680</p> <p>GDS & TDS = Maximum 32.0% & 40.0% for subject rental properties under the uninsurable program. Regional differences may apply.</p> <p><u>Note:</u> Debt service flexibilities are based on an assessment of the overall strength of the file application.</p>
Consumer Credit	<p>For calculation of the monthly obligation, the greater of the actual minimum payment or 3% of the outstanding balance will be used for unsecured revolving credit (credit cards, LOC) and 0.65% of the outstanding balance for secured credit (unless otherwise posted).</p> <p>We can consider amortizing secured LOC's over 25 years at Bank of Canada benchmark rate.</p>
Installment Loans & Other Mortgages	<p>The installment payment must be included in the TDS with confirmation obtained from the credit bureau report or one of the following sources:</p> <ol style="list-style-type: none"> 1. Cost of Borrowing 2. Approval Letter 3. Bank Statement 4. Loan Statement
Condo Fees	<p>100% of the condo fees are to be included on the application with 50% being used to calculate GDS and TDS.</p> <p>For non-subject rentals, please include 100% of the condo fees in the net rental work sheet.</p>
Heating Component	<p>The greater of \$100/month or \$0.75 per livable square footage (above grade) of subject property must be used to calculate the heating cost. For non-subject rental properties, the heating component may be excluded if it can be proven that the tenant bears its cost.</p>
Net Rental Income from Existing Non-Subject Rentals	<p>A net rental income analysis will be used to determine if there is a deficit or a surplus. For TDS, add surpluses to gross income or include deficits to the monthly liabilities.</p>
Student Loans Not Yet in Repayment	<p>The greater of the contract payment indicated on the borrower's credit report or 1.5% of the outstanding balance must be used to calculate the TDS.</p>
Support Payments (paid by the Borrower)	<p>If the Borrower is paying Child Support and/or Spousal Support it must be confirmed by way of a separation agreement, court order or spousal consent document outlining the terms of the separation.</p> <p>The monthly obligation will be added to the liabilities.</p>

TDS Formula	$\frac{\text{PITH} + \text{other shelter costs} + \text{liabilities}}{\text{Gross Monthly Income}}$
GDS Formula	$\frac{\text{PITH} + \text{other shelter costs}}{\text{Gross Monthly Income}}$

Savings	Bank statements to confirm funds are available, with a 90-day history. Note: Any large or irregular deposits may require further explanation as to source of funds.	Three months bank statements required. If the deposit was made over 90 days from date of purchase, we can review the Statement of Adjustments.
Sale of Real Estate	Proceeds from sale of previous property.	Firm sale agreement with all waivers, plus recent mortgage statement (or title if free and clear). Solicitor prepared trust ledger confirming net proceeds.
Gifted Down Payment	Gifted down payments from immediate family can be used provided they are properly verified and non-repayable. Immediate family is defined as parents, grandparents, siblings, or children. A spouse is not considered an immediate family member. Gifted equity by an immediate family member may be considered. Under the Borrowed Down Payment program, gifts from sources other than non-immediate family can be considered. Note: Not available to clients with previous Bankruptcies.	CMLS gift letter confirming the gift is non-repayable. Bank statement to confirm deposit into applicant's account prior to closing. Note: Gifted down payments are not required to be on deposit until time of closing but recommended prior to closing to avoid potential funding delays. If funds are not in borrower's possession at least 15 days prior to closing, ONE of the following is required to confirm: <ul style="list-style-type: none"> • verbal inquiry to the donor of the gifted funds to verify the details of the gift letter; • copy of the donor's personalized cheque; • receipt of a notarized gift letter; and/or • confirmation the funds are on deposit, from the donor's lending institution.
Borrowing against Non-Subject Existing Property	Equity take out from another property is allowed as long as payment consideration is made in TDS calculations. Limited to maximum 95% LTV. <i>Exceptions may be considered.</i>	Approved commitment or new mortgage statement from other lender and/or registered charge to be provided by the solicitor along with trust ledger if available.
Borrowing against Liquid Asset	Borrowed down payment is considered. New payment must fit into the TDS calculations. Limited to 95% LTV unless First Time Homebuyers, <i>exceptions may be considered.</i>	Statement for account being used to confirm balance and payment details.
CSB / GIC / RRSP / Term Deposits / Stocks and other Securities	All three will be considered as long as investments are redeemable. Note: Redemption through the government First-Time Homebuyer RRSP withdrawal program is encouraged when available.	Current investment statements to confirm balances and if redeemable. A 90-day history is required.
Deposits with Offers	Bank statements to confirm deposit has been debited from account.	Three months (most recent) bank statements required. If deposit was made over 90 days from date of purchase one of the following is required: Copies of cancelled cheques payable to seller, receipts from seller, Statement of Adjustments may be used on new builds.
Inheritance	Inheritance from an immediate family member is allowable for down payment.	A letter from the solicitor or a copy of the Will is required to confirm the inheritance. The letter must outline the amount and date when the inheritance was received, and A current bank statement will also be required to confirm the funds received and are still available.
Relocation Expense	Some employers (eg. DND) will cover moving expenses, Insurer premiums or closing costs due to relocation.	Letter from Relocation Services confirming what fees are being covered by the employer.

*Additional documents may be requested

This program is designed for homeowners who would like to switch/transfer their mortgage from an existing lender over to CMLS Financial.

“No-Fee”	<p>CMLS Financial provides a “No-Fee” closing service through Fidelity National Financial (FNF), which includes title insurance and remote signing service, at no cost to the borrower.</p> <p>Note: The borrower remains responsible for all fees and penalties due at the relinquishing lender associated with the transaction.</p> <p>Up to \$3,000 in new funds may be capitalized into the new loan to finance discharge fees, administration fees, accrued interest and penalties due to the relinquishing lender.</p> <p>*FNF to be used exclusively for No-Fee Switch/Transfers</p>
Eligibility	<p>Owner-occupied and Rental properties permitted</p> <p>Minimum \$150,000 loan amount. Minimum 3, 5 year term or higher on the new mortgage Must meet all requirements for the Rate Program/Offer you are requesting.</p> <p>LTV > 80%:</p> <ul style="list-style-type: none"> Loans must be currently insured by Genworth Financial, CMHC or Canada Guaranty. To confirm the presence of existing insurance, please call: Genworth at 1-800-511-8888 OR CMHC at 1-888-GO-EMILI OR Canada Guaranty at 1-877-244-8422. Please ensure that you include the existing mortgage insurance reference number in your submission notes (if available) and submit with remaining amortization. <p>LTV ≤ 80%:</p> <ul style="list-style-type: none"> Loans that are currently insured by Genworth Financial, CMHC or Canada Guaranty. Loans that are not currently insured with Genworth Financial, CMHC or Canada Guaranty must receive an insurable response (CMLS Financial will cover the cost of this insurance) and submit with remaining amortization. Loans deemed uninsurable that qualify for the non insured/uninsurable financing program <p>Stated Income: Please contact your Regional Manager to discuss prior to submitting.</p> <p>Collateral Charges: Available through FNF additional fees apply. Please contact your Regional Manager for additional info. Please indicate on deal submission notes, “Collateral Transfer”.</p>
Loan to Value	<p>Appraisals are not typically required on insured switch/transfers. However, in certain cases where an appraisal may be needed to confirm value the cost will be covered by CMLS Financial upon funding of the new loan.</p>
Amortization	<p>Minimum: 10 years.</p> <p>Maximum: Original amortization less time elapsed. For more details contact your Regional Manager.</p>
Funding Process	<ol style="list-style-type: none"> Once all broker conditions are clear, CMLS Financial sends instructions to /FNF who in turn requests the payout statement from the relinquishing financial institution. Note: It typically takes 10 business days to acquire the payout statement. Once payout statement is received, CMLS Financial contacts the broker to advise of any discharge fees and payout penalties due to the relinquishing financial institution. Fees and penalties are either capitalized into the new mortgage (up to a max \$3000 in new funds) or paid to FNF directly by the borrower, for disbursement to the relinquishing financial institution. If the borrower chooses to capitalize part of or all the fees and penalty, CMLS Financial will revise the mortgage amount and provide FNF with the new commitment. FNF then contacts the borrower(s) to arrange the signing appointment. FNF will meet the borrower(s) at their home (except in BC), office, or another mutually agreeable location where they will sign docs, etc. Upon receipt of the executed documents and ID verification, CMLS Financial funds the new mortgage loan.

This program is suited to home buyers who have established an excellent credit history and wish to invest in a rental property. The property must be located in a major urban city.

Overview	Purchase & Refinance transactions Available. Regional restrictions may apply. Rental Properties are eligible for transfers under uninsurable program. In general (but not limited to), the insurer guidelines are closely followed. Appraisal required unless completed by insurer.
Loan To Value	Up to 65% Must have insurer approval. No insurance cost to borrower. 2-4 unit dwellings. 65.1% - 75% Borrower must pay the full insurance premium of 2.00%. 2-4 unit dwellings. 75.1% - 80% Borrower must pay the full insurance premium of 2.90%. 2-4 unit dwellings. Up to 80% LTV for conventional uninsurable rental properties when available. Regional restrictions may apply. Contact Regional Manager for further information. For Insured Rental Transfers (up to 95% LTV) valid mortgage insurance must be in place.
Borrower Qualifications	Borrowers must own their primary residence. Maximum TDS of 40% (unless otherwise posted) Down payment must be from own resources. CMLS Financial requires an Assignment of Rents.
Restrictions	A maximum of 4 total properties may be owned, including the subject property & principal residence. Corporate borrowers (or registration in a holding company) are not permitted.

Rental Income Guidelines

Subject Rental	50 or 80% addback may be used depending on product selection.
Existing / Other Rental Properties (Rental income from any rental property other than the subject property)	For existing rentals 50% addback may be used. For Non-Subject Rentals with multiple owners who are not on the subject application: Only a portion of the rental income can be used, while 100% of the liabilities are factored.
Rental Suite / Basement Income	50% add-back of gross rents. Self-contained conforming suite may be considered. For owner occupied 2 suite properties 100% add-back is allowable for smaller suite only. Must be legal suite. If owner occupied 3-4 unit property 50% addback is permitted. Fire retrofit and legal non-conforming status required where applicable. For Insured Rental Transfers, rental Income is Calculated as Follows > 680 beacon score: 100% addback can be used < 680 beacon score: 50% addback can be used
Documentation Requirements	Current rental lease agreement (when available); OR Market rents via letter of economic rents from a CMLS Financial approved appraiser (only if lease agreement not available); OR; Recent T1 General with the T776 Statement of Real Estate Rentals confirming gross rents. For subject uninsurable financing 2 of the above is required.

Overview	<p>In general, Insurer Business for Self (ALT A/Low Doc) guidelines are followed; for more information please visit www.genworth.ca/en/products/business-for-self-program.aspx or www.canadaguaranty.ca/insurance-products/low-doc-advantage/</p> <p>There is a 5bps rate premium to all BFS Stated Income files (Purchases & Transfers)</p> <p>Note that for transfers above 65% LTV, existing CMHC/Genworth/Canada Guaranty “Stated Income” insurance must be present.</p>
Required Information For Application Submissions Notes	<p>For reasonability of Stated Income, the following information is required at the time of submission:</p> <ol style="list-style-type: none"> 1. Industry type / profession. 2. Business type (sole proprietor, partnership or incorporated AND percentage ownership). 3. Stated annual business revenue. 4. Line 150 from the most recent years’ Notice of Assessment (NOA), ensure no taxes owing to CRA. <p><i>Any documentation which defers from the information submitted at time of submission is subject to requalification.</i></p>
Loan to Value	<p>Up to 65% - Must have insurer approval. No insurance cost to borrower.</p> <p>65.01% - 75% - Borrower must pay an insurance premium of 2.60%.</p> <p>75.01% - 80% - Borrower must pay an insurance premium of 3.30%.</p> <p>80.01% - 85% - Borrower must pay an insurance premium of 3.75%.</p> <p>85.01% - 90% - Borrower must pay an insurance premium of 5.85%.</p>
Max Loan Amount	<p>\$750,000 for Metro Toronto, Metro Vancouver and Metro Calgary.</p> <p>\$600,000 for the rest of Canada.</p>
Minimum Recommended Beacon Scores	<p>80.01% and higher LTV = minimum beacon score 650.</p> <p>Up to 80% LTV = at least one applicant must have a minimum beacon score of 680.</p>
Restrictions	<p>Commissioned individuals do not qualify for this program.</p> <p>Non-Residents and/or Non-Permanent Residents are not allowed.</p> <p>Gifted and borrowed down payments are not allowed.</p> <p>Rentals and Second Homes are not allowed.</p> <p>Former bankrupts are not permitted.</p> <p>Refinances not permitted.</p>
Documentation Requirements	<p>Most recent NOA to confirm no outstanding tax arrears along with ONE of the following to confirm ownership of the business and that it has been in operation for 2+ years. Examples include but not limited to the following:</p> <ol style="list-style-type: none"> 1. T1 Generals with Statement of business activities supported by NOA, prepared by an arm’s length third party. 2. GST/HST returns. 3. Audited Financial Statements prepared by a licensed CPA (Chartered Professional Accountant) 4. Business License. 5. Articles of Incorporation.

For most individuals, the most difficult part of purchasing a home, especially for first time home buyers, is the ability to save the required down payment. CMLS Financial allows for individuals to borrow the necessary funds to use as their down payment, commonly referred to as Flex Down or Borrowed Down Payment.

CMLS Financial Flex Down Payment Guidelines

Loan Purpose	Purchase Transactions 90.01-95% LTV.
Eligible Equity Sources	<p>Borrowed sources that are arm's length to the purchase or sale transaction such as:</p> <ol style="list-style-type: none"> 1. Personal Loans 2. Lines of Credit 3. Credit Cards 4. Gifts are permitted from sources other than non-immediate family member. <p>These sources must have a corresponding payment included in the TDS calculation (other than gifts from non-immediate family members).</p> <p>Closing costs of 1.5% of purchase price may also be borrowed provided associated payments are included in the TDS based on a repayment timeline of 12 months.</p>
Ineligible Equity Sources	<ul style="list-style-type: none"> • Builder incentives or loans • Gifts from third parties that receive payment from the vendor or builder • Realtor/mortgage broker incentives • Loans to the borrowers that impact the property selling price • Loans/gifts from the vendor of the property
Borrower Qualification	<p>Minimum Beacon Score of 680.</p> <p>Reserved for First Time Home Buyers, exceptions may be considered</p> <p>Non Residing Co-Borrowers are accepted however must be an immediate family member.</p> <p>Existing requirements related to income, down payment and credit worthiness will apply.</p> <ul style="list-style-type: none"> • Maximum GDS & TDS= 39% & 44%
Eligible Transactions	<ul style="list-style-type: none"> • First Time Homebuyers. • Max 2 units where 1 unit must be owner occupied. • New Construction with required Home Builder Warranty Program/Existing re-sale properties. • Purchase Plus Improvements.
Ineligible Transactions	<ul style="list-style-type: none"> • Business For Self Alt A • New To Canada • Rental Properties • Refinance • 2nd Homes
Terms / Qualifying Rates	<ul style="list-style-type: none"> • Fixed Terms: 1, 2, 3, 4, 5, 7, 10 year • Variable Terms: 3 and 5 year • Loans (fixed rate and variable rate products) are qualified on the greater of the contract rate or the 5 year Benchmark rate.
Insurance Premium	<p>90.01% - 95 % LTV</p> <p>Premium of 4.50%</p>

CMLS Financials Purchase Plus Improvements Program allows your clients to renovate their new property immediately after possession. This allows your client to make either minor or major changes to a property to meet their current wants and needs. Your realtor partners can use this strategy while presenting homes to their clients, with the additional benefit of increasing the property value and potentially helping with future resale value.

Some ideas for purchase plus improvements are:

Update Existing	<ul style="list-style-type: none"> • Update/renovate Kitchen • Update/renovate Bathrooms • New flooring (hardwood, carpet, laminate) • New paint
New Additions	<ul style="list-style-type: none"> • Finish/renovate the Basement • New Patio or Deck • New energy efficient Windows / Doors • Addition of Garage

Improvement Details:

Product Parameters	<ul style="list-style-type: none"> • Allows up to a 20% increase of the Purchase Price by a max of \$40,000. • Owner occupied properties only. • Maximum LTV 95% for purchases of properties with 1-2 units. • Maximum LTV 90% for purchases of properties with 3-4 units. • Commitment period of 120 days is available. • Maximum amortization of 25 years. • All terms available: 1,3,5,7,10 year fixed rate as well as 3 and 5 year adjustable rate. • Down payment is based on the “as-improved” value which is used to determine maximum LTV. • Genworth Renovation Worksheet may be requested at the time of submission. http://www.genworth.ca/en/pdfs/Genworth_Renovation_Worksheet.pdf
Documentation / Advances	<ul style="list-style-type: none"> • A list of all improvements along with contractor cost estimates and quotes are required to support the increased value and must be provided at the time of application. • The initial advance of funds to the customer will be up to 95% of the “as-improved” value of the property minus the cost of the improvement. • The solicitor will hold the balance of the funds “in trust” pending completion of the improvements to the property. Funds to be returned to CMLS if improvements are not complete within 120 days. • Release of funds held in trust will occur upon confirmation from the customer/solicitor that the improvements have been completed as per the original quote/contract provided at time of application. • A final inspection or appraisal may be required to ensure completion of the scheduled improvements. <p>For further assistance, please contact your CMLS Financial Regional Manager.</p>

Qualified homebuyers who have immigrated or relocated to Canada within the last 5 years are eligible under the CMLS Financial New to Canada program to purchase a property with as little as a 5% down payment.

Eligible Properties	<ul style="list-style-type: none"> • Maximum 2 units (1 unit must be owner occupied) • New construction closing within 120 days. (New Home Warranty enrollment must be confirmed.) • Existing resale properties. • Minimum square footage required is 750 for a house and 500 for a condo.
Borrower Qualification	<ul style="list-style-type: none"> • Must have immigrated to Canada within the last 60 months. • 3 months minimum full time employment in Canada (borrowers being transferred under a corporate relocation program are exempt). • Must have a valid work permit or obtained landed immigrant status • For 95% LTV, down payment must be from own resources. For LTVs less than 95%, a minimum of 5% must be from borrower own resources, the remainder may be gifted from an immediate family member. All debts held outside of the country must be included in the total debt servicing ratio. (Rental income earned outside of Canada is to be excluded from the GDS/TDS calculation.) • Guarantors are not permitted. • Foreign Diplomats who do not pay tax in Canada are ineligible for this program.

Documentation / Information Requirements

All LTVs	<ul style="list-style-type: none"> • Valid work permit or verification of landed immigrant status • Income Confirmation • Down payment confirmation • Purchase and Sale agreement
Up to 90%	<ul style="list-style-type: none"> • Letter of reference from a recognized institution <p>OR</p> <ul style="list-style-type: none"> • Six months of bank statements from primary account • Additional ALT credit history may be required.
90.01 – 95%	<ul style="list-style-type: none"> • International credit bureau demonstrating a strong credit profile <p>OR</p> <ul style="list-style-type: none"> • Two alternative sources of credit demonstrating timely payments (no arrears) for the past 12 months. The two alternative Canadian sources required are: <ul style="list-style-type: none"> ○ Rental payment history confirmed via letter from landlord and bank statements. ○ One other alternative source (hydro/utilities, telephone, cable, cell phone and auto insurance) to be confirmed via letter from the service provider or 12 months billing statements. <p>NOTE: Alternative sources of credit must be obtained from a Canadian source.</p>
Limitations	<p>Not available for:</p> <ul style="list-style-type: none"> • Business for Self-Stated/Declared Income • Refinances • Vacation/Secondary Homes Program • Rental Properties • Borrowed Down Payment Sources

CMLS Financial offers an automated pre-approval process, giving you a decision on your client's file within minutes, and a Pre-Approval Certificate for your client within 24 hours (1 business day).

Pre-Approval Features

Fully Automated Adjudication	Our system reviews the application, which allows for immediate response time.
120 Day Rate Guarantee	<p>When the application becomes live: Re-qualify on benchmark applicable.</p> <ul style="list-style-type: none"> If current best rates have increased beyond the pre-approved rate, the original rate hold expiry applies to the live application. If current rates are equal to or less than the pre-approved rate, a new 120 day commitment period may be requested.
10 bps Surplus to Best Rates	<ul style="list-style-type: none"> Applications are qualified using the greater of the contract rate or the Bank of Canada benchmark rate. The pre-approved rate offer will be best rate + 10bps. When the application becomes live, the prevailing rate is the lesser of the pre-approved rate and the current best rate (at time of live deal). Buy-downs may be applied only when the application becomes live.

Required Information (Failure to enter these items will result in an auto-decline of the pre-approval application.)

Applicant Names	If the name of any (or all) of the applicants change when the deal becomes live, the pre-approval is null and void.
Credit Bureau Score	<ul style="list-style-type: none"> Score must be provided within 30 days from the submission date. Beacon score must be 620+ for all applicants. For beacon scores 680+, then GDS/TDS up to 39/44%. <p>NOTE: Beacon score alone is not indicative of adequate credit, and a full review of the credit bureau will be performed when the application becomes live.</p>
Loan Amount	<ul style="list-style-type: none"> Minimum \$100,000 Maximum \$750,000
Qualifying Income	<p>All employment income must be entered into the "employment" section of the application. Stated income is not allowable.</p> <p>Rental income from existing non-subject rentals may be considered, however "estimated" rental suite income from the subject property is not allowable.</p>
Property Details	<p>"Property Type" should be entered as owner occupied. Rental/investment properties, condos, and leasehold properties are not permitted.</p> <p>Must enter a minimum monthly heating cost of \$100.</p> <p>Must enter a reasonable estimate of property tax – minimum amount is 1% of purchase price.</p> <p>Maximum property value \$1,000,000.00</p>
2 Active Trades	Each applicant requires a minimum of 2 active trades listed.

Process for Automated Pre-Approval

1. In Filogix, select “CMLS Financial” as Lender and “Pre-Approval” as transaction type.
2. Ensure the “Required Information Criteria” listed above are entered. Failure to do so will result in an auto-decline.
3. Click “Submit” to send your pre-approval to CMLS Financial.
 - a. Click Refresh to move the deal from Queued Status to “Submitted Status”.
 - b. Click “Refresh” again to see your decision (Approved/Declined).
 - c. Once approved, CMLS Financial will issue a Pre-Approval Certificate via email within 24 hours (1 business day) reflecting the date of approval.
 - d. If you receive a Decline notification: review the steps above and double check the “Required Information”, then update your information and resubmit if necessary. Your CMLS Financial Regional Manager will be notified and is available to assist you if needed.

NOTE: If you are submitting the day before a rate change, your pre-approval application must be submitted before 11:59 PM Eastern Standard Time.

The CMLS pre-approval process is computer automated and adjudicated. Because the adjudication is rule based,

Property	Properties must be owner-occupied, and detached homes only. Condos (both apartment and townhouse) are not allowed. Rental properties are not allowed. A reasonable property tax estimate will be factored based on the property value (ON = 1%, AB = .65%, BC = .50%, SK = 1.25%, MB = .75%). Minimum monthly heating costs is greater of \$1,200.00 annually or \$0.75 per square foot.
-----------------	--

please review the checklist below in cases where you have received a decline and are not sure the reason.

Income	<p>All employment income must be entered into the application. Stated income is not allowable. Income from rental basement suite is not allowable. Rental income for existing non-subject rentals may be considered, please enter this as “other income”. All applicants must have minimum of 12 months at current employer (applicants with job tenure of under one year are able to be approved on real deals).</p>
Credit	<p>Current credit bureaus are required (within 30 days). All applicants must have a minimum credit score of 620. All applicants must have 2 trade lines reporting for minimum of 2 years. No previous bankruptcies (may be considered on live deals with 2 years discharged). Applicants with a 900 SIN number are not permitted for pre-approval (may be considered for live deals under our New to Canada program).</p>
Debt Service Ratios	<p>GDS / TDS up to 35% / 42%. If both applicants have beacon scores ≥ 680, then 39% / 44% is permitted.</p>
Additional Info	<p>Minimum loan amount \$100,000. Maximum loan amount \$750,000. Rate guarantee period 120 days. 0.10% rate premium added to all pre-approvals (for both Fixed and ARM). When the deal goes live you will get the lower of the pre-approved rate or the current best broker rate. Buy-downs are not available on pre-approvals but may be offered when the deal goes live. All applicants on the pre-approval must also be on the application when the deal goes live or the pre-approval will be null and void. Note: These parameters are for our auto pre-approvals only. Live applications are underwritten based on our traditional underwriting guidelines. Traditional underwriting guidelines may differ from the above automated pre-approval system. Full underwriting discretion remains with CMLS Financial underwriting at all times, regardless of the information presented above.</p>

CMLS Financial will generally collect and remit property taxes on all mortgages. Below are some guidelines to assist in understanding the collection and payment process.

Conventional	<p>Customer to pay taxes through CMLS Financial.</p> <p>Customer may pay own taxes if approved by CMLS Financial:</p> <ul style="list-style-type: none"> • Must have good payment history • Must not have arrears or tax sale
Insured	<p>Customer to pay taxes through CMLS Financial.</p> <p>Customer may pay own taxes if approved by CMLS Financial:</p> <ul style="list-style-type: none"> • If they are on a payment plan (TIPPS), or • After 1 year repayment, CMLS Financial may consider allowing customer to pay their own taxes (subject to strong payment history, no arrears & must demonstrate proof of payment annually).
Who Provides Tax Amount?	<p>Property Taxes must be included with all applications to CMLS Financial.</p> <ul style="list-style-type: none"> • Purchase: Provided by Broker based on MLS. • Switch: Provided by Broker. • New Build: Provided by Broker until bill from municipality received. <p>Solicitor confirms final property tax amount at closing.</p>
Where is Property Tax amount listed on CMLS Financial documents?	<p>Property Tax owing can be found on:</p> <ul style="list-style-type: none"> • CMLS Financial Commitment Letter at time of approval • Realty Tax Form at closing • CMLS Financial Welcome Letter to Customer after funding
Transfer/Switch	<p>If the borrower wants CMLS Financial to collect and pay their taxes, then any tax account balance from the previous lender will be carried over to CMLS Financial.</p>
Permission to Pay Taxes	<p>Customers will sign a CMLS Financial “Realty Tax Form” at closing which lists the correct property tax amount, and confirms that CMLS Financial will be collecting and paying the property taxes.</p>
Tax Submission Frequency	<p>CMLS Financial pays property taxes 1-2 times annually based on municipality guidelines.</p> <p>Twice per year: Ontario & Vancouver, BC</p> <p>Annual: Alberta, Manitoba, Saskatchewan & rest of British Columbia</p>
Annual Tax Increase	<p>CMLS Financial increases the property tax annual estimate by approximately 3% or by the written amount provided by the municipality once the final tax bill has been paid. Customers are notified in writing from CMLS Financial of any change.</p>
IAD	<p>IAD (interest adjustment date) if applicable, is used to determine the holdback percentage.</p>

**Tax Holdbacks
(all provinces)**

Tax Holdbacks are funds that are held back (deducted) from the advance of a mortgage and deposited into the tax account for the purpose of paying an upcoming tax bill.

Holdback = Estimated Taxes/12 x # of months missing from collection year.

- Applicable to Alberta, BC, Manitoba, Saskatchewan & Ontario.
- CMLS Financial adjusts tax portion to include tax holdback if applicable OR the tax holdback is factored into the property tax portion calculated by CMLS Financial.
- Customer to pay first tax bill if insufficient time to collect funds.

Example:

Mortgage funded March 3, 2014.

Annual 2013 taxes = \$2,500 + 3% = \$2,575

Full taxes due July 2, 2014

March 3 = IAD date which determines the holdback percentage

(If IAD is not applicable, the funding date determines the % of holdback.)

April 3 = First P&I + tax mortgage payment

Therefore, CMLS Financial has to collect 9 months on holdback at funding.

Calculation:

\$2,575 (taxes) / 12 (months)

x 9 months tax collection

= \$1,931.25 (tax holdback amount due at funding)

Customer then pays 3 months taxes through regular mortgage payments (P&I + taxes).

Property Tax Payment Calculation Example	<p>Total Estimated Yearly Net Taxes minus Realty Tax Holdback, divided by number of months until next year's final tax bill = monthly tax component.</p> <p>Example: First mortgage payment starts August 2nd, 2014. Next annual tax bill of \$4,000 due June 30, 2015. No holdback required.</p> <p>Calculation: \$4,000.00 – \$0.00 / 10 months = \$400.00 (monthly)</p>
Customer Pays Taxes First	<p>Based on the month the mortgage starts and the cycle of the taxes, the Customer may be responsible to pay the remainder of current year tax bill.</p> <p>Refer Customer to Realty Tax Form at closing that will indicate:</p> <ul style="list-style-type: none"> • Date when CMLS Financial will start paying the taxes • Tax portion amount collected by CMLS Financial • Total annual amount • Holdback if applicable
Shortfall	<p>A shortfall is when not enough funds were collected to pay the tax bill.</p> <p>If a shortfall occurs, CMLS Financial will increase the next year's tax payments pro-rated over 12 months to recover the shortfall.</p>
BC Homeowner Grant	<p>Applicable to BC primary Residences only. Homeowner must apply annually and send confirmation to CMLS Financial each year for CMLS Financial to adjust taxes.</p>

This form authorizes CMLS Financial Ltd. to release information on my CMLS Financial Mortgage to my Designate, the mortgage broker noted below.

Please return this form to:
 CMLS Financial Ltd.
 18 York Street, Suite 1500
 Toronto, ON M5J 2T8
 Fax: 1.888.226.5124
 Email: service@cmls.ca

The purpose of this form is (please select one)

- Authorize the Designate to receive information related to my CMLS Financial mortgage (this authorization cancels any previous authorization). This authorization does not need to be witnessed but must be signed by all Borrowers under the CMLS Financial mortgage.
- Authorize the Designate to receive information related to my CMLS Financial mortgage **and** authorize the Designate to make or request changes to my CMLS Financial mortgage (this authorization cancels any previous authorization). **This authorization must be witnessed** and must be signed by all Borrowers under the CMLS Financial mortgage.
- Cancel the existing authorization of the Designate. This authorization does not need to be witnessed and may be signed by any Borrower under the CMLS Financial mortgage.

Borrower Information

Last Name		First Name		Last Name		First Name	
Last Name		First Name		Last Name		First Name	
Proper Address (Street no. & name, apt no.)				City		Province	Postal Code
Mortgage Reference Information				Phone Number & Area Code		Email	

Designate (Mortgage Broker) Information

Last Name		First Name		City		Province	Postal Code
Proper Address (Street no. & name, apt no.)				Phone Number & Area Code			

1 of 2

Borrower Authorization

This section does not apply where the existing authorization of the Designate is being cancelled.

Only the named Designate is authorized under this authorization and not any other broker, agent or representative of the same brokerage as the named Designate.

The information to be provided to the Designate related to my CMLS Financial mortgage is limited to the following:

- Information regarding the mortgage interest rate and how interest is charged
- Mortgage payment frequency, mortgage payment due date and mortgage payment amount
- Principal balance
- Mortgage early prepayment privileges
- Terms and features (privileges) of the mortgage
- Whether CMLS Financial remits property taxes on my behalf
- Information regarding early payout penalties

Where the Designate has been authorized to make or request changes to my CMLS Financial mortgage, the changes the Designate may make or request are limited to the following:

- Mortgage payment frequency, mortgage payment due date and mortgage payment amount changes
- Changes to the banking information under the Pre-Authorized Debit Agreement provided to CMLS Financial (void cheque or pre-authorized debit form required)

The information to be provided to the Designate and/or the changes to be made by the Designate, as the case may be, may be provided and/or may be made without notice to me by CMLS Financial.

Once signed and submitted to CMLS Financial at the above address, this authorization will be in place until such time as a separate form is received to cancel this authorization.

Borrower:

Print Name

Signature

Date (mm/dd/yy)

Witness:

Print Name

Signature

Date (mm/dd/yy)

Borrower:

Print Name

Signature

Date (mm/dd/yy)

Witness:

Print Name

Signature

Date (mm/dd/yy)

Borrower:

Print Name

Signature

Date (mm/dd/yy)

Witness:

Print Name

Signature

Date (mm/dd/yy)

Borrower:

Print Name

Signature

Date (mm/dd/yy)

Witness:

Print Name

Signature

Date (mm/dd/yy)

Designate:

Print Name

Signature

Date (mm/dd/yy)

CMLS Financial is one of the largest non-bank commercial mortgage lenders in Canada, with annual origination in the billions of dollars. CMLS Financial has various funding platforms including securitization programs and pension accounts with varying risk appetites.

Target Asset Types	<p>Generally, CMLS Financial requires cash-flowing (income-producing) assets:</p> <ol style="list-style-type: none"> 1. Multi-Family Residential 2. Retail 3. Industrial 4. Office 5. Mixed Use 6. Healthcare 7. Lodging
Loan Amounts	<p>Minimum: \$1,000,000 Maximum: Depends on the deal, no set maximum. CMLS Financial has funded \$100M+ loan amounts, but most deals are between \$4M-\$20M.</p>
Loan to Value	<p>Conventional mortgages up to 75% of the asset's value (based on prescribed capitalization rates). Second mortgages available up to 85%.</p>
Lending area	<p>CMLS Financial offers commercial mortgages <u>anywhere</u> in Canada, and has offices in 6 major Canadian centres:</p> <ol style="list-style-type: none"> 1. Vancouver 2. Calgary 3. Toronto 4. Ottawa 5. Montreal 6. Halifax
Pricing	<p>Pricing is very much deal dependent, but typically 100-230 bps above the Government of Canada bond yield for the requested term. Second mortgage rates range from 6% to 9%. We are competitive with the banks and life insurance companies in terms of rates, but we also consider ourselves to be more flexible.</p>
Does CMLS Financial pay a finder's fee?	<p>Typically, on a commercial mortgage, the originating broker will charge a fee to the borrower. If required, CMLS Financial can in select cases build a fee into pricing to pay the originator.</p>
How to get started?	<p>Contact your CMLS Financial Residential Regional Manager. After screening for the above general criteria, they will then refer you to a member of our commercial business development team.</p>

1 of 1

The following table contains important information regarding servicing fees, effective April 1, 2016.

Fee Type	Fee Details	Pricing
Bridge Loan Administration		\$250
Payments	<ul style="list-style-type: none"> • Hold/Defer a Payment • Skip/Capitalize a Payment 	\$75 \$100
Loan Modification (i.e. Payment Date/ Amount/Frequency Change)	<ul style="list-style-type: none"> • 1st payment change in 12 month period • 2nd & additional changes within 12 month period 	\$25 \$75
Lapse in Fire Insurance		\$100 per month
Early Renewal		\$85
Regular Renewal		Up to \$500
Collections/Mortgage Default	<ul style="list-style-type: none"> • Returned Payment Fee • Condominium/Utility Arrears Administration • Bankruptcy/Consumer Proposal Administration • Default Administration (Legal Action) 	\$95 \$150 \$125 \$500
Tax Arrears Payment Fee	<ul style="list-style-type: none"> • Less than \$1,000 • More than \$1,000 	\$75.00 \$150.00 or 10% of outstanding balance
Statements	<ul style="list-style-type: none"> • Information Statement • Reprint of Annual, Assumption, Discharge – All Provinces except Alberta & British Columbia 	\$25 \$25
Application Review for Title Transfers		\$250
Application Review for Assumptions		\$250
Partial Discharge		\$250
Refinance & Ports		\$200
Tax Administration	<ul style="list-style-type: none"> • Confirmation of Property Taxes Paid • Property Tax Portion Cancellation 	\$75 \$50
Assignment/Transfer		\$300
File Research	• Includes account or tax historical data	\$25 - \$100
Request for copy of material from file		\$25
Discharge	<ul style="list-style-type: none"> • Alberta • British Columbia • Manitoba • All other Provinces 	\$0 \$75 \$100 \$325
Duplicate Discharge Documents	<ul style="list-style-type: none"> • Ontario • All other Provinces 	\$25 \$100