

<b>Qualifying Rates</b>	All Insured & Insurable fixed and adjustable term mortgages are qualified on 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.
<b>Debt Servicing Ratios</b>	GDS & TDS = Maximum 39.0% & 44.0% with beacons greater than or equal to 680 GDS & TDS = Maximum 32.0% & 40.0% for subject rental properties under the uninsurable program. Regional differences may apply. <u>Note:</u> Debt service flexibilities are based on an assessment of the overall strength of the file application.
<b>Consumer Credit</b>	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). We can consider amortizing secured LOC's over 25 years at Bank of Canada benchmark rate.
<b>Installment Loans &amp; Other Mortgages</b>	The installment payment must be included in the TDS with confirmation obtained from the credit bureau report or one of the following sources: 1. Cost of Borrowing 2. Approval Letter 3. Bank Statement 4. Loan Statement
<b>Condo Fees</b>	100% of the condo fees are to be included on the application with 50% being used to calculate GDS and TDS. For non-subject rentals, please include 100% of the condo fees in the net rental work sheet.
<b>Heating Component</b>	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.
<b>Net Rental Income from Existing Non-Subject Rentals</b>	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.
<b>Student Loans Not Yet in Repayment</b>	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.
<b>Support Payments (paid by the Borrower)</b>	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. The monthly obligation will be added to the liabilities.
<b>TDS Formula</b>	$\frac{\text{PITH} + \text{other shelter costs} + \text{liabilities}}{\text{Gross Monthly Income}}$
<b>GDS Formula</b>	$\frac{\text{PITH} + \text{other shelter costs}}{\text{Gross Monthly Income}}$