



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2005*

### **Seniors to Benefit from Renovation Funding and Mortgage Loan Insurance Enhancements**

**TORONTO, Ontario, May 2, 2005** — Renovation funding will now enable seniors to continue to live longer in their own home or move closer to their family, announced the Honourable Tony Ianno, Minister of State, Families and Caregivers, today on behalf of the Honourable Joe Fontana, Minister of Labour and Housing.

The federal Residential Rehabilitation Assistance Program (RRAP) will now enable the creation of secondary rental and garden suites — an affordable rental housing option for low-income seniors as well as adults with a disability.

A secondary suite involves the creation of a unit within an existing dwelling or an addition to the home. A Garden Suite is a separate self-contained living area created on the owner's property.

"The Government of Canada is committed to teaming up with our partners to help seniors and their need for affordable housing," said Minister Ianno. "Units such as secondary and garden suites make it possible for seniors to remain close to their family and friends, allow them to remain active in their communities, and maintain their independence."

Homeowners, private entrepreneurs, and First Nations owning single-family residential properties that can accommodate the creation of a bona fide affordable self-contained secondary suite or garden suite will be eligible to apply for RRAP funds. This year, the federal government will provide \$128 million toward funding renovation programs.

Minister Ianno also announced enhancements to CMHC's Mortgage Loan Insurance for owner occupied properties that would enable seniors to financially remain in their homes for longer. With this change, Canadians can purchase and occupy a two unit, new or existing residence with as little as five per cent down. Up to 80 per cent of the gross rental income for the second unit can be used for income qualification purposes, thereby making it easier for the homebuyer to qualify for mortgage loan insurance.

Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency. For over 55 years, CMHC has been contributing to improving the living conditions and the well-being of Canadians through four areas of housing activities — housing finance, assisted housing, research and information transfer, and export promotion. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, and making vibrant and sustainable communities a reality across the country.

The federal government, through CMHC, also supports the creation of affordable housing for low-income seniors through the Affordable Housing Initiative. In addition, CMHC provides financial assistance to extend the time low-income seniors can live in their own homes independently through the Home Adaptations for Seniors Independence (HASI) program. The assistance, in the form of a forgivable loan of up to \$3,500, is available to homeowners and landlords.

**For further information please contact:**

Peter Graham,  
Director of Communications  
Office of Minister Fontana  
(819) 953-5646

Grace Thrasher  
Communications Manager  
CMHC  
(613) 748-2375

**Backgrounder**

**Secondary/Garden Suite Program**

**Residential Rehabilitation Assistance (RRAP)**

**Program Overview**

The objective of RRAP — Secondary/Garden Suite is to assist in the creation of affordable housing for low-income seniors and adults with a disability by providing financial assistance to develop existing residential properties that can reasonably accommodate a secondary self contained unit.

**Eligibility**

Eligibility is limited to existing family housing residential properties, where self-contained secondary or garden suite(s) is being created. The property must also meet local zoning and building requirements. Selected clients must enter into an Operating Agreement which establishes the rents that can be charged during the term of the agreement. A ceiling is also placed on the income of households who occupy the newly created self-contained units.

**Assistance**

The assistance is in the form of a fully forgivable loan which does not have to be repaid provided the owner adheres to the conditions of the program. The maximum loan available varies in accordance with the type of unit(s) being created and the geographic zone in which the property is located:

		<b>Maximum Loan (per unit)</b>
Zone 1	Southern areas of Canada	\$24,000
Zone 2	Northern areas	\$28,000
Zone 3	Far northern areas	\$36,000

**Eligibility Costs**

Eligible costs include all costs related to the creation of a self-contained secondary suite or garden suite. Additional assistance is also available under RRAP for low-income persons with disabilities to undertake accessibility modifications.

The cost of creating and upgrading areas and elements will be prorated between the existing unit and the newly created unit. Homeowners may be eligible for assistance under the Homeowner RRAP to cover their share of the prorated costs subject to the program criteria being met.

## **Mortgage Loan Insurance**

Two-unit properties have become an important source of affordable rental housing for senior, young adults, recent immigrants and the working poor. The associated rental income also helps borrowers meet the costs of homeownership.

Borrowers who wish to purchase a duplex or a single home with a secondary suite can now achieve homeownership sooner, using CMHC financing with a minimum downpayment as low as 5%.

Borrowers can also now use up to 80% of the confirmed gross rental income from the subject property to qualify for the insured mortgage loan.



The Honourable Tony Ianno, Minister of State, Families and Caregivers discusses the recent announcement of renovation funding and mortgage loan insurance enhancements with one of the seniors attending the announcement.