

HOBBY FARM

The Farm Lending Canada Hobby Farm product recognizes that Canadians often like to live in more rural settings and have access to storage and hobby facilities on their own property. This mortgage is for borrowers who want the fresh clean air of a rural setting and the full value of all that fresh air and storage space included when calculating Loan to Value.

ZONED: RURAL / AG	PRIME				ALT-A			
SECONDARY FINANCING	Purchase or Refinance				Purchase or Refinance			
CREDIT SCORE	680	640	621	600	680	640	621	600
MAXIMUM LTV	80%	80%	75%	N/A	80%	80%	75%	70%
MAXIMUM LOAN AMOUNT	\$1,500,000 (exceptions to 2M for strong files)				\$1,500,000 (exceptions to 2M for strong files)			
DEBT SERVICE	39/45				50/50			
AMORTIZATION	30 Years				30 Years			
RATE HOLD	90 Days				90 Days			
TITLE INSURANCE REQUIRED	Yes				Yes			
MAXIMUM FARM INCOME	\$20,000				\$20,000			
BFS INCOME	Full Documents				Bank Statements Permitted			
RENTAL INCOME - SUBJECT PROPERTY	100% of income from a self contained unit within the subject property is added to overall income							
RENTAL INCOME - ROOM AND BOARD	100% of confirmed room and board income is added to overall income. Confirmation is typically a copy or lease and 12 month bank statements. This income must be from a non related party.							
RENTAL INCOME - NON-SUBJECT PROPERTY	Income is calculated using an offset method. 80% of rental income is offset against mortgage payment, property taxes, heat and condo fees. Surplus is added to income. Deficit is added to liabilities.							
AVAILABILITY	British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland, PEI							
PRICING PREMIUMS	N/A				BFS Bank Statements: 0.25% / Rental: 0.50% O/O Rental: 0.25% / Previous Bankruptcy: 0.10% Population < 25,000: 0.30%			
LENDER FEE	0.50%				1.00%			
PROPERTY TYPE	Rural residential properties within approved lending areas. Properties often have barns, paddocks, workshops.							
PROPERTY LOCATION	Within 50km of a population centre of 100k or within 30km of 25k. Near a population centre of 5k with reduced LTV							
APPRAISAL	Appraisals must be ordered from Farm Lending Canada's extensive approved appraiser list.							
APPRAISAL INCLUSIONS	Appraisals can include full land value, home and 1 out building. Specialty buildings reviewed case by case.							
MORTGAGE PRIORITY	First Mortgage							
SECONDARY FINANCING	Secondary financing permitted to a maximum of 80% combined LTV.							
PAYMENT FREQUENCIES	Monthly for the first payment only, weekly, bi-weekly, semi-monthly, and monthly available after the first payment.							
DOWN PAYMENT	Minimum 20% of own resources required. Gifted down payments are acceptable.							
QUALIFYING (B20)	Qualification will be determined using the greater of the contract interest rate + 2% or the Bank of Canada qualifying rate.							
TERMS	Fixed 1 - 5 Years							