

Scotiabank StartRight[®] Mortgage Program - Permanent Residents

Key Features:

- Qualified immigrants who have relocated to and established residency in Canada within the last 5 years and have no derogatory Canadian credit history
- Applicants who do not qualify following our standard adjudication requirements (uninsured only), but have a good down payment (own resources) and net worth

Borrower Qualifications

- Mortgage application must be within 5 years of the date the applicant arrived in Canada
- Borrower must have established residence in Canada and obtained landed immigrant status
- Not available to diplomats or any other foreign political-appointed individuals who do not pay income tax in Canada
- **Genworth (GNW) and Canada Guaranty (CG) Insured:** a minimum of 3 months full time employment in Canada is required

Eligible Loan Purpose

- Purchase
- Switch¹ (Uninsured or insured by CMHC/CG)
- Refinance (Uninsured or insured by CMHC/CG)
- Maximum of one principal residence and one rental property per *Scotiabank StartRight* customer

Eligible Properties

- Owner occupied residential properties of up to 4 units (GNW and CG up to 2 units)
- The rental property must be self-supporting as determined by the following manual calculation: Gross Rental Income – Mortgage Payment – 30% of Gross Rental Income = 0 or greater

Maximum Gross Debt to Service Ratio / Total Debt to Service Ratio (GDSR/TDSR)

- **Uninsured:** Standard GDSR/TDSR requirements are waived
- **Insured:** Standard GDSR/TDSR and personal net worth requirements apply, all debts held outside the country must be included as liabilities for qualification purposes, and Rental income earned outside of Canada is to be excluded for qualification purposes.

Maximum Loan to Value Ratio

- **Insured Purchase:** 95%
- **Refinance:** 80%
- **Uninsured:** For properties valued up to \$1.0 million: 65%; For properties valued at \$1.0 million or more: 65% of \$1.0 million plus 50% of the balance (owner occupied properties only)
- **Rental:** For properties valued up to \$1.0 million: 65%; For properties valued between \$1.0 million and \$1.5 million: 65% of \$1.0 million plus 50% of the balance

Down Payment

- **Uninsured:** 35% from own resources; gifted down payments are acceptable and can form all or part of the down payment; no secondary financing
- **GNW and CG Insured:** Minimum 5% from own resources; gifted down payments are acceptable from an immediate family member or from a corporate subsidy; no secondary financing
- Offshore assets being used for the down payment must be on deposit with a Canadian financial institution at least 30 days before the closing date

Scotia Total Equity[®] Plan (Scotia STEP[®] Program)

- Global Limit equal to the lesser of the mortgage amount approved or 65% LVR

Mortgage Products Available

- Fixed rate mortgage terms from 6 months to 10 years
- *Scotia Flex Value[®]* Mortgage
- *Scotia Ultimate Variable Rate[®]* Mortgage

Maximum Mortgage Amount

- **Uninsured:** \$2.3 million
- **Insured:** Maximum purchase price must be less than \$1 million when LVR is over 80%
- **Rental:** Maximum Property Value of \$1.5 million

Maximum Amortization

- **Insured:** 25 years mortgages for LVR greater than 80%; 30 years for insured mortgages with LVR not higher than 80% (premium surcharge of 0.20% applies)
- **Uninsured:** 30 years

Property Tax Payments

- Property taxes must be administered by Scotiabank

Exclusions

- Progress Advance Mortgages
- Purchase plus Improvements
- Loans with secondary financing
- Mobile homes
- *Scotia Secondary Home[®]* Financing Program
- *Scotia[®]* Mortgage for Self-Employed
- On Reserve Lending Program
- Family Home Purchase Program
- Default management purposes
- Refinances of Rental Properties
- *Scotia[®]* Net Worth Lending Program
- Mortgage Renovation Financing Program
- Mortgage for Professionals

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Borrower Documentation Requirements

- Verification of landed immigrant status, provided by one of the following:
 - A document in the applicant's name, issued by Citizenship and Immigration Canada, which bears an official stamp and identifies an entry date within the last 3 years, such as Immigrant Visa and Record of Landing (IMM1000) or Confirmation of Permanent Residence Form (IMM 5292/IMM 5688), supported by the applicant's passport, containing an immigration sticker that cites the same document number as the Confirmation of Permanent Residence form
 - A Permanent Resident Card (PRC)
- Copies of both a valid immigration visa, plus evidence that the customer's Application for Permanent Residence in Canada (IMM008) has been approved
- Insured mortgage additional requirements:
 - Standard requirements for proof of employment and income
 - The insurer's specific requirements as detailed below:
- **For all insured applications with LVRs from 90.01% - 95%, and refinance applications with LVRs up to 80%:**
 - An established satisfactory Canadian credit history with a Beacon Score of 621 or better (NS or NH are not acceptable.) OR
 - Two alternate sources of credit, demonstrating timely payments (no arrears) for the past 12 months. The 2 alternate sources are:
 1. Rental payment history confirmed by a letter from the landlord with supporting bank statements
 2. Hydro or other utilities, telephone, or cable confirmed by a letter from the service provider indicating a satisfactory payment history for the past 12 months, or 12 months of billing statements. OR
 - U.S. or international credit bureau report showing no derogatory credit history
- **For GNW and CG insured purchase applications with LVRs up to and including 90%, one of the following:**
 - An established satisfactory Canadian credit history with a Beacon Score of 621 or better (No Hit or No Score are not acceptable)
 - A letter of reference from a recognized Canadian financial institution
 - Six months of bank statements from a primary bank account
 - U.S. or international credit bureau showing no with no derogatory credit history.

Net Worth Requirements

- **Uninsured:** For properties valued at up to \$1.5 million:
 - Minimum Net Worth is 12 month Principal, Interest and Tax (PIT) payments for Investor (NV05) and Entrepreneur (EN2) Immigration Codes
 - Minimum Net Worth is 24 month PIT payments for all other Immigration Codes
- **Uninsured:** For properties valued at \$1.5 million or more:
 - Minimum Net Worth is 24 month PIT payments for Investor (NV05) and Entrepreneur (EN2) Immigration Codes
 - Minimum Net Worth is 36 month PIT payments for all other Immigration Codes
- **Rental:**
 - Minimum Net Worth is 12 month Principal, Interest and Tax (PIT) payments plus: 10% of the property value for properties valued up to \$500,000 or \$50,000 for properties valued at more than \$500,000, for Investor (NV05) and Entrepreneur (EN2) Immigration Codes
 - Minimum Net Worth is 24 month PIT payments plus 10% of the property value for properties valued up to \$500,000 or \$50,000 for properties valued at more than \$500,000 for All other Immigration Codes
- PIT payment is calculated using the current posted rate for the 5 year term amortized over 25 years plus 1/12 of the annual property taxes
- Eligible liquid assets must be verified at least 30 days before the closing date and all supporting documentation must be dated no more than 90 days before the application date
- Eligible liquid assets are restricted to liquid assets of non-registered deposits, securities, investments, and Tax Free Savings Accounts, and/or, if the application Beacon score is 621 or higher (based on the higher scoring borrower in a 2 borrower application), verified equity in other real estate owned may also be considered. Equity in real estate may not be considered for No Hit/No Score applications. Equity in real estate owned in other countries may not be considered

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1 No-fee switch program is only available for non-Scotia STEP mortgages; Legal fees apply to Scotia STEP mortgages. No-fee switch program does not apply to any prepayment penalties or other costs that are charged by the other lender and does not apply to refinances. No-fee switch program applies to a straight switch or transfer of the mortgage from another lender and does not apply where the other lender will not transfer the mortgage in a form acceptable to us.

This offer can be changed or withdrawn at any time without notice and may not be combined with other discounts, Offers or promotions. Subject to meeting Scotiabank and mortgage insurer's lending and credit criteria. The Bank can amend, modify or change any of the features, options, benefits or requirements contained in this Factsheet without notice.