

# Yukon Housing Corporation

## Owner Build Loan Program

### Fact Sheet

This program is for Yukoners who want to build a new home. They must be a first time homeowner and not able to get a mortgage from a bank.

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#### Loan Details:

Interest rate at 1% below the average posted rate at major banks.

Amortize up to 30 years in 5-year terms.

Interest-only payments during construction.

You must prove you are bank ineligible every five years after year 10.

There is no penalty for paying out Yukon Housing Corporation.



#### Eligibility:

You are first-time homebuyers building a home for your primary residence.

You are building a home that meets our modest design guidelines.

You fall within our established debt-to-loan ratios.

You have a 2.5% down payment of the purchase price of your home.

If you build your own home, you must demonstrate you have the required skills and experience to complete the project.

We process applications on a first-come-first-served basis. Contact us for detailed eligibility requirements.



#### FOR MORE INFORMATION, PLEASE CONTACT:

Yukon.ca

[ykhhouse@gov.yk.ca](mailto:ykhhouse@gov.yk.ca)

867-667-5759

Toll free in Yukon: 1-800-661-0408, ext. 5759



Yukon Housing Corporation  
410 Jarvis Street  
PO Box 2703 Y-1  
Whitehorse, Yukon Y1A 2C6

## Modesty Guidelines

### Floor Areas

In order for a dwelling to be eligible for these YHC lending programs, it must not exceed the maximum floor areas as established in the following table:

Bachelor or 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
750 ft <sup>2</sup>	1,100 ft <sup>2</sup>	1,650 ft <sup>2</sup>	2,300 ft <sup>2</sup>

With the exception of Strata Condominiums (ie: Multi-Unit Residential Buildings) these maximums may be exceeded by up to 20% for existing dwellings, at the discretion of Yukon Housing Corporation (YHC). These maximums may be exceeded by up to 12% for dwellings with accessible features, at the discretion of YHC.

### Amenities

Designs must be modest and approved by YHC.

When assessing modesty, YHC will take the following guidelines into consideration:

Materials and construction techniques that are

- simple, efficient, durable
- easy to build and maintain
- minimal in cost

Without sacrificing

- modest architectural expression
- performance of building
- comfort of tenants

*Designs that incorporate the use of energy efficient construction and sustainable design principles are encouraged.*

The following amenities are disallowed:

- garages with a floor area greater than 450 ft<sup>2</sup>
- more than 3 bathrooms
- solariums
- covered balconies

### Insurance

Clients are required to carry course of Construction Insurance during construction.

### Interest on Advances

Interest payments are due monthly after your first draw.

### Progress Draws

#### Contractor Build

# of Draws	1 Year
1	Land cost
Max of 3	0-90% of construction costs, supported by receipts
1	Last 10% of construction costs upon YHC receipt of final occupancy inspection

#### Self- Build

# of Draws	2 Year
1	Land cost
1	5% of construction costs
Max of 13	0-75% of construction costs, supported by receipts
1	Last 20% of construction costs upon YHC receipt of final occupancy inspection



# Yukon Housing Corporation

## OWNER BUILD PROGRAM

### Policy Framework

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#### Program Description

The Owner Build Program offers Yukon residents who are first time home buyers and ineligible for a construction mortgage from a traditional lender the opportunity to build a modest, entry-level home that would not otherwise be attainable to them.

Applicants must have completed:

- CMHC's Steps to Homeownership Workbook; *or*
- a home ownership preparedness course.

***and***

- A self-help builder's course<sup>1</sup>; *or*
- Can demonstrate that they have the capacity to manage a project of this size and scope.

Applicants must contribute a minimum down payment of two and a half (2.5) percent. Mortgages under this program have a term of five (5) years and are amortized over a maximum of thirty (30) years at an interest rate of one (1) percent below the posted five (5) year average of major banks, with a minimum allowable interest rate of 2.0%. Aligning the mortgage rate to the 5 year term of major banks allows the rate to move with the market rates. After the first ten (10) years, and every five (5) years thereafter clients must continue to prove mortgage ineligibility by attempting to refinance with a bank. YHC will not apply a penalty for a mortgage discharge.

The Owner Build Program does not have household income caps. Homes built under this program must follow YHC's modesty standards and require inspection reports as completed by municipal or territorial government officials. YHC will also require an appraisal be completed to show the home value is greater than the amount of the mortgage loan. The appraisal will be ordered by YHC and the cost will be incurred by the client.

Applicants have between 1-2 years to complete construction, depending on whether they hire a company to build or undertake the project on their own. Clients must

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<sup>1</sup> If these courses are available at the time.

demonstrate they have the ability to project manage the construction of the building project or are qualified to provide component to the construction of the project, equivalent to at least 10% of the project value.

## Home Ownership Portfolio Budget Envelope Overview

YHC's three home ownership programs' (First Mortgage, Owner Build, and Down Payment Assistance) budget envelope is set according to YHC program priorities and evaluation, budgeting process and subject to appropriation by Yukon Legislative Assembly.

## Program Rationale

The Owner Build Program's primary goal is to facilitate access to more attainable and sustainable home ownership in Yukon. The program enables more Yukoners to become homeowners, in particular clients who could not otherwise finance the construction of their own home through traditional lenders' programs. The purpose of the program is to offer an affordable option to enable Yukon families to transition from tenancy to home ownership.

This program has the ability to:

- Increase housing stock, market availability, and consumer choices for homes;
- Increase stock of energy efficient or accommodating/ accessible homes; and
- Decrease social pressures to provide new social housing.

## Program Objectives

1. To improve opportunities for individuals and families to move into home ownership.
2. To provide a mortgage financing option to build a home for first time home buyers who are bank ineligible.

## 1. Eligibility Criteria

### Applicants

- Must be Yukon residents (90 days);
- Must be individuals/families (not businesses);
- Applicants must have completed the Yukon Housing Corporation's Home Ownership Preparedness Education (HOPE) course *or* CMHC's Steps to Homeownership Workbook **and** Yukon Housing Corporations Self Help Builder's Course<sup>2</sup> *or* can demonstrate that they have the capacity to manage a project of this size and scope.
- Must be first time homebuyers who have proof of being bank ineligible; and

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<sup>2</sup> If these courses are available at the time.

- Must meet financial eligibility requirements:
  - Must be in good-standing with Yukon Housing Corporation and federal/territorial obligations;
  - Must have copies of the most recent year's Notice of Assessment and their Employer Verification form;
  - In the case of self-employed individuals, must have copies of the past two year's Notice of Assessment and provide financial statements for the previous year to verify income;
  - Approval amount is based on applicant's ability to repay and amount of money saved for down payment, labor/in-kind contributions and closing costs;
  - Must demonstrate how they will provide sweat equity, if any;
  - Gross Debt Service Ratio (GDSR) maximum of 32%; and
  - Total Debt to Service Ratio (TDSR) maximum of 40%.

### **Housing**

- Will be for construction of client's principal residence (not for rental or sale);
- Applicant/s must be the person/s whom will be named on the title or lease;
- Must adhere to YHC's modesty standards;
- Must have housing construction costing completed and work with/have materials reviewed by a YHC Technical Officer;
- YHC will arrange for an appraisal by a certified appraiser **prior** to construction to base value on land and building plans. The appraisal must show that the home value is greater than the value of the mortgage plus 2.5% equity;
- Property must be able to be insured and insurance must be maintained throughout the life of this mortgage; and
- The property and building conforms to applicable bylaws and/or regulations of local authorities having jurisdiction for local bylaws, Area Development Regulations and standards as defined in the *Building Standards Act*.

### **Employment Information**

Employment must meet overall risk analysis requirements for application.

## **2. Loan Level**

A five (5) year term / up to thirty (30) year amortization with a compounded, semi-annual interest rate of one (1) percent below the posted five (5) year average of major banks will apply to the standard Owner Build Program, with a minimum allowable interest rate of 2.0%.

## **3. Repayment**

Loans can be repaid through a variety of repayment options (for example: monthly, semi-monthly, bi-weekly, weekly, etc.). YHC Board of Directors will be provided with a monthly arrears report with the status of all loans. There will be no penalties for early payouts, lump sum payments or increases in regular payments. Interest based on the advanced amounts is due and payable during the construction phase at the agreed upon mortgage interest rate. Upon final inspection/occupancy certificate repayment of the mortgage capital and interest will begin.

#### **4. Administration**

The program is delivered by the Community Partnering and Lending (CPL) Branch at YHC.

#### **5. Security**

- The mortgage is registered against the Title of the Property, in first place;
- A mortgage will be registered on land and buildings prior to funds being advanced for the project; and
- The client must provide YHC with a copy of the property insurance showing YHC as loss payable, in first place, for the mortgage as well as construction insurance during the build.

#### **6. Exceptions**

Any exceptions for special circumstances will be managed in the following order:

- Discretion of the Director of CPL;
- Internal Risk Management Committee;
- Board of Directors' Appeal Committee<sup>3</sup>.

#### **7. Reporting**

- A Technical Officer will work with the client throughout the life of the construction project to do site visits, monitor technical requirements, construction costing, submission of receipts/ invoices for review and verification for drawdowns.
- Program Officer, with the Technical Officer, to monitor documentation of construction while work is being performed.
- As part of the Mortgage Agreement – YHC reserves the right to audit applications, as necessary, and have the Technical Officer perform a site assessment.
- Arrears Management will be guided by the Arrears Collection Policy; and
- A review of program performance will be conducted annually, guided by operational performance assessment measures.

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<sup>3</sup> See Board of Directors' Appeal By-law.



# Home Ownership and Repair Programs Application Form

410-H Jarvis Street  
Whitehorse, Yukon  
Y1A 2H5

Phone: 867.667.5759

Fax: 867.667.3664

Toll free: 1.800.661.0408 ext. 5759

Email: [ykhhouse@gov.yk.ca](mailto:ykhhouse@gov.yk.ca)



Yukon Housing Corporation's programs and services...

*the key to saving energy and money*

[www.housing.yk.ca](http://www.housing.yk.ca)



## General information

### Applicant

Mr. Mrs. Ms.

Name (last)

(first)

year      mth      day

Date of birth

SIN\*

### Co-applicant

Mr. Mrs. Ms.

Name (last)

(first)

year      mth      day

Date of birth

SIN\*

\* Please be advised that providing your social insurance number is not required, however it could improve the processing of your loan application.

Who should we contact to discuss your application? ☐ applicant ☐ co-applicant

Daytime contact number

Email

Mailing address

City

Postal code

Physical location of property (if different from above)

Home phone

How long at present address?

In the Yukon?

First Nation Ancestry? (optional) ☐ yes ☐ no If yes, please identify

Will your home require accommodations for someone with special needs? If yes, please indicate

### Additional household members (not mentioned above)

Name (last/first)	Relationship to applicant	Birth date (yyyy/mm/dd)

### Employment information (written verification of employment form for each applicant is required)

Applicant's employer

Length of employment

Work phone

Previous employer (if less than 1 year)

Length of employment

Co-applicant's employer

Length of employment

Work phone

Previous employer (if less than 1 year)

Length of employment



# Home Ownership and Repair Programs Application Form

0010



## Household income (All sources of income must be listed and verification must be provided with application)

Source	Applicant \$	Co-applicant \$	Other household member Name:
<i>(example) employment (gross income)</i>	35,000/yr	21,000/yr	
<b>Total</b>			

## Financial information (List all assets & liabilities including loans, vehicles, credit cards, etc.)

Description (e.g. credit card, truck)	Lender / bank	Asset value or credit limit	Liability \$ (balance owing)	Monthly payment
<i>(example) 2002 vehicle</i>	ABC bank	12,000	4,000	350

## Current housing costs

Mortgage payment \$	<input type="checkbox"/> monthly	<input type="checkbox"/> semi-monthly	<input type="checkbox"/> bi-weekly	<input type="checkbox"/> weekly
Gross property taxes \$	Are property taxes included in mortgage payment? <input type="checkbox"/> yes <input type="checkbox"/> no			
Current mortgage balance \$	Estimated value of dwelling \$			
Stall payment \$	/month	Condo fee \$	/month	
Annual heating cost \$				

**Please Note: Proof of valid property insurance is required prior to any formal approval with most YHC programs**



# Home Ownership and Repair Programs Application Form



## Housing options

- |   |  |
|---|--|
| <input type="checkbox"/> repair existing home                     | <input type="checkbox"/> build rental suite or upgrade existing one* |
| <input type="checkbox"/> buy an existing home                     | <input type="checkbox"/> have a contractor build a home for you      |
| <input type="checkbox"/> buy an existing green/accommodating home | <input type="checkbox"/> build your own home/green/accommodating     |
| <input type="checkbox"/> purchase mobile on titled land           | <input type="checkbox"/> home completion (outside Whitehorse only)   |
| <input type="checkbox"/> Other:                                   |  |

\*Note: In the event that the premises contain a rental suite(s) the suite(s) must meet the current Municipal, Territorial and/or National Building Standards or be decommissioned.

## Please explain:

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## Financing for home ownership option

Total savings to date for home ownership options \$

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Have you been to a financial institution to apply for a mortgage? yes ☐ no ☐

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If yes, which one(s)?

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If financing was not obtainable, why?

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What is your current living situation? (e.g. rent, own, mobile...)

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## Checklist

Please ensure the following information is completed in order for us to accurately assess your application and housing options.

### All applicants

- ☐ Program application form (please ensure that it is signed by all applicants)
- ☐ Verification of income form (you must have your employer complete this form) (if you are self employed, see below)
- ☐ Copy of your previous year's income tax return (you only need to submit the page showing your gross income)
- ☐ Notice of assessment from Canada Revenue Agency

### Owner of home on titled property

- ☐ Copy of your Certificate of Title (available at Land Titles office)
- ☐ Ensure all those listed on Title have signed application

### Owner of mobile home on rented/leased property

- ☐ Copy of Bill of Sale
- ☐ Copy of Chattel Mortgage if applicable

### Self employed applicants

- ☐ Previous 2 fiscal years of signed financial statements
- ☐ Previous 2 years of personal Income Tax Returns

## Dwelling Assessment

### Purpose:

- Yukon Housing Corporation (YHC) assessments are conducted solely for the purpose of assessing the homeowner's application for funding under YHC specific lending programs. The assessment will identify the category of eligible repairs.

### Limitations:

- YHC dwelling assessments are limited to a visual inspection of readily accessible and unconcealed features and areas of the dwelling only. Assessors will not disassemble or remove objects to gain access.
- The assessment is not a compliance inspection with respect to government building standards, building codes, regulations or bylaws, or any other applicable laws or regulations.
- The assessment is not a guarantee or warranty that the condition of the dwelling meets any applicable standards (or will if the suggested repairs are completed).
- The assessment is not intended to replace or duplicate the services of private home inspection services or government building inspectors.
- For detailed analysis of your dwelling components, systems or conditions, the services of an industry certified professional is highly recommended.



# Home Ownership and Repair Programs Application Form



## Limitations of Liability

Under no circumstances will YHC, its officers, employees, or agents be liable for dwelling component or system failures subsequent to the date of YHC's assessment of them. Further, any reliance by the homeowner(s) or others on information contained in YHC's dwelling assessment beyond its intended purpose will be at the homeowner or dwelling occupant's own risk, and YHC, its officers, employees, or agents will not be liable for any injury, losses or damage of any kind arising from the information provided.

The homeowner(s) releases YHC of and from claims, demands, damages, actions or causes of actions arising or to arise out of any decision by the homeowner(s) not to undertake some or all of the repair options.

## Agreement

I/we understand that this application does not constitute an agreement on the part of YHC, or its agents, to provide me/us with assistance.

I/we hereby authorize YHC, or its agents to make any or to respond to any inquiries that are necessary to verify the facts contained in this application.

I/we hereby give permission to YHC, or its agents, to carry out to any necessary inquiries and to obtain additional information on my/our income, assets, liabilities and credit.

I/we understand that the information in this application may be used for statistical purposes\*.

I/we understand that an assessment of my/our property may be necessary to qualify under some YHC programs.

I/we acknowledge that any expenditure against the property carried out prior to loan approval may not be eligible.

I/we have completed this application completely to the best of my/our knowledge.

I/We understand that YHC has no direct relationship with any contractor and/or supplier.

I/We understanding that YHC loans are not life insured and assume full and sole responsibility for obtaining life insurance if desired.

I/We understand that permits and/or inspections must be obtained from the appropriate government building inspector prior to commencing repair work.

I/We understand that all repair items identified as mandatory must be addressed as a loan condition.

Applicant:

Date:

Co-applicant:

Date:

\* This information is collected under the authority of the Housing Corporation Act for the purpose of determining eligibility and may be used for statistical purposes. For further information regarding collection of information, please contact Yukon Housing Corporation, Box 2703, Whitehorse, Yukon Y1A 2C6 (867-667-5759).



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Yukon Housing Corporation's programs and services...

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# Home Ownership and Repair Programs Application Form

0015



## General information

### Applicant

*mr. mrs. ms.*

Name (last)

(first)

year      mth      day

Date of birth

SIN\*

### Co-applicant

*mr. mrs. ms.*

Name (last)

(first)

year      mth      day

Date of birth

SIN\*

\* Please be advised that providing your social insurance number is not required, however it could improve the processing of your loan application.

Who should we contact to discuss your application?   ☐ applicant   ☐ co-applicant

Daytime contact number

Email

Mailing address

City

Postal code

Physical location of property (if different from above)

Home phone

How long at present address?

In the Yukon?

Aboriginal Ancestry (optional)?   ☐ yes   ☐ no   If yes, please identify

Will your home require accommodations for someone with special housing needs?   ☐ yes   ☐ no

## Additional household members (not mentioned above)

Name (last/first)	Relationship to applicant	Birth date (yyyy/mm/dd)

## Employment information (written verification of employment form for each applicant is required)

Applicant's employer

How long?

Work phone

Previous employer (if less than 1 year)

How long?

Co-applicant's employer

How long?

Work phone

Previous employer (if less than 1 year)

How long?



# Home Ownership and Repair Programs Application Form

0016



## Household income (All sources of income must be listed and verification provided with application)

Source	Applicant \$	Co-applicant \$	Other household member Name:
<i>(example) employment (gross income)</i>	35,000/yr	21,000/yr	
<b>Total</b>			

## Financial information (List all assets & liabilities including loans, vehicles, credit cards, etc.)

Description (e.g. credit card, truck)	Lender / bank	Asset value or credit limit	Liability \$ (balance owing)	Monthly payment
<i>(example) 2002 vehicle</i>	ABC bank	12,000	4,000	350

## Current housing costs

Mortgage payment \$	<input type="checkbox"/> monthly	<input type="checkbox"/> semi-monthly	<input type="checkbox"/> bi-weekly	<input type="checkbox"/> weekly
Gross property taxes \$	Are property taxes included in mortgage payment? <input type="checkbox"/> yes <input type="checkbox"/> no			
Current mortgage balance \$	Estimated value of dwelling \$			
Stall payment \$	/month	Condo fee \$	/month	
Annual heating cost \$				
Year dwelling was built				

**Please Note: Proof of valid property insurance is required prior to any formal approval with most YHC programs**





<input type="checkbox"/> repair existing home	<input type="checkbox"/> build rental suite or upgrade existing one
<input type="checkbox"/> buy an existing home	<input type="checkbox"/> have a contractor build a home for you
<input type="checkbox"/> build your own home	<input type="checkbox"/> buy an existing green / accommodating home
<input type="checkbox"/> manage the construction of your own home	<input type="checkbox"/> home completion (outside Whitehorse only)
<input type="checkbox"/> purchase mobile on titled land	<input type="checkbox"/> relocate mobile home from untitled to titled property

## This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Total savings to date for home ownership options    \$

If yes, which one(s)?

If financing was not obtainable, why?

What is your current living situation? (e.g. rent, own, mobile...)

How much rent are you currently paying? \$

## Checklist

Please ensure the following information is completed in order for us to accurately assess your application and housing options.

### All applicants

- ☐ Program application form *(please ensure that it is signed by all applicants)*
- ☐ Verification of income form *(you must have your employer complete this form) (if you are self employed, see below)*
- ☐ Copy of your previous year's income tax return *(you only need to submit the page showing your gross income)*
- ☐ Notice of assessment from Revenue Canada

### Homeowner on the Titled property

- ☐ Copy of your Certificate of Title *(available at Land Titles office)*
- ☐ Ensure all those listed on Title have signed application

### Homeowners on rental property

- ☐ Copy of Bill of Sale or Chattel Mortgage

### Self employed Applicants

- ☐ Previous 2 fiscal years of signed financial statements
- ☐ Previous 2 years of Personal Income Tax Returns

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## Dwelling assessment

### Purpose:

- Yukon Housing Corporation ("YHC") dwelling assessments are visual inspections only and serve to determine the apparent condition of the dwelling at the time of the visual inspection. YHC assessments are conducted solely for the purpose of a homeowner's application for funding under YHC specific lending programs.

### Limitations:

- YHC dwelling assessments are limited to a visual inspection of readily accessible and unconcealed features and areas of the dwelling only.
- The assessment is not a compliance inspection with respect to government building standards, building codes, regulations or bylaws, or any other applicable laws or regulations.
- The assessment is not a guarantee or warranty that the condition of the dwelling meets any applicable standards (or will if the suggested repairs are completed).
- The assessment is not intended to replace or duplicate the services of private home inspection services or government building inspectors.
- For detailed analysis of your dwelling components, systems or conditions, the services of an industry certified professional is highly recommended.

cont.

## Limitations of Liability

Under no circumstances shall YHC, its officers, employees, or agents be liable for dwelling component or system failures subsequent to the date of YHC's assessment of them. Further, any reliance on information contained in YHC's dwelling assessment beyond its intended purpose shall be at the homeowner or dwelling occupants own risk, and YHC, its officers, employees, or agents shall not be liable for any injury, losses or damage of any kind arising from the information provided.

## Agreement

I/we understand that this application does not constitute an agreement on the part of Yukon Housing Corporation, or its agent, to provide me/us with assistance.

I/we hereby authorize Yukon Housing Corporation, or its agent to make any or to respond to any inquiries that are necessary to verify the facts contained in this application.

I/we hereby give permission to Yukon Housing Corporation, or its agent, to carry out to any necessary inquiries and to obtain additional information on my/our income, assets, liabilities and credit.

I/we understand that the information in this application may be used for statistical purposes\*.

I/we understand that an inspection of my/our property may be necessary to qualify under some Yukon Housing Corporation programs.

I/we acknowledge that any expenditures against the property carried out prior to receipt or written confirmation of a loan approval may not be eligible.

I/we have completed this application completely to the best of my/our knowledge.

Applicant:

Date:

Co-applicant:

Date:

*Note: Permits are required prior to commencing repair work. Permits and/or inspections must be obtained from the appropriate government building inspector.*

*\* This information is being collected under the authority of the Housing Corporation Act for the purpose of determining eligibility and may be used for statistical purposes. For further information regarding collection of information, please contact Director, Corporate Relations, Yukon Housing Corporation, Box 2703, Whitehorse, Yukon Y1A 2C6 (867-667-8086).*