

**MOHAWKS OF THE
BAY OF QUINTE**

**Mortgage Application
Policy and Procedures**

TABLE OF CONTENTS

	Page
Dates of Completion and Revisions	i
Purpose.....	ii
1. Eligibility	1
2. Policy Function.....	1
3. Application Procedures	1
4. Financing	2
5. Compliance.....	3
6. Appeals	3
7. Amendments.....	4
8. Acceptance	4
Appendix A	5
Housing Affordability Scale	
Appendix B.....	6
Check List	
Appendix C.....	7
Mortgage Application Review Committee Guidelines	

DATES OF COMPLETION AND REVISIONS
--

	DATE	MOTION #	SECTION
COMPILED	April 11, 2008		ALL
ACCEPTED	April 30, 2008	26	ALL
ACCEPTED	May 20, 2008	8	Amortization, New: 1.c., 3.k., 4.c., 5.a., Revised: 4.a.
REVISED	November 16, 2012	3	Purpose, 1.a., 1.b., 2.a., 2.b., 3.a., 3.b., 3.f., 3.g., 3.h.i., 4.b., 4.c., 5.a., 5.b., 6. Appeal Process, APPENDIX B, APPENDIX C
REVISED	August 30, 2013	1	Approved for Signature.

PURPOSE

This policy outlines the procedures for Mohawks of the Bay of Quinte members who are making an application for a mortgage for new construction or for the purchase of an existing home. This policy will also be referenced in conjunction with the renovation policy and the mortgage rewrite policy.

The Mohawks of the Bay of Quinte Housing Affordability Scale will determine the Applicant's maximum mortgage limit. This will not exceed the current mortgage limit as approved by Tyendinaga Mohawk Council for each fiscal year.

The Mohawks of the Bay of Quinte and the Bank of Montreal offer mortgage programs to finance for the construction of a new home or for the purchase of an existing home. The Mohawks of the Bay of Quinte offer amortization periods of up to 35 years at a fixed interest rate of 6% per annum, for the duration of the mortgage. The Bank of Montreal offers amortization periods of up to 25 years and has a five-year fixed interest rate that fluctuates with the market. Both financing options are open, and can be paid off at any time.

For a new construction or for the purchase an existing home, the Mohawks of the Bay of Quinte require a 1% deposit on the total amount of the Applicant's financing that is due upon accepting a mortgage offer.

For Bank of Montreal (BMO) financing, BMO requires up to a 25% down payment depending on mortgage amount. The down payment requirements are as follows for amounts:

- Less than \$75,000, a 5% down payment is required;*
- Between \$75,000 to \$100,000, a 10% down payment is required; and,*
- For \$100,000 to \$125,000, a 25% down payment is required.*

BMO also requires the down payment at the time of mortgage acceptance.

Each financing option requires that the Applicant show proof of available financial resources and they must expend their financial resources for any amount above the allotted mortgage limit, prior to any financial disbursement of the mortgage loan.

All mortgages must be repaid according to the repayment schedule outlined when signing the mortgage agreement.

1.

ELIGIBILITY

- a. Applicant(s) must be registered member(s) of the Mohawks of the Bay of Quinte (MBQ).
- b. Total household income will be considered for affordability purposes.
- c. Applicant(s) must have proof of a registered Certificate of Possession (CP) for the property associated with the mortgage application. The Applicant(s) must either have a verified CP document or the CP must be registered on the Indian Lands Registry System (ILRS).
- d. For new construction, Applicant(s) must not own any other home, mortgaged or otherwise, on the Tyendinaga Mohawk Territory. If the applicant does own another home on the Tyendinaga Mohawk Territory, the Applicant(s)' other home must be deemed inferior or be sold to be eligible to apply under this MBQ Mortgage Application Policy.

2.

POLICY FUNCTION

- a. This policy functions as a guideline for the mortgage application process. The policy will govern the application process for new construction and the purchase of existing homes, as well as complement the application process for home renovations and mortgage re-writes. The MBQ New Construction Policy and the MBQ Purchase of An Existing Home Policy are initiated once a decision on the mortgage application has been made.
- b. The administrative decision on the mortgage application will be made by a quorum of the Mortgage Application Review Committee. See APPENDIX C.

3.

APPLICATION PROCEDURES

- a. Applicant(s) must complete the necessary Mortgage & Renovation Application form for a new mortgage, a renovation or a mortgage rewrite. Based on the application request, Mohawks of the Bay of Quinte Housing Administration will supply the Applicant(s) with one of the following MBQ policies: New Construction Policy, The Purchase of an Existing Home Policy, Renovation Policy or Mortgage Re-write Policy, in addition to this Policy.
- b. The Mohawks of the Bay of Quinte Housing Administration will process applications in order of acceptance. The application must be complete and must have the required paperwork attached to the application. Incomplete applications will not be processed. It is the responsibility of the Applicant(s) to ensure the completeness of their application.
- c. It is the responsibility of the Applicant(s) to keep their application current and updated.

- d. Applications will be considered pending funding availability.
- e. The Mohawks of the Bay of Quinte Housing Administration will complete a Credit Reference Check on all Applicant(s). The credit check may determine the continuation of the application process.
- f. The Applicants' credit history with the Mohawks of the Bay of Quinte, or other matters between MBQ and the Applicant (s) that could impact credit worthiness, will be taken into account as part of the Credit Reference Check. This will include but is not limited to: Water and Sewer, Education, Promissory Notes, Rental Housing, MBQ Mortgage, Emergency Loans, Renovation Loan, Community Facility Rental, and the Eska'Okon: A' Day Care.
- g. The Applicant must meet with an MBQ Housing Officer to complete the MBQ Housing Affordability Scale Worksheet (Appendix A). The MBQ Housing Affordability Scale Worksheet will determine how much money the Applicant(s) can afford to spend on constructing, purchasing, renovating or re-writing their mortgage.
- h. The Applicants' determined mortgage limit will not exceed the current mortgage limit as approved by Tyendinaga Mohawk Council.
- i. Once MBQ Housing Administration determines the Applicants' mortgage limit, the Applicant(s) must then follow one of the following MBQ policies: New Construction Policy, Purchase of an Existing Home Policy, Renovation Policy or Mortgage Re-Write Policy. The Mohawks of the Bay of Quinte Housing Administration will then forward a recommendation to Tyendinaga Mohawk Council for approval.
- j. After Tyendinaga Mohawk Council approval, the MBQ Housing Administration will forward all documentation to the MBQ Finance Department. It is the responsibility of the Applicant(s) to have all mortgage documents signed and a pre-authorized payment plan arrangement made. These plans must be made and verified with the MBQ Housing Administration before the release of any funds through the Purchase Order System.
- k. For a new construction and the purchase of an existing home, Applicant(s) must submit the 1% deposit to the Mohawks of the Bay of Quinte Housing Administration at the time that they accept the mortgage offer. Failure to do so will result in financial and process delays.
- l. Applications not recommended for mortgage approval will be summarized in a confidential written report and presented to the Tyendinaga Mohawk Council.

4.

FINANCING

- a. All Mohawks of the Bay of Quinte mortgages are calculated at six percent (6%) interest per annum up to the maximum mortgage limit approved by Tyendinaga Mohawk Council, with the exception of 4 c.

- b. Applicants(s) must qualify for a mortgage amount of \$50,000 for new construction or to purchase an existing home.
- c. If a mortgage is approved and the Applicant(s) currently owns a home on Tyendinaga Mohawk Territory, then the current house must be deemed inferior or be sold to an approved buyer. The home, that the Applicant(s) currently owns, must be demolished or sold at the Applicant's expense within 3 months of occupying their new home. Mortgages will be calculated at 12% interest per annum until the demolition of the inferior house or the sale of the previous home has been verified by the MBQ Housing Administration. Upon verification, the mortgage will be recalculated at 6% per annum.

5.

COMPLIANCE

- a. Mortgage applications will be disregarded if the Applicant(s) fails to observe or comply with any of the terms or requirements set out in this policy and the MBQ mortgage document.
- b. The Mohawks of the Bay of Quinte Housing Administration reserves the right to oversee all building projects and reconsider mortgage funding at any time deemed relevant or necessary.

6.

APPEALS PROCESS

In the event that an Applicant(s) wishes to appeal a decision made under this policy:

- a. The Applicant(s) are encouraged to request a meeting with the Mohawks of the Bay of Quinte Housing Administration to discuss any decision relating to their application.
- b. If the Applicant(s) are not satisfied with the decision of the MBQ Housing Administration, the Applicant(s) are encouraged to request a meeting with the MBQ Chief Administrative Officer and representatives of the MBQ Housing Administration.
- c. If the Applicant(s) are not satisfied with the outcome of this meeting, they may choose to submit a Notice of Appeal to the Appeal Board.
- d. The Appeal Board shall consist of the **Tyendinaga Mohawk Council**.
- e. Appeal Notices must be in writing and submitted within thirty (30) business days of the initial notification of the MBQ Chief Administrative Officer's decision. Copies of the Appeal Notice will be sent to all the members of the Appeal Board.
- f. The Appeal Board shall review the Appellant's position and circumstance as presented in the Notice of Appeal. The Appeal Board will also give consideration to the MBQ Housing Administration decision and decision making process.

- g. The Appeal Board will acknowledge the Appeal Notice within twenty (20) business days and will, if necessary, request a meeting and notify the Appellant of the date, time and place of the meeting.
- h. The Appeal Board will make their decision in private and render their decision in writing to the Appellant within ten (10) business days of the decision.
- i. All decisions of the Appeal Board are final. However, should the circumstances change; the Appellant will be notified that they may re-apply to the program or service at the MBQ Housing Administration office.

7.


AMENDMENTS

- a. The Mohawks of the Bay of Quinte Housing Administration and the Tyendinaga Mohawk Council reserve the right to amend this policy to adhere to the changing needs of the membership of the Mohawks of the Bay of Quinte.

8.

ACCEPTANCE

- a. Duly accepted by quorum of the Tyendinaga Mohawk Council this 30th day of April, 2008.
- b. Revisions accepted by a quorum of the Tyendinaga Mohawk Council this 16th day of November, 2012.
- c. Revisions duly accepted by a quorum of the Tyendinaga Mohawk Council this 30th day of August, 2013


R. Donald Maracle, Chief

APPENDIX A (To be completed at MBQ Housing Administration office)

Mohawks of the Bay of Quinte Housing Affordability Scale

Complete this short worksheet to help determine how much you can afford to spend on either constructing a new home, purchasing an existing house, renovating a house or a mortgage rewrite and estimate how much it will cost each month to carry it

GROSS MONTHLY HOUSEHOLD INCOME

(Total monthly income earned on or off reserve and before taxes if applicable.) \$
 · add 25% of gross monthly household income for non-taxed borrowers \$
\$ - **A**

MAXIMUM TOTAL LOAN PAYMENTS

Your total monthly housing loan payment should not exceed 27% to 30% of your gross monthly income
 · Assume A x 0.30
 · Gross Debt Service Ratio \$ - **B**

MAXIMUM TOTAL LOAN PAYMENTS

The total of your monthly payments for the housing loan and other fixed instalment loans should not exceed 37% to 40% of your gross monthly income.
 · Assume A x 0.40 \$ -
 · Less:
 - other loan payments (i.e. car loan) \$
 - credit cards \$
 Total Debt Service Ratio \$ - **C**

AMOUNT OF INCOME AVAILABLE FOR HOUSING LOAN PAYMENT

· The lesser of B or C \$
 · Less estimated monthly heating, hydro costs, etc. \$
 · Your monthly payment costs \$ - **D**

MONTHLY PAYMENT (PRINCIPAL & INTEREST) COSTS PER \$1,000 OF HOUSING LOAN AMOUNT

Refer to the below chart, choose amortization period and enter the corresponding payment factor \$ **E**

AMOUNT OF HOUSING LOAN

D x 1,000 divided by E \$ **F**

FIXED INTEREST RATE AMORTIZATION PERIODS

%	5 YRS.	10 YRS.	15 YRS.	20 YRS.	25 YRS.	30 YRS.	35 YRS.
6	19.29857	11.0651	8.39883	7.12188	6.39807	5.89	5.6

APPENDIX B: APPLICATION PACKAGE CHECKLIST

The Application Package must include the following documentation:

- ✓ Completed Application
- ✓ Proof of Income (ie paystub)
- ✓ Completed Affordability Scale (to be completed by MBQ Housing Officers)
- ✓ Credit References (to be completed by MBQ Housing Officers)
- ✓ Proof of Certificate of Possession
- ✓ If the project is a new construction, Site Selection Form is required.

APPENDIX C

MORTGAGE APPLICATION REVIEW COMMITTEE

Terms of Reference

Initial Direction:

- The Review Committee is established to assist Housing Administration with selection criteria and decisions to better serve members of Mohawks of the Bay of Quinte.

Structure:

- The Review Committee shall consist of the following MBQ departments Lands, Housing and Finance. The number of representatives from each department shall be:
 - Lands – 1 representative
 - Housing – 2 representatives
 - Finance – 1 representative

Governance:

- Decisions will be made using a collaborative approach to adhere to the priorities and procedures identified in the Housing Administration Policies.
- The decision-making process will include a constructive dialogue and strive to achieve consensus. This approach includes the opportunity for all members to voice their ideas, questions and concerns prior to any decisions being made.
- The Chair will be chosen by the group and will have the following responsibilities:
 - Set Agenda for meetings;
 - Provide Review Committee members with meeting notification, including a list of applicants to identify any potential conflicts;
 - Inform Review Committee members of any developments in between meetings;
 - Chair the meetings to maintain focus and fair deliberations; and,
 - Be the primary spokesperson for the group.
- The Review Committee will meet initially in December / January of each year. Subsequent meetings will be held as determined by the number of applications. Notification will be sent out one week prior by the Mortgage Application Review Committee Chair.
- Review Committee decisions will be submitted to Tyendinaga Mohawk Council for final approval in January / February of each year.
- Review Committee members are bound by a duty of confidentiality and are prohibited from disclosing any information related to the Applicants and any information related to the Review Committee's recommendations to TMC. Breach of Confidentiality will be subject to disciplinary measures consistent with the MBQ Personnel Policy, section 11.3.
- Minutes must be taken at each meeting. The minutes will reflect when conflicts have been declared.

- Recommendations for MBQ Housing Administration policy changes and renewals will be submitted to the Director of Housing and MBQ policy development team for review and then to Tyendinaga Mohawk Council for final approval.

Quorum:

- A quorum shall be three (3) members, one from each MBQ Department.
- If quorum is not present, the names of those in attendance will be recorded and the meeting will be adjourned until the next regular meeting.

Conflict of Interest:

The Review Committee shall adhere to the Conflict of Interest section of the MBQ Personnel Policy. Upon declaring a conflict, the Review Committee Member will leave the room while the application is being discussed.

The MBQ Personnel Policy, in section 11.7, states that:

- a) The Mohawks of the Bay of Quinte shall establish safe guards to prevent employees from using their positions for purposes that are or give the appearance of being motivated by a desire for private financial gain for themselves or others such as those with whom they have family, business, or other ties.

Employees shall not put themselves in a position where their interest competes with the employer's interest. Employees must act in the best interest of the employer.

- b) Examples of Conflict of Interest:

1. An employee who participates in making decisions or voting on matters, which result in personal, direct or indirect financial gain.
2. An employee who participates in discussions of, or votes on any questions that would result in a conflict of interest;
3. An employee who undertake activities in which his/her private interests are in conflict with official duties;
4. An employee who solicits or accepts transfers of personal financial benefit from organizations or individuals who have dealings with the employer. This does not include nominal gifts or benefits or customary hospitality;
5. An employee who takes personal advantage of, or derives personal benefit from information that is obtained in the course of his or her official duties and responsibilities that would not be generally available to the general public;
6. An employee who gives preferential treatment, or seeks preferential treatment on any official matter, for family members or friends or organizations, companies or associations in which his/her family member or friend has an interest;
7. An employee seeking election to Council will avoid activities that are, or can be perceived to be a Conflict of Interest.

- c) An employee who learns of a conflict or potential conflict must disclose such conflict to their Employer. Those who fail to do so will be dealt with on an individual basis.
- d) Contravention of the Conflict of Interest guidelines will be dealt with in accordance with Chapter 8 – Discipline.

For the purpose of these Guidelines:

“Individual within the immediate family” means a spouse; or, whether adopted or natural: a child (including a child to whom a Member is a guardian), or a parent, or a parent-in-law, or a grandparent, or a brother, or a sister, or a grandchild; or the spouse of any of the foregoing; or a niece or nephew;

“Significant interest” any interest or greater, ownership, share or control of an enterprise;

“Spouse” includes a common law spouse

Resources:

- The Mortgage Application Review Committee shall operate under the annual operation budget of the MBQ Housing Administration.