

**MOHAWKS OF THE  
BAY OF QUINTE  
DRAFT**

**Mortgage Application  
Policy and Procedures**

**\*(Please note all changes are bold and underlined.)\***

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<b>DATES OF COMPLETION AND REVISIONS</b>
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	<b>DATE</b>	<b>MOTION #</b>	<b>SECTION</b>
COMPILED	April 11, 2008		ALL
ACCEPTED	April 30, 2008	26	ALL
REVISED	May 20, 2008	8	Amortization, New: 1.c., 3.k., 4.c., 5.a., Revised: 4.a.
<b><u>REVISED</u></b>	<b><u>October 6, 2008</u></b>		

## PURPOSE

*The following policy and procedures pertains to 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. Financing is available through the Mohawks of the Bay of Quinte and the Bank of Montreal. 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 up to 25 years and have a five-year fixed interest rate that fluctuates with the market. Both financing options are open, and can be paid off at any time. The Mohawks of the Bay of Quinte require a 1% down payment on the total amount of the applicants' financing, whereas the Bank of Montreal requires a 25% down payment. Both down payments are due at the time of mortgage acceptance. Each financing option require you to show proof of and expend your own financial resources for any amount above the allotted mortgage limit, prior to any financial disbursement of your mortgage loan. All mortgages must be repaid on a monthly or weekly basis, according to the requirements outlined at the time of financing approval.*

1.

**APPLICATION  
REQUIREMENTS**

- a. Applicant(s) must be status member(s) of the Mohawks of the Bay of Quinte. However, non-status co-applicants may be considered on the application for combined household income purposes only.
- b. The applicant must show proof of a Certificate of Possession for the property associated with the mortgage request, *if the application is for a re-write, a renovation, or for new construction.*
- c. *Applications must be for the applicants' primary place of residence on the Tyendinaga Mohawk Territory.*
- d. *If applicants own another home*, applicant(s) must not own any other home, mortgaged or otherwise, on the Tyendinaga Mohawk Territory. If the applicant does own another home, the applicants' other must *show proof that their secondary home* must *has been* deemed inferior or be sold *for sale*, to be eligible to apply to this Policy.
- e. *Applicant(s) are considered for approval for the initial intended purpose only. Approvals for New Construction will not be considered for Purchase of Existing Home and vice versa. Any changes to the application must be resubmitted for approval.*

2.

**POLICY FUNCTION**

- a. This policy exists to serve the function of 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 compliment the application process for home renovations and mortgage rewrites. The New Construction Policy and the Purchase of an Existing Home Policy are initiated after a decision on the mortgage application has been reached.

3.

**APPLICATION PROCEDURES**

- a. Applicant(s) must complete the necessary Housing application form for either new mortgage, renovation or mortgage re-write. Based on the applicant's request, Mohawks of the Bay of Quinte Housing Administration will supply the applicant with one of the following 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 the application in order of acceptance. The application must be complete and must have the necessary 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 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 as well as a Housing Affordability Scale Worksheet on all applicants. ~~The credit check may determine the continuation of the application process.~~ **Applicant(s) must provide verification of all earnings and lifetime guaranteed government assistance ( i.e. CPP, ODSP)**
- ~~f. The applicant must meet with the Housing Support Worker to complete the Mohawks of the Bay of Quinte Housing Affordability Scale Worksheet— Appendix A.~~
- g. The Mohawks of the Bay of Quinte Housing Affordability Scale Worksheet will determine how much money the applicant can afford to spend on constructing, purchasing, renovating or re-writing their mortgage.
- h. The applicant's determined mortgage limit will not exceed the current mortgage limit as approved by Tyendinaga Mohawk Council.
- i. Once Mohawks of the Bay of Quinte Housing Administration determines the applicant's mortgage limit, the applicant must follow one of the following policies: New Construction Policy, The 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, Mohawks of the Bay of Quinte Housing Administration will forward all documentation ~~to Mohawks of the Bay of Quinte Finance Department~~ **for financial processing**. It is the responsibility of the applicant to have all mortgage documents signed and a ~~pre-authorized~~ payment plan arrangement made. These plans must be made and verified to the Mohawks of the Bay of Quinte Housing Administration before the release of any funds through the Purchase Order System.
- k. **Applicant(s) must accept or decline, in writing, their mortgage offer within 30 days of the date of notification of approval.**
- l. Applicant(s) must submit the 1% down payment 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. *The 1% down payment applies to New Construction and Purchase of an Existing Home applications only.*

- m. Applications that have not been 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. The minimum mortgage amount for new construction and purchasing an existing home allotted each fiscal year will be \$50,000. The minimum allowable expendable cash flow per month will be \$500. This means that you must have at least \$500 of unaccounted for income per month, after all bills and loans are considered, to qualify for a mortgage loan.
- c. If a mortgage is approved and the applicant already owns a home, ~~that~~ *their current* home must be deemed inferior *and demolished* or be sold to an approved buyer. The house must be demolished or sold at the owner'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 Mohawks of the Bay of Quinte Housing Administration. Upon verification, the mortgage will be recalculated at 6% per annum.
- d. *The 1% down payment will be held in an interest bearing account for the duration of the construction or purchase. Applicants are eligible to receive their down payment and interest upon 95% completion of the construction or three months after the purchase of the existing home.*
- e. *If the applicant(s) chooses to decline the mortgage after submitting the 1% down payment, the down payment can be returned to the applicant upon written notification of intent and, if required, after submitting a completed land transfer form. The 1% down payment will be returned with the interest it has accrued.*

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. 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.

- b. The Mohawks of the Bay of Quinte reserve the right to approve a mortgage request under an extenuating circumstances clause where the applicants' health and safety needs are of concern.**

6.

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.

7.

ACCEPTANCE

- a. Duly accepted by quorum of the Tyendinaga Mohawk Council this 30<sup>th</sup> day of April, 2008.
- b. Revisions accepted by a quorum of the Tyendinaga Mohawk Council this 20<sup>th</sup> day of May, 2008.

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Chief R. Donald Maracle

APPENDIX A

# 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

**MOHAWKS OF THE  
BAY OF QUINTE**

**DRAFT**

**Seniors Renovation Loan  
Policy and Procedures**

**\*(Please note all changes are bold and underlined)\***

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**DATES OF COMPLETION  
AND REVISIONS**

	<b>DATE</b>	<b>MOTION #</b>	<b>SECTION</b>
COMPILED	September 26, 2001		ALL
ACCEPTED	October 3, 2001	31	ALL
REVISED	October 17, 2001	28	Revised 3.b.
<b><i>REVISED</i></b>	<b><i>October 6, 2008</i></b>		

PURPOSE

The following policy and procedures has been revised to reflect the growing need of our Seniors, within the Tyendinaga community, to have suitable and affordable housing free of health and safety hazards. Seniors are defined as citizens over the age of 55 years, for the purposes of this policy.

Seniors owning their home who do not currently hold an interest bearing mortgage may be eligible to receive an interest free renovation loan up to a maximum of \$25,000 to assist their efforts in meeting adequate health and safety standards for their homes. The maximum amortization of the loans will be 25 years.

The renovation loan is not intended to cover the cost of new construction or purchasing existing homes. Renovations must comply with the National Building Code as well as Mohawks of the Bay of Quinte by-laws, policies and regulations, in addition to many other standards and regulations set forth by Health Canada, the Electrical Safety Authority, the Wood Energy Technical Guide, and other building guidelines.

Income is considered for eligibility and in the interest of serving our Seniors in need, the maximum household income must not exceed \$25,000 per year.

1.

**ELIGIBILITY**

- a. Only registered status members aged 55 and older who live on the Tyendinaga Mohawk Territory can apply. Applicant(s) must be status member(s) of the Mohawks of the Bay of Quinte, and be 55 years of age and over at the time of application. However, non-status co-applicants may be considered on the application for combined household income purposes only.
- b. Must have a certificate of possession or approved land transfer for the property home. Applicant(s) must submit a Certificate of Possession for the property associated with the renovation application and the home must be the primary residence of the applicant(s). The signed land transfer form will be held for the duration of the loan.
- c. Must complete a Mohawks of the Bay of Quinte Renovation Loan Application. Applicant(s) total household income must not exceed \$25,000 per year.
- d. Two estimates must be submitted with the application. Applicant(s) must not hold any outstanding arrears with the Mohawks of the Bay of Quinte.
- e. Household income must not exceed \$20,100 to be eligible. Applicant(s) must not currently hold any interest bearing mortgage on the property in question. The property may still be eligible if there is a current Seniors Renovation Loan (mortgage), which the applicant(s) is paying towards.

2.

**APPLICATION**

- a. Applicant(s) must submit a completed Mortgage and Renovation Application to the Housing Administration Office along with verification of all household income and estimations for the renovation.
- b. Applicant(s) are required to meet with the Housing Support Worker to determine affordability and credit eligibility.
- c. The Housing Administration will forward a recommendation to the Tyendinaga Mohawk Council for approval. Any application which is not forwarded for recommendation will be sent to Council for review in a confidential written report.
- d. Applicant(s) will be notified of the Tyendinaga Mohawk Council's decision via written notification.