

APPLICATIONS  
START ON SEPT. 2  
FOR NOVEMBER  
OCCUPANCY



# Incentive

What you need to know

This exciting new program created by the Government of Canada gives first time homebuyers a way to reduce their monthly mortgage payments without increasing their down-payment. The incentive does not accumulate interest and does not require ongoing repayment over the term.

## HOW TO QUALIFY & SAVE



**ONE PERSON**  
is considered  
a first time buyer

- you have never purchased a home before
- or you have recently gone through a breakdown of a marriage or common-law partnership
- in the last 4 years, you did not occupy a home that you or your current spouse or common-law partner owned

**5% DOWN-PAYMENT**  
you have saved,  
withdrawn from RRSP or  
is a non-repayable gift



**YOUR INCOME**  
is less than or  
equal to \$120,000

## FTHBI RULES



**IT'S YOUR HOME**  
you are not purchasing  
it as an investment  
property

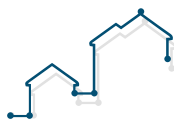


**BORROWING LIMIT**  
is 4x your annual  
salary



**YOU'RE CANADIAN,**  
permanent resident or  
non-permanent resident  
legally authorized to work  
in Canada

## THE BENEFITS



### AFFORD MORE

utilize a 10%  
down-payment boost  
without saving  
another dime



### SAVE MONEY

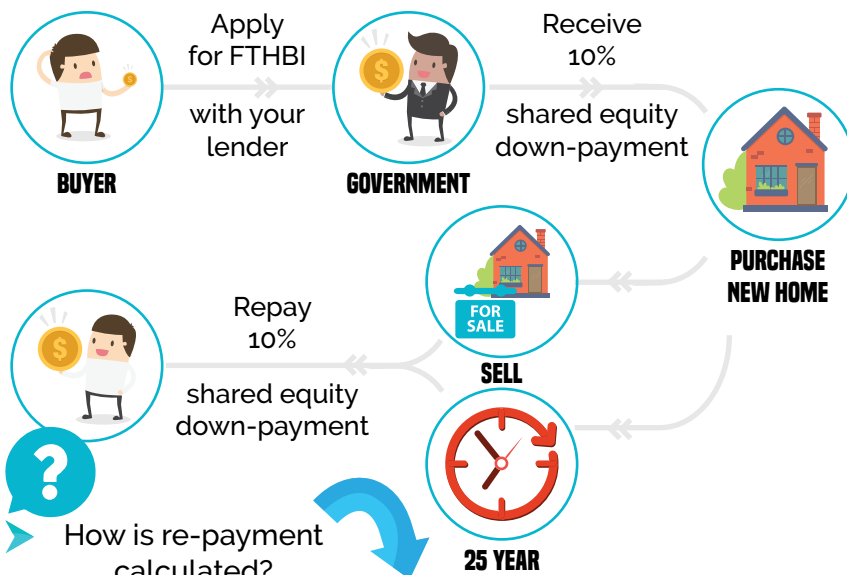
lower your monthly  
payment by up to  
12%



### NO INTEREST

no monthly  
repayments  
and no interest  
accumulated

## HOW IT WORKS



## SHARED EQUITY PAYMENT

PURCHASE PRICE  
**\$300,000**  
SHARED EQUITY  
DOWN-PAYMENT  
**=\$30,000**

**VALUE INCREASES**  
SELLING PRICE  
**\$315,000**  
SHARED EQUITY  
RE-PAYMENT  
**=\$31,500**

**VALUE DECREASES**  
SELLING PRICE  
**\$275,000**  
SHARED EQUITY  
RE-PAYMENT  
**=\$27,500**

## MORTGAGE EXAMPLE

	WITHOUT FTHBI	WITH FTHBI
Purchase Price	\$300,000	\$300,000
Downpayment @ 5%	\$15,000	\$15,000
Shared Equity @ 10%	\$0	\$30,000
Mortgage amount	\$296,400	\$262,140
Insurance Premium rate	4.00%	2.80%
Insurance Premium	\$11,400.00	\$7,140.00
Payment:	<b>\$1,398.14</b>	<b>\$1,236.53</b>
Interest rate	5-Yr Fixed 2.97%	5-Yr Fixed 2.97%
Amortization period	25 Year	25 Year
Payment frequency	Monthly	Monthly
Total payments over term	\$83,888.45	\$67,403.96
- Interest paid	\$40,959.80	\$29,437.35
= Principal paid	\$42,928.65	\$37,966.61
Balance at end of term	<b>\$254,240.24</b>	<b>\$224,853.37</b>
Aquired Equity	\$45,759.76	\$75,146.63
Payment Savings	\$0.00	\$9,696.60
Total Equity	<b>\$45,759.76</b>	<b>\$84,843.23</b>

Sources:

1. Canada's First-Time Home Buyer Incentive: Place to Call Home®  
A Place to Call Home, www.place2callhome.ca/fthbi/first-time-homebuyer-incentive.

2. Mortgage Calculator: Canada Mortgage and Housing Corporation,  
www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/homesbuying-calculators/mortgage-calculator.