



PRESS RELEASE



Canadian Mortgage News - National Archive 2006

Seed Funding of \$4 Million Now Available from CMHC

OTTAWA, Ontario, May 31, 2006 — Canada Mortgage and Housing Corporation (CMHC) is announcing today seed funding of \$4 million this year for the development of affordable housing.

"CMHC is committed to helping Canadians access safe affordable housing," said Karen Kinsley, CMHC President. "One way to achieve this is by providing support in the early stage of developing affordable housing projects.

"With Seed Funding, CMHC provides financial assistance to develop a sound business case, allowing groups to make a solid start on their housing projects."

Through Seed Funding, a successful applicant can receive as much as \$ 20,000, including an upfront grant of up to \$10,000. As progress is made on the proposal, a repayable interest-free loan of up to \$10,000 can also be made available.

Effective today, CMHC will accept Seed Funding requests throughout the year, allowing applicants to receive the funding at a time which suits their housing project development schedule. Previously applicants were eligible to apply only within specified time-limited periods.

This initiative, delivered by CMHC's Partnership Centre, is intended to support housing providers in developing solutions for community housing needs. The funding is eligible to be used for activities such as a needs analysis and a business plan.

Since it was first established in 1991, the CMHC Partnership Centre has facilitated the creation of more than 40,000 affordable housing units.

The CMHC Partnership Centre is a network of housing experts across the country available to help groups through the housing project development process. The Centre draws upon the range of CMHC products, services and programs, and connects groups to other sources of information and support. The Centre also offers web-based information, such as an interactive tool to help groups assess the financial viability of their housing project proposal.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information call 1-800-668-2642.

Media Inquiries:

Christine Choury
Chief, Media Relations
CMHC
613-742-5344

CMHC Partnership Centre

Background Information

Established in 1991, CMHC's Partnership Centre works with clients from the non-profit and private sectors, as well as municipalities and others who are interested in producing affordable housing without ongoing government subsidy.

The Partnership Centre assists clients in a variety of ways by drawing on the full range of CMHC's products, services and programs. The Centre also directs clients to other appropriate sources of information and support.

Since its inception, the Partnership Centre has facilitated more than 40,000 housing units. In 2005, the Centre played a role in the creation of more than 2,300 homes across Canada.

Advice, Guidance and Information

The Centre provides general housing information to clients who are interested in learning about housing but who may not yet be ready to start developing a housing project. Information is provided on a number of topics related to housing development and management through different venues including the CMHC web site, affordable housing events, and upcoming teleforums.

The Partnership Centre is a source of housing expertise and advice. Representatives of the Centre, who are located across the country, provide project-specific guidance to assist clients in making progress on their proposed housing project. Among other things, clients are helped to assess the financial viability of their proposed project.

The Centre recently introduced a *Viability Assessment Tool* which is available on the CMHC web site for this purpose.

The Centre also taps into CMHC's vast range of objective and reliable housing information, including market analysis, housing research, statistics, building technology and many other topics of interest to potential developers of affordable housing.

Financial Tools

CMHC offers financial assistance to help cover some of the upfront costs incurred during the development of a housing project proposal. In addition, CMHC mortgage loan insurance can facilitate access to mortgage financing.

Seed Funding

CMHC's Seed Funding offers financial assistance of up to \$20,000 to potential housing providers who are in the early stages of developing affordable housing project proposals.

Effective immediately, CMHC will accept Seed Funding applications year round. This will allow applicants to apply for Seed Funding at a time that suits their project development schedule. Previously applicants were eligible to apply only within specified time-limited periods.

Canadian Mortgage News - Seed Funding of \$4 Million Now Available from CMHC

Some 20 housing projects, totaling more than 800 housing units across the country were produced with the support of Seed Funding since it was introduced in 2003. Many more Seed Funding recipients are continuing to work on their projects.

Proposal Development Funding (PDF)

The Centre offers interest-free PDF loans of up to \$100,000 to support the further development of affordable housing projects.

These loans help with costs of developing a housing project to the point where the clients can obtain a commitment of financing that will allow the project to proceed. PDF loans are repayable if the proposed project moves to implementation.

A portion of the PDF loan may be forgiven if the client is successful in producing a project that adds to the stock of affordable housing as defined by CMHC. The amount of forgiveness — up to 35 percent of the PDF loan amount — depends on the degree of affordability of the housing project.

Mortgage Loan Insurance

CMHC mortgage loan insurance allows borrowers to have access to higher loan amounts at the best possible interest rate. Affordable housing projects may be eligible for a reduced mortgage loan insurance premium and other flexibilities in accordance with the level of the project's affordability. Premiums may be waived completely for affordable housing projects that serve low-income households.