

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