

Program Overview



Progress Advance Construction Program

What is the Progress Advance Construction Program?

This program provides financing for the construction of a home. Funds are advanced in stages based on the level of completion. Each advance requires inspection and documentation to confirm progress.

Overview

Referrals

Who can refer? Atlantic Canada/Ontario-based mortgage brokers
Atlantic Canada-based credit unions

Property Eligibility

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|------------------------------|--|
| Property Types | Single family dwelling 1-4 Units |
| Occupancy | Owner occupied Partially owner occupied (at least one unit must be owner occupied) |
| Property location | Atlantic Canada Ontario |
| Valuation of property | CMHC or Sagen to determine value Interim inspection reports used to verify stage completion |
| Builder | Contractor-built with full house contract Self-built with quotes for labour and materials |
| Warranty | New Home Warranty is required |

Mortgage Details

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|--------------------------------|--|
| Minimum mortgage amount | \$100,000 |
| Maximum mortgage amount | \$1.5 Million |
| Insured or Conventional | Insured only |
| Maximum LTV Ratio | 95% Insured |
| Maximum Amortization | 25 years 30-year amortization allowable for insured purchases where one of the applicants is a first time homebuyer |
| Progress Draws | Maximum 4 draws |
| Available Terms | 5-year fixed term |
| Rate Offer | Market + 0.25% |
| Rate Hold | 120 days. First draw must occur within 120 days of commitment date to lock in 5-year fixed rate |
| Construction Time | 12 months |
| Payment Structure | Monthly interest payments begin 30 days after first draw Principal and interest payments begin 12 months from the date of first advance or 85% completion |

Borrowing Requirements

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|-----------------------------|---|
| Minimum Beacon Score | 600 |
| Maximum GDSR | 39% |
| Maximum TDSR | 44% |
| Qualifying Rate | Contract rate + 200bps or the BOC 5-year benchmark rate, whichever is greater |

For questions on Progress Advance Construction mortgages, please reach out to the Residential Mortgages team at ismhalifax@aclsm.ca