

Frequently Asked Questions

HOME BUYERS CONTRIBUTION PROGRAM

1. What is the Métis Nation of Ontario Home Buyers Contribution Program (MNO-HBC)?

The MNO-HBC aims to financially assist eligible MNO citizens who have complete files, by providing them help with up to 15% of the purchase price as a non-forgivable shared equity mortgage for the purchase of their first primary residence. Those that are eligible to apply are individuals and/or families that qualify for a mortgage, do not own a home, or have interest in any real estate.

2. How does the MNO-HBC Program work?

The MNO-HBC Program is available to all eligible registered MNO citizens who have complete files looking to purchase their first home in Ontario as their primary residence. Interested applicants will complete the Eligibility Application through the MNO Survey Monkey portal and provide all requested information and documentation. This information will be reviewed by the MNO Housing Programs Branch. Applicants will be required to seek a pre-approval mortgage from a preferred lender. MNO has partnered with some financial institutions to provide applicants the most competitive mortgage rates and to support an MNO shared equity mortgage.

Once pre-approved, applicants will purchase a home and provide all required documents to the MNO Housing Programs Branch. This will begin the legal process of the MNO registering a shared equity mortgage on the subject property and providing funds to your chosen Solicitor or Notary for your real estate transaction.

Note: All closing cost including the fee for 2nd mortgage title must be paid by the homeowners

3. Am I eligible?

To be eligible for this program, applicants must meet the following criteria:

- Primary Applicant must be a Citizen of the Métis Nation of Ontario with a complete citizenship file
- Primary Applicant must be 18+ years
- Primary Applicant must be a first-time home buyer
 - the Primary Applicant is eligible if they have lost their house due to the dissolution of a marriage or common-law partnership
- Primary Applicant must not have occupied a home that either they or their current spouse or common-law partner owned in the last four years
- Primary Applicant must be a permanent full-time resident of Ontario

- Primary Applicant must provide proof of minimum 5% down payment from traditional sources*
- Primary Applicant must qualify for a pre-approved mortgage from one of MNO's preferred lenders. The MNO's preferred lenders include Royal Bank of Canada, Scotia Bank, Canadian Imperial Bank of Commerce, and Meridian Credit Union.
- Primary Applicant must secure a property within 90 days of qualifying for a mortgage from a bank or credit union.
- Primary Applicant must not have received previous funding from the HBC program.
- Primary Applicant must not have Investment properties, secondary/vacation properties.
 - Properties intended for commercial/non-residential use are not eligible
- Primary Applicant must purchase one of the following eligible properties.
 - Single-detached home
 - Semi-detached home
 - Townhouse/ row house
 - Condo

* Traditional sources of income include personal savings, investments, RRSPs, and/or non-repayable gifts from an immediate family member.

4. What is considered First-Time Home Buyer (FTHB)?

This program defines FTHB under the same guidelines as the Government of Canada's Home Buyers Plan. The full definition can be found by following this link: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/what-home-buyers-plan/participate-home-buyers-plan.html>

In general, you are considered a FTHB if, within a four-year period, you did not occupy a home that you or your current spouse or common-law partner owned. In the event of a marriage or common-law breakdown, you will not be prevented from participating in the MNO-HBC Program if you do not meet the first-time home buyer requirement, provided that you live separate and apart from your ex-spouse or common-law partner for a period of at least 90 days as a result of a breakdown in your marriage or common-law partnership.

5. Do I need to be an MNO citizen to qualify?

Primary Applicant must be a Citizen of the Métis Nation of Ontario with a complete file. Co-applicants are not required to be MNO citizens.

6. Is there an income threshold to be eligible for the program?

No, there is no income threshold for the MNO-HBC Program.

7. How do I apply?

You can apply through the Métis Nation of Ontario website, under Housing and Infrastructure/ HBC Program. There is a Survey Monkey link to enroll. You must first “register” with Survey Monkey using an email and password: <https://metisnation.smapply.io/prog/HBC>

8. Who is responsible to pay for closing costs, including inspections and appraisals?

The applicant is responsible for all legal and other costs associated with the registration of the 2nd mortgage as well as costs relating to the settlement and advancing of funds. Closing cost can range 1.5% to 4% of the purchase price.

What is a Shared Equity Mortgage (SEM)?

A shared equity mortgage is a ‘no payment’ mortgage: MNO will provide first-time home buyers with a MNO loan agreement that substantially increases their down payment on their first home. The MNO loan agreement is recognized by preferred banks or credit unions as equity so it counts as part of the down payment needed to qualify for a mortgage. The MNO loan agreement is registered on title as a 2nd mortgage. No payments of interest or principal are required on this MNO loan agreement until the purchaser decides to sell the home, they choose to repay the loan, or they no longer occupy the home as their primary residence.

9. What is “Shared Appreciation on Resale/Repayment”?

When the home is sold, or the homeowner ceases to live there, the purchaser pays the original amount of the loan plus a percentage of any appreciation on the property. If the original loan was 15% of the purchase price, then 15% of the appraised value of the home is paid back to the MNO when it is sold. These repaid funds are then used to provide an MNO loan agreement to another first time Métis home buyer. If the value of the home depreciates, or if it goes down in value, the repayment amount is 15% of appraised value at time of resale or repayment. In the case of an early voluntary repayment such as refinancing or term renewal, the MNO repayment amount must be determined using the fair market value of the property. But can be repaid anytime without penalty.

10. Will MNO register a mortgage on my title?

Yes, the MNO loan agreement is registered as a Shared Equity Mortgage (SEM), where MNO is 2nd holder on title.

11. Do I still need a down payment?

Yes, the applicant must be able to satisfy a minimum down payment requirement from traditional sources to be eligible to apply for the MNO-HBC Program. **See Question 3.**

12. Do I need to get pre-approved for a mortgage first?

No. The applicant first enrolls into Survey Monkey and completes the Eligibility Application. If the applicant receives a MNO conditional offer, direction will be provided to seek a pre-approved mortgage for a list of preferred lenders.

Some applicants may have already received a pre-approved mortgage prior to being approved for MNO HBC. In these scenarios, we recommend the applicant to continue the process without the support of the HBC Program.

13. Do I have to use one of MNO's preferred mortgage lenders?

The MNO has developed partnerships with preferred lenders. This mortgage lender has dedicated Mortgage Specialists who are familiar with this program and are prepared to take the MNO-HBC Program into consideration during your pre-approval process. The MNO's preferred lenders include Royal Bank of Canada, Scotia Bank, Canadian Imperial Bank of Commerce, and Meridian Credit Union.

14. Do I need to have home insurance?

Yes, the applicant must have property insurance in an amount of not less than 100% of the full replacement costs of the building(s) with coverage against but not limited to perils of fire, and other standard insurable perils. Confirmation of insurance must be sent annually to prove you reside in the property as your primary residence, along with proof of address by means of Government Issued Photo ID.

15. Are there property restrictions on what I can purchase?

Properties NOT covered under this program include:

- Mobile homes
- Manufactured housing
- To be-built housing
- New construction
- Vacant land
- Secondary Homes
- Camps, cottages, or recreational properties

- Rental Units/properties

16. What is the maximum purchase price under this program?

The MNO HBC program loan is up to 15% of home purchase.

17. Can an applicant refinance their mortgage?

Yes, refinancing up to the original 1st mortgage amount does not trigger a repayment of the MNO-HBC Program unless the principle amount is increased. When processing a mortgage refinance the lender must ensure:

- 1) That the second ranking position of the MNO-HBC is maintained
- 2) Any fees or costs related to the transaction, including the registration of a Postponement/Subordination Agreement with the Program Administrator, if required, will be paid by the borrower;

18. When does the HBC Program incentive have to be paid and how much?

The MNO-HBC is owed when the home is sold. If the HBC contribution was 15% of the original purchase price then, 15% of the resale value of the home is owed when the property sells. If the value of the home depreciates, or if it goes down in value the repayment amount is the 15% of appraised value at time of resale or repayment. In the case of an early voluntary repayment such as refinancing or term renewal, the MNO repayment amount must be determined using the fair market value of the property.

The MNO reserves the right to demand payment in full of the MNO-HBC Program contribution where it is satisfied on reasonable grounds that the terms and conditions of the MNO-HBC Program Agreement have been breached. The MNO must be advised of any legal remedies being taken under the 1st ranking mortgage.

INTERESTED? WANT MORE INFORMATION?

If you need assistance or have general questions, please contact Housing Programs:

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