



PRESS RELEASE



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Government of Canada Provides up to \$27.7 Million to Help Owners of Moisture Damaged Homes

VICTORIA, British Columbia, October 20, 2000 — Up to \$27.7 million will be made available to owners of moisture damaged residences in the province, thanks to an agreement signed between the Government of Canada and the Province of British Columbia.

The announcement was made today by the Honourable David Anderson, Minister of the Environment, on behalf of the Honourable Alfonso Gagliano, Minister responsible for Canada Mortgage and Housing Corporation (CMHC) and the Honourable Jan Pullinger, Provincial Minister Responsible for Housing.

"These funds, through CMHC, to the province's homeowner's reconstruction loan program, will help those homeowners hardest hit by the financial hardships caused by moisture damage to their homes," said Minister Anderson. "This funding, originally announced in June, is a positive response which will go a long way toward helping those who are having financial difficulty making the necessary repairs."

The loan program will be enhanced for working families who cannot afford the minimum monthly principal-only payment. In these cases the Homeowner Protection Office will also make principal payments on the homeowner's no-interest repair loan for a period of up to three years.

"Assisting lower-income families facing repair bills for their water-damaged condos is one more way the government is working to see that no one is left behind in our communities and our economy," said Pullinger.

The provincial homeowner's reconstruction loan program was established by the Homeowner Protection office in October 1998, to assist owners of moisture damaged homes with repair costs so that the cost of building envelope repairs would not result in the loss of their homes.

Since the provincial program's inception, more than 4,300 homeowners have been approved for no-interest repair loans totalling over \$92 million. Over \$32 million in no-interest repair loans has also been approved for 18 housing co-operatives.

An estimated \$250 million in no-interest loans is expected to be provided under the province's reconstruction loan program to homeowners and housing co-operatives. The Homeowner Protection Office will immediately receive \$6 million for the Reconstruction Loan Fund. Future quarterly contributions will provide the total contribution of up to \$27.7 million from the Government of Canada.

More information about the homeowner's reconstruction loan program is available through the Homeowner Protection Office by calling the toll-free information line at: 1-800-404-7757 or by visiting the web site at: www.hpo.bc.ca

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Homeowner's Reconstruction Loan Program Eligibility

The Homeowner's Reconstruction Loan Program is operated by the province's Homeowner Protection Office and provides no-interest loans to owners of leaky condominiums and other homes who are not able to pay for repairs related to premature building envelope failures.

Most homeowners are eligible when they:

- own a leaky condominium or other home in the coastal climate zone where the building envelope deteriorated sooner than expected
- do not have savings or investments that could be used to pay for repairs
 - ◆ pension assets, RRSP assets, and the first \$10,000 in liquid assets are exempt
 - ◆ for those 60 years of age or older, pension assets, RRIF/RRSP assets, and the first \$250,000 in liquid assets are exempt
- do not have enough equity in their home to qualify for conventional mortgage financing or cannot afford the monthly payment on a conventional loan.

The loan covers the cost of repairs to the building envelope and the associated costs.

There is no maximum loan amount. Homeowners who meet the eligibility criteria will be able to secure a no-interest loan for the full amount they need to repair the building envelope.

Homeowners facing a foreclosure situation can have their loan applications processed on a priority basis.

For further information please contact:

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