



PRESS RELEASE



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CMHC to Insure 30 Year Mortgages on a Pilot Basis

OTTAWA, Ontario, February 25, 2006 — Canada Mortgage and Housing Corporation (CMHC), working with FirstLine Mortgages, will be offering homeowner mortgage loans amortized up to 30 years as part of a pilot project to improve access to home ownership and choice for Canadians.

"The availability of extended amortization periods will improve access to home ownership for Canadians by lowering monthly principal and interest costs," said Karen Kinsley, President of CMHC.

"It is part of our ongoing commitment to ensure that Canadians have access to quality, affordable homes. We are constantly working to extend home ownership eligibility to a larger number of Canadians."

The four-month pilot, which begins March 3 and runs until the end of June 2006, will also be available through any other lenders who wish to participate in the pilot. CMHC will assess the pilot results and then determine whether this will be a permanent program.

Generally, 25 years has been the maximum amortization period permitted for CMHC-insured mortgages.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC contributes 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 and cities a reality across the country. For more information call 1 800 668-2642.

FirstLine Mortgages is a division of CIBC Mortgages Inc. It provides mortgages through the mortgage broker channel and has over 200,000 clients across Canada.

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Backgrounder

CMHC Mortgage Loan Insurance allows Canadians to purchase a home with as little as a five per cent down payment and benefit from interest rates that are comparable to someone buying with a 25% down payment. This allows them to purchase a home sooner and grow their equity faster.

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Under the program, a premium surcharge of 0.25% will apply to homeowner mortgages with 30-year extended amortizations.

As well, extended amortization applications will be assessed on the same basis as applications with standard amortization periods and borrowers will have to meet the current eligibility requirements.

A borrower buying a \$190,000 home with a 25-year amortization period and 5% interest rate would pay \$1,100 monthly. By extending the amortization to 30 years, that same borrower would only have to pay approximately \$1,010 monthly.

Prior to this pilot, extended amortization flexibility beyond 25 years was only available to homeowners under CMHC's affordable housing partnerships and through its Energy Efficient Mortgages product.