



### **Mortgages for Non Residents of Canada:**

- Non Residents of Canada, are generally full time residents outside of Canada and will have their income source paid and taxed in another Country.
- Purchasers will be required to provide confirmation of income, down payment, assets and Liabilities for all world-wide properties.
- A letter of reference from your Bank is required to confirm your Banking relationship is in good standing and you have the Minimum of 3 years history of an acceptable Banking Relationship (Anti Money Laundering Act) or a full International Credit Bureau will be accepted
- A new to Canada client who has recently arrived in Canada under a work visa or is a landed immigrant, will likely qualify for a lower down payment under one of the Mortgage insurance programs to aid in their transition into Canada.
- Any USA and Canada dual citizens will likely be considered Non Residents as to where there world wide income has been reported.

**\*\*You also need to be present in Canada for the signing of the Mortgage financing, so the closing date for your new home should be negotiated to ensure you are present\*\***

### **Availability of Mortgage Financing:**

For Traditional Lenders/Bank, Mortgages are available for Purchases of up to 65% and will be determined by the Purchase price of the Property. (Generally speaking, the Canadian Government has a Non Resident Tax that applies on any gain on the sale of the property in Canada by a Foreign Borrower so the down payment for a Non Resident is higher than that for a Resident of Canada.)

For US Residents, we may be able to obtain a higher loan to value depending on the application.

There are also Non Traditional Lenders that may lend a higher Mortgage on a case by case basis. These types of Transactions are generally a higher interest rate and often have a lender/broker fee payable.

### **Qualifying for a Mortgage in Canada:**

Mortgage qualifications are likely what you are already used to when applying for a Mortgage in your own Country. We will ask for documentation to confirm your down payment, assets and payments on any other Real Estate that you may own, in addition to the letter of reference from your Bank. The documentation will generally be two years income taxes, mortgage statements, property tax statements, letter of employment and proof of your down payment for a new property.

A Lawyer or Notary is required to assist in the purchase of the property and registration of the Mortgage.

You will need to establish a Canadian Bank account to maintain the Mortgage, Utility costs, and maintenance of your new home. The Bank account needs to be opened prior to you leaving Canada. We suggest that you keep a 6 month float of available funds in the account to cover costs while you are out of Canada.

Continued...

## **Dawn Stephanishin, AMP Mortgage Broker**

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**Costs of Buying:**

- British Columbia has a Real Estate Purchase Tax. The cost of the tax is 1% of the First \$200,000 purchase price and 2% of the amount above that. And is payable on closing of the purchase of the property at the Lawyers office.
- An Appraisal of the Property will be required and is estimated at \$500.00
- Legal Fees for the Purchase of the home will be \$1200-1500 depending on the Lawyer
- Title Insurance is usually requested in lieu of a Survey of the property and is also based upon the price of the property. Generally \$250-500 for an average property price.
- House insurance is required.
- Property Taxes are paid each year in July to the Province. The cost of the tax will vary from property to property so be sure to check the listing feature sheet to see what the owner is currently paying
- House Inspections are always recommended and will depend on the size of the property.
- Strata Properties will also have a monthly Strata fee that covers maintenance costs such as snow removal, and building maintenance costs.

**Mortgage Rates and Terms**

-Mortgage financing in Canada offers both Variable Rate (Mortgages that change with the Prime Lending Rate) or Fixed Rate Mortgages for a specific time period.

-Fixed Rate Mortgages will attract a prepayment penalty if paid out prior to the term ending, this is unlike the USA that allows you to break your Mortgage without penalty. Each Lender has their own calculations for penalties.

-Variable Rate Mortgages attract a maximum prepayment penalty of 3 months interest in Canada.

-Lump Sum Prepayments are generally available for up to 15-20% of the Original Mortgage Balance each year without Penalty.

-Mortgage Payments can be made Monthly, Biweekly, or Weekly from a Canadian Bank Account.

We have had the privilege of assisting many new Investors to Silver Star Mountain and have many happy clients! We are here to help you with your Vacation property. Please feel free to email or call us for any further information.

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