

# 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

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

## Mortgage Details

<b>Minimum mortgage amount</b>	\$100,000
<b>Maximum mortgage amount</b>	\$1.5 Million
<b>Insured or Conventional</b>	Insured only
<b>Maximum LTV Ratio</b>	95% Insured
<b>Maximum Amortization</b>	25 years 30-year amortization allowable for insured purchases where one of the applicants is a first time homebuyer
<b>Progress Draws</b>	Maximum 4 draws
<b>Available Terms</b>	3-5 year fixed term
<b>Rate Offer</b>	Market + 0.25%
<b>Rate Hold</b>	120 days. First draw must occur within 120 days of commitment date to lock in 5-year fixed rate
<b>Construction Time</b>	12 months
<b>Payment Structure</b>	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

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

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For questions on Progress Advance Construction mortgages, please reach out to the Residential Mortgages team at [ismhalifax@aclsm.ca](mailto:ismhalifax@aclsm.ca)