

OPHI 2020/2022 Homeownership Program

Frequently Asked Questions – FAQs

Please consult the Program Guidelines, and Application form for complete details.

1. What is the OPHI 2020/2022 Homeownership Program?

A. The Ontario Priorities Housing Initiative (OPHI) 2020/2022 Homeownership Program aims to assist low to moderate income off-reserve Indigenous **renter** households to purchase affordable homes by providing down payment and closing cost assistance.

2. What type of assistance is provided?

A. Funding is provided as a down payment and closing cost assistance in the form of a forgivable loan for eligible purchasers. Assistance is forgiven in full after 20 years (please see below for terms of forgiveness).

3. What expenditures are eligible for the forgivable loan?

A. The OPHI 2020/2022 Homeownership Program provides **a maximum loan of up to 10% of purchase price** to a maximum of \$50,000 for down payment and closing cost assistance. The amount of funding approved will be dependent on the purchase price of the property.

4. How many households are OAHS expected to help?

A. The OPHI Homeownership Program is targeting at least 58 households over 2 years.

5. Is there a waiting list?

A. Yes, there is currently a waitlist. Eligible applicants are added on a first come, first served basis, with priority applicants being reviewed for funding first. If your application is not approved during a particular round of funding, your file remains on the waitlist and must be updated annually.

6. When does the program end?

A. OPHI 2020/2022 Homeownership Program is a program with limited annual funding. Approvals will be granted per fiscal year until maximum annual funding is reached. This program will run annually until March 31, 2022.

7. Does the program pay for closing costs, including inspections and appraisals?

A. Yes, a portion of the funding can be applied to closing costs such as:

- Legal costs
- Land transfer costs
- Home building inspection/approval
- Costs associated with testing of water and septic systems
- Building Appraisal Report

- Title Insurance

8. What is the maximum house price that can be purchased under this program?

- A. House prices cannot exceed the average market value for houses in your city or region as outlined in Appendix B of the guidelines.

****Please note these figures may be updated from time-to-time. The most recent figures will be posted in the back of the application package.***

9. What types of units are eligible?

- A. Resale or new homes are eligible units under the Homeownership Component. These include:
- Detached homes
 - Semi-Detached
 - Condominiums (town house or apartment)
 - Row Houses

Home inspections by a licenced Home Inspector will be required of all homes that have a signed Agreement of Purchase and Sale.

10. Am I eligible?

- A. Eligible applicants to the program are Indigenous people who are looking to purchase their sole and primary residence off-reserve, outside of the Greater Toronto Area (GTA) in Ontario. People who are First Nations, Métis, or Inuit are eligible through self-declaration. To be eligible, applicant(s) must:

- Self identify as an Indigenous individual residing in Ontario
- Hold Canadian citizenship (provide proof of citizenship with application)
- Be 18 years of age or older
- Have a total gross household income which does not exceed the 2021 60th income percentile
- Be able to qualify for and obtain a conventional mortgage, line of credit, or private mortgage
- Be applying for a sole and primary residence
- Not own a home, or are not able to reside in a home they currently own, or have any interest in other real estate.
- Be a renter in Canada (home purchase must be made in Ontario, outside of the GTA and be off reserve). Proof of rent will be requested at time of application and applicant must show proof their account is current with no arrears.

Priority will be given to families/individuals escaping situations of violence, currently residing in social housing, or renters losing their home due to landlord sale of property.

All applications are subject to approval by Ontario Aboriginal Housing Services (OAHS) and we reserve the right to reject an application in whole or part at our sole discretion.

11. What is the maximum household income level?

- A. To be eligible, the applicant's Combined Gross Household Income cannot exceed the 2021 60th income percentile (please see the question below and Appendix C in the Application)

***Please note these figures may be updated from time-to-time. The most recent figures will be posted in the back of the application package.**

12. What is the "60th income percentile" and what does it mean?

- A. The 60th income percentile means that 60% of households have incomes at or below that of other households in your city or region (please see Appendix C in the Application). For example, if you live in the city of Brantford and the income of your Aboriginal family/household is greater than \$90,600 then you would not be eligible. Similarly, if your household income is in the top 40% of all household incomes for your city or region, then you are not eligible for the OPHI 2020/2022 Homeownership Program.

In Northern Ontario, your region is based on a DSSAB or District Social Services Administration Board area.

***Please note these figures may be updated from time-to-time. The most recent figures will be posted in the back of the application package.**

13. What if I live in the GTA?

- A. Please contact Miziwe Biik Development Corporation (MBDC) that administers funds from the Off-Reserve Aboriginal Housing Trust in the GTA, if you are looking to purchase in the GTA. Applicants living in the GTA may apply to our program but MUST purchase outside of the GTA.

14. What does "Self Identify" as an Indigenous person mean in the application?

- A. Self-identifying as an Indigenous person means that you do not necessarily carry a Status, Métis or Inuit card, but you do consider yourself an Indigenous person. Our program does not require you show us any proof of this. The primary applicant on the application **must** self-identify as an Indigenous person and be a registered owner, if approved.

15. I identify as an Indigenous person, but my partner does not. Do we qualify?

- A. If you identify as an Indigenous person, then your partner does not need to identify as an Indigenous person. You will list your name as the Primary Applicant on the application, and your partner will be the Co-applicant. Please contact OAHS for more information regarding loan repayment should the Indigenous person vacate the purchased property.

16. Is the loan forgivable?

- A. If you maintain the purchased property as your sole and primary residence for the period of 20 years, and you maintain valid property insurance, the loan will be forgiven in its entirety on the 20th anniversary. Traditional interest will not be charged on this assistance. Forgiveness is not earned at a percentage per year as in past programs.

17. Will a Mortgage be registered on my title?

- A. This agreement will be registered as a Mortgage against the title to your property until such time as your commitment under the agreement has been fulfilled. This represents our mutual security in the case of default of the terms of the loan.

18. When I purchase a home using OPHI funding, do I need to have home insurance?

- A. Yes, as a condition of your loan, you must provide OAHS annual home insurance documentation. OAHS must be listed on your policy as a “loss payee”.

19. What if I decide to sell within the 20 years?

- A. Events of Payment (per the signed Secured Promissory Note), Repayment of the original down payment contribution must be made if the following situations occur while the OPHI 2020/2022 Homeownership loan is outstanding:

- The unit is sold or leased.
- The unit is no longer the sole and principal residence of the loan recipient.
- The loan recipient becomes bankrupt or insolvent.
- The loan recipient misrepresented their eligibility for the program.
- The loan recipient used the proceeds of the loan for a purpose other than the acquisition of the unit.
- The death of the loan recipient.

Traditional interest will not be charged on the assistance. The original loan amount and the percentage share of the realized capital gains proportionate to the down payment assistance must be repaid in the above cases. For example, if the purchaser was assisted with five percent of the purchase price, the loan amount plus five percent of any capital gains/appreciation would have to be repaid. Only the principal amount would have to be repaid in the event of the death of a homeowner prior to the expiry of the affordability period.

If a unit is sold for less than the original purchase price, the difference between the down payment assistance and the depreciated amount will be repayable.

- Amount payable = Loan – (original purchase price – resale price)

For example, if the down payment assistance was \$10,000 for a home originally purchased at \$100,000 and then sold for \$92,000:

- Amount payable = \$10,000 - (\$100,000 - \$92,000) = \$2,000
- If the same home is sold for \$85,000, the principal shall be forgiven.

OAHS must be satisfied that the sale was at fair market value.

- B. If a purchaser chooses to repay the down payment assistance without selling the home within the affordability period, the purchaser is still required to repay the proportionate percentage of any notional capital gain* as of the date of repayment.

*Notional capital gains will be calculated based on the current fair market value of the home at the time of repayment of the loan. Fair market value shall be based on an independent appraisal acceptable to OAHS. The cost of an appraisal by a qualified Appraiser is the responsibility of the homeowner.

For more information, please contact our Titles Department at 1-866-391-1061 Ext 230 or 231.

20. I am selling my home but there is a First Right of Refusal Clause in my Secured Promissory Note. What should I do?

- A. If you decide to sell your home, you will contact our Titles Department and they will provide the clause wording to be included in the Agreement of Purchase and Sale document that is typically prepared by your Realtor. Please inform your Realtor and Lawyer that we have a first right of refusal.
- B. It is a requirement under our mortgage that upon an accepted third party offer to purchase you provide us with a copy of the signed Agreement of Purchase and Sale (which Agreement shall be made subject to our first right of refusal). We then have 30 business days to decide whether or not we will exercise this option. The day we receive the Offer to Purchase triggers the start of the 30-day period.

21. What do I need to do when refinancing at my bank?

- A. If you are looking to refinance your first mortgage or you plan to further encumber your property with a third mortgage, you must provide OAHS with the details of the financing. In the case of a refinance, your bank/lender will ask OAHS for a postponement of our mortgage interest. Postponements are not automatically authorized; consideration needs to be given to the overall secured loan-to-value, and they are subject to fees payable by the client at the time of approval.

22. Where can I find information on the home buying process?

- A. For tools and information to assist with your home buying journey, please visit: <https://www.cmhc-schl.gc.ca/en/buying>

23. How do I apply for the OPHI 2020/2022 Homeownership Program?

- A. Complete the OPHI 2020/2022 Homeownership Program application package, attach supporting documentation requested in the application checklist, and forward to:

Ontario Aboriginal Housing Services
Attn: OPHI 2020/2022 Homeownership Program
500 Bay Street

Sault Ste. Marie, ON P6A 1X5

Or by email to ophi@oahssc.ca

24. Who is my personal contact at OAHS to assist with my application?

For the OPHI Homeownership Program, please contact:

Toll-free 1-866-391-1061 ext. 325

ophi@oahssc.ca