

Alt A Lenders Cheat Sheet - November 16 2011

Lender Review	Access (Firstline) - National	Capital Direct - BC/Alberta/Ontario/NS/NB/PEI	Effort - Ontario	Equity Financial - Ontario	Home Trust- BC/AB/Man/Ont/NB/NFL/NS (Classic) - Sask (A only)	Optimum - Western Canada/Manitoba & Ontario
<i>Increase in Rates</i>	Yes for stated and extended amort.	Yes based on LTV & client profile	Starts at posted	Based on property, location credit, LTV, covenant	Based on property, location credit, LTV, covenant	.25% for 30 year AM's on 2, 3 & 5 yr Fixed Terms - Max 25 year AM on 1yr fixed & 5 yr Variable
<i>LTV</i>	Up to 80% LTV (including fee); Condos (beacons 540-579) 75% LTV	79% inclusive of fees	Upto 75% residential, Upto 65% rentals, residential condo 70%	1st upto 80%	1st upto 80% & 2nds upto 85% Varies in each province: CLASSIC B+ 580+ beacon: NS/NB/Ont pur 80% & refi 75%, BC/AB pur 80% & refi 70%, MAN pur 75% & refi 65%. CLASSIC B <580 beacon: Ont pur 80% & refi 75%, MAN pur 70% & refi 65%, NS/NB pur 75% & refi 70%, BC/AB pur 75% & refi 65%	1st upto 75% & 2nd's upto 85% LTV
<i>Fees</i>	.50% - 2.00% based on LTV & beacon	No FF, broker charges fees, starting at 2.50% & 3% for Atlantic region. Client fee can not be greater than lenders fee	\$500 - \$750 (may be more depending on deal)	\$500+, based on deal	1% - 2%	2 Fee Options - Rate with fee or Rate with No Fee. Fees range from \$750 for 1 yr term & 1% fee for 2 & 3yr fixed - Rates may vary regionally
<i>Transaction Types</i>	Purchases & Refinances; owner occupied & o/o rental upto 4plex with 1 unit o/o	Purchase, Refinance & ETO (no max)	Purchases, Refinances & ETO	Purchase, Refinance & ETO	Purchase & Refinance	Purchase & Refinance
<i>Lending Areas</i>	Across Canada - urban centres w/populations of 25K or within 45 km of an urban centre and located in a subdivision or community. Can be zoned rural-residential with well & septic, but cannot be a rural location	min 20,000 population max LTV 79%, less than 20,000 max LTV 65% for Western & Ontario.	Southern Ontario (GTA: Toronto, Hamilton, Mississauga, Oakville, Guelph, Milton, Pickering, Ajax, Whitby, aurora, Newmarket, Burlington, st. Catherines, Oshawa, Ottawa proper)	Extended GTA - Barrie, london, Curtis, Oshawa & Ajax	Specific in each province. Please view website: Passwords: BC-Rockies, ALB-Stampede, MAN-Portage, Ont-Trillium, NB-Fundy, NFL-Atlantic, NS-Novascotia	Population centre 10,000 or greater or within 50km of population centre 100,000+
<i>Rate Guarantee</i>	60 days - 1 time rate drop up to 7 days prior to closing. Must be requested by broker in writing via fax to underwriter.	1 Week with exceptions	60 days	60 days if signed commitment received - commitments only good for 7 days.	90 days - Rate Drop available - Once, up to 7 days prior to closing, provided rates have decreased. This request must be made in writing. Once the request is received, an amended commitment must be sent to the broker and the acting solicitor.	Yes - 10 days unsigned & 90 days signed commitment

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<i>Credit Bureau Timeline</i>	30 days	30 days	30 days	30 days	30 days - Home will order own bureau	30 days
<i>Minimum beacon</i>	540 - Full Doc; 580- stated	no min beacon, beacon reject acceptable	500	No minimum beacon	No min beacon, will accept beacon reject etc., rate reflected. Specific programs have beacon requirements ie Classic B = <580, Classic B+ = 580+	500 for all applicants - call BDO 1st if beacon below 550. LTV greater than 75%, min beacon 600 - O/O Purchase min beacon 500, Refinance 550 - Rentals 650 & 675
<i>Credit Bureau Guidelines</i>	No GDS, TDS 45%; No more than 3 R8/R9; anything up to R4 Not considered Derog; discharged from BKRT 2 yrs w/ 1 Yr re-established credit (1 yr and 1 trade); Acceptable: collections < \$1000; R8 or R9's within last 24 mos now paid; R5's within last 12 mos now paid * unpaid and >\$1000 must be paid prior to closing (cannot be paid from proceeds); exceptions may be made: collections > \$1000, 3 or more paid or unpaid collections; 3 or more trade lines rated R8 or R9	No specific guidelines; ie no min history requirement or rating requirements - rates & LTV will reflect accordingly	No specific guidelines - previous clean credit prior to derogetory credit is key, provide reasoning & story for client's current bruised credit situation.	No specific guidelines - provide explanation	No specific guidelines; common sense lender, provide story and explanation for credit situation & future correction of repayment	No specific guidelines - previous clean credit prior to derogetory credit is key, provide reasoning & story for client's current bruised credit situation
<i>Conventional Amortization</i>	30 yrs; 35 with 0.25 rate premium	30 years for 1st & 25 year AM on 2nds & 20 year AM on Vacant Land & 15 yr on mixed use (max ltv 40%)	25 years	35 years - No extra premium and min 15 years	35 years - premium may be required	Upto 30 years
<i>Minimum loan amount</i>	No	\$25,000	\$50,000	\$50,000	\$50,000	Preferred \$100,000 - will consider less, premium on fee
<i>Maximum loan amount</i>	\$600K plus Fee	\$1 Million - Over \$400K increased rates apply	\$4 Million - No Sliding Scale	\$1 Million	No Maximum loan amount - No sliding scale	\$750,000 more on exception basis
<i>Maximum loan amount Stated Income</i>	as above	as above	N/A	\$1 Million	No Maximum loan amount - No sliding scale	\$750,000 more on exception basis - further doc's may be required

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<i>Maximum Loan Amount - Rentals</i>	N/A	as above	\$4million - No sliding scale	N/A	No Maximum loan amount - No sliding scale	\$750,000 more on exception basis - further doc's may be required
<i>Standard Salaried borrowers - Documentation</i>	Salary and mort recent YTD Paystub	1 of job letter, paystub or bank statement	Job letter & 2 recent paystubs	Vary flexible with type of documentation just prove income	Job letter & 2 paystubs	Employment letter & paystub
<i>Self employed borrowers - Documentation</i>	Docs based on beacon - 1- 2 yrs T1 Generals, conf BFS 1 yr, 6 - 12 mos bank statements or NOA	No specific doc's - follow NIQ guidelines below	2 yrs T1 generals & NOA.	No specific doc's - follow NIQ guidelines below	2 yrs NOA's, bus registration, in some cases they'll ask you for the T1's	Proof of business exist, last 2 years T1 Generals or 12 month bank states
<i>NIQ Documentation</i>	(Low Doc prog); BFS: self declared letter, conf BFS 2 yrs, 12 mos bank statements or NOA; Salaried: self declared letter signed by borrower, signed letter of employment or documented phone call to employer confirming employment. Owner occupied only n/a to secondary homes	BFS & Commission. Stat Dec and 1 of; either NOA, buisness licence or 2-3 month bank statement. No requirement for NOA to prove taxes owing. Available on secondary homes & rentals	1 year T1 General & most recent NOA. Proof of business min 1 year (exceptions can be made) Available on secondary homes	Stat Dec & 1 piece of confirmation of employment ie business license, invoices, T-1 generals, web pages, business cards etc depending on line of work. Owner occupied only. Currently NO financing on Secondary homes	Stat Dec, 1 item proving business & confirming covenant relating to business - Home Trust has specific documents/guidelines for NIQ program. Available on secondary homes	Stated income letter, 2 years as a BFS customer or at least 2 years in a related field. Poof of business (GST Registration, Vendors Permit, Business Licence, etc.), and most recent 3 months bank statements. Secondary homes available on a case by case basis
<i>Register in Company Name</i>	No	Yes with personal guarantee (\$2,500 retainer fee for legals-if non declared info found fee non refundable)	Yes with personal guarantee	No	Yes with personal guarantee	Yes
<i>Power of Attorney</i>	Power of Attorney allowed if family member, POA written in Canada & only used for o/o	Power of Attorney Allowed	No Power of Attorney.	No Power of Attorney allowed.	No Power of Attorney allowed	No Power of Attorney allowed
<i>Child Tax Credit & Maternity Leave</i>	No Child Tax Credit or Alimony; Maternity Leave: 100% of borrower's regular income with employment letter confirmiong return date. Leave should not exceed 1 yr.	Yes - 100% for both	Support paid: deducted from income; Support Recived: allow 50% or court ordered alimony/support; Maternity Leave: 100% with confirmation of return to work; CTC: on exception basis	Yes - 100% for both	Yes - 100% however they cannot outweigh more than 50% of total income	Only if small portion required for income

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<i>Confirmation of Downpayment Documentation</i>	Standard - 90 day history. Allow 2nd mtg to 95% with 5% from own resources (can be gifted)	No documentation required, VTB can be as high as 100% (note mtg & fees can exceed 100% financing)	Standard 90 day history	100% gifted from non family member allowed, must show deposit into clients account or if own resoucrs 3 mth bank history	Min 5% from own resources - will consider 100% gifted. Standard documentation - exceptions can be made	Min 5% from own resources - will consider 100% gifted. Standard documentation
<i>Bankruptcies/ Double BKRPT</i>	Discharged 2 yrs with 1 yr re-established credit (1 yr with 1 tradeline). No multiple bankruptcies.	Triple bankruptcies acceptable, no re-established credit required	will consider double bankruptcies; will consider BRPT with no re-established credit; 6 mos. Discharged; will pay out CP; 500+ beacon; fully qualified; 75% LTV; 25 yr amort	upto double banktupty considered on case by case. Will also consider 1hr discharged bankrupt	1 day Bankruptcy discharge, will accept double bankruptcy	No Double Bkrpt - Discharged bankrupt within 12 month, re-established credit required - other types ie car leases provide proof or maintained mortgage payments
<i>POS / Foreclosures</i>	Yes - with acceptable real estate	Yes	No	Yes	Yes	No
<i>Mortgage Arrears</i>	No	Yes	only on exception basis	Yes	Yes	No
<i>Tax Arrears</i>	Yes - will go back 2 yrs (Property and Rev Can)	Yes - Property & Rev Can	only on exception basis	Yes - Property & Rev Can	yes - Property & Rev Can	Yes - Property & Rev Can
<i>Consumer Proposal</i>	Discharged 1 yr - cannot pay out	Yes - Does not need to be paid out prior to Capital refi	yes - will payout from refi	Yes - will allow to keep proposal so long as CP paid as agreed	Yes - Must be paid out with refi	Yes - must be paid out with either optimum refinance or prior - must have proof of satisfactory repayment in last 12 months
<i>Min Square Feet & Max Value</i>	500 condos, 700 homes; house plus 5 acres; Acreages on exception in subdivisions only	No Minimum Square Feet for house or condo - Value on house and full acearage. NOTE: Value based on the GREATER of purchase price or appraisal	900 for house & 500 for condo	900 for house & 650 for condo - exceptions can be made	No Min'm Square feet (small props on case by case). Value is house & 5 acres no out houses or hobby farms	900 sq ft - 500 sq ft condo/apartment - Value on house & 5 acrese. NOTE: Financing not available if house is above 10 acres
<i>Appraisals</i>	FLM approved appraiser list - must be CRA or AACI	Broker orders through NAS - After 5th booked deal, appraisal paid	Broker orders through Effort approved list - list of appraisers provided to broker with commitment	Equity Financial provides appraiser for each deal and broker orders	Approved Appraiser List available online (www.hometrusted.ca/broker); all props also inspected by Home Trust Inspector	Optimum Approved Appraiser list
<i>Agricultural zoning</i>	No	Yes but expensive	No	No	No	No

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<i>Previous Grow ops</i>	No	Yes case by case basis - appraisal must clearly state property restored to living standards if not will consider financing on land value only	No	No	No	No
<i>Store Fronts</i>	No	Yes to 40% LTV - no gas station on property	up to 65% on purchases/refinances	No	Ontario: Purchases to 75%; Refinances to 70%. Nova Scotia: purchases to 65% & Refinance 60%. 600+ beacon; 1-3 yr terms	No - No commercial componments allowed
<i>Condo Conversions</i>	Yes	Yes	No	May consider on exception	May consider on exception	No
<i>Student Housing/Rooming</i>	No	Yes	No	No	Student housing, case by case, Rooming House NO	No
<i>Co-Ownership/Rental Pool/Time Shares</i>	No	No	No	No	No	No
<i>Co-Op Buildings</i>	No	No	No	No	No	No
<i>Leasehold Condo's</i>	No	Case by case	No	No	No	No
<i>Leased Land</i>	No	No	No	No	No	
<i>Vacant Land</i>	No	Yes max 50% LTV	No	No	No	No
<i>Age restricted</i>	No	Yes	Yes	No	Yes - may require indepenant legal advise	No
<i>Acreages</i>	Within a subdivision only	Yes no maximum	Upto 5 acres	No - Only standard urban, suburban & subdivision type properties	case by case	upto 5 acres & max 65% LTV
<i>Private Sales</i>	Upto 80% LTV. Title insurance & Appraisal required. Offer & listing required upfront.	Upto 79% LTV Urban & 65% LTV rural. Credit bureau & application emailed upfront. Full appraisal required.	75% Conventional, up to 95% LTV under CMHC. Offer, app & bureau required upfront. Notes should state relationship of vendor and buyer, why private and not mls etc. Full appraisal required	Upto 80% LTV. Title insurance required. Purchase & Sale agreement required upfront. Equity Financial's solicitor is used for all private purchases	Upto 80% LTV. Purchase & Sale & D/P required upfront. Title insurance & Full appraisal required. Home Trust solicitor is used for all private purchases	Upto 80% LTV. 600+ beacon. Standard u/w doc's required upfront based on stated or fully qualified & full appraisal. Title insurance required.
<i>Title Insurance Required</i>	Yes	Yes	Yes	Yes	Yes	No

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<i>Solicitor Instructions</i>	Purchases - with signed commitment; Refinances - with file complete	File Complete	File Complete	Purchases at time of MLS, signback & P&S agreement. For Refinances on signback & appraisal	with signed commitment (and commitment fee where applicable)	File Complete
<i>FNF/FCT Approved</i>	FNF approved	No	No	FCT	FCT approved	FCT Only
<i>Standard Products</i>	1, 3, 5 yr fixed	1 & 2 year fixed	1 -5 yr closed terms; 1 yr open; 6 months open/closed	1, 2, 3 & 5 fixed & 1 year & 6 month open	1 - 5 yr fixed	1,2,3,4 & 5 year Fixed & 1 year OPEN
<i>Variable Products</i>	No	No	No	N/A	N/A	5 year Closed Variable
<i>Conversion on Variable Product</i>	N/A	N/A	N/A	N/A	N/A	Yes anytime to a term greater than remaining term.
<i>Second Mortgages</i>	No	Yes upto 79% LTV - 3rd mortgage allowed upto 79% LTV	No	N/A - but will allow seconds	Yes- Equity Line Visa - Can not be used behind a private 1st or for a purchase	Yes - Opti 85 Bundle - 1st mtg upto 75% LTV max 30 yr Am & 2nd
<i>Combined Heloc</i>	No	No	No	N/A	Equity Line Visa - LTV varies between provinces 70-80%	No
<i>Bridge Loan Financing</i>	No	Yes & will bridge for other lenders - no max time required & rates/underwriting guidelines etc same as any purchase/refi - considered a loan & full legals as must be registered	No	No	No	Yes on exception - max 30-60 days
<i>Blanket Mortgages</i>	No	Yes same province only	Yes	On case by case basis	Yes - avail on case by case basis	Yes will allow must be in 1st position on both properties
<i>Construction Financing</i>	No	Yes - Self Build or Builder, unlimited draws Max 50% LTV	Yes - Self Build or Builder, max 4 draws, upto 75% LTV	No	No	
<i>Property taxes</i>	Lender Pays - hold back depends on closing date	Client pays - no holdback	Effort must pay on behalf of client	Equity Financial pays	Home Trust pays & require hold back depending on tax payment dates	Client pays
<i>Payment Frequencies</i>	monthly, semi-monthly, bi-weekly, weekly	monthly only	fixed mtgs: monthly, semi-monthly, bi-weekly & weekly	weekly, bi-weekly & monthly, accelerated and non-accelerated	monthly only	weekly, biweekly & mmonthly

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<i>Pre-payment options</i>	15% increase in payment plus 15% lump sum - on any pmt date min'm \$100 to accumulate to 15% annually	No	10% pre-payment privilege once a year on the anniversary date & 10% increase in payments allowed	20% lump sum & 20% increase in payments	20% lump sum of original mortgage amount on anniversary date & 20% increase in payment.	Fixed & Variable 20% lump sum of original mortgage amount & 20% increase in payment
<i>Payout Penalties</i>	Greater of 3 mos interest or IRD - Access posted rates used	3 month interest penalty	greater of 3 months interest or IRD, IRD based on 3 year GIC	Closed - Bona Fide Sales Clause. Penalty IRD or 3mths, IRD based on internal calculation. Very expensive	Closed - Bona Fide Sale	Fixed Terms: 3 months interest or IRD (IRD based on posted rates not bond) Plus 1% of balance owing. Variable: only 3 months interest, no additional penalty
<i>Assumable</i>	Yes	No	No	No	Yes	Yes
<i>Portable</i>	Yes	No	Yes	No - may consider on exception basis	No	Yes
<i>Blends, extends and increases</i>	Access to Access only (broker paid on top-up)	No	Yes - full penalty charged in rate & broker paid on increased amount	N/A	No - will refinance but to avoid cash penalty will blend rate - broker paid on increased portion	No
<i>Refinance Existing Clients</i>	Yes - if penalty paid, broker paid on	Yes & broker paid on the top up & 1% fee to client	Yes - full penalty paid & broker paid on increased amount	Yes - penalty paid either in refi or blended in rate & broker paid on top up amount	As above - depending on increase broker may be paid on full amount	No min & broker paid on top up amount only
<i>New Immigrant Conventional</i>	No	Need to confirm income or hypothicate 12 months - no landed status required, non immigrants allowed and can purchase rentals and vacation properties - LTV guidelines as above	Yes - must have applied for status 9 SIN or work permit. No foreign investors	Yes - No need to have applied for land status, work permit allowed	Yes - must have applied for status with 9 SIN # (proved)	Yes, however depends on country of origin to very credit worthiness- must have landed status & must be employed in Canada. No min time required, however must be past probationary period, preference given to higher quality applicants .
<i>Conventional Rental Owner Occupied</i>	yes - 80% rental income added to borrowers gross income.	no differentiation on rental property and owner occupied, underwriting the same	50% rental income added to borrowers gross income. Must be legal suite, retrofitted	100% rental offset upto 4 units. No maximum in client's portfolio	100% rental offset. LTV varies in each province: NFL/NS/NB pur 75% & refi 65%, BC/AB pur & refi 80%, Ont pur 80% & refi 75%	80% rental offset

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<i>Conventional Rental NON-Owner Occupied</i>	No	As above. No TDS max, it must make sense, use of 100% rental income allowed, no current mortgage statement required, no leases etc - no maximum rental properties in clients portfolio. Apartment buildings above 6 units on a case by case basis, must be zoned residential	50% rental offset - No max rentals in client portfolio, so long as they DCR 1.15. Upto 9 units	No	100% rental offset - LTV as above	80% rental offset - No minimum of rentals in portfolio - Will allow in company name
<i>Non-Legal Rentals</i>	No	Yes	No	Yes	Yes	Yes
<i>Rate buydown</i>	Yes, no lower than Access Floor R	Yes	No	No	No	No
<i>Customer Service Numbers</i>	1-800-970-0700	1 800 814 2578	416-924-4680	416-342-7942	1-877-903-2133 x5820	1866-441-3775
<i>On-line acces</i>	Yes	No	No	No	No	No
<i>Commerical Division</i>	No	No	Yes - 416-924-4680	No	Yes - Not available in all provinces contact local BDO or U/W	No
<i>Special Notes of Interest</i>	Basispoints and points earned on Access deals. Clients can renew into Firstline A rates. Will allow 2nds upto 95% LTV, behind Access 1st.	Legal fees paid for by client & ILA required. Best to submit deal via email for quicker approval, then submit via filogix. No Bona Fide Sales Clause. Term can be open if 1 1/2 months interest is paid upfront at commitment stage	Not on filogix, deal must be scanned or emailed. Will consider Long Term Care housing through CMHC	Use rental income from additional occupant who is NOT on title or a renter. True old school equity lender. Deal must be submitted via either Filogix or Morweb. Your BDO is infact your dedicated underwriters.	Reviewed on a case by case basis: Ont props > \$500K, BC/AB props >\$650K, NB/NFL/NS/MAN props > \$400K, non MLS purchases, props in areas population < 25K, Acreages. Please note REGIONAL DIFFERENCES in many categories, pls contact local BDO for deal specifics	Very service oriented no voicemail at Head Office - Regional distinction, only in rates.