

**1.0 HOMEOWNERSHIP INVESTMENT FUND POLICIES AND PROCEDURES**

**The Wiikwemkoong Homeownership Investment Fund Policy is governed in whole by Wiikwemkoong Unceded Territory Gchi-Naaknigewin and Wiikwemkoong Unceded Territory Matrimonial Real Property Law.**

**Introduction**

The Homeownership Investment Fund has been developed in conjunction with Wiikwemkoong Unceded Territory (WUT) and Enaadmaagehjik Development Commission. The objective of the Homeownership Investment Fund is to provide community members access to affordable and competitive mortgages and home loans in order to build, purchase, renovate or refinance homes on Wiikwemkoong Unceded Territory.

<b>PROGRAM DETAILS</b>				
	<b>New</b>	<b>Purchase</b>	<b>Renovate</b>	<b>Refinance</b>
Maximum Loan	\$250,000	\$250,000	\$75,000	\$250,000
Down Payment	5%	5%	5%	-----
Maximum Amortization	25 years	25 years	20 Years	25 years
Mortgage Insurance	Included	Included	Included	Included
Home Insurance	Paid by Homeowner	Paid by Homeowner	Paid by Homeowner	Paid by Homeowner
Home Inspection	Yes (Contractor)	Yes (Contractor)	Yes (Contractor)	Yes (Contractor)
Appraisal	N/A	Yes (Housing Dept)	Yes (Housing Dept)	Yes
Serviced Lots / Survey	Homeowner	Homeowner	Homeowner	Homeowner
Debts owed to First Nation	Reviewed	Reviewed	Reviewed	Reviewed
Renovations	N/A	Within max loan	Yes	Within max loan
Qualified Inspector	Contractor	Contractor (renos)	Contractor	Contractor
Construction Method	Contractor	Contractor	Contractor	Contractor

\* Certificate of Possession of land to be included and transferred to WUT for the duration of the loan.

In order to make the process simple and understandable, this orientation package and checklist has been developed in order to assist you with planning your build, purchase or renovation. You have already completed the first step by submitting your expression of interest in a mortgage.

Now we will lead you to the next steps and provided you meet all the eligibility requirements and successful completion of your application.

**Section 1 – The Application Process**

- a) HIF Loans Officer will conduct an internal credit check on all applicants. For band members in arrears more than 30 days on any accounts, these accounts must be dealt with or a repayment plan must be negotiated. If arrears are too high, or repayment plan is not negotiable applicant is not eligible for the program.
- b) If you have satisfactory credit with WUT, defined as no account in arrears more than 30 days, WUT will provide a Conditional Letter of Guarantee to the Homeownership Investment Fund so you can apply for a pre-approved mortgage. ***This will inform us that WUT is in the position to guarantee your loan, provided you meet our lending requirements.***

- c) This means that you meet the following conditions:
- ✓ Good Credit- Current Debt Loan should be moderate (credit cards, line credit and other loans)
  - ✓ Good job tenure (usually minimum 2 years full-time employment)
  - ✓ Income to support loan
  - ✓ Debt to Income Ratio is within acceptable range
  - ✓ Registered WUT band member
  - ✓ Pre-qualify for mortgage insurance

*If you do not have any of the above, you should work with the HIF Loans Officer to find out how you can qualify. Perhaps you have to pay down some debt or improve your credit score. Credit counselling is also an option.*

- d) The applicant must provide five percent (5%) down payment for New Construction, Purchase, and Renovations. Applicants requesting buy-out of existing mortgage can access one hundred percent (100%) financing, however the applicant must demonstrate they have sufficient assets.

## **Section 2 – Mortgage Approval Process**

- a) Mortgage loan conditions may be specified by the governing Wiikwemkoong Development Commission Board of Directors.
- b) The approved applicant is responsible for a one-time Loan Administration Fee of Seven hundred and Fifty dollars (\$750).

## **Section 3 – Loan Termination**

- a) HIF Loan approvals would be terminated, if housing construction has not started within nine (9) months, after approval by WDC Board of Directors and Chief and Council.

## **Section 4 - Completion of Approval Process**

- a) The final step is to ensure all insurances are endorsed to Wikwemikong Unceded Indian Reserve (WUIR) for more than the loan you are applying for. Monthly mortgage insurance installments are rolled into your mortgage payments. This will ensure all members are fully insured and satisfy WUIR's investment for the term of your mortgage.
- b) Once the home is constructed, purchased and/or renovated, it is mandatory for you to purchase home insurance from their preferred insurance broker. This insurance is ***not*** rolled into your mortgage payments, it is your responsibility for this cost. You must ensure that WUIR is your first mortgagee and is the interested parties.

## **Section 5 – Approval for Construction/ Renovation/ Purchase / Refinance**

- a) If you have met all three of the above prequalification criteria, congratulations you are now approved to proceed with your Construction/Renovations/Purchase/ Refinance

**For Refinancing details please enquire at the office of the HIF Loans Officer.**

## 1.2 New Construction – Wiikwemkoong Unceded Territory

The Homeownership Investment Fund is designed to provide affordable mortgages to qualified WUT band members who wish to purchase, renovate or construct a new home.

For the purpose of this policy, new Construction is defined as the construction of a new home on an existing serviced/surveyed lot.

### **Program Details**

Maximum Loan	\$250,000
Down Payment	5% of approved loan
Maximum Amortization	25 years
Mortgage Insurance	Rolled into mortgage payment
Home Insurance	Paid by Homeowner
Lots	Serviced / Surveyed Lots only
Certification of Possession (CPs)	WUT to hold CPs until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if in arrears
Construction method	General Contractor only. No Do it yourself (DIY) construction.
Hold back on Construction	10%

### **Section 1 – Pre-Qualification**

- 1) An expression of interest is sent by the band member to the Homeownership Investment Fund Loan Officer. An orientation package is sent to applicant detailing the eligibility requirements.
- 2) WUT conducts internal credit check to ensure there are no accounts, such as loans, rental arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the applicant is in good standing a Conditional Letter of Support (Appendix 1) will be issued to the Homeownership Investment Fund Credit Officer stating that WUT Financial Unit is in support of this individual's mortgage **provided they meet our lending requirements.**
  - a. If applicant has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or applicant refuses, the application is declined,
  - c. and no further action is taken on the file.
  - d. If repayment plan is initiated the Enaadmaagehjik Development Commission, Board of Directors may at its discretion defer the application for a period of up to six months to ensure that the applicant abides by the repayment plan.
- 3) Only after the applicant has received conditional support from WUT Finance can the member apply for a pre-approved mortgage. The applicant will be required to submit pay stubs, photo ID and information regarding overall debt load to the HIF Loans Officer.
  - a. Total Debt Servicing (TDS) ratio not to exceed 40%.
  - b. Gross up factor on income earned on-territory will be applied.

- c. Applicant must have satisfactory credit through credit reporting or demonstrate other forms of satisfactory credit for applicants with no credit rating.
- d. Applicant must have good job tenure.
- e. Applicant must demonstrate they have sufficient equity/down payment of 5% as per the terms of HIF Policy, Stage 1, d)
- f. Pre-qualify for mortgage insurance, annual premium will be rolled into mortgage payments.

***If applicant is unable to meet the minimum credit standards of the pre-qualification process, the application is declined, and no further action is taken. Referral to Credit Enhancement and Debit Management Counselling.***

- 4) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must show proof of Residency Registrar Office application and grant as per Wiikwemkoong Unceded Territory Matrimonial Real Property Law. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on territory and their rights according to the Wiikwemkoong Unceded Territory, Matrimonial Real Property Laws. The Homeownership Investment Fund Policy and Procedures are subordinate to the Wiikwemkoong Gchi-Naaknigewin and Matrimonial Real Property Law.

## **Section 2 – Approval & Construction**

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- 1) Identification of a serviced/surveyed lot and CP formally transferred to WUT, if WUT does not already hold CP. A title search will be conducted to ensure that the lot is unencumbered, as well as to ensure the lot is surveyed. If lot is not surveyed, a survey must be done prior to the transfer of the CP to the First Nation.
- 2) HIF Loans Officer will confirm to WUT that the applicant has met all the pre-established conditions for approval of a loan guarantee and CP allocation.
- 3) It is mandatory the applicant provide legally enforceable document (WILL) confirming their wish to dispose their property upon their death.
- 4) Applicant to submit two sets of plans, one for the WUT Builder and one to be forwarded to the Homeownership Investment Fund.
  - a. As a minimum, engineered plans will only be accepted.
  - b. Plans from local hardware stores may also be acceptable, provided they are engineer stamped.
  - c. Plans to be reviewed by Qualified Inspector to ensure they meet, as a minimum, National Building Code / First Nation Building Code. Any modifications recommended by the technical review must be implemented.
- 5) The applicants must ensure contractors are reputable, qualified, have insurance and must provide references. As a minimum, contractors must have liability insurance for \$2.0 million as well as provide they possess WSIB in good standing and contractors must be capable of bridge financing construction. **Loan advances prior to construction are prohibited.**
- 6) Final quote along with verification of equity/down payment must be forwarded to Homeownership Investment Fund for final approval. Must be below maximum loan amount.
- 7) Loan document forwarded to Enaadmaagehjik Development Commission, Board of Directors for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 2)

- 8) Applicant must agree to all prepaid insurance premiums, which will be rolled into the mortgage payment.
- 9) Contractor to provide proof of construction insurance (builder's risk) and general liability insurance of \$2 million to lender and/or financial institution.
- 10) Copy of builder's contract forwarded to WUT and any related correspondence must be forwarded by Homeownership Investment Fund.
- 11) **Construction begins.**
- 12) Contractor responsible for installing services, water and septic, to the lot line and must be included in the cost of construction. Health Canada to be notified for inspection and issuance of certificate. For a fee, WUT Public Works can also install water service.
- 13) Qualified Inspector will be responsible for progress and compliance inspections. The maximum number of progress advances is six (6). Pictures to be included in the advance documentation. Any excess inspections are the responsibility of the homeowner.
- 14) Holdback of 10% for 45 days will be required and enforced by the Homeownership Investment Fund. A Statutory Declaration to be provided by contractor stating that all sub-contractors have been paid in full.

### 1.3 Purchase an Existing Home – Wiikwemkoong Unceded Territory

The Homeownership Investment Fund is designed to provide affordable mortgages for qualified WUT members who wish to purchase, renovate, construct or refinance a home.

Purchase of an existing home on Wiikwemkoong Unceded Territory either from another band member or the band.

#### **Program Details**

Maximum Loan	\$250,000
Down Payment	5% of approved loan
Maximum Amortization	25 years
Mortgage Insurance	Rolled into mortgage payment
Home Insurance	Paid by Homeowner
Home Inspection	Evaluation done by Wiikwemkoong Housing Department
Appraisal	Evaluation done by Wiikwemkoong Housing Department
Certification of Possession (CPs)	WUT to hold CP until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if in arrears
Renovations	Can be included with Purchase price along as within max loan.
Construction Method	10% - General Contractor renovations

#### **Section 1 – Pre-Qualification**

- 1) An expression of interest is sent by the band member to HIF Loans Officer. An orientation package is sent to applicant detailing the eligibility requirements.
- 2) Ensure seller holds CP for lot and verification of no encumbrances. In addition, seller is required to provide proof that they have free and clear access to sell unit.
- 3) HIF Loans Officer will conduct internal credit check to ensure there are no accounts in arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the applicant is in good standing a Conditional Letter of Support will be issued to the Homeownership Investment Fund stating that WUT is in support of this individual's mortgage **provided they meet our lending requirements;**
  - a. If applicant has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or applicant refuses, the application is declined, and no further action is taken on the file.
  - c. If repayment plan is initiated the Enaadmaagehjik Development Commission Board of Directors may at its discretion defer the application for a period of six months to ensure that the applicant abides by the repayment plan.
- 4) Only after the applicant has received conditional support from WUT can the member apply for a pre-approved mortgage. The applicant will be required to submit pay stubs, photo ID, and information regarding overall debt load to the HIF Loans Officer.

- a. Total Debt Servicing (TDS) ratio not to exceed 40%.
- b. Gross up factor on income earned on-territory will be applied.
- c. Applicant must have satisfactory credit.
- d. Applicant must have good job tenure. (minimum 2 years)
- e. Applicant must demonstrate they have enough equity/down payment of 5% as per the terms of HIF Policy, Stage 1, d)
- f. Pre-qualify for mortgage insurance, annual premium will be rolled into mortgage payments.

**If applicant is unable to meet the minimum credit standards of the Homeownership Investment Fund, the application is declined, and no further action is taken. Referral to future Debt Management & Credit Enhancement Counselling.**

- 5) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must show proof of Residency Registrar Office application and grant as per Wiikwemkoong Unceded Territory Matrimonial Real Property Law. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on territory and their rights according to the Wiikwemkoong Unceded Territory, Matrimonial Real Property Laws. The Homeownership Investment Fund Policy and Procedures are subordinate to the Wiikwemkoong Gchi-Naaknigewin and Matrimonial Real Property Law.

## **Section 2 – Approval & Acquisition**

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- 1) If WUT is the seller, the value of the home will be assessed based on book value as established by a Tangible Capital Asset procedure/policy (TCA).
- 2) If private sale, WUT is not part of the negotiation process. However, WUT, as guarantor, must be satisfied with the value of the home as demonstrated by an appraisal and home inspection to be conducted by an independent appraiser and home inspector.
  - a. Appraisal determines value and whether selling price is reasonable. WUT, at its discretion, may require its own independent appraisal at its own cost.
  - b. Home inspection determines any serious deficiencies that may impair the value of the home and will need to be rectified to complete the sale. The cost to address these deficiencies can be paid for by the seller prior to sale as a condition or can be deducted off the sale price and corrected after the sale and incorporated into the mortgage (provided loan does not exceed maximum).
  - c. The buyer is required to hire an appraiser/inspector and submit a copy of the report to Homeownership Investment Fund, Loans Officer.
- 3) Sales agreement finalized and CP transferred to WUT until mortgage is fully discharged.
- 4) Renovations are allowed and can be incorporated into the mortgage, provided the maximum loan is not exceeded. The same conditions applied to renovations of an existing home will be applied to renovations of a purchased home (review by Qualified Inspector).
- 5) HIF Loans Officer will confirm with Enaadmaagehjik Development Commission Board of Directors that the applicant has met all the pre-established conditions for approval of a loan guarantee and CP allocation.

- 6) It is mandatory the applicant provide legally enforceable document (WILL) confirming their wish to dispose their property upon their death.
- 7) Final sale agreement and estimate for renovations, if required, along with verification of equity/down payment must be forwarded to Enaadmaagehjik Development Commission Board of Directors for final approval. Must be below maximum loan amount.
- 8) Mortgage insurance premiums are mandatory, will be pre-paid and rolled into the mortgage.
- 9) Loan document forwarded to Chief and Council for final approval with Enaadmaagehjik Development Commission Board of Director endorsement. Chief and Council issue BCR for loan guarantee.
- 10) No transfer of funds will occur until WUT has received confirmation that CP or tenure has been transferred to WUT for all private sales. Confirmation must be sent to the Homeownership Investment Fund to release funds.



### 1.4 Renovations – Wiikwemkoong Unceded Territory

The Homeownership Investment Fund is designed to provide affordable mortgages to qualified WUT band members who wish to purchase, renovate or construct a new home.

For the purpose of this policy, renovations refer to any improvements and modifications to an existing home.

#### **Program Details**

Maximum Loan	\$75 000 (\$5,000 minimum)
Down Payment	5% of approved loan
Maximum Amortization	20 years
Mortgage Insurance	Rolled into mortgage payments
Home Insurance	Paid by Homeowner
Certification of Possession (CPs)	Transferred to WUT until loan is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if in arrears
Construction method	General Contractor/Other work that is carried out of Inspection regime.
Hold back on Construction	10% (General Contractor)

#### **Section 1 – Pre-Qualification**

- 1) An expression of interest is sent by the band member to HIF Loans Officer. An orientation package is sent to applicant detailing the eligibility requirements.
- 2) Confirmation that applicant holds CP on property and must consent to transferring to Wiikwemkoong Unceded Territory.
- 3) HIF Loans Officer will conduct internal credit check to ensure there are no accounts, such as loans, rental arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the applicant is in good standing a Conditional Letter of Support will be issued to the Homeownership Investment Fund stating that WUT is in support of this individual's mortgage **provided they meet our lending requirements.**
  - a. If applicant has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Conditional Letter of Support.
  - b. If accounts are too high or applicant refuses, the application is declined and no further action is taken on the file.
  - c. If repayment plan is initiated the Enaadmaagehjik Development Commission, Board of Directors may at its discretion defer the application for a period of up to six months to ensure that the applicant abides by the repayment plan.
- 4) Only after the applicant has received conditional support from WUT can the member apply for a pre-approved mortgage. The applicant will be required to submit pay stubs, photo ID, and information regarding overall debt load.
  - a. Total Debt Servicing (TDS) ratio not to exceed 40%.

- b. Gross up factor on income earned on-territory will be applied.
- c. Applicant must have satisfactory credit.
- d. Applicant must have good job tenure. (minimum 2 years)
- e. Applicant must demonstrate they have sufficient equity/down payment of 5% as per the terms of HIF Policy, Stage 1, d)
- f. Pre-qualify for mortgage insurance, annual premium will be rolled into mortgage payments.

***If applicant is unable to meet the minimum credit standards of the bank, the application is declined and no further action is taken. Referral to future Debt Management & Credit Enhancement Counselling.***

- 5) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must show proof of Residency Registrar Office application and grant as per Wiikwemkoong Unceded Territory Matrimonial Real Property Law. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on territory and their rights according to the Wiikwemkoong Unceded Territory, Matrimonial Real Property Laws. The Homeownership Investment Fund Policy and Procedures are subordinate to the Wiikwemkoong Gchi-Naaknigewin and Matrimonial Real Property Law.

## **Section 2 – Approval & Construction**

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- 1) Provided the applicant meets all the pre-qualification criteria, and confirmation that the applicant holds the CP, the applicant must consent to a legal transfer of CP to WUT until the loan is fully amortized.
- 2) HIF Loans Officer will confirm to the Wiikwemkoong Mortgage and Housing Corporation that the applicant has met all the pre-established conditions for approval of a loan guarantee and CP allocation, (if required)
- 3) Applicant to provide legally enforceable document (WILL) confirming their wish to dispose their property upon their death.
- 4) Applicant provides a general description of renovations , which will be reviewed by Qualified Inspector, Contractor and Homeownership Investment Fund for a designated review process for the following:
  - a. To ensure work is compliant with, as a minimum, National Building Code/First Nation Building Code.
  - b. Provide a professional opinion on whether work can be done by applicant or local labour.
  - c. Determine which work **MUST** be done by Contractor (I.e. structural, electrical, plumbing, HVAC) which will be communicated by First Nation.
  - d. Once review is done, and specifications are known, applicant to get quotes.
- 5) Where it is determined that renovations identified must be done by a general contractor, HIF Loans Officer will provide applicant with a list of pre-approved Contractors in order to solicit quotes. The pre-approved contractors list is a measure to ensure contractors are reputable, qualified, have insurance and must provide references. In addition, WSIB must be in good standing and contractors must be capable of bridge financing construction.  
**Loan advances prior to construction are prohibited.**
- 6) Final quotes, for contractor and building supplies must be forwarded to Homeownership Investment Fund Loans Officer and to WUT for final approval. Must be below maximum loan amount.
- 7) Applicant must agree to all prepaid insurance premiums, which will be rolled into the mortgage or loan payment.

- 8) It is mandatory the applicant provide legally enforceable document (WILL) confirming their wish to dispose their property upon their death.
- 9) Loan document forwarded to Chief and Council for final approval. Chief and Council issue BCR for loan guarantee. (Appendix 3)
- 10) Contractor to provide proof of general liability (\$2 million) insurance to Homeownership Investment Fund Loans Officer.
- 11) **Renovations begin.**
- 12) Qualified Inspector responsible for all progress and compliance inspections. The minimum number of progress advances is two (2): one at 50% complete; and, one at 100% complete. Pictures to be included in the advance documentation. In addition, homeowner provides receipts for material to Homeownership Investment Fund Loans Officer to be forwarded to WUT for pre-approved Do-it-Yourself projects.
- 13) Holdback of 10% for 45 days will be required and enforced by the Homeownership Investment Fund for work done by general contractor.

### 1.5 Refinance of an Existing Home –Wiikwemkoong Unceded Territory

The Homeownership Investment Fund is designed to provide affordable mortgages to qualified WUT band members who wish to purchase, renovate or construct a new home.

For the purpose of this policy, refinancing refers to the transfer of an existing mortgaged property on Wiikwemkoong Unceded Territory into the Homeownership Investment Fund. The refinancing can be a straight refinance of an existing mortgage into the Homeownership Investment Fund and can only occur when the loan is up for renewal. The second type is a transfer of an existing mortgage during the term with the addition of renovations added to the mortgage.

#### **Program Details**

Maximum Loan	\$250,000
Renovations	Minimum \$10,000 up to a Maximum of \$75 000
Maximum Amortization	25 years
Mortgage Insurance	Rolled into mortgage payments
Home Insurance	Paid by Homeowner
Certification of Possession (CPs)	Transferred to WUT until mortgage is fully amortized.
Total Debt Services Ratio	Not to exceed 40%
Debts owed to First Nation	To be addressed if in arrears.
Construction method	General Contractor/Do-it-yourself allowed for certain items as per renovations policy.
Hold back on Construction	10% - General Contractor

#### **Section 1 – Pre-Qualification**

- 1) An expression of interest is sent by the band member to HIF Loans Officer. An orientation package is sent to applicant detailing the eligibility requirements.
- 2) Confirmation that applicant holds CP and existing mortgage amount. Any penalties for early discharge on an existing mortgage will be borne by the applicant with their own resources.
- 3) Applicant is required to increase mortgage by a minimum of \$10,000 and up to a maximum of \$75,000 for renovations in order to be eligible. In addition, this additional increase plus the amount of the existing mortgage must not exceed maximum mortgage amount of \$250,000.
- 4) HIF Loans Officer conducts internal credit check to ensure there are no accounts, such as loans, rental arrears or other debts that are outstanding. **Outstanding accounts for the purpose of this process are accounts that are in default more than 30 days.** If the applicant is in good standing a Conditional Letter of Support will be issued to the Homeownership Investment Fund and the governing Enaadmaagehjik Development Commission Board of Directors stating that WUT Finance is in support of this individual's mortgage provided they meet the lending requirements.
  - a. If applicant has an outstanding account, a settlement of these debts or a repayment plan must be negotiated prior to the issuance of a Mortgage Offer Letter.
  - b. If accounts are too high or applicant refuses, the application is declined, and no further action is taken on the file.

- c. If repayment plan is initiated the Enaadmaagehjik Development Commission Board of Directors may at its discretion defer the application for a period of up to six months to ensure that the applicant abides by the repayment plan.
- 5) Only after the applicant has received conditional support from WUT can the member apply for a pre-approved mortgage. The applicant will be required to submit pay stubs, photo ID, and information regarding overall debt load.
    - a. Total Debt Servicing (TDS) ratio not to exceed 40%.
    - b. Gross up factor on income earned on-territory will be applied.
    - c. Applicant must have satisfactory credit.
    - d. Applicant must have good job tenure. (minimum 2 years)
    - e. Pre-qualify for mortgage insurance, annual premium will be rolled into mortgage payments.

**If applicant is unable to meet the minimum credit standards of the bank, the application is declined, and no further action is taken. Referral to future Debt Management and Credit Enhancement Counselling.**

- 6) Applicant must agree to all prepaid insurance premiums, which will be rolled into the mortgage payment.
- 7) Where a household includes a non-Band-member applicant whose income is being used to qualify for a loan, that non-Band member must show proof of Residency Registrar Office application and grant as per Wiikwemkoong Unceded Territory Matrimonial Real Property Law. The non-Band-member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on territory and their rights according to the Wiikwemkoong Unceded Territory, Matrimonial Real Property Laws. The Homeownership Investment Fund Policy and Procedures are subordinate to the Wiikwemkoong Gchi-Naaknigewin and Matrimonial Real Property Law.

## **Section 2 – Approval & Construction**

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- 1) Provided the applicant meets all the pre-qualification criteria, and confirmation that the applicant holds the CP, the applicant must consent to a legal transfer of CP to WUT until the loan is fully amortized.
- 2) HIF Loans Officer will confirm to the Homeownership Investment Fund that the applicant has met all the pre-established conditions for approval of a loan guarantee and CP allocation, (if required).
  - a. If Section 95/10 Loan, WUT will issue BCR to rescind original guarantee.
- 3) Applicant to provide legally enforceable document (WILL) confirming their wish to dispose their property upon their death.
- 4) Applicant provides a general description of renovations, which will be reviewed by Qualified Inspector, Contractor and Homeownership Investment Fund for a designated review process for the following:
  - a. To ensure work is compliant with, as a minimum, National Building Code/First Nation Building Code.
  - b. Provide a professional opinion on whether work can be done by applicant or local labour.
  - c. Determine which work **MUST** be done by Contractor (I.e. structural, electrical, plumbing, HVAC) which will be communicated by First Nation.
- 5) Where it is determined that renovations identified must be done by a general contractor, the Homeownership Investment Fund will provide applicant with a list of pre-approved Contractors in order to solicit quotes. The pre-

approved contractors list is a measure to ensure contractors are reputable, qualified, have insurance and must provide references. In addition, WSIB must be in good standing and contractors must be capable of bridge financing construction. **Loan advances prior to construction are prohibited.**

- 6) Final quotes, for contractor and building supplies, along with verification of equity/down payment must be forwarded to Homeownership Investment Fund and to WUT for final approval. Must be below maximum loan amount.
- 7) Applicant must agree to all prepaid insurance premiums, which will be rolled into the mortgage payments.
- 8) Loan document forwarded to Chief and Council for final approval with Enaadmaagehjik Development Commission Board of Director endorsement. Chief and Council issue BCR for loan guarantee. (Appendix 3)
- 9) Contractor to provide proof of construction insurance to HIF Loans Officer and/or financial institution.
- 10) **Renovations begin.**
- 11) Qualified Inspector responsible for progress and compliance inspections. The minimum number of progress advances is two (2): one at 50% complete; and, one at 100% complete. Pictures to be included in the advance documentation.
- 12) Holdback of 10% for 45 days will be required and enforced by the lender for work done by general contractor.

## **1.6 Loan Defaults**

- 1) The Homeownership Investment Fund complies with requirements of the Mortgage/Loan Agreement – advises borrower, Enaadmaagehjik Development Commission Board of Directors and WUT Chief and Council of the arrears, demands repayment and reinstatement;
- 2) In the event of a default of mortgage or loan payment, a first notification letter will be forwarded by registered mail within 5 days of default in payment. The borrower is to contact the HIF Loans Officer immediately upon receipt of the registered letter for assistance with the following;
  - a. to make payment arrangements agreement,
  - b. to negotiate repayment schedule without interest or penalty agreement,
  - c. to start insurance claim.
- 3) If Borrower has not responded to first notification registered letter, within 10 business days the HIF Loans Officer will attempt to contact the Borrower by all means necessary albeit by telephone at home, work, or mobile, by email or by physically attending at the Borrower's address. The Borrower is bound under their mortgage/loan agreement compliance to Homeownership Investment Fund Loan Default Policy and Procedures.
- 4) **If default is not remedied within 120 days, the Homeownership Investment Fund submits claim via HIF Loans Officer to Enaadmaagehjik Development Commission Board of Directors, WUT Chief Financial Officer and Chief and Council;**
- 5) WUT registers Lands Transfer in Ottawa and takes title of the lot and home;
- 6) Begins eviction process at 120 days past due.

In the event of a mortgage default beyond remedied 120 day timeline, WUT can negotiate to take over the mortgage prior to a claim being filed by the Homeownership Investment Fund WUT can then register the Lands Transfer in Ottawa and take title of the lot and home.

- a) Eviction procedures can begin, if adequate arrangement cannot be made with homeowner;
- b) Home and lot can be transferred into the Wiikwemkoong Unceded Territory rental portfolio and the existing homeowners become tenants, or new tenants are selected;
- c) The home and lot will be for sale for balance of the mortgage owed.