

Proof of income

Last updated on: [2026-02-11](#) ▼

EN | [FR](#)

See [Income calculator](#).



Alert (effective April 28, 2025) - Economic situation

Considering the instability caused by the economic situation, increased due diligence is required in order to be able to judge whether the client is affected by the situation. If in doubt, do not hesitate to ask for additional documents.

Click the type of income to view specific features:

• Full-time or part-time salary	• Self-employment (registered company)	• RRIF, LIF and annuity	• Foster home and Foster family
• Seasonal, contract, commissions or other	• Incorporated company	• Maternity or parental leave	• Social assistance (income security)
• National Bank salary	• Rental property	• Family allowances	• Car allowance
• Practicing physician or New physician	• Investments	• Support payments	• Ineligible income
• U.S. employment income	• Retirement	• Disability benefits	

Full- or part-time salary

Your client is a permanent employee with guaranteed hours.

If your client has a second job, see [Seasonal, contract, commissions or other](#).

Income to consider	Required documents						
<p>Your client's total employment income is eligible.</p> <p>If he is a public service employee, you can consider his bilingual bonus on his pay stub.</p> <p>Explain the situation in the Notes if the declared income doesn't match the information on the documents.</p> <p>Examples</p> <p>Example 1 – Year-to-date earnings are consistent with the income indicated on the letter from the employer</p> <table border="1"> <tbody> <tr> <td>Year-to-date earnings on pay stub for the 11th period of pay on 26</td> <td>\$60,000</td> </tr> <tr> <td>Anticipated annual income for 26 periods of pay</td> <td>\$60,000 ÷ 11 x 26 = \$141,808</td> </tr> <tr> <td>Annual income on letter of employment</td> <td>\$144,000</td> </tr> </tbody> </table>	Year-to-date earnings on pay stub for the 11th period of pay on 26	\$60,000	Anticipated annual income for 26 periods of pay	\$60,000 ÷ 11 x 26 = \$141,808	Annual income on letter of employment	\$144,000	<p>Client who <u>cannot</u> demonstrate a full calendar year of employment:</p> <ul style="list-style-type: none"> • Pay statement/paystub ▼ dated 30 days or less from the date of first submission OR Proof of deposit to the account ▼ (covering 2 months for a Canada Guaranty-insured mortgage loan) • T4 ▼ OR Notice of assessment ▼ for the last year • Letter from employer ▼ <p>Client who <u>can</u> demonstrate a full calendar year of employment:</p> <ul style="list-style-type: none"> • Pay statement/paystub ▼ dated 30 days or less from the date of first submission OR Proof of deposit to the account ▼ (covering 2 months for a Canada Guaranty-insured mortgage loan) • T4 ▼ OR Notice of assessment ▼ for the last year <hr/> <p>Full- or part-time salaried employee at National Bank or one of its subsidiaries</p> <ul style="list-style-type: none"> • Letter from employer taken from the <i>Employee Zone</i>
Year-to-date earnings on pay stub for the 11th period of pay on 26	\$60,000						
Anticipated annual income for 26 periods of pay	\$60,000 ÷ 11 x 26 = \$141,808						
Annual income on letter of employment	\$144,000						

Income amount to indicate on the application	\$141,808 or \$144,000
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You don't need to justify the income you consider since the information is consistent across the documents that your client provides you.

Example 2 – Year-to-date earnings are not consistent with the income indicated on the letter from the employer

Year-to-date earnings on pay stub for the 11th period of pay on 52	\$4,500
Anticipated annual income for 52 periods of pay	\$4,500 ÷ 11 x 52 = \$21,273
Annual income on letter of employment (40 hours @ \$31 per hour)	\$31 x 40 x 52 = \$64,480
Income amount to indicate on the application	

If you choose \$64,480, you have to explain in the **Notes** the inconsistency of the information across the documents your client provides you.

IMPORTANT The letter from the *Employee Zone* cannot be replaced by a paystub or by proof of deposit to the account, because these options leave out key information such as number of hours worked, time in position, etc.

- [Most recent T4](#) ▼ or [Notice of assessment](#) ▼

Seasonal, contract, commissions or other

Your client's income is likely to fluctuate. He must have earned this income for at least 2 years with the same employer or in the same industry.

Eligible sources of income:

- Contract or on-call work
- Seasonal employment
- Commissions with no eligible deductions
- Overtime, bonuses or tips
- Second job
- employment with a temporary status

Income to consider	Required documents
Teachers or Nurses	
<p>The client must have earned a fixed income for at least 12 consecutive months with the same employer or in the same field.</p> <p>Income to consider: The entirety of the client's fixed employment income.</p> <p>Second job: Income must have been earned simultaneously for at least 24 months.</p>	<p>To confirm that the client is currently receiving income:</p> <p>Obtain all of the following documents:</p> <ul style="list-style-type: none"> • T4 ▼ from the last year • Pay statement/paystub ▼ dated 30 days or less from the date of first submission

- Employment contract

Other employment

Consider the smaller of the following amounts:

- Previous year's income
- Average income of the last 2 years

Income (primary or secondary) must have been earned simultaneously for at least 24 months.

You can consider employment insurance income benefits if your client does seasonal or contract work:

- You will have to provide other documents.
- Sagen-insured mortgage: The employment insurance benefits must represent 30% or less of the client's total income.

If there is a possibility that your client's income may decrease:

- Consider a more realistic amount even if it is lower than the amount established by the credit standards.

Examples

Example 1 – Year-to-date earnings match the notices of assessment

Year-to-date earnings on pay statement as at July 31, 2015	\$75,000
2013 notice of assessment	\$80,000
2014 notice of assessment	\$85,000
Income amount to indicate on the application	(\$85,000 + \$80,000) $\div 2$ <hr/> \$82,500

Income of \$82,500 makes sense to qualify because year-to-date earnings as at July 31, 2015 are consistent with the notices of assessment.

Example 2 – Year-to-date earnings do not match the notices of assessment

Year-to-date earnings on pay statement as at July 31, 2015	\$10,000
2013 notice of assessment	\$80,000
2014 notice of assessment	\$85,000
Income amount to indicate on the application	(\$85,000 + \$80,000) $\div 2$ <hr/> \$82,500

To prove that your client is currently receiving income:

Obtain one of the following proofs:

- [Pay statement/paystub](#) ▼ dated 30 days or less from the date of first submission
- [Letter from employer](#) ▼
- [Proof of deposit to the account](#) ▼
 - Conventional and CHMC-insured financing: must cover 2 months
 - Sagen- and Canada Guaranty-insured: this proof is not eligible
 - Loan and line of credit: must cover 1 month
- Proof of employment insurance if your client does seasonal or contract work

To calculate the income to consider, obtain one of the following proofs:

- [T4](#) ▼ (and T4E if applicable) for the last 2 years
- [Notice of assessment](#) ▼ for the last 2 years

You can combine both (e.g. 2019 Notice of assessment and 2020 T4).

You must explain in the **Notes** of your application why year-to-date earnings as at July 31 are not consistent with the notices of assessment:

"The client has just started a new job, which explains why the cumulative total is so low compared to what is reported in his notices of assessment."

Example 3 – You can distinguish variable income from fixed income

The documents you ask your client for (pay stub, letter from the employer, etc.) enable you to distinguish between fixed income and variable income (e.g., overtime and bonuses).

2013 and 2014 base salary (fixed-income portion)	\$50,000
2015 base salary (fixed-income portion)	\$60,000
2013 notice of assessment	\$80,000
2014 notice of assessment	\$85,000
Income from overtime and bonuses	(\$30,000 + \$35,000) ÷ 2 <u> </u> \$32,500
Income amount to indicate on the application	\$60,000 + \$32,500 <u> </u> <u> </u> \$92,500

Example 4 – You cannot distinguish variable income from fixed income

The documents you ask your client for (pay stub, letter from the employer, etc.) do not enable you to distinguish between fixed income and variable income (e.g., overtime and bonuses).

Current base salary (fixed income: 30 hours @ \$9.05/hour) for 2015	\$14,157
Cumulative income from tips at the 5th pay period out of 26	\$1,890
2013 notice of assessment	\$23,000
2014 notice of assessment	\$20,000
Average income from the last 2 years (<i>to be calculated</i>)	(\$23,000 + \$20,000) ÷ 2 <u> </u> <u> </u> \$21,500
Income amount to indicate on the application	<u> </u> <u> </u> \$20,000

Practicing physician

There are different ways to qualify your client. The goal is to choose the qualification that is most beneficial for your physician client:

- You may apply the requirements stated on this section
- You may choose to apply the requirements of sections applicable for their type of income ([self-employed](#), [full-time or part-time salaried employee](#), etc.)

If your client a new physician or a resident physician: see the [New physician](#) section.

Income to consider	Required documents
<p>If your client has been practicing for 2 years or more, consider the lesser of the following amounts:</p> <ul style="list-style-type: none"> • Income for last year • Average for the last 2 years <p>If your client cannot demonstrate 2 full years of practice:</p> <ul style="list-style-type: none"> • Consider the income earned last year <p>If your client cannot demonstrate 1 full year of practice:</p> <ul style="list-style-type: none"> • You can consider the anticipated income for new physicians under certain conditions (see the New physician section below). 	<p>Income based on the last 2 years:</p> <ul style="list-style-type: none"> • Notice of assessment ▼ for the last 2 years <p>Income based on last year</p> <ul style="list-style-type: none"> • Notice of assessment ▼ for last year

New physician

Anticipated income can be considered if the client requests a conventional residential financing (salaried employees and self-employed workers only) while he is:

- a new physician who cannot demonstrate a full year of practice
- a medical resident starting their practice within 6 months

Income to consider	Required documents
<p>Consider the income entered in the "Average payment per physician report (by speciality)" table (ask the DRC for the information).</p>	<ul style="list-style-type: none"> • Notice of assessment ▼ for the last year • Employment contract or registration of the incorporation at Registre des entreprises (Quebec) or Article of corporation (CWA [+]) • One of the following proofs: <ul style="list-style-type: none"> ◦ Most recent statement from the health insurance board of the province where the physician practices (e.g., RAMQ in Quebec) ◦ Paystub/Pay statement ▼ dated 30 days or less from the date of first submission OR Proof of deposit to the account ▼

U.S. employment income

Your client lives in Canada, but works in the United States. He must declare his income in Canada and pay his taxes there.

Income to consider	Required documents
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Refer to the section based on their type of income to know what amount to consider.

You must convert the client's salary to Canadian dollars using the average exchange rate for last year (see the [Bank Canada](#) website).

Sagen-insured mortgage loan

The insurer processes the applications of these clients on a case by case basis.

Conventional and CMHC-insured loan:

- [Notice of assessment](#) ∨ for last year **AND** W-2 for the last 2 years
OR
[Notice of assessment](#) ∨ for the last 2 years

AND

- [Paystub/pay statement](#) ∨ dated 30 days or less from the date of first submission

Sagen- and Canada Guaranty-insured loan:

- [Paystub/pay statement](#) ∨ dated 30 days or less from the date of first submission **AND** [Notice of assessment](#) ∨ for last year **AND** [T1 General](#) ∨ for the last 2 years

Self-employment (business owner)

Your client has been active in his profession or running his business for at least 2 consecutive years and is:

- a self-employed worker
- a commission-based employee with eligible deductions
- an individual whose income comes from a registered small business

Income to consider	Required documents
<p>Your client's employment income is shown on lines 13500 to 14300 of their T1 General ∨ (or 135 to 143 for versions prior to 2019).</p> <p>Consider the smaller of the following amounts:</p> <ul style="list-style-type: none"> • Previous year's income • Average income of the last 2 years <p>You can add 15% to a self-employed worker's eligible income.</p> <p>If your client received income from a parental leave, you can also increase it by 15%. The increase is not eligible on other type of income</p> <p>Example: If your client has self-employed income and investment income, the 15% increase does not apply to the investment income.</p>	<p>To calculate the income to consider, obtain all following documents:</p> <ul style="list-style-type: none"> • T1 General ∨ for the last 2 years • Notice of assessment ∨ for the last 2 years • Documents related to know your client and his business ∨ <p>To demonstrate that the client is currently receiving income (effective April 28, 2025):</p> <p>Obtain one of the following documents and attach it to the application, on the first submission:</p> <ul style="list-style-type: none"> • Last Pay stub/Pay statement ∨ dated 30 days or less from the first submission OR Proof of deposit to the account ∨ • Last contract or invoice in effect • Last personal or business account statement showing that income is deposited <p>Sagen: Proof of up-to-date of income tax (balance 0) is required for both levels of government. If there is a balance due and it is under the 5% or \$20,000 rule, it must be paid in full or entered on the balance sheet as a debt, considering 3% of the balance as payment.</p>

Incorporated company

Your client has operated their incorporated company for at least 2 years in a row. He may declare a salary or dividends as his individual income.

Income to consider	Required documents
<ul style="list-style-type: none"> • Salary: T1 General ▼, line 10100 (101 before 2019) • Dividends: T1 General ▼, line 12000 (120 before 2019) • Consider the smaller of the following amounts: <ul style="list-style-type: none"> • Previous year's income • Average income of the last 2 years <hr/> <p>Income from maternity/parental leave are eligible if declared on the T1 General ▼.</p>	<p>To calculate the income to consider, obtain all following documents:</p> <ul style="list-style-type: none"> • T1 General ▼ for the last 2 years • Notice of assessment ▼ for the last 2 years • Documents related to know your client and his business ▼ <p>To demonstrate that the client is currently receiving income (effective April 28, 2025):</p> <p>Obtain one of the following documents and attach it to the application, on the first submission:</p> <ul style="list-style-type: none"> • Last Pay statement/Pay stub ▼ dated 30 days or less from the first submission OR Proof of deposit to the account ▼ • Last contract or invoice in effect • Last personal or business account statement showing that income is deposited <p>Sagen: Proof of up-to-date of income tax (balance 0) is required for both levels of government. If there is a balance due and it is under the 5% or \$20,000 rule, it must be paid in full or entered on the balance sheet as a debt, considering 3% of the balance as payment.</p> <p>To validate the financial health of the company:</p> <ul style="list-style-type: none"> • Obtain the financial statements ▼ for the last 2 years only in the following situations: <ul style="list-style-type: none"> ◦ The GDS or TDS ratio is not in compliance with program standards. ◦ Any situation deemed relevant by the Credit sector.

Income from rental properties

If your client receives income from rental properties they own, this income can be used to support their application for a residential financing.

The method used to calculate the income depends on whether the rental property is the [property to finance](#) or is [on the client's balance sheet](#) (owner-occupied or fully rental).

IMPORTANT If the property does not generate any rental income: you must still include in your client's balance sheet any expense related to his rental property when you offer him a residential loan.

Financed rental properties (owner-occupied or fully rental)

Income to consider

A single method is used to calculate the income from financed rental properties:

How to handle income	How to handle expenses
Consider 50% of the gross rental income	Consider: <ul style="list-style-type: none"> • The mortgage payment • Condo fees, when applicable Other expenses are covered by the other 50% of the gross income.

Documents to obtain

For a financed rental property, the following documents are required:

All provinces
<p>At all times:</p> <ul style="list-style-type: none"> • Copy of the leases ▼ or lease renewal notices signed and in effect when the loan is disbursed <p>OR</p> <ul style="list-style-type: none"> • T776 AND T1 General ▼ including their Notice of assessment ▼ for last year showing 12 months of rent <p>OR</p> <ul style="list-style-type: none"> • Market rent (estimate of the rent the client could receive by renting out their property to someone). Available when the following conditions are met: <ul style="list-style-type: none"> ◦ All clients already own (all type of property) or are acquiring a primary residence. ◦ One of the following conditions is met: <ul style="list-style-type: none"> ▪ Unit is vacant due to renovations ▪ Existing unit is vacant awaiting a new tenant for less than 3 months (based on client's confirmation) or new construction ▪ Change of use from owner occupied to rental <p>Secondary unit attached to the client's principal residence:</p> <ul style="list-style-type: none"> • Municipal document confirming the number of units (e.g., municipal tax bill or property assessment roll) <p>OR</p> <ul style="list-style-type: none"> • Ontario only: If the secondary unit is not listed in municipal records: <ol style="list-style-type: none"> a. Ensure that the rental income from the secondary unit is considered eligible. Specifically, the secondary unit must be within a property that is: <ul style="list-style-type: none"> ▪ located in Ontario ▪ subject to the financing ▪ the client's principal residence b. Purchase only: <ol style="list-style-type: none"> i. Verify whether the MLS listing confirms that the zoning permits rental use and that the unit is fully self-contained — meaning it has its own entrance as well as at least a full kitchen, a bathroom, and a bedroom. <p>If the MLS listing does not clearly confirm the zoning and the independence of the unit, and the financing is conventional, the CRD will require a full appraisal that must verify these elements. For insured financing, it is up to the mortgage insurer to determine whether the rental income from the secondary unit is acceptable.</p> ii. Add the following comment to the application: <p><i>The property being financed, which is the client's principal residence, includes a secondary unit that is not listed in the municipal records, and whose rental income is</i></p>

being used for qualification purposes.
Please also note that ...

[add the applicable statement and provide additional detail where appropriate]:

- The MLS listing **confirms** that the unit is self-contained and that the zoning permits its rental use.

In this case, attach the MLS listing to the application.

- The MLS listing **does not confirm** that the unit is self-contained or that the zoning permits its rental use.
- **No MLS listing** is available, as the transaction is a private sale.

Rental property on balance sheet (owner occupied or fully rental)

Income to consider

Two methods are available to calculate the income from rental properties on your client's balance sheet (owner occupied or fully rental). Use the [Income calculator](#):

- **Positive result:** This result takes into consideration the share of each borrower; the portion belonging to non-borrowing owners is not considered. Simply enter this result in your financing application.

Example : 2 out of 3 owners apply for financing; the positive net income = \$6,000.

The calculator gives you an income to enter = \$4,000 that represents the portion of the rental income attributable to 2 of the borrowing owners.

- **Negative result:** This result represents the total loss for the property without taking into account each borrowing client's share. Simply enter this result in your financing application.

Example : 2 out of 3 owners apply for financing; the negative net income = - \$6,000.

The calculator gives you an income to enter = -\$6,000 that represents the total loss.

Net rental income based on the T776 form	Net rental income based on 50% of the gross rental income
<p>Use this calculation when <u>both of the following conditions</u> apply:</p> <ul style="list-style-type: none"> • The property is fully rental • The T776 shows a typical full year of rental income <p>Income to consider</p> <p>Deduct from the gross rental income:</p> <ul style="list-style-type: none"> • Mortgage payment (principal and interest) • Condo fees, when applicable • Heating costs • Municipal and school taxes • Any other expenses shown on the T776 form, except interest and capital cost allowance (advertising, insurance, repairs, etc.) 	<p>Use this calculation when <u>one of the following conditions</u> applies:</p> <ul style="list-style-type: none"> • Your client resides in the property • The T776 does not show a full year of rental income because: <ul style="list-style-type: none"> ◦ The client owns the property for less than 12 months ◦ The client buys the rental property during a given year and their T776 form does not reflect a full year of rental income. <p>Example : The client buys the rental property on February 1st, 2019; he requests financing on February 10, 2020. The property has been owned for more than a year BUT the T776 reflects only 11 months of rental income.</p> • The T776 does not show a typical year of rental income because: <ul style="list-style-type: none"> ◦ The number of leases has changed ◦ The property was refinanced in the past year

- The property was vacant during the last year for renovations

Income to consider

Consider 50% of the gross rental income and deduct:

- Mortgage payment (principal and interest)
- Condo fees, when applicable

The other expenses are covered by the 50% of income that you do not consider.

How to handle expenses: You don't need to enter the property-related expenses on your client's balance sheet because they are already included in the income calculation done with the calculator.

Documents to obtain

For a rental property on the balance sheet (not financed), the following documents are required:

All provinces

- Copy of the [leases](#) ▼ or lease renewal notices signed and in effect when the loan is disbursed
- OR
- T776 AND [T1 General](#) ▼ including their [Notice of assessment](#) ▼ for last year showing 12 months of rent
- OR
- Market rent (estimate of the rent the client could receive by renting out their property to someone). Conditions apply : see [Using the estimated rental income \(market rent\)](#).
- AND
- **If unit with no separate address:** Ensure that the unit is recognized by the city (tax bill, property roll, etc.).

TIP Add a copy of the calculation to the other documents of the financing application. This facilitates verification of the income considered when verifying the quality of inputs, audits or quality assurance exercises.

Investment income

Interest or dividends from an investment (in the name of your client, their holding company or trust).

If your client holds securities, be sure to check via the web that they are from a publicly-recognized institution.

Income to consider	Required documents
<p>Consider the lesser of the following amounts:</p> <ul style="list-style-type: none"> • Income for last year • Average income for the last 2 years <p>Your client must receive dividends or interest on an ongoing basis; single withdrawals from investments must not be considered.</p> <p>Dividends for their holding company: With a Sagen-insured mortgage loan, you must deduct 25% from the amount.</p>	<p>Option 1</p> <ul style="list-style-type: none"> ◦ T1 General ▼ for the last 2 years ◦ Notice of assessment ▼ for the last 2 years <p>Option 2</p> <ul style="list-style-type: none"> ◦ T3 - Statement of Trust Income ▼ OR T5 - Statement of Investment Income ▼ for the last 2 years ◦ Notice of Assessment ▼ for the last year <p>Add</p>

- Most recent [Financial statements](#) ▼ (for holding companies or trusts)
- Recent statements of accounts (for securities)

Retirement income

Your client receives retirement income from:

- Public plans (Quebec Pension Plan ([QPP](#)), Canada Pension Plan ([CPP](#)), Old Age Security pension ([OAS](#)) or Guaranteed Income Supplement ([GIS](#)))
- Private plans – registered pension plan ([RPP](#))
- A foreign country
- Surviving spouse's pension

Income to consider	Required documents																
<p>All of your client's retirement income is eligible.</p> <p>Splitting of retirement income</p> <p>Income splitting is a tax-saving technique where one spouse reports part of their retirement income on the other spouse's income tax return. No funds are actually transferred, it is simply a way to reduce the tax paid by the spouse with the higher income.</p> <p>IMPORTANT You have to enter your client's actual income; disregard any income splitting.</p> <p>Examples</p> <p>Example 1 – Income splitting in a joint financing application</p> <p>Mr. and Mrs. Smith are applying for financing. Mr. Smith has split his income with Mrs. Smith.</p> <table border="1" data-bbox="115 1272 787 2005"> <thead> <tr> <th></th> <th>Mr. S. (Giver)</th> <th>Mrs. S. (Receiver)</th> </tr> </thead> <tbody> <tr> <td>2014 T1, Line 11400 (<i>CPP or QPP</i>) (or 114 for versions prior to 2019)</td> <td>\$8,000</td> <td>\$4,000</td> </tr> <tr> <td>2014 T1, Line 11500 (<i>Other pensions and superannuation</i>) (or 115 for versions prior to 2019)</td> <td>\$55,000</td> <td>\$0</td> </tr> <tr> <td>2014 T1, Line 11600 (<i>Split-pension amount</i>) (or 116 for versions prior to 2019)</td> <td>\$0</td> <td>\$27,000</td> </tr> <tr> <td>2014 T1, Line 21000 (<i>Deduction for elected split-pension amount</i>) (or 210 for versions prior to 2019)</td> <td>\$27,000</td> <td>N/A</td> </tr> </tbody> </table>		Mr. S. (Giver)	Mrs. S. (Receiver)	2014 T1, Line 11400 (<i>CPP or QPP</i>) (or 114 for versions prior to 2019)	\$8,000	\$4,000	2014 T1, Line 11500 (<i>Other pensions and superannuation</i>) (or 115 for versions prior to 2019)	\$55,000	\$0	2014 T1, Line 11600 (<i>Split-pension amount</i>) (or 116 for versions prior to 2019)	\$0	\$27,000	2014 T1, Line 21000 (<i>Deduction for elected split-pension amount</i>) (or 210 for versions prior to 2019)	\$27,000	N/A	<ul style="list-style-type: none"> • Notice of assessment ▼ for the most recent tax year <p>You want to know if the amount declared on the client's notice of assessment makes sense with his deposits to account:</p> <p>Use this tool to find out the taxes applicable in each province and validate if it all makes sense. Do not forget that other deductions may apply for your client and that significant differences must always be commented and justified.</p> <ul style="list-style-type: none"> • One of the following types of proof <ul style="list-style-type: none"> ○ Paystub dated 30 days or less from the date of first submission OR Proof of deposit to the account ▼ (covering 3 months for insured mortgages and 1 month for conventional mortgages); calculate how much your client receives in a year ○ T1 General ▼ OR Relevé 2 OR Relevé 16 OR T4A OR any other government-issued form ○ Letter from the issuing institution ▼ 	
	Mr. S. (Giver)	Mrs. S. (Receiver)															
2014 T1, Line 11400 (<i>CPP or QPP</i>) (or 114 for versions prior to 2019)	\$8,000	\$4,000															
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2014 T1, Line 21000 (<i>Deduction for elected split-pension amount</i>) (or 210 for versions prior to 2019)	\$27,000	N/A															

2014 Notice of assessment, Line 15000 (<i>Total income</i>) (or 150 for versions prior to 2019)	\$63,000	\$31,000
2014 Notice of assessment, Line 23600 (<i>Net income after deductions to total income</i>) (or 236 for versions prior to 2019)	\$36,000	\$31,000
Eligible income for 2015	= \$63,000	= \$4,000

Example 2 – Income splitting in a financing application made by the receiving spouse

Mrs. Smith is applying for financing for herself. Mr. Smith has split his income with Mrs. Smith.

T1, Line 11400 (<i>CPP or QPP</i>) (or 114 for versions prior to 2019)	\$4,000
T1, Line 11600 (<i>Split-pension amount</i>) (or 116 for versions prior to 2019)	\$27,000
2014 Notice of assessment, Line 15000 (or 150 for versions prior to 2019)	\$31,000
Eligible income for 2015	= \$4,000


RRIF, LIF or annuity

Your client receives income from a:

- Registered retirement income fund (RRIF)
- Life income fund (LIF)
- Life annuity and annuity certain

Income to consider	Required documents				
<p>All retirement income received by your client is eligible.</p> <p>IMPORTANT In mortgage financing, make sure that your client can receive this amount for a minimum of 10 years.</p> <p>Examples</p> <p>Example 1 – How to calculate the income to consider</p> <table border="1"> <tr> <td>Amount declared on the T4RIF of the most recent year of your client</td> <td>\$8,000</td> </tr> <tr> <td>RRIF balance confirmed by the statement of account</td> <td>\$55,000</td> </tr> </table>	Amount declared on the T4RIF of the most recent year of your client	\$8,000	RRIF balance confirmed by the statement of account	\$55,000	<p>RRIF and LIF:</p> <ul style="list-style-type: none"> • Notice of assessment ▼ for the most recent tax year • Most recent account statement • T4RIF <p>Life annuity and annuity certain:</p> <ul style="list-style-type: none"> • Notice of assessment ▼ for the most recent tax year • Relevé 2 OR Relevé 16 OR T4A OR T4RIF • Letter from issuing institution ▼ confirming the annuity duration and amount
Amount declared on the T4RIF of the most recent year of your client	\$8,000				
RRIF balance confirmed by the statement of account	\$55,000				

Eligible income	\$55,000
Although your client receives \$8,000 in retirement income, you must consider a \$5,500 income in your request to ensure to cover the minimum required.	$\div 10$
	$= \$5,500$

- Cheque stub **OR** [Proof of deposit to the account](#) 

Example 2 – How to calculate the income to consider

Amount declared on the T4RIF of the most recent year of your client	\$4,000
RRIF balance confirmed by the statement of account	\$55,000
Eligible income	\$4,000
You must consider the real income received by your client, even if he could withdraw more.	

Splitting of retirement income

Income splitting is a tax-saving technique where one spouse reports part of their retirement income on the other spouse's income tax return. No funds are actually transferred, it is simply a way to reduce the tax paid by the spouse with the higher income.




IMPORTANT You have to enter your client's actual income; disregard any income splitting (see [examples](#)).

Parental and preventive leave

Your client is on maternity, paternity or preventive leave and is:

- a full-time or part-time employee
- on seasonal, contract, commission or other type of variable income

NOTE Refer to the section regarding the client's type of employment for applicable income eligibility criteria.

Income to consider		Required documents
Return scheduled...	Amount to consider	<ul style="list-style-type: none"> • Letter from employer  (the return to work date must be a maximum of 18 months after the expected delivery date if you want to consider the full amount of the employment income, otherwise do not consider the income. • Letter from issuing institution  (salary insurance, QPIP statement, parental insurance, etc) OR Paystub dated 30 days or less from the date of first submission OR Proof of deposit to the account  <p>If your client is on contract, seasonal, commission or other type of variable income:</p>
Within 18 months of the delivery date (expected or actual)	Total amount of income	
<p>IMPORTANT For variable income jobs (self-employed worker, incorporated company and seasonal, contract, commissions or others), include the parental leave income into the income to consider.</p>		

Self-employed worker (details): the parental leave income and the eligible work income can be increased by 15%.

- Add the required documentation for this type of job so you can calculate the income to consider.

Family allowances - child benefits

The Canada Child Benefit (CCB) is the amount the government pays families to help them with the cost of raising children.

This amount may include:

- Benefits from provincial and territorial programs
- Benefits for children with disabilities

This income can only be used for residential financing under the following conditions:

- The residential financing is used to finance a main residence
- You only consider the portion of the benefit for children aged 12 and under. For example: your client receives a CCB for three children but only two are 12 years old and younger, you must consider 2/3 of the benefit.
- The borrower is the parent receiving the benefit
- The full amount received for the Canada Child Benefit, however, must not represent more than 30% of the total eligible income of the application

IMPORTANT Validate the eligible amount using the [Financial Calculator](#) (strongly recommended).

Income to consider	Required documents
<p>The full amount received for the child benefit is eligible.</p> <p>There are many expenses involved in raising children, that's why the use of this type of income is limited.</p> <p>Take the opportunity to give your client sound advice (see examples).</p> <p>Examples</p> <p>Example 1 – Purchasing a property with a gift</p> <p>Your client wants to buy a main residence but their downpayment does not come from savings (gift or loan) and they need the family allowance to qualify because their employment income is insufficient.</p> <p>You can discuss the matter by asking:</p> <ul style="list-style-type: none"> • Wouldn't it be wiser to wait until their financial situation improves? • Have they considered buying a less expensive property? <p>The final decision is theirs but it is your duty to make them aware of the risks of carrying excessive debt.</p> <hr/> <p>Example 2 – Refinancing to pay off debts</p> <p>Your client wants to refinance their property to pay off their credit cards. You must consider the income from the family allowance to be able to authorize the amount they need because their employment income is insufficient.</p>	<ul style="list-style-type: none"> • Copy of birth certificate OR health insurance card OR copy of passport OR child benefit statement issued by the government if the child's age is indicated • Cheque stub OR Proof of deposit to the account OR child benefit statement issued by the government

- Ask them what the debts they want to pay off were used for.
 - Feel free to present the application along with the closing of some or all their credit cards.
- Your client may qualify by keeping their credit cards; your role is to make them aware of the risks of carrying excessive debt.

Support payments

Your client receives money from their former spouse to meet their needs or those of their children.

Income to consider	Required documents												
<p>The full amount of the support payments up to a maximum of 50% of the client's total income.</p> <p>Examples</p> <p>Example 1 - Support payments totally eligible</p> <table border="1" data-bbox="123 772 782 890"> <tr> <td>Support payments</td> <td>\$10,000</td> </tr> <tr> <td>+ Other sources of income</td> <td>\$20,000</td> </tr> <tr> <td>Total income</td> <td>\$30,000</td> </tr> </table> <p>Percentage of the support payments vs. the client's total income: $\\$10,000 \div \\$30,000 = 33\%$.</p> <p>The full amount of the support payments is eligible, because it represents 50% or less of the total income.</p> <hr/> <p>Example 2 - Support payments partly eligible</p> <table border="1" data-bbox="123 1171 782 1289"> <tr> <td>Support payments</td> <td>\$10,000</td> </tr> <tr> <td>+ Other sources of income</td> <td>\$8,000</td> </tr> <tr> <td>Total income</td> <td>\$18,000</td> </tr> </table> <p>Percentage of the support payments vs. the client's total income: $\\$10,000 \div \\$18,000 = 56\%$.</p> <p>Not to exceed 50% of gross income, the eligible support payment amount must be at most equal to other source of income, in this example \$8 000.</p>	Support payments	\$10,000	+ Other sources of income	\$20,000	Total income	\$30,000	Support payments	\$10,000	+ Other sources of income	\$8,000	Total income	\$18,000	<ul style="list-style-type: none"> • Proof of deposit to the account ▼ OR Proof of support payments received identifying the payer and the beneficiary, dated within a month • One of the following documents: <ul style="list-style-type: none"> ◦ Court order ◦ Divorce agreement ◦ Separation agreement ◦ T1 General ▼ showing at least 12 months of support payments AND Notice of assessment ▼
Support payments	\$10,000												
+ Other sources of income	\$20,000												
Total income	\$30,000												
Support payments	\$10,000												
+ Other sources of income	\$8,000												
Total income	\$18,000												

Permanent or temporary disability

Your client receives permanent or temporary disability benefits.

These benefits can come from salary or income insurance, or other organizations such as the [CNESST](#), la [WSIB](#), la [SAAQ](#), la [FSCO](#), etc.

Income to consider	Required documents
<p>The total amount of your client's disability income is eligible provided it is received on an ongoing basis.</p> <p>IMPORTANT You cannot consider disability income that your client receives in a lump sum.</p>	<ul style="list-style-type: none"> • Letter from the issuing institution ▼ OR T5007 OR T4A OR Relevé 5 • Pay statement/paystub ▼ dated 30 days or less from the date of first submission OR Proof of deposit to the account ▼

You can increase a [non-taxable disability income](#) ▼:

- by 25% if it is less than \$30,000 or
- by 35% if it is \$30,000 or more

EXCEPTION If your client is returning to work in 6 months or less, you can consider their employment income if you make sure the criteria for their type of income are met.

- [Letter from employer](#) ▼ guaranteeing the position after disability leave (except for permanent disability)

When you consider your client's employment income:

- Letter of employment indicating a return to work in 6 months or less
- The required documents based on the type of employment

Foster family

Foster family: A foster family welcomes children entrusted to them by a public institution (Direction de la protection de la jeunesse (Quebec), children's aid societies) to meet their needs and provide them with living conditions that foster a parent-child relationship in a family environment, and must comply with certain conditions:

- Your clients must have been a foster family for at least 2 years
- Your clients must reside in the home
- There can be a maximum of 6 children in the home, including the foster parents' own children

Foster Home: They host adults or elderly individuals entrusted to them by a public institution, aiming to meet their needs and provide living conditions close to a natural environment.

Income to consider	Required documents
<p>Consider the lesser of the following amounts:</p> <ul style="list-style-type: none"> • Income from last year • Average income for the last 2 years <p>Foster family:</p> <ul style="list-style-type: none"> ◦ You may consider the income from a foster family for the qualification to any type of financing. ◦ Sagen-insured mortgage loan: Your client must provide a minimum downpayment of 10% if the foster family income represents more than 50% of his total income. <p>Foster home:</p> <ul style="list-style-type: none"> ◦ Clients must have been in a foster home for at least 2 years. ◦ Income must not come from the beneficiary(ies). ◦ Sagen insured loan: <i>Not eligible for Sagen.</i> Eligible for any other type of financing. <p>NOTE Although its income is considered, a foster home is not eligible for financing.</p>	<ul style="list-style-type: none"> • Paystub dated 30 days or less from the date of first submission or Proof of deposit to the account ▼ • The last letter from a public institution indicating how long your clients have been a foster family: <ul style="list-style-type: none"> ◦ contract start date ◦ current number of children ◦ authorized number of children • Relevé 29 for the last 2 years (the eligible amount is in box B) OR T5007 for the last 2 years (the eligible amount is in box 11) <p>If the public institution does not produce a Relevé 29 or T5007, you need to:</p> <ul style="list-style-type: none"> • Explain the situation in the comments • Make sure that the institution adds on the letter the amounts paid for the last 2 years in order to calculate the amount to be considered

Social assistance (income security)

If your client receives social assistance, the only type of residential financing for which they are eligible is a CMHC-insured mortgage loan.

Income to consider	Required documents
<p>The full amount received for social assistance is eligible.</p> <p>You can increase your client's income:</p> <ul style="list-style-type: none"> • by 25% if it is below \$30,000 or • by 35% if it is \$30,000 or more 	<ul style="list-style-type: none"> • T5007 OR Notice of assessment ▼ for the most recent tax year • Payscale or Proof of deposit to the account ▼

Vehicle allowance

For the past year or more, your client has been receiving an amount to cover expenses related to using a vehicle.

Income to consider	Required documents
<p>The full amount received as a vehicle allowance is eligible.</p>	<ul style="list-style-type: none"> • T4 ▼ (the amount can be found in the "Other information" section: Code 40) OR Letter from employer ▼ specifying the initial allowance date (one year minimum) and that it is a taxable benefit

Ineligible income

Income type
<p>Ineligible income:</p> <ul style="list-style-type: none"> • Employment insurance (except for seasonal workers) • Capital gains • Foreign employment income other than from the U.S. • Investment income from a foreign financial institution • Balance of sale price • Withdrawal from assets (ex : withdrawal from RRSP or investment) • Short-term rental income (e.g. Airbnb) • Unreported rental income • Bursary (except for SLC) • Hobby farm income • Unreported income