



Broker Information Kit

TD Broker Services, the name you can trust!

We are a national lender that is dedicated to service excellence. Our competitively priced products are designed to help Brokers develop credit solutions that address our customers' unique borrowing needs.



Ready
for you



**TD Broker Services,
the name you
can trust.**

Our Value Proposition

The Toronto-Dominion Bank (TD) is one of the largest Real Estate Secured Lenders in Canada and we are committed to providing elevated advice, and accurate and fast service to our customers. With a wide range of competitively priced products and our industry leading service platforms, we are helping Brokers exceed our customers' home financing needs. We provide a team of dedicated, knowledgeable, and professional Regional and Inside Sales Managers who make it easy for Brokers to grow their business.



Table of Contents

1.	TD Broker Support Contacts	6
1.1.	TD Mortgage Solutions (TDMS)	6
1.2.	Broker Escalation Resolution Process	7
1.3.	TD Complaints Resolution Process	7
1.4.	TD Broker Services Compensation	8
1.5.	Multi-Unit Residential Mortgages (MUR)	8
1.6.	Commercial Mortgage Group.....	8
1.7.	Confirmation of Property Insurance Coverage.....	8
1.8.	Use of TD Logo — Written permission by TD is required.....	8
1.9.	TD Protection Plans.....	9
2.	Referral Fee Programs	9
2.1.	Broker Referral Fees.....	9
2.2.	TD Protection Plan Referral Fees	11
3.	Lending to Customers.....	13
3.1.	TD Know Your Customer (KYC) Guidelines.....	13
3.2.	Appropriate Product Assessment	13
3.3.	Broker Commitment Letter Requirements (including Updated/Revised Letter)	14
3.4.	TD Prohibited Conduct Legislation	15
3.5.	TD Whistleblowing Procedures	16
3.6.	ID Verification.....	17
3.7.	Customer Occupation.....	19
3.8.	SIN Information	20
3.9.	Enhanced Due Diligence (EDD)	20
3.10.	Mortgage Fraud (Misrepresentation)	22
3.11.	Credit Applications with Connections to Certain Sanctioned Countries	26
3.12.	Privacy	28
3.13.	Third Party Determination	29
3.14.	Cost of Borrowing (COB)	29
3.15.	Solicitor/Notary Dual Representation.....	30
3.16.	Prepayment Privileges.....	30
3.17.	Enhanced Disclosure of Prepayment Charges.....	31
3.18.	Payment Frequency.....	32
3.19.	Requesting Prepayment Information.....	32
3.20.	Bridge Financing (via Broker Credit Assistant).....	33
3.21.	Bridge Financing (via TD Branch)	35
3.22.	Translating Customer Documentation	37
3.23.	Credit Products for TD Employees.....	37
4.	Our Product Line Up.....	37
4.1.	Business for Self – Insured Without Traditional Income Confirmation (Sagen/Canada Guaranty Only).....	37
4.2.	Business for Self – Conventional and Insured with Traditional Income Confirmation	39
4.3.	New to Canada – Insured	44
4.4.	New to Canada and Returning to Canada – Conventional.....	46
4.5.	Temporary Residents	51
4.6.	Non-Residents.....	54
4.7.	Port Policy	56
4.8.	Replacement Policy	58
4.9.	Prepayment Charge Exceptions for Canadian Military Personnel.....	59
4.10.	Purchase/Refinance Plus Improvements	60
4.11.	Cottage Properties	62
4.12.	Recreational / Vacation Properties	64
4.13.	Second Home (Insured and Conventional)	64
4.14.	Leased Land.....	66
4.15.	Investor Properties	69
4.16.	Six-Month Convertible Mortgage.....	73

4.17.	Variable Interest Rate Products	73
4.18.	Builder Purchase Assignment	75
4.19.	Net Worth Policy	76
4.20.	Professional Lending Policy	79
4.21.	Equity Buyout Program (Insured).....	85
4.22.	Hotel Condos (Insured and Conventional).....	86
4.23.	TD Home Equity FlexLine.....	86
4.24.	TD Protection Plans.....	88
5.	Basic Mortgage / TD Home Equity FlexLine Features and Policies.....	90
5.1.	Financing Types	90
5.2.	Purpose of a Credit Application.....	91
5.3.	Eligible and Ineligible Products, Properties, Purpose and Programs	91
5.4.	Restricted Properties.....	94
5.5.	Restricted Communities.....	94
5.6.	Security Position.....	95
5.7.	Purchase Agreement.....	95
5.8.	Application Expiries	96
5.9.	Mortgage / TD Home Equity FlexLine Statements.....	96
5.10.	Square Footage Minimums	96
5.11.	Amortization	96
5.12.	Debt Serviceability	97
5.13.	Property Taxes.....	100
5.14.	Automated Property Valuation (APV).....	100
5.15.	Product Changes	101
5.16.	Resubmission	102
5.17.	TD Application Protocol (formerly TD Channel Protocol) for Credit Application Conflicts...	102
5.18.	Flexible Payment Features.....	103
6.	Borrower Criteria	105
6.1.	Joint Applicants, Guarantors and Spousal Consent	105
6.2.	Independent Legal Advice (ILA).....	106
6.3.	Power of Attorney	106
6.4.	Bankruptcy Policy.....	107
6.5.	Interest Rate Differential (IRD) Estimate Example.....	107
6.6.	Title Insurance.....	108
7.	Submitting a Credit Application	109
7.1.	Appraisals (excluding Quebec)	109
7.2.	Appraisals (Quebec Only)	109
7.3.	Qualifying Rate.....	110
7.4.	Interest Adjustment Date (IAD) Policy.....	110
7.5.	Rate Hold Policy.....	111
7.6.	Pre-approvals for Property Purchases.....	111
7.7.	Interest Rate Buydowns	112
7.8.	Credit Agreements.....	113
7.9.	TD Refinance Program	114
7.10.	Mortgage Transfer Plan.....	115
7.11.	Standard Approval Conditions	117
7.12.	Income Confirmation	118
7.13.	Down Payment and Closing Costs	126
7.14.	Purchase Incentives	133
7.15.	TD Branches.....	134
7.16.	Amendments to Mortgagor/Guarantor(s)	134
7.17.	GST/HST	134
8.	Property Criteria	135
8.1.	Basic Criteria.....	135
8.2.	Minimum Loan Amount and Sliding Scale.....	136
8.3.	Well Water and Septic Certificates	144
9.	Default Insurance.....	146
9.1.	Default Insured Applications.....	146

9.2.	Default Insurance Premiums Reference Chart	148
10.	Appendix	150
10.1.	Broker Information Kit – Overview of Updates.....	150
10.2.	Occupation Category and Occupation Description Table	151
10.3.	TD Broker Refinance Program Fee Schedule.....	162
10.4.	Costs and Fees Associated with a TD Product.....	164
10.5.	Ports versus Replacements at TD.....	167
10.6.	TD Protection Plans Fact Sheet.....	170
10.7.	TD Protection Plans Frequently Asked Questions.....	172
10.8.	TD Bridge Loan Worksheet (Sample).....	175
10.9.	Customer Handouts.....	176
	a. TD Mortgage Comparison Chart	
	b. TD Home Equity FlexLine Comparison Chart	
	c. Flexible Payment Options	
	d. Making a prepayment? Here's what you need to know	
	e. Property Tax Customer Factsheet	
	f. Credit Agreement Signing Guide	

1. TD Broker Support Contacts

1.1. TD Mortgage Solutions (TDMS)

Overview

TD Mortgage Solutions (TDMS) adjudicates and funds all deals received through the Broker Channel across Canada, except for Northwest Territories, Yukon and Nunavut. There are three support centres across the country. Deals are routed to a centre based on the property location, however, TD reserves the right to reroute deals, if required.

Support Centre Information

Support Centre	Hours and Phone
Toronto Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2144
Vancouver Centre	Hours: Monday to Friday from 8:30am to 5:00pm (PT) Phone: 1-855-522-2155
Montreal Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2166

Who Do You Contact?	Services Available
TD Mortgage Solutions Website	<ul style="list-style-type: none"> ▪ www.tdmortgagesolutions.com ▪ For specific information on your deal (Approval status, conditions outstanding, Underwriter and Fulfillment Specialist contact information) ▪ General information (Broker Information Kit, TD Products, TD Forms, Rates)

TD Mortgage Solutions Fulfillment Specialist	<ul style="list-style-type: none"> To discuss specific documentation questions related to your deal.
TD Mortgage Solutions Underwriter	<ul style="list-style-type: none"> To discuss questions related to the adjudication of your deal. To discuss a new/potential deal.
TD Regional Sales Manager or Inside Sales Manager	<ul style="list-style-type: none"> To discuss a new/potential deal. Local market expertise assisting you in building your business.

Where do I send supporting documents and appraisals?

- Supporting documents are to be sent via email or fax to your dedicated Fulfillment Specialist showing on your deal on the [TDMS](#) website.
- Appraisals are to be sent by the approved Appraisal Mortgage Company (AMC) via email to the dedicated Underwriter showing on your deal on the [TDMS](#) website.
- All files are required to be complete 10 business days prior to the closing date to ensure a seamless transaction for our mutual customers.

1.2. Broker Escalation Resolution Process

Have an escalation?	Levels	Services Available
TD Mortgage Solution Underwriter/Associate Mortgage Underwriter (AMU)	Level 1	<ul style="list-style-type: none"> Contact the appropriate underwriter/AMU as first point of contact
Regional Sales Manager/Inside Sales Manager (R/ISM)	Level 2	<ul style="list-style-type: none"> If no resolution at level 1 Contact the appropriate R/ISM as your second point of contact If known, include the underwriter/AMU's Team Manager
Manager Sales & Service /Senior Regional Sales Manager (MSS/SRM)	Level 3	<ul style="list-style-type: none"> If no resolution at level 2 Contact the appropriate MSS/SRM as your third point of contact

1.3. TD Complaints Resolution Process

If a customer raises a complaint directly to the Broker related to an application or deal submitted to TD regardless of approval, the customer must be directed as per the contact method below, also located on TD Mortgage Solutions (TDMS) portal:

Contact Method:

- Follow the complaint handling process in our [Do you have a complaint?](#) brochure.
- Visit our website at www.td.com
- Visit one of our TD branches in person.
- Send an email to customer.service@td.com
- Call toll-free at 1-833-259-5980

1.4. TD Broker Services Compensation

- For questions related to Referral Fees:
 - Email td.brokers@td.com. Include the TD reference or deal number in the email.
 - Local: 416-983-3612 or Toll Free 1-888-233-1627
 - Fax: 416-943-8700 or Toll Free 1-833-943-8700
- Refer to [Referral Fee Program](#) for more information.
- TD will only discuss deal specific details with principal Brokers or directors or their designated delegates.

1.5. Multi-Unit Residential Mortgages (MUR)

- For questions related to MUR Mortgages:
 - Email: TD.CMGTRI@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-308-0778
 - Website: <http://www.tdcanadatrust.com/mur/index.jsp>

1.6. Commercial Mortgage Group

- For questions related to Commercial Mortgages:
 - Email: murinfo@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-308-0778

1.7. Confirmation of Property Insurance Coverage

- Customers will need to provide confirmation that adequate property insurance coverage exists. TD will be endorsed as the loss payee as follows:

Properties in...	Address
British Columbia, Alberta, Saskatchewan and Manitoba	TD Canada Trust 500 Edmonton City Centre, 10205 - 101 st NW, Edmonton, AB, T5J 5E8
Rest of Canada	TD Canada Trust Creekside CAS, 4720 Tahoe Blvd, Bld#1, 3 rd Floor Mississauga, ON, L4W 5P2

1.8. Use of TD Logo — Written permission by TD is required

TD branded material (i.e., logos, trademarks, presentations, etc.) is the intellectual property of The Toronto-Dominion Bank and cannot be used as collateral on third party websites or other advertising platforms without prior written consent from TD.

If you have an advertising or brand request or have any questions about how we can support your business in this capacity, please do not hesitate to reach out to your dedicated Regional or Inside Sales Manager.

1.9. TD Protection Plans

- For questions related to TD Protection Plans for TD Mortgages and TD Home Equity FlexLines:
 - Email: TD.brokerprotectionsupport@td.com
 - Visit the [TD Protection Plans Broker Resource Centre](#) (also includes the Online Customer Referral Form link).

2. Referral Fee Programs

2.1. Broker Referral Fees

Overview

The fee structure is established based on volumes to be generated for TD and is effective January 10, 2022 and supersedes any prior versions which are no longer effective as of January 10, 2022.

TD Home Equity FlexLine Referral Fees

Component	Referral Fee
Revolving Portion <ul style="list-style-type: none"> ▪ The Plan Limit of the TD Home Equity FlexLine less the term portion balance on day 1 ▪ Paid at funding 	25 BPS
Term Portion <ul style="list-style-type: none"> ▪ Fixed Rate – 1 to 5 year closed ▪ Variable Rate – 3 and 5 year closed ▪ Paid at funding 	Refer to chart below
Drawdown <ul style="list-style-type: none"> ▪ Revolving portion – daily average balance up to day 90 ▪ Paid at day 90 	35 BPS

TD Mortgage and TD Home Equity FlexLine Term Portion Referral Fees

Term	Mortgage Referral Fee	Term Portion Referral Fee
6-month convertible closed	55 BPS	N/A
1-year closed – fixed rate	55 BPS	55 BPS
2-year closed – fixed rate	55 BPS	55 BPS
3-year closed – fixed rate	60 BPS	60 BPS
4-year closed – fixed rate	70 BPS	70 BPS
5-year closed – fixed rate	75 BPS	75 BPS
6-year closed – fixed rate	80 BPS	N/A
7-year closed – fixed rate	85 BPS	N/A
10-year closed – fixed rate	110 BPS	N/A
3-year closed – variable rate	N/A	60 BPS

5-year closed – variable rate	75 BPS	75 BPS
-------------------------------	--------	--------

Notes:

- TD reserves the right to change the fee structure at any time
- Application fees cannot be charged to customers in situations where TD pays Referral Fees.
- There is no auto rate drop policy at TD. In order to have a new lower Broker rate apply, you must contact your Underwriter via email to request the lower Broker Rate. If your customer is also looking for additional discretionary pricing, you must go to your RSM or ISM for approval. Should the customer wish to change the term or product within the 120-day commitment period, the interest rate will be the applicable rate at the time of the requested change.

Broker Referral Fee Eligibility:

- **TD only pays on new money:**
 - In cases where a credit application is for a port of existing terms into a new mortgage (Port), then Referral Fees are only payable on new monies added to the amount being ported. Ports are not available for TD Home Equity FlexLines.
 - In cases where the Replacement Policy applies, Referral Fees will be based ONLY on the new money. If the replacement credit product funds within 120 days from date of maturity or at maturity, then Referral Fees will be paid in full on the new account. Refer to the [Replacement Policy](#) section for more details, including eligibility and restrictions.
 - **Note:** Broker-paid buydown is calculated on the FULL amount of the mortgage or FlexLine term portion, in all cases, including where compensation is based on new money only.
 - Refer to the table below for TD Home Equity FlexLine new money calculations. For refinances of a TD Home Equity FlexLine on the same subject property, referral fees are only paid on the incremental increase of the Original Plan Limit of the new TD Home Equity FlexLine compared to the Current Plan Limit of the existing account (see table below for details).

TD Home Equity FlexLine New Money Calculation

Component	Purchase or Refinance (New Property)	Refinance (Existing Property)
Revolving Portion	New Plan Limit minus new Term Portion amount.	New Plan Limit minus new Term Portion amount. If existing debt is a TD Home Equity FlexLine, then the existing Revolving Portion is deducted from the new Revolving Portion. If existing Revolving Portion > new Revolving Portion, the remainder is subtracted from the Term Portion.
Term Portion	New Term Portion balance at funding less existing RESL debt (Term Portion and/or Mortgage principal balance). If existing RESL debt > new Term Portion, the remainder is subtracted from the Revolving Portion.	New Term Portion balance at funding less existing RESL debt (Term Portion and/or Mortgage principal balance). If existing RESL debt > new Term Portion, the remainder is subtracted from the Revolving Portion.

Drawdown	Average of daily balance at day 90 (sum of revolving principal balance at the end of each day divided by number of days since funding).	Average of daily balance at day 90 (sum of revolving principal balance at the end of each day divided by number of days since funding).
-----------------	---	---

Broker Referral Fee Ineligibility:

- Referral Fees will not be paid on:
 - Anything listed as ineligible in the following section: [Eligible and Ineligible Products, Properties, Purpose and Programs](#)
 - Bridge Loans
 - Other real estate secured transactions where the applicant is an existing TD customer who has discussed financing with a TD Canada Trust branch 120 days (180 days for Quebec) prior to the date of the referral or purchase of the respective property.
- TD does not permit Brokers to conduct their own personal mortgage transactions. As such, these deals will not be approved, and Referral Fees will not be paid.

Special Offers:

- Limited duration special offers are made available from time to time. Details of these offers and the applicable Referral Fees are communicated via the Broker Rate Sheet.

General Referral Fee Information:

- Pay details are sent via secure email or fax every Friday afternoon.
- Direct deposits to accounts will occur within three to four business days from the advance date.
- TD will only discuss deal specific details with principal Brokers or directors or their designated delegates.

TD Broker Services Compensation Contact Information:

- Email td.brokers@td.com for any pay related questions – Include the TD reference or deal number in the email.
- Local: 416-983-3612 or Toll Free 1-888-233-1627
- Fax: 416-943-8700 or Toll Free 1-833-943-8700

2.2. TD Protection Plan Referral Fees

Overview

Referral Fees will be paid on all successful TD Mortgage Protection and TD Line of Credit Protection (this is the brand name for the creditor insurance for TD Home Equity FlexLine) qualified referrals for Life or Life and Critical Illness Insurance per eligible insured borrower, based on the insured amount of their TD Mortgage, or the insured balance of their TD Home Equity FlexLine. This referral fee program is subject to review annually.

TD Mortgage Protection

- Up to 20 BPS per insured borrower, to be paid in two installments:
 - First payment: 10 bps paid 90 days after effective date of coverage
 - Second payment: 10 bps paid 15 months after effective date of coverage

TD Line of Credit Protection

- Up to 20 BPS per insured borrower, to be paid in two installments:
 - First payment: 10 bps paid on average insured balance 90 days after effective date of coverage.

- Second payment: 10 bps paid on average insured balance from 12th to 15th month from effective date of coverage.
- A minimum of \$100 will be paid for the first payment. There is no minimum payment for the second payment.

Notes:

- TD only pays on qualified TD Mortgage Protection and TD Line of Credit Protection referrals.
- A qualified referral means:
 - TD has received a completed referral form from the Broker; and
 - The eligible borrower has completed a TD Mortgage Protection or TD Line of Credit Protection application which has been approved by TD Life for Life or Life and Critical Illness Insurance; and
 - The eligible borrower's coverage has been active for:
 - At least 90 days for the first payment; and
 - At least 15 months for the second payment.
- Due to regulatory restrictions, a TD Protection Plan referral by a Broker operating under their Quebec license will not qualify for the Referral Fee for TD Protection Plans.

Broker Referral Fees are not applicable on:

- TD Protection Plan referrals where the eligible borrower has applied and is approved for Mortgage or Line of Credit Life or Life and Critical Illness Insurance, but:
 - Maintains their coverage for less than 90 days.
 - Maintains their coverage for less than 15 months (second payment only).

3. Lending to Customers

3.1. TD Know Your Customer (KYC) Guidelines

Overview

Anti-Money Laundering (AML) legislation requires TD know who the customer is and complete Know Your Customer (KYC)/AML information any time a new TD product is offered. As part of the credit application process, TD's minimum expectation is that all customers have their identity verified pursuant to **Section 3.5 ID Verification**. Please inform the customer adequately in this regard. Identification information must be obtained and verified for each customer to establish:

- First and Last Name
- Date of Birth
- Full Residential Address (collect and record the following details):
 - Street Address (PO Box is not acceptable)
 - If an individual does not have a residential address, then a rural route (RR) number and the legal description of the property (e.g., North Quarter of SW4- 18-22) is acceptable
 - Names of Canadian Force Bases or First Nations* Reservations
 - City, Town
 - Province
 - Postal Code (if applicable)
 - Country
- ID must meet TD standards as outlined in Section 3.5 ID Verification. The customer's information (First Name, Last Name, DOB, Address) on the submitted application must match the government issued ID(s) that will be used to verify themselves with Solicitor/Notary or third-party vendor
- Nature of Principal Business or Occupation
- Employer name and full address (PO Box is not acceptable), and phone number

**** IMPORTANT: Please do not make photocopies and/or upload copies of customer IDs to TDMS ****

* Defined by FINTRAC as "Native Reservations."

3.2. Appropriate Product Assessment

Overview

TD must ensure that Brokers and Brokerages offer or sell products and services to customers are appropriate for the person based on their circumstances, including their financial needs. TD Broker Services will provide training based on the requirements outlined below.

An Appropriate Product Assessment must be offered to each customer prior to offering or selling a product or service. If a product or service is being offered or sold to more than one customer, a separate assessment is not required for each customer, provided one customer signs the form attesting that the information captured represents the needs and circumstances of all customers.

Mortgages and TD Home Equity FlexLines:

During your regular needs-based conversation, specific questions or topics must be discussed with the customer(s) to help ensure the appropriate TD Product is selected:

- Need or desire for ongoing access to credit, including ability to manage.

- Understanding of product features, and customer level of comfort and importance around rate types.
- Term length requirements, and future potential prepayment charges through home sale or refinance of existing product(s).

An Appropriate Product Assessment form is based on the product(s) selected and captures the key discussion points or parameters of the product(s) as well as the customer's decision to:

- Participate in a needs-based conversation with the Broker.
- Decline to participate in a needs-based conversation with the Broker.
- Agree or disagree with the Broker's recommendation.

Important Note: Any change to the scenarios listed below will require the Broker to obtain a new updated, signed Appropriate Product Assessment form from the customers. The Broker is required to review and sign the new Appropriate Product Assessment Form with the customer(s) and return the completed form to TDMS.

A new updated Appropriate Product Assessment form is required for the following change scenarios:

- Product type: TD Mortgage to a TD Home Equity FlexLine or vice-versa
- Product type: TD Home Equity FlexLine to a TD Home Equity FlexLine with a Term
- Account Number (not included changes due to API restrictions)
- Borrowers and/or Guarantors (any addition or deletion)
- Property type (EG. Rental to Principal residence or vice- a versa),
- Purpose (EG. Purchase Plus Improvement to a Refinance)
- Rate type (Fixed to Variable or vice a versa)
- Interest rate increase
- Term
- Amortization

Appropriate Product Assessment Form Completion Requirement:

Note, failure to meet the requirements below may result in the closing being delayed.

1. Depending on the outcome of the assessment, only one response option must be signed by the customer.
2. The Broker must have the customer sign the Appropriate Product Assessment Form, as per the requirements above and send to TDMS.

Bridge Financing:

- Broker must confirm the purpose of the funds is to bridge the purchase and sale of a home prior to offering a Bridge Loan. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on the current residence closes, the Bridge Loan is paid off with proceeds from the sale. If the purpose is not to bridge the purchase and sale of a home, then have the appropriate product assessment conversation for the recommended product.
- **Note:** All **qualified** Bridge Financing applications will be processed by a Broker Credit Assistant (BCA) and BCA will have the Appropriate Product Assessment Forms printed and signed by the customer during application (refer to Bridge Financing (via Broker Credit Assistant)).

3.3. Broker Commitment Letter Requirements (including Updated/Revised Letter)

The Broker Commitment Letter summarizes the credit application details and credit approvals conditions for the TD Mortgage or TD Home Equity FlexLine.

Important: The Broker is responsible for reviewing the Broker Commitment Letter (including updated letter(s) with the customer to ensure they are aware of application approval details.

1. The Broker must review the Broker Commitment Letter with the customer(s) and ensure it is completed in full (required selections and initials) and signed by all borrower(s) for the TD Mortgage or a TD Home Equity FlexLine. The Broker **must** return the completed letter to TDMS to retain in file.

Updated/Revised Broker Commitment Letter Requirements (applies to changes within the application):

2. For the following application changes (listed below), the Broker **must** obtain the updated/revised Broker Commitment Letter from TDMS/TDMS Portal to review and complete with the customer(s). **The Broker must return the completed and signed updated/revised letter to TDMS to retain in file prior to closing; failure to follow may result in processing delays.**
 - Product type: TD Mortgage to a TD Home Equity FlexLine or vice-versa
 - Product type: TD Home Equity FlexLine to a TD Home Equity FlexLine with a Term Portion or vice-versa
 - Subject Property (not including any edit to address/legal description)
 - Borrowers and/or Guarantors (any addition or deletion)
3. For the remaining application changes listed below, the Broker must obtain the updated/revised Broker Commitment Letter from the TDMS Portal to review and provide a copy (of the updated/revised Letter) to the customer(s). Note, the Broker is **not** required to complete, obtain the customer signature, or return the updated/revised Letter to TDMS to retain in file.
 - Borrowed amount
 - Customer rate
 - Term
 - Amortization
 - Insurer details (Insured to Conventional or vice-versa)

3.4. TD Prohibited Conduct Legislation

As part of the Consumer Protection Framework, Brokerages and their Brokers must comply with the TD Prohibited Conduct legislation. The legislation requires Brokerage(s) and their Broker(s), in its dealings with individual and business customers and the public must not engage in any type of prohibited conduct, including conduct that imposes undue pressure, coerces or take advantage of another person. Additionally, Brokerages and their Brokers must not provide false or misleading information to TD or their customers, the public or the Commissioner.

Prohibited Conduct

- i) impose undue pressure or coercion on a person (business or individual) for any purpose including to obtain a TD service or a product as a condition for obtaining another TD product or service, including services or products of affiliates or authorized insurance from the bank. Undue pressure is defined as any pressure, imposed in the form of a practice, communication or otherwise that could be reasonably considered to be excessive or persistent in the circumstances.
- ii) prohibited from taking advantage of a person (customer)

False or misleading

- iii) communicate or otherwise provide false or misleading information to TD or their customer, the public or the Commissioner.
- iv) confirm that all advertisements are accurate. Inaccurate or incomplete information about TD products/services increases our risk of a regulatory breach by communicating false or misleading information.

Additional details

- Refer to Prohibited Conduct Rules for Banks brochure.
- Visit our website at www.td.com.
- Visit one of our TD branches in person.
- Call EasyLine Telephone Baking at 1-800-430-6095 or TTY 1-800-361-1180

3.5. TD Whistleblowing Procedures

Overview

TD ("Bank") is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism – in every respect, without exception, and at all times.

While reaching our business goals is critical to our success, equally important is the way we achieve them. The Bank (that includes any intermediaries that further the sale of TD products and services such as third-party Brokerage(s)) is expected and required to assess every business decision and every action on behalf of the organization in light of whether it is right, legal and fair.

Brokerage(s) will provide their employees and agents with information on where they can access the TD Whistleblowing* procedures to make a report. Additionally, Brokerages will provide information and assistance to TD to address the report and remain compliant to the Consumer Framework.

In the event the Broker receives a whistleblower report from one of its employees or agents alleging wrongdoing in respect of TD products or services, the Broker will provide the employee or agent with information about where the employee may access the TD whistleblowing procedures and will provide information about the whistleblowing report to TD.

Brokerages and their Brokers can access the TD whistleblowing procedures at contact details below:

- Between Us – Employee Ombudsman Office at 1-800-268-9441 or td.betweenus@td.com;
- The Conduct and Ethics Hotline at 1-866-293-2365 or www.ethicspoint.com;

Between Us and the Conduct and Ethics Hotline are available to individuals on an anonymous basis if they wish.

Neither TD or the Brokerage(s) will dismiss, suspend, demote, discipline, harass, disadvantage or deny Broker(s) of employment by reason:

- (i) made whistleblower report contemplated by the Consumer Framework or;
- (ii) refused or stated an intention of refusing to do anything that is a wrongdoing or;
- (iii) has done or stated an intention of doing anything that is required to be done in order to prevent a wrongdoing from being committed

Subject to applicable law, the Brokerage(s) shall provide TD any information to ensure that TD can satisfy its regulatory obligations regarding whistleblowing.

*For the purposes of this section 3.4, “wrongdoing” means a contravention of: (i) any provision of the Bank Act (Canada) or its regulations; (ii) a voluntary code of conduct that TD has adopted or a public commitment it has made; or (iii) a policy or procedure established by TD or the Broker to sell or further the sale of TD products or services

3.6. ID Verification

TD allows two methods of ID Verification for customer(s):

- Face-to-Face
- Non-Face-to-Face

Depending on method chosen by the customer, please refer to the ID verification guidelines listed below.

**** IMPORTANT: Please do not make photocopies and/or upload copies of customer IDs to TDMS ****

Mortgage/Guarantor Identification Guidelines

- ID must be verified prior to releasing funds to the Mortgagor(s).
- Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney (POA) must present IDs from the list below for examination depending on the method of customer interaction. No other form of identification is acceptable - no exceptions.
- All identification must:
 - Be original (if Face to Face) or a copy of what was viewed through the video (if non-Face to Face)
 - Be authentic (e.g., document must appear to be genuine and have the character of an original, credible, and reliable document)
 - Be current (e.g., not expired)
 - Be valid (The identification document or identification information must appear legitimate and not appear to have been altered)

The following details must be recorded:

- Type of Identification provided
- Unique reference number or identifier
- Expiry date – if available
- Issuing jurisdiction – if other than federal or national
- Country of issue
- Date of verification – the date on which the customer's identity was ascertained
- Source of ID required for Non-Face-to-Face interaction method
- Statement period date for Non-Face-to-Face interaction method (if applicable)
- KYC information **must** be reviewed, updated, and confirmed **each time a credit application is submitted**. The information on the submitted application must match the government issued ID(s) customer used to verify themselves with Solicitor/Notary or First Canadian Title (FCT).
- Solicitor/Notary or FCT remote signor will contact the Mortgagor(s)/Guarantor(s) to ensure that they have the appropriate identification when signing the TD Mortgage or TD Home Equity FlexLine and Term Portion Amendment Agreement (if applicable).
- Solicitor/Notary or FCT remote signor may independently confirm that the address and telephone number used to contact the Mortgagor(s)/Guarantor(s) corresponds with the address and telephone number in the documentation provided by TD.
- FCT remote signor will require to obtain wet signatures on credit application.
- Note: Preliminary Report re: Identification form must be completed during the customer interaction.

Important: Out of country signing is not permitted.

Important: The solicitor/notary or FCT remote signor will only accept government issued ID(s) from the Acceptable Identification lists below. There are no exceptions. Brokers must confirm that the customer has the required identification available when meeting with the solicitor/notary or FCT remote signor to sign the credit documentation.

Acceptable Government Identification List

Face-to-Face (Single Source)

Note: Photo ID only

- Select **one (1)** from the following list:

Acceptable Identification	Requirements
Driver's License (Canadian) <ul style="list-style-type: none"> Quebec Driver's License (only if offered by the customer) 	Expiry date: mandatory
Passport (Canadian)	Expiry date: mandatory
Passport / Passport Card (U.S.A.) <ul style="list-style-type: none"> Passport cards include Given Names and Surnames, Nationality, Gender, Place of Birth, Date of Issue and Date of Expiration, Passport Card Number 	Expiry date: mandatory
Passport (International – excluding U.S.A.)	Expiry date: mandatory
NEXUS Card	Expiry date: mandatory
Permanent Driver's License (U.S.A.)	Expiry date: required if available
Certificate of Indian Status (Canadian) <ul style="list-style-type: none"> Either a paper-laminate or plastic card. Upon renewal, cardholders are being transitioned to Secure Certificate of Indian Status (Canadian) Cards <p>*The card remains valid until its renewal date (or will continue to be valid if there is no expiration date)</p>	Expiry/Renewal date: required if available
Secure Certificate of Indian Status (Canadian) <ul style="list-style-type: none"> Features include (but not limited to) several security improvements such as laser engraving and a window, appearing as a clear area in the card that allows a secondary photo image of the cardholder to be visible from both sides. 	Expiry date: required if available
Military Identification Card (Canadian) <ul style="list-style-type: none"> Issued by the Canadian Department of National Defense 	Expiry date: required if available
Permanent Resident Card (Canadian)	Expiry date: mandatory
Canadian Government Issued ID Card (Federal, Provincial, or Territorial) <ul style="list-style-type: none"> Examples include Enhanced ID Cards (BC, AB, MB), the SK Non-Driver Photo Card and Photo ID Cards (NB, NL) 	Expiry date: required if available
Canadian Citizenship or Naturalization Card/Certificate <ul style="list-style-type: none"> Must be issued prior to 2012 as they no longer produce a plastic wallet-sized citizenship certificate with photo 	Expiry date: required if available
Temporary Resident Card IMM 1442B or IMM 5485 (Canadian)	
Possession and Acquisition License - PAL (Canadian) <ul style="list-style-type: none"> For the purposes of verifying identity, a Firearms License excludes gun registration documentation. Must be a Possession and Acquisitions License (PAL) issued by the RCMP. All Firearms Acquisitions Certificates (FAC) issued under previous laws have expired and need to be replaced with PAL 	Expiry date: required if available

Health Card (BC, QC)

- QC health Card - Only if offered by the customer

Expiry date: required if available

Non-Face-to-Face (Dual Source)- Select **one from Chart A** and **one from Chart B**.

Note: the same ID cannot be used to satisfy both charts. One of the ID's must be a Photo ID.

Chart A: Identification Documents with Name and Date of Birth	Chart B: Identification Documents with Name and Address
<p>One of the following Government issued Identification Documents:</p> <ul style="list-style-type: none"> • Canadian Birth Certification - If using this ID for chart A, ID from Chart B needs to be photo ID • Permanent Resident Card • Canadian Citizenship or Naturalization Card/Certification • Canadian Passport • U.S Passport / Passport Card • International Passport • Canadian Driver's License <ul style="list-style-type: none"> ○ QC only if offered by the customer • U.S Permanent Driver's License • Provincial or Territorial Identity Card (including BC Services Card) • Nexus Card • Canadian Certificate of Indian Status • Canadian Secure Certificate of Indian Status • DND Military Identification Card • Possession and Acquisition License (Canadian issued) • Provincial Health Card only for the following provinces: <ul style="list-style-type: none"> ○ BC, QC – QC only if offered by the customer 	<p>One of the following:</p> <ul style="list-style-type: none"> • Canadian Driver's License • Provincial or Territorial Identity Card (including BC Services Card) • Municipal Property Tax Assessment (most recent) • Recent (within 60 days) Canadian Financial Institution (other than TD) Financial statement • Recent (within 60 days) utility bill (i.e., gas, electricity, water) <ul style="list-style-type: none"> ○ No mobile phone/cable bills permitted

3.7. Customer Occupation**Overview**

While there are existing fields within the Broker application system to complete for occupation, TD real estate secured lending products require additional occupation description information in order to meet regulatory requirements.

For each mortgagor/guarantor/attorney under Power of Attorney (POA), you are required to collect and record information that clearly describes what the mortgagor's/guarantor's occupation is, rather than using a general term. Occupation should describe the day-to-day activity the individual performs to earn an income. Be as descriptive as possible when collecting occupation information, describing the day-to-day activity the individual performs to earn an income. For example, in the case of an Accounting/Finance/Insurance professional, the occupation recorded should reflect the area of work, such as " Auditor " or "Financial Planner ". As another example, in the case of a Medical Practitioner, the

occupation should reflect the nature of the work, such as " Chiropractor " or "Kinesiologist ".

The following occupation information should be included in the comments section along with any deal specific comments that would normally occupy this field. Please indicate the following for each mortgagor/guarantor/attorney under POA based on the tables provided below:

- Employment Status
- Occupation Category
- Occupation Description

Table 1 - Employment Status

Please confirm with the mortgagor(s) /guarantor(s)/attorney under POA the appropriate Employment Status from the list below and take the action as indicated in the Action Required column:

<i>Employment Status</i>	<i>Action Required</i>
Employed (Full-time, Part-time)	Record Employment Status as well as Occupation Category and Description as per the table in the Appendix
Unemployed	Only include the Employment Status
Retired	Only include the Employment Status
Student	Only include the Employment Status
Homemaker	Only include the Employment Status

Table 2 – Occupation Category and Occupation Description

For employed mortgagor(s) /guarantor(s)/attorney under POA please confirm both their Occupation Category and the appropriate corresponding Occupation Description as outlined in the newly amended **Occupation Category and Occupation Description** table in the appendix (see section 10.2). This change is effective as of April 30, 2023.

3.8. SIN Information

In situations where customers have not provided their Social Insurance Number (e.g. customer does not have a valid SIN or has refused to provide one for privacy reasons), enter XXX-XXX-XXX on the credit application to ensure the credit bureau is flagged appropriately.

3.9. Enhanced Due Diligence (EDD)

Overview

Certain personal relationships are high risk and require EDD, including customers that self-identify as being a Politically Exposed Persons (PEP), due to the potential for money laundering or terrorist financing activity. Some customer(s) are identified as High Risk such as but not limited to the following:

Politically Exposed Foreign Persons

- A Politically Exposed Foreign Person (PEFP) is an individual who holds or has ever held one of the following offices or positions in or on behalf of a foreign country, which may include:
 - Head of state or government;
 - Member of the executive council of government or member of legislature;
 - Deputy minister (or equivalent);
 - Ambassador or an ambassador’s attaché or counselor;
 - Military officer with the rank of a general or above;
 - President of a state-owned company or state-owned bank;
 - Head of a government agency;
 - Judge;
 - Leader or president of a political party represented in a legislature.

Politically Exposed Domestic Persons

- A politically exposed domestic person or PEDP is an individual who holds – or has held within the last five years – a specific office or position in or on behalf of the Canadian federal government, a Canadian provincial government, or a Canadian municipal government:
 - Governor General, lieutenant governor or head of government;
 - Member of the Senate or House of Commons or member of a legislature;
 - Deputy Minister or equivalent rank;
 - Ambassador, or attaché or counsellor of an ambassador;
 - Military officer with the rank of general or above;
 - President of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province;
 - Head of a government agency;
 - Judge of an appellate court in a province, the Federal Court of Appeal or the Supreme Court of Canada;
 - Leader or president of a political party in a legislature;
 - Head of a municipal or local government (e.g., mayor, reeve or other similar chief officer irrespective of title)*.

* In line with legislation across Canada, municipal governments include cities, towns, villages and rural (county) or metropolitan municipalities, regardless of the size of the population.

These individuals hold the position/office on behalf of a Canadian federal, provincial or municipal government and their business/account is booked with a Canadian legal entity.

Heads of International Organizations

- The head of an international organization or the head of an institution established by an international organization is an individual who holds – or has held within the last five (5) years – the position as either:
 - The head of an international organization established by the governments of states;
 - The head of an institution established by an international organization;
 - The head of an international sports organization.
- The head of an international organization or the head of an institution established by an international organization refers to the primary person who leads that organization, for example a president or CEO;
- Examples of international organizations include:
 - European Space Agency
 - International Criminal Court
 - United Nations
 - World Health Organization

Family Members

- A customer is also considered a PEFP, PEDP, or HIO if they are a family member of an individual described above. In this context, a family member means one of the following:
 - Mother(s) or Father(s)
 - Child (biological or adoptive)
 - Spouse or common-law partner (including ex-spouse)
 - Spouse's or common-law partner's mother(s) or father(s)-(mother(s)-in-law or father(s)-in-law) and
 - Brother(s), sister(s), half-brother(s), half-sister(s) or legally adopted step-siblings (that is, any other child of the individual's mother(s) or father(s)).

A family member of a PEFP is considered a family member forever. A family member of a PEDP or HIO is considered a family member until five (5) years after the PEDP or HIO has left office or ceased to be a PEDP or HIO.

Close Associates

- A close associate is an individual who is not already a family member of a PEFP, PEDP or a HIO and who is widely and publicly known (or is known by TD) to maintain a close relationship with the PEFP, PEDP or HIO, for business or personal reasons, and includes a person involved

in substantive transactions with or on behalf of a PEFP, PEDP or HIO. Such persons would include for example:

- A general partner of a partnership
 - A person with power of attorney or trading authority over a PEFP, PEDP or HIO 's account or holdings;
 - A person who has given power of attorney or trading authority over their account to a PEFP, PEDP or HIO;
 - A personal advisor to a PEFP, PEDP or HIO with influence on financial, military, legal or political matters;
 - A third party on an account that has been identified by the customer or the PEFP, PEDP or HIO;
 - Anyone operating an account for the benefit of a PEFP, PEDP or HIO; or
 - Any parties that hold joint products with a PEFP, PEDP or HIO or immediate family member of a PEFP, PEDP or HIO;
 - Any parties that are guarantors/guarantees with a PEFP, PEDP or HIO of a credit product;
 - A stepchild or a step sibling (if not legally adopted), could be considered a close associate.
 - An extended family member such as a niece or nephew, could be considered a close associate depending on their relationship with the PEFP, PEDP or HIO
- In the event that a PEFP, PEDP or HIO is self-disclosed, the Broker must include a note in the Comment section of the application.
 - **Important:** Do not, under any circumstances, ask whether the customer is a PEFP, PEDP or HIO or disclose to the customer that the credit application is being reviewed under EDD.

Close associate status ends when the person is no longer closely associated, for business or personal reasons, with the PEFP, PEDP or HIO, or once the PEFP, PEDP or HIO is deceased.

Red Flags:

- A 'red flag' is an indicator that helps to identify potential fraud, money laundering or terrorist financing. Financial transactions or patterns of customer activity where there are reasonable grounds to suspect that it is related to attempted money laundering and/or terrorist activity financing offence should be noted.

Prohibited Customers:

- Financial institutions, including TD, are prohibited from opening Accounts for the following customer types:
 - Shell Banks;
 - Money Service Business (MSB)
 - Customers whose identity cannot be collected or verified within the prescribed timeline and in accordance with the TD's requirements; and
 - Sanctioned entities or individuals and customers engaging in sanctioned activities; Refer to the [Broadly Sanctioned Countries](#) policy

If a Broker comes across a customer on the prohibited list, add a note in the comments section of the application to advise the Underwriter.

3.10. Mortgage Fraud (Misrepresentation)

Overview

Mortgage fraud (misrepresentation) is when a customer intentionally provides inaccurate, incomplete, or false information to a lender in order to secure a mortgage that they might not otherwise be granted.

Authenticating Your Customer

- The identification provided by prospective customers at the time of the initial interaction will be used to validate who the customer is.
- We must practice diligence with all forms of identification.
- Careful review must be completed to ensure identification presented is authentic and valid.
- Refer to [Identification](#) for more information.

Misrepresentation on a credit application

It is important to remember that a red flag on a deal doesn't always mean the deal is fraudulent; however, it is information that requires further questioning or clarification. Generally, the more red flags you identify the more risk of fraud or misrepresentation, the more need there is to probe and question.

- Details of the application are vague or contradictory
- There is a large difference in value/size between the existing and new residence
- Large variances in income year over year
- New earnings substantially greater than previous
- Large income and low or negative net worth.
- High Ratio Private Sales
- Unreasonable income for the job title. Example: Pizza driver making \$65,000 a year.
- The income/employment does not make sense for the customer's age, years of service and education.
- The property that is being purchased is outside of the customer's present location of employment.

Mortgage Misrepresentation Red Flags at a Glance

The following information provides a guide to assist with additional due diligence activities. This does not represent an exhaustive list of due diligence options, which will vary depending on the uniqueness and number of concerns identified.

Red Flag	Why is it a red flag?	What should you do?
Customer requests a 'Rush Deal'.	<ul style="list-style-type: none"> ▪ By rushing the deal, the customer may be able to reduce our due diligence and the amount of information we request/confirm. 	<ul style="list-style-type: none"> ▪ Ask the customer probing questions. Why do they need the funds so quickly? ▪ Ensure all required due diligence is performed and all required documentation is collected and in order.
Credit Bureau Alerts: <ul style="list-style-type: none"> ▪ SIN not matching ▪ Employer does not match ▪ Identity theft comment ▪ Excessive credit granted and number of inquiries ▪ SIN associated with more than one name ▪ SIN associated with more than one address ▪ Verify consumer's identity ▪ SIN reported lost or stolen ▪ File name variation 	<ul style="list-style-type: none"> ▪ Could be a case of customer impersonation or identity theft. 	<ul style="list-style-type: none"> ▪ Verify that customer information on the credit bureau matches what is provided in the application. ▪ When an alert appears on a credit bureau report, the Underwriter will call the borrower to confirm the following information: <ul style="list-style-type: none"> ○ Date of birth ○ Current employer ○ Current address ○ Confirmation that the applicant has applied for a mortgage ○ The address of the subject property

<p>Credit Bureau Security Freeze (Credit Lock or Credit Freeze)</p> <p>Effective February 1, 2023, consumers in Quebec will have the ability to place a freeze/lock on their credit files as a measure of fraud prevention. Questions related to a freeze/lock should be referred to the Credit Bureaus.</p> <p>Note: Equifax refers to the Security Freeze as "Credit (Un)Lock" and TransUnion refers to it as "Credit Freeze." Customers can add a freeze for any reason (fraud related or not) and when there is a freeze, the bureau will not return any information to us except the message indicating that there's a freeze.</p>	<ul style="list-style-type: none"> ▪ Security Freeze is a form of fraud prevention. 	<ul style="list-style-type: none"> ▪ If the Credit Bureau returns a Security Freeze, Credit Lock or Credit Freeze message, the broker must complete the following steps: <ol style="list-style-type: none"> 1. Advise your customer that a freeze exists. 2. Direct the customer to the credit bureau agencies to have the Security Freeze removed. Do Not Proceed with the application. 3. Do Not pull any subsequent Credit Bureau (Equifax or Trans Union) reports for the impacted applicant until the applicant notifies you that the freeze has been removed. 4. Once you receive confirmation from your customer that the message has been removed and the CB report has been obtained, continue with the application process.
<p>Unrealistic income amounts (e.g. 20-year-old IT Programmer earning \$200,000/year, Retail Store Clerk earning \$100,000/year).</p> <p>Letter of Employment or paystub appears to have different style, fonts or signature or appear to be cut and paste.</p>	<ul style="list-style-type: none"> ▪ Employment may not be legitimate, or income letter/paystub may be falsified. 	<ul style="list-style-type: none"> ▪ Consider age, education, length of time with employer ▪ Compare income to similar industry type roles. ▪ Consider if income confirmation includes commission or bonus type payments. ▪ Ask for further income confirmation.

<p>Documentation issues:</p> <ul style="list-style-type: none"> ▪ Spelling mistakes or different font styles. ▪ Person signing the employment letter is non-arm's length from the borrower (e.g. parent or other close relation). ▪ Recent, old, or undated documentation. ▪ Third party provides documentation. ▪ Vague or generic job title (manager, supervisor, consultant, sales). ▪ Employment documentation lacks important details that would make it difficult to contact or locate the employer. 	<ul style="list-style-type: none"> ▪ Risk that documentation may be falsified or altered. 	<ul style="list-style-type: none"> ▪ Confirm employer via Yellow Pages or Google. ▪ Ask for additional documentation to support employment and income if suspicious.
<p>Purchase and Sale Agreement concerns:</p> <ul style="list-style-type: none"> ▪ No signatures / names on document. ▪ Signatures do not match potential customer. ▪ No amendments to original purchase price. ▪ "As Is" or handyman special clause. ▪ No conditions. ▪ No waivers attached. ▪ Incomplete version. 	<ul style="list-style-type: none"> ▪ Risk of customer misrepresentation. 	<ul style="list-style-type: none"> ▪ Ask detailed questions to alleviate concerns. ▪ Search the address using Google (or similar search engines). Often if the property is a known address, information may be of value (e.g. Grow-ops, City Condemnation Order, Public Health Notice, etc.).
<p>Real Estate Agent represents both the seller and buyer.</p>	<ul style="list-style-type: none"> ▪ Risk of conflict of interest – may be involved in perpetrating the fraud. 	<ul style="list-style-type: none"> ▪ Look for disclosure of dual representation and if it is not evident, ask the customer if they are aware that their agent is acting for both the seller and buyer.
<p>MLS Concerns:</p> <ul style="list-style-type: none"> ▪ Only an internet version provided. ▪ Listing agent different from agent on the Purchase and Sale Agreement. ▪ Date of listing / expiry date is not evident. ▪ Reasonability of the list price versus the selling price. 	<ul style="list-style-type: none"> ▪ Listing may not be legitimate. 	<ul style="list-style-type: none"> ▪ Search listing on MLS
<p>Amount or source of Down Payment does not seem reasonable in context of the deal.</p>	<ul style="list-style-type: none"> ▪ Risk of mortgage misrepresentation. 	<ul style="list-style-type: none"> ▪ Refer to information on Down Payment Reasonability in Down Payment and Closing Costs

What should you do if you have a deal with multiple red flags and question the authenticity of the customer or the information they are providing?

- Ask more probing questions surrounding the red flags. If possible, independently confirm the material in question or request additional documentation to support the request. For example, call to verify income, conduct an internet search for the company to see if it is valid, ask/check for tax returns.
- As always, follow KYC Guidelines to verify the customer's identity. Receive and review original supporting documents directly from the customer. Do not accept documentation from a referral source or via fax/scan.
- Review the application again in its entirety for accuracy and reasonability.
- Confirm you have carefully reviewed and validated all required documentation received.
- Any red flags that appear in a transaction should be considered seriously.

[TD Know Your Customer \(KYC\) Guidelines](#) is the key defense in preventing mortgage misrepresentation and supports three key requirements:

- Better ability to satisfy regulatory, documentary and bank requirements.
- Better knowledge of customer needs which helps you deliver the right products and services for your customer.
- Better awareness of potential fraud.

This knowledge helps you expand your business by building lasting customer relationships while maintaining controls and safeguards, which helps protect your reputation.

Fraud Concerns?

- If concerns still remain after your due diligence is completed, submit the credit application to TD Mortgage Solutions (TDMS) with details of your concerns in the comments. The Underwriter will review the credit application and comments and escalate to the appropriate area for further review.
- It is important that you do not relay your concerns to the customer (this may be considered tipping).

3.11. Credit Applications with Connections to Certain Sanctioned Countries

Overview

Applications that have a connection to certain sanctioned jurisdictions and/or sectors may be subject to additional due diligence by TD Mortgage Solutions (TDMS). These jurisdictions currently include:

Iran	Lebanon
Syria	Libiya
North Korea	Myanmar (Burma)
Russia	Nicaragua
Cuba	Somalia
Ukraine	South Sudan
Belarus	Sudan
Central African Republic	Venezuela
Democratic Republic of the Congo	Zimbabwe
Iraq	Haiti

Here's what you need to know:

Applications will be declined if TDMS has any reason to suspect:

1. **a customer is involved in any capacity with the sale or provision of arms or military equipment to any of the following countries:** Activity involving any of the following industry sectors of Russian: Sovereign Debt; Financial Industry; Natural Resources (energy, oil, mining, metal); Aviation; Maritime; Railway; Fishing and Seafood; Defense and Intelligence; privatization of Russian state-owned assets, and Luxury Goods.
2. Activity involving arms or military equipment and/or has a connection to a government agency or government-owned entity, in any of the following countries:
 - Belarus
 - Central African Republic
 - Democratic Republic of the Congo
 - Iraq
 - Lebanon
 - Libya
 - Myanmar (Burma)
 - Nicaragua
 - Russia
 - Somalia
 - South Sudan
 - Sudan
 - Venezuela
 - Zimbabwe
 - Haiti
3. Activity involving any of the following, regardless of location:
 - Designated/Listed Persons (including entities owned or controlled by Designated Persons)
 - Conflict Diamonds
 - Illegal Iraqi or Syrian Cultural Property

For the following countries, Brokers that are "U.S. Persons"* *must* escalate to a non-U.S. Person who will determine if they or another non-U.S. Person Broker will proceed with the deal:

- Cuba
- Iran

*** You are a U.S. Person if:**

- You are a U.S. citizen (including dual citizenship)
- You are a U.S. permanent resident (e.g., you are a "Green Card" holder)
- You are a Canadian employee physically present in the U.S., whether or not you're working, regardless of your residency status
- When a borrower, guarantor or attorney under Power of Attorney (POA) is affiliated with sanctioned country and/or military government, TDMS will conduct an additional review prior to final credit approval. This review includes, but is not limited to:
 - **Residency:** The applicant is living in the sanctioned country for all or part of the year. Note: This includes applicants who are normally residents of the sanctioned country but are living in Canada temporarily (e.g. Temporary Resident Permit/Visitor Visa, Work Permit, Study Permit, etc.).
 - **Employment:** The applicant is employed by an entity in the sanctioned country.
 - **Commercial Activity:** The applicant has business interests in the sanctioned country.
 - **Source of Wealth/Funds:** The applicant has received, or may receive, funds directly or indirectly that originated in the sanctioned country (e.g. for the down payment or future payments, etc.).
- The Underwriter may contact you for more information.
- Please note that a review can result in a delay of the credit decision.
- Do not provide any information to the customer that their application is being reviewed due to a connection with a sanctioned country.
- In situations where a customer declares they have a Government License/Permit to conduct transactions involving a Sanctioned Country, such license or permit should be submitted as part of the credit application for review.

Note- Sanctions Evasions: If you have any reason to believe that a customer is seeking to circumvent sanctions, you must immediately escalate to TDMS. Example: If a customer is reluctant to provide requested information, such as the purpose of a transaction, source of funds, purpose of accounts or information about

third parties.

3.12. Privacy

Overview

Protecting the privacy and confidentiality of personal information is fundamental to the way we do business within TD Bank Group (TD). As agreed by you in the Brokerage Services Agreement with TD, you agree to treat any personal information provided to you by TD, potential customers, customers or brokerage as strictly confidential and in accordance with applicable privacy laws.

Important: As a reminder, TD requires all Brokerages (including Brokers) to comply with all Applicable Laws in its dealings with TD as agreed in the Brokerage Services Agreement.

To remain compliant to the Personal Information Protection and Electronic Documents Act (PIPEDA) Principle 4.3 Consent, Brokers must collect/obtain and document potential borrowers' consent on their brokerages' credit application form (i.e. potential borrower(s) sign and date) **at the time of the personal information collection**. This means, all potential borrower's signature(s) and date documented in the Broker's credit application **must occur on/before** the broker submits the credit application to TDMS for adjudication/review.

Note: the documented consent may also be leveraged by TD to obtain information and reports from credit reporting agents and other lenders at or anytime during the credit application and ongoing basis to assess/review potential borrowers credit worthiness.

The TD Privacy Policy informs individuals of the ways we help protect the privacy and confidentiality of their information. The Policy applies to any person who has requested from us, or offered to provide a guarantee for, any product or service offered by us in Canada; and individuals carrying on business alone or in partnership with other individuals and signing officers of our business customers.

The TD Privacy Policy describes the practices we have in place relating to the management of personal information at TD in Canada. The word "information" means personal, financial and other details that customers provide to us and we obtain from others within or outside our organization, including through the products and services customers use.

If you or your customers have questions, please refer to the [TD Privacy Policy](#) available on our corporate website.

3.13. Third Party Determination

Overview

When completing a credit application, it must be determined if the TD Mortgage or TD Home Equity FlexLine will be used for, or on behalf of a third party. A third party is defined as a person or business that is not named on the account but who would give directions to the account holder on how to deal with funds received on the TD Mortgage or TD Home Equity FlexLine. This does not include an individual who has formally been granted the authority to give instructions on the account, such as an attorney under a Power of Attorney (POA) or estate representative or a signing officer of a business account.

When determining whether a third party is involved, it is not about who "owns" the money, but rather about who gives instructions to deal with the money.

To help determine if an account is to be used for or on behalf of a third party, ask the customer: "Will the account be used to transact on behalf of or for someone other than you?"

If it's determined that the account is to be used for or on behalf of a third party, information about the third party is to be collected during the account opening process. Our [Third Party Statement](#) must be completed and submitted to TD Mortgage Solutions (TDMS).

If the customer responds 'Yes' to the third-party determination question but does not have all of the third party's information available to complete the form, advise them that you will need the following information prior to funding:

- **Third party is a person:** Name, address (P.O. Box is not acceptable), date of birth, occupation, relationship to account holder and phone number.
- **Third party is a business:** Name, address, nature of business, relationship to account holder, phone number, Business Incorporation Number and place of issuance (if applicable).

If the customer responds 'Yes' to the third-party determination question but is unable to or refuses to provide the mandatory third party information, **do not** proceed with the credit application.

Third Party Determination is not required for:

- An account that has a POA. The POA allows the individual to act as the account holder.

3.14. Cost of Borrowing (COB)

Overview

COB regulations require lenders to disclose to borrowers important information in the credit agreement including costs charged by a lender. Key information that must be disclosed in writing **before** customers enter a borrowing agreement includes:

- Non-interest costs
- Interest rates
- Date when interest accrues/grace period
- Fees and borrowers' rights (such as pre-payment rights)

Failure to disclose the required COB information is a breach of the Bank Act (Cost of Borrowing Regulations) which can result in financial penalties and publication of the violation.

Note: Details of COB are provided to customers when they sign the following Agreements with their solicitor/notary or with the FCT remote signor:

- Mortgage Loan Agreement (MLA) – contains the terms for a TD Mortgage.
- TD Home Equity FlexLine Agreement (FLA) – contains the terms for a TD Home Equity FlexLine.
- The Term Portion Amending Agreement (TPAA) – contains the terms for a Term Portion and is an amendment to the FLA.

If a change to the application results in an impact to COB after the customer has signed the Agreement, a new MLA, FLA or TPAA may need to be printed and signed.

3.15. Solicitor/Notary Dual Representation

A solicitor/notary is permitted to act on behalf of both the vendor and purchaser in residential mortgage transactions if the solicitor/notary is on TD's Approved Solicitors' list and complies at all times with their professional rules of conduct. However, use of Dual Representation for vendor/purchaser should remain the exception and should not be promoted to customers. It remains up to the solicitor/notary to determine whether they can accept the joint retainer and advise TD if they do. Please contact your Underwriter if you have any questions.

3.16. Prepayment Privileges

Overview

Prepayment privileges apply to customers with a closed term mortgage or Term Portion. Prepayments are extra payments made against the mortgage loan that will reduce the amount of interest paid over the amortization period. Prepayments can only be used if principal and interest payments are up to date and all other obligations under the collateral charge and Mortgage Loan Agreement, TD Home Equity FlexLine Agreement or Term Portion Amending Agreement are being met.

With reasonable notice, customers can take advantage of one or more of the following options without charge:

- Each calendar year, one or more **lump-sum payments** totaling up to 15% of the original principal amount. Prepayment amounts cannot be carried forward and used in a later year. The minimum amount that can be prepaid is \$100, and this option cannot be used to pay off the mortgage or Term Portion in full.
- **Increase the amount of the principal and interest payment.** The total of all increases over the term can't exceed 100% of the original principal and interest payment for the term, and there is no limit to the number of times the principal and interest payment can be increased. The payment amount can later be decreased to the original principal and interest payment for the term.

With reasonable notice, customers can make the following prepayments with a prepayment charge:

- **Lump-sum payment** of more than 15% of the original principal amount, but less than the principal amount still owing. If the 15% prepayment privilege has not been used in the calendar year, it will be applied first. This reduces the principal amount used in the calculation of the prepayment charge. The minimum prepayment amount is \$100.
- Pay off mortgage or Term Portion in full. Customers have the option of using their 15% prepayment privilege, but it is not applied automatically. Customer must request to use it before paying off the mortgage or Term Portion in full.

The following TD documents may help your customer to calculate the prepayment privilege amount:

- Mortgage Loan Agreement
- Mortgage Renewal Agreement
- Amendment to the TD Home Equity FlexLine Agreement
- TD Home Equity FlexLine Term Portion Renewal Agreement
- Annual Mortgage Statement
- Annual TD Home Equity FlexLine Statement

See Section [Enhanced Disclosure of Prepayment Charges](#) for more information.

3.17. Enhanced Disclosure of Prepayment Charges

What is a prepayment charge?

- When a customer decides to pay off their outstanding balance (or pay an amount greater than the allowable prepayment privilege of 15% annually) on a closed term TD Mortgage or TD Home Equity FlexLine Term Portion before the term's maturity date, they may have to pay a prepayment charge.
- For Closed Variable Interest Rate TD Mortgages or TD Home Equity FlexLine Term Portions, this charge is calculated as three months' interest.
- For Closed Fixed Interest Rate TD Mortgages or TD Home Equity FlexLine Term Portions, the prepayment charge is the greater of either:
 - three months' interest, or an
 - Interest Rate Differential (IRD) amount. Refer to the **Mortgage Prepayment Brochure** in the Appendix.
- For full payouts, the 15% annual prepayment privilege is not taken into consideration for calculations of the prepayment charges unless the customer actually makes that prepayment. It is calculated on the payout balance as of the transaction date.

Prepayment Policy for Mortgages with a Five-Year Term or Greater

- Anniversary is based on the most recent funding Interest Adjustment Date (IAD) or Renewal Date. This includes mortgages that have been ported from their original term. The anniversary will be based on the new IAD when the mortgage is ported, not on the original IAD. For example, if a mortgage was originally funded January 1, 2010 and renewed January 1, 2015, the mortgage will reach its 1st anniversary on January 1, 2016 (for discharge calculation purposes).
 - **Example:** Assume the customer has a 10-year term and ports their mortgage in the third year. How to determine the anniversary date and prepayment charge?
 - Refer to the [Fixed Rate Mortgage Prepayment Charge Chart](#) below for information on prepayment charges (applicable to insured and conventional mortgages).
 - If prepayment occurs within first 60 months from the port date, prepayment charge will be based on Column three in the chart.
 - If prepayment occurs after 60 months have passed from the port date, prepayment charge will be based on Column four in the chart.
 - **Note:** When the mortgage is ported, there are only seven years remaining.

Fixed Rate Prepayment Charge Chart for Terms of Five Years or More

Transaction	Prepayment Charge is based on...	Prior to fifth year anniversary (e.g. Prepayment occurs within the first 60 months of mortgage)	After fifth year anniversary (e.g. Prepayment occurs within the 61 st month or any time after that)
-------------	----------------------------------	---	--

Discharge with no replacement	Full amount of discharge	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Partial prepayments in excess of privilege amount	Amount being prepaid in excess of privilege amount	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Discharge with new TD replacement (non-port)	Full amount of discharge	IRD	Insured or Conventional: three months' interest prepayment charge upon discharge of existing TD mortgage. Rebate of full three months' interest prepayment charge upon replacement. 12-month Replacement policy window and prorating rules apply

Prepayment Privilege Information

- Tools available to customers requesting prepayment information include:
 - Printable Mortgage Prepayment brochure, available at any branch, provides customers with what they need to know about mortgage prepayment charges. Refer to the **Mortgage Prepayment Brochure** in the Appendix.
 - Online Mortgage Prepayment calculator on www.tdcanadatrust.com/prepaymentcalculator that provides customers with an estimate of their prepayment charges. **Note:** As the online prepayment calculator results are estimates only, to obtain the exact prepayment charge amount for your customer, a Discharge Statement must be requested from the branch.
 - Toll-free phone number (English: 1-800-281-8031 / French: 1-800-294-0954) where customers can call for information about prepayment charges and online prepayment calculator support.

3.18. Payment Frequency

Overview

- Customers can choose a payment schedule for a TD Mortgage or Term Portion of weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly or monthly
- For a TD Mortgage, the customer can make this selection with their Solicitor/Notary or FCT Remote Signor when signing the Mortgage Loan Agreement/Transfer In Agreement.
- For a TD Home Equity FlexLine Term Portion, payments are set up as monthly when signing the TD Home Equity FlexLine Agreement Term Portion Agreement. The Term Portion payment schedule can be changed at any time at a TD Branch or through EasyLine.
- For the TD Home Equity FlexLine Revolving Portion, every month, by the due date, a minimum monthly payment is required. The minimum monthly payment is the total amount of interest that has accumulated and is unpaid for the last monthly statement period and any arrears. This amount can be found in the monthly statement.

3.19. Requesting Prepayment Information

Overview

TD has three types of statements related to prepayments:

- **Information Only Statement:** When the customer is only considering paying off their TD Mortgage or TD Home Equity FlexLine (with or without a Term Portion), they can request an Information Only Statement at any TD Canada Trust branch. **Important:** Information Only Statements are only valid on the day they are produced and should not be used to determine final payout amounts. This information is used strictly for general information purposes and for answering customer enquiries. This statement will not provide the Discharge Fee and cannot be used to discharge a TD Mortgage or TD Home Equity FlexLine.
- **Payout Statement:** When the customer is able to reuse the collateral charge, this statement will provide the amount required to payout and close the TD Mortgage or TD Home Equity FlexLine. There are no Discharge Fees in this scenario.
- **Discharge Statement:** This can only be ordered at most 30 days prior to the anticipated payout. This statement provides the balance and any additional fees or charges necessary to payout and discharge the

security for a TD Mortgage or TD Home Equity FlexLine.

Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer.

Discharging a Credit Product

- To payout and close either a TD or other financial institution's credit product and discharge the charge using First Canadian Title (FCT) refer to the [TD Refinance Program](#).
- To discharge either a TD or other financial institution's credit product using a solicitor/notary:
 - Ensure your customer confirms that their solicitor/notary will order the Discharge Statement. Note: FCT would make this request for deals under the TD Refinance Program. This would be applicable for either a refinance deal or a new purchase.
- Refer to the **Mortgage Transfer Plan** to transfer a mortgage from another financial institution.

Discharge Fee

- In some provinces, a Discharge Fee is charged to cover costs associated with the preparation of documents needed when a customer has paid their TD Mortgage or TD Home Equity FlexLine in full AND requests a discharge of the collateral charge securing the credit agreement. This fee appears on the Discharge Statement provided to customers and cannot be waived. Note: Discharge Fee is not to be waived outside of policy, fee must be collected at time of payout.

Discharge Fee Inclusions/Exclusions

- The Discharge Fee is charged at the time of payout of a TD Mortgage or TD Home Equity FlexLine to prepare the documents needed to discharge the registered charge. This will apply even if the customer ports or refinances the TD Mortgage or TD Home Equity FlexLine.
- The Discharge Fee is not charged in the following scenarios:
 - Collateral Reuse because the customer is not discharging the security.
 - TD Home Equity FlexLine Split/Shared Security (Fee only applies on final TD Home Equity FlexLine that is paid out and discharged).
 - In certain provinces and territories where we are not allowed to charge the fee (Alberta, Northwest Territories, Nunavut, Quebec).
 - Note: If the customer is refinancing an existing TD Mortgage or TD Home Equity FlexLine using our TD Refinance Program (processed by First Canadian Title), then the discharge fee is included in the cost of the Program.

3.20. Bridge Financing (via Broker Credit Assistant)

Overview

Qualified Bridge Financing applications will be processed by a Broker Credit Assistant (BCA) to assist customer(s) with the sale and purchase of their residence. Bridge Financing may be necessary when the closing date for the purchase is before the closing date for the sale of the current residence. The equity from the current residence is therefore not available on the closing date for the new TD Mortgage or TD Home Equity FlexLine. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on the current residence closes, the loan is paid off with proceeds from the sale.

TD does not provide Bridge Financing to customers who have not agreed to take a TD Mortgage product or TD Home Equity FlexLine.

Guidelines:

Subject	Description
Eligibility	<ul style="list-style-type: none"> ▪ Short term Bridge Financing is to be used to help customer(s) who are obtaining real estate secured financing with TD. ▪ All parties on title of the existing property must be on the Bridge Loan application as borrowers. ▪ The TD Bridge Loan Financing Agreement must be signed at the same time or following the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement.
Ineligible	<ul style="list-style-type: none"> ▪ The following transactions are not eligible for Bridge Financing at TD: <ul style="list-style-type: none"> ○ Properties located on Leased land ○ Mobile Homes ○ Non-Resident and Non-Permanent/Temporary Resident borrowers
Exclusions	<ul style="list-style-type: none"> ▪ Under the following circumstances, the BCA will not be able to fulfil the Bridge Loan request and customer(s) must be referred to a TD Branch for fulfillment: <ul style="list-style-type: none"> ○ Purchase or Sale in the province of Quebec ○ Applicant names on the TD Mortgage or TD Home Equity FlexLine, both Purchase and Sale Agreements, and Bridge Loan are not identical. For example: <ul style="list-style-type: none"> ▪ A married couple is getting divorced. Both parties are on the Sale Agreement, but the home is being sold during the divorce. Only one party is on the Purchase agreement, new TD Mortgage or TD Home Equity FlexLine, and associated Bridge Loan application. In this scenario, the customer must be referred to a TD Branch as we have non-identical applicants. ▪ A single individual is getting married. He is selling his condo and using the proceeds to buy a new home with his soon-to-be spouse. Only his name appears on the Sale agreement, whereas both names appear on the Purchase agreement, new TD Mortgage or TD Home Equity FlexLine, and associated Bridge Loan application. In this scenario, the customer(s) must also be referred to a TD Branch. ○ Customer(s) who are not comfortable with using TD e-Signature ○ Where document packages need to be in French-only. ○ Where the purchase requires more than one solicitor to be engaged ○ Bridge Loans greater than 90 days from the purchase date. ▪ Note: Refer to Bridge Financing (via TD Branch) to process these transactions.
Rate	<ul style="list-style-type: none"> ▪ TD Prime Rate + 4.00%

Payment	<ul style="list-style-type: none"> ▪ An interest-only payment is payable on the 21st of each month following the advance date. This means the customer is responsible to make an interest only payment on the remaining principal amount, until we require the customer to pay the outstanding balance in full. ▪ If the 21st day of the month does not fall on a Business Day, we will take the payment on the next Business Day. As a result, we will charge additional interest
Fees	<ul style="list-style-type: none"> ▪ There is no fee for Bridge Loans
Minimum Loan Amount	<ul style="list-style-type: none"> ▪ Minimum loan amount is \$10,000
Security Requirements	<ul style="list-style-type: none"> ▪ For most short-term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory, but customer(s) agree to provide it if required. ▪ Bridge Loan must fund within 90 days post approval.

Processing an Application

- An Appropriate Product Assessment must be offered by Broker to each customer, prior to offering Bridge Loan to ensure the loan will be used to gap between the purchase of a new home and the sale of the existing home with different closing date. Broker must email the BCA at the generic email TD.Brokerbridgeloan@td.com with the following details to notify TD of an incoming Bridge Loan application:
 - Last name of primary applicant
 - Purchase property closing date
 - TD credit application number
 - Broker name and Broker contact number
- Once the BCA replies by secure email, the Broker must send the following documents to the BCA by replying to the secured email (or by fax), as outlined in the BCA instructions. **Important:** Customer documentation must never be sent via unsecured email:
 - Completed Bridge Loan Consent Form (blank form to be provided by the BCA)
 - Bridge Loan Worksheet – **Note:** When completing the Bridge Loan Worksheet, there is a minimum percentage of 1.5% for all closing costs in all provinces with the exception of Alberta (0.5%). The prescribed minimum percentage includes land transfer taxes on the purchase.
 - Signed Broker Commitment
 - **Firm Purchase and Sales Agreements (for both properties) with applicable waivers**
 - **Income Confirmation**
 - Current mortgage statement (if not with TD)
- The BCA will not initiate a Bridge Loan Credit Application until the TD credit application is approved.
- The Bridge Loan Credit Application, Appropriate Product Assessment Form, the 'Consent to TD Handling of Your Personal Information and Privacy Policy' form, and Pre-Authorized Payment Agreement will be completed with the customer(s) through **TD e-Signature**, TD's digital tool for signing credit applications. The BCA will provide the customer with instructions on how to use TD e-Signature.
- Each customer must have a valid non-shared email address and mobile phone number to use TD e-Signature:
 - Customer(s) cannot share an email address or mobile phone number for receiving documents via TD e-Signature
 - If customer(s) cannot provide an email or phone number that is not shared, they must be referred to a TD Branch to apply for a Bridge Loan.
- Bridge Loan applications are prioritized by closing date and will be reviewed at minimum 15 business days prior to the property closing date, as outlined below:
 - Typically, 12 business days with the BCA, once the complete document package is received.
 - Three business days once released to the solicitor.
 - Note: Turnaround times are subject to change and are based on current real estate activity and volumes.
- Please note, the end-to-end Bridge Loan process will take a minimum of 15 business days from receipt of the complete document package.

Funding

- TD Bridge Loan Financing Agreement is to be signed by customer(s) with the solicitor handling the sale

and purchase transactions on behalf of the customer(s).

- The TD Bridge Loan Financing Agreement must be signed at the same time or following the MLA or TD Home Equity FlexLine Agreement – it **cannot** be signed prior to the MLA or TD Home Equity FlexLine Agreement.
- Solicitor must sign the Agreement as well. This will ensure the net sale proceeds from the existing home are directed to TD to repay the Bridge Loan.
- Solicitor must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer(s).
- Please note, the end-to-end Bridge Loan process will take a minimum of 15 business days from receipt of the complete document package.

Proceeds

- Bridge Loan proceeds are advanced ‘in trust’ to the solicitor, subject to the terms and conditions of the TD Bridge Loan Financing Agreement.
- The Bridge Loan will not be advanced until the TD Mortgage or TD Home Equity FlexLine is advanced.

3.21. Bridge Financing (via TD Branch)

Overview

This process applies to Bridge Financing applications that cannot be fulfilled by a Broker Credit Assistant (BCA).

Bridge Financing assists customer(s) with the sale and purchase of their residence. Bridge Financing may be necessary when the closing date for the purchase is before the closing date for the sale of the current residence. The equity from the current residence is therefore not available on the closing date for the new TD Mortgage or TD Home Equity FlexLine. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on their current residence closes, the loan is paid off with proceeds from the sale.

TD does not provide Bridge Financing to customers who have not agreed to take a TD Mortgage product or TD Home Equity FlexLine.

Guidelines:

Subject	Description
Eligibility	<ul style="list-style-type: none"> ▪ Short term Bridge Financing is to be used to help customer(s) who are obtaining financing with TD. ▪ All parties on title of the existing property must be on the Bridge Loan application as borrowers.
Ineligible	<ul style="list-style-type: none"> ▪ The following transactions are not eligible for Bridge Financing at TD: <ul style="list-style-type: none"> ○ Properties located on Lease land ○ Mobile Homes ○ Non-Resident and Non-Permanent/Temporary Resident borrowers ○ Bridge Loans greater than 90 days from the purchase date.
Rate	<ul style="list-style-type: none"> ▪ TD Prime Rate + 4.00%.
Payment	<ul style="list-style-type: none"> ▪ An interest-only payment is payable on the 21st of each month following the advance date. This means the customer is responsible to make an interest only payment on the remaining principal amount, until we require the customer to pay the outstanding balance in full. ▪ If the 21st day of the month does not fall on a Business Day, we will take the payment on the next Business Day. As a result, we will charge additional interest
Fees	<ul style="list-style-type: none"> ▪ There is no fee for Bridge Loans.
Minimum Loan Amount	<ul style="list-style-type: none"> ▪ Minimum loan amount is \$10,000.

Security Requirements

- For most short-term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory.
- Bridge Loan must fund within 90 days post approval.

Processing an Application

- Applications must be referred to a local TD Canada Trust branch for processing and not to TD Mortgage Solutions (TDMS).
- The customer must attend the branch to complete the bridge loan and must provide the following:
 - Copy of the Broker Commitment which outlines the new TD Mortgage or TD Home Equity FlexLine details
 - Purchase and Sale Agreements
 - Income confirmation
 - Current mortgage statement (if not with TD).
- Branches are responsible for ongoing maintenance requests of Broker originated TD Mortgages and TD Home Equity FlexLines (e.g. payment frequency changes, PAD information).
- If a customer has specific questions regarding the mortgage rate, the branch will refer the customer to the Broker. All other general questions will be addressed by the branch.

Funding

- A Standard Letter of Direction and Irrevocable Assignment of Funds from real property transactions are prepared.
- The documents are to be signed by customer(s) in the presence of a TD employee and sent to the solicitor/notary handling the sale and purchase transactions on behalf of the customer(s).
- Solicitor/notary must acknowledge the documents. This will ensure the net sale proceeds from the existing home are directed to TD to repay the Bridge Loan.
- Solicitor/notary must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer(s).

Proceeds

- Bridge Loan proceeds are advanced 'in trust' to the solicitor/notary, subject to the terms and conditions of the Letter of Direction.
- The Bridge Loan will not be advanced until the TD Mortgage or TD Home Equity FlexLine is advanced.

3.22. Translating Customer Documentation

Overview

All customer documentation must be submitted to TD Mortgage Solutions (TDMS) in English or French. If any documentation is received in a foreign language, it must be translated to English or French, as applicable.

Full translation of customer document(s) presented must be translated by an independent third-party Canadian Certified Translator from one of the following Directories (see below for links to each provincial Directory):

- The Canadian Translators, Terminologists and Interpreters Council (CTTIC) Directory, or
- The Ordre des traducteurs, terminologues et interprètes agréés du Québec (OTTIAQ).

The translation package to the TDMS Underwriter must include the following:

- Full translation of documentation in PDF format.
- Formal name, letterhead or seal/stamp of translation provider.
- Directory screen print confirming the translator's certification.

Important: To help prevent adjudication delays, it is recommended to include a screen print confirming the certified translator from the Directory and the language(s) they are certified to translate.

- The Directories will also confirm which languages the translator has been certified to translate.
- The stated certified language must match the language of the original foreign document.

Note: If translation services are required, Brokers can refer customers to the CTTIC or OTTIAQ directories where the customer can choose a qualified foreign document translator.

CTTIC Member Directories and Ordre des traducteurs, terminologies et interprètes agréé du Québec (OTTIAQ)

Province	Directory	Name
Alberta	ATIA	Association of Translators and Interpreters of Alberta
British Columbia	STIBC	Society of Translators and Interpreters of British Columbia
Manitoba	ATIM	Association of Translators, terminologists and Interpreters of Manitoba
New Brunswick	CTINB	Corporation of Translators, Terminologists and Interpreters of New Brunswick
Nova Scotia	ATINS	Association of Translators and Interpreters of Nova Scotia
Ontario	ATIO	Association of Translators and Interpreters of Ontario
Saskatchewan	ATIS	Association of Translators and Interpreters of Saskatchewan
Quebec	OTTIAQ	Order des traducteurs, terminologies et terminologies et interprètes agréés du Québec

3.23. Credit Products for TD Employees

Overview

- TD Staff Rates are not available in the Broker Channel. Please advise the customer to reach out to a TD Branch or TD Mobile Mortgage Specialist (MMS).

4. Our Product Line Up

4.1. Business for Self – Insured Without Traditional Income Confirmation (Sagen/Canada Guaranty Only)

Overview:

- Insured Business for Self (BFS) financing is available through Sagen (Alt. A) and Canada Guaranty (Low

Doc Advantage) only.

- Applicants under these guidelines must be self-employed and may be unable to provide traditional income confirmation.
- **Note:** Maximum One Product using Insured Business for Self policy
- Applicants must be self-employed for a minimum of two years.
- Note: Commissioned applicants are not eligible for the Insured BFS program.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Fixed rate mortgages ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Purchase Plus Improvements ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied – maximum two units where one unit is owner-occupied ▪ New construction or resale ▪ Purchase price / property value of up to less than \$1,500,000
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Non-Resident ▪ Temporary Resident ▪ Refinance <p>Property:</p> <ul style="list-style-type: none"> ▪ Investor properties ▪ Multi-unit properties (except as set out above) ▪ Recreational and cottage properties ▪ Leased land ▪ Second Homes
Maximum LTV	<ul style="list-style-type: none"> ▪ 90% LTV for purchases
Appraisal	<ul style="list-style-type: none"> ▪ Insurer will do an appraisal on all properties and will require: <ul style="list-style-type: none"> ○ The dwelling to be readily marketable. ○ The dwelling to be located in markets with demonstrated ongoing re-sale demand. ▪ Estimated remaining economic life of the property should be a minimum of 25 years.
Amortization	<ul style="list-style-type: none"> ▪ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ▪ Up to 25 years for all other applications <ul style="list-style-type: none"> ○ *See section 9.1 Default Insurance for qualifying criteria
Down Payment and Closing Costs	<ul style="list-style-type: none"> ▪ Minimum 5% own resources without recourse to borrowing. ▪ Remainder can be gifted from immediate family members, but not borrowed. ▪ Minimum 1.5% of the purchase price must be confirmed from borrower’s own resources without recourse to borrowing to cover closing costs. <p>Note: Homebuyers in Alberta will only need to provide confirmation of closing costs equal to 0.5% of the home purchase price.</p>
Occupancy Requirements	<ul style="list-style-type: none"> ▪ All applicants must occupy the property. ▪ Spousal guarantors are accepted provided they occupy the property. ▪ Non-occupant co-borrowers or guarantors are not permitted.

Borrower Qualifications	<ul style="list-style-type: none"> ▪ Self-employed for a minimum of two years or more ▪ No previous bankruptcy ▪ No outstanding taxes owing or amount owed is paid down within tolerance threshold as per most recent Notice of Assessment (NOA) to be confirmed paid – copy to be retained in the credit file for audit purposes ▪ Confirm all TD mortgages are up to date and in good standing with no current or recent arrears ▪ Minimum Credit Score: <ul style="list-style-type: none"> ○ Minimum credit score of 650 for > 80% LTV ○ Minimum credit score of 680 for 80% LTV ▪ Minimum two years on credit bureau with two trade lines ▪ Total Debt Service Ratio <ul style="list-style-type: none"> ○ 44% ▪ Gross Debt Service Ratio <ul style="list-style-type: none"> ○ 39% ▪ No defaults on any mortgages in past seven years ▪ No delinquencies in past 12 months
Documentation Requirements	<ul style="list-style-type: none"> ▪ Business for Self: <ul style="list-style-type: none"> ○ One form of written third party documentation evidencing a minimum of two full years self-employment such as: <ul style="list-style-type: none"> - GST/HST returns - Audited financial statements for last two years prepared and signed by a Chartered Accountant (CA) - Business license - Articles of incorporation - T1 Generals with statement of business activities attached for a minimum of 2 years supported by 2 years NOAs - T2 Corporation Income Tax Return for incorporated company (To include Schedule 50, Shareholder Information) - Notice of Article - Certification of Incorporation* ○ Borrowers must be able to demonstrate that they have a minimum two years' experience in the same field. This can include time spent working as a non-self-employed worker in the same field. ○ Copy of Notice of Assessment or T1 General confirming no outstanding taxes owing or amount owed is paid down within tolerance threshold. ▪ Salaried or Supplementary Third Party Income: ▪ If one of the applicants is salaried or has supplementary third party income not related to their business, this income must be confirmed as per standard income confirmation guidelines to be included in the TDS calculation.
Additional Submission Requirements	<ul style="list-style-type: none"> ▪ Industry type or profession of the borrower ▪ Type of Business ownership (sole proprietor, partnership or incorporated) ▪ Percentage of ownership of the borrower of the business ▪ Stated annual business revenue ▪ Income from Line 15000 from the borrowers' most recent years' Notice of Assessment (NOA) • An income reasonability review is required

4.2. Business for Self – Conventional and Insured with Traditional Income Confirmation

Overview:

Applicants under these guidelines must be:

- Self-employed or self-employed professionals.
- Be able to confirm Business for Self (BFS) or professional status.
- Able to provide traditional income confirmation.
- Eligibility applies to businesses with up to 4 owners

Guidelines:

Subject	Conventional	Insured
---------	--------------	---------

<p>Eligible</p>	<p>Product:</p> <ul style="list-style-type: none"> ▪ Mortgages ▪ Fixed Rate ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Single Advance ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied up to four units ▪ Investor Property up to four units ▪ New Construction ▪ Resale ▪ Leased Land ▪ ▪ Second Homes ▪ Cottage Property ▪ Recreational Property 	<p>Product:</p> <ul style="list-style-type: none"> ▪ Mortgages ▪ Fixed Rate ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Single Advance ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied up to four units ▪ Rental up to four units ▪ New Construction ▪ Resale ▪ Second Homes (through Sagen/Canada Guaranty only) ▪ Recreational Property (through Sagen /Canada Guaranty only) ▪ Cottage Property (through Sagen /Canada Guaranty only)
<p>Ineligible</p>	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Applicants on fixed income (e.g. pension) ▪ Salaried employee ▪ Non self employed commissioned employee ▪ Non-residents ▪ Temporary residents <p>Property:</p> <ul style="list-style-type: none"> ▪ All property types not listed under Eligible. 	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Refinance ▪ Applicants on fixed income (e.g. pension) ▪ Salaried employee ▪ Non self employed commissioned employee ▪ Non-residents ▪ Temporary residents <p>Property:</p> <ul style="list-style-type: none"> ▪ All property types not listed under Eligible.
<p>Conventional</p>	<ul style="list-style-type: none"> ▪ Self-employed owners of a small limited or incorporated company (subject to no more than four owners). 	<ul style="list-style-type: none"> ▪ Self-employed owners of a small limited (subject to no more than four owners) ▪ A customer who owns an incorporated company is not eligible for the gross up as they receive a salary from the Corporation. Qualifying income for these applicants must be based solely on the two-year average from line 15000 of their Notice of Assessments (NOAs).
<p>Maximum Properties</p>	<ul style="list-style-type: none"> ▪ Where income is grossed-up >20% (Conventional Only): <ul style="list-style-type: none"> ○ Up to a maximum of two properties. ○ Note: Maximum two properties is waived when GDS and TDS ratios are in line. 	<ul style="list-style-type: none"> ▪ Insurer Maximum number of properties apply

<p>Maximum LTV</p>	<ul style="list-style-type: none"> ▪ 80% of the lesser of appraised value or purchase price subject to Sliding Scale. 	<ul style="list-style-type: none"> ▪ Purchase transactions: <ul style="list-style-type: none"> ○ Up to 95% for 1-2 units ○ Up to 90% for 3-4 units ▪ Maximum purchase price/property value less than \$1,500,000 																		
<p>Qualifying Income and LTV (Conventional)</p>	<p>Where income is not grossed up:</p> <ul style="list-style-type: none"> ▪ Obtain the most recent 2 years of Notice of Assessments (NOA). ▪ Calculate qualifying income using the average of Line 15000 from the NOAs. ▪ Document a reasonability rationale in the sales channel submission or in underwriter's comments. ▪ Verify that income taxes owing is either paid in full or within the acceptable tolerance threshold. ▪ Where the variance is greater than 20% (increase or decrease) from the two-year average, use the lower year's income for qualification purposes. Refer to the Fluctuating Income Policy for additional guidance. <ul style="list-style-type: none"> ○ If the average income accurately represents the applicant's actual income, submit the average income to the Credit Centre, along with an explanation of the variance. Approval from the Credit Centre is required for this approach. ○ Otherwise, the lower year's income must be used for qualification purposes. <p>Where income is grossed up:</p> <ul style="list-style-type: none"> ▪ Confirm self-employed income using the most recent two years T1 General returns (including Statement of Business and Professional Activity if applicable) and NOAs. When applicable, Schedules/Worksheets and/or Financial Statements will also need to be provided, i.e., when income is being grossed up for a borrower that owns an incorporated business. ▪ Tax Returns must show two full taxation years of BFS income. ▪ Verify the income taxes owing are paid down within tolerance threshold or paid in full using NOA. <table border="1" data-bbox="375 1934 911 2020"> <thead> <tr> <th>Line Name</th> <th>Line Number</th> </tr> </thead> <tbody> <tr> <td>Employment Income</td> <td>10100</td> </tr> </tbody> </table>	Line Name	Line Number	Employment Income	10100	<ul style="list-style-type: none"> ▪ Maximum gross up is 15% ▪ Obtain 2 years NOA and T1 Generals (including Statement of Business and Professional Activities) for all BFS borrowers. ▪ Tax Returns must show 2 full taxation years of BFS income. ▪ Confirm self-employed income using the T1 General and NOA. Income is based on a 2-year average ▪ Verify that income taxes owing is either paid in full or within the acceptable tolerance threshold. <table border="1" data-bbox="1000 856 1370 1157"> <thead> <tr> <th>Line Name</th> <th>Line Number</th> </tr> </thead> <tbody> <tr> <td>Business Income</td> <td>13500</td> </tr> <tr> <td>Professional Income</td> <td>13700</td> </tr> <tr> <td>Commission Income</td> <td>13900</td> </tr> <tr> <td>Farming Income</td> <td>14100</td> </tr> <tr> <td>Fishing Income</td> <td>14300</td> </tr> <tr> <td>Total Income</td> <td>15000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ If NOA Line 15000 is greater than the total of T1 General self-employed income Lines 13500, 13700, 13900, 14100 and 14300 then use the T1 self-employed income amount averaged over two years ▪ Where the variance is greater than 20% (increase or decrease) from the two-year average, use the lower year's income for qualification purposes. Refer to the Fluctuating Income Policy for additional guidance. <ul style="list-style-type: none"> ○ If the average income accurately represents the applicant's actual income, submit the average income to the Credit Centre, along with an explanation of the variance. Approval from the Credit Centre is required for this approach. 	Line Name	Line Number	Business Income	13500	Professional Income	13700	Commission Income	13900	Farming Income	14100	Fishing Income	14300	Total Income	15000
Line Name	Line Number																			
Employment Income	10100																			
Line Name	Line Number																			
Business Income	13500																			
Professional Income	13700																			
Commission Income	13900																			
Farming Income	14100																			
Fishing Income	14300																			
Total Income	15000																			

Taxable Dividends / Investments	12000
Business Income	13500
Professional Income	13700
Commission Income	13900
Farming Income	14100
Fishing Income	14300
Total Income	15000

- Otherwise, the lower year's income must be used for qualification purposes.
- Purchase up to 95% for properties with one to two units
- Purchase up to 90% for properties with three to four units

- Only self-employed income from the following T1 General Lines¹ is eligible to be grossed up:
 - 13500 – Business Income
 - 13700 – Professional Income
 - 13900 – Commission Income
 - 14100 – Farming Income
 - 14300 – Fishing Income
 - Note: Lines 10100 and 12000 are eligible to be grossed up for owners of incorporated companies on conventional deals only.
- Small incorporated companies (up to four owners) may elect to pay themselves a salary or dividend which will appear on line 10100 (T4 employment income) and line 12000 (Dividend Income) which is eligible to be grossed up provided consistent year over year. If NOA line 15000 is greater than the cumulative T1 General self-employed income, use the net self-employed income from the T1 General averaged over two years (applicable only when T1 General is required). Additional income from the T1 General can be used to qualify provided it meets Income Confirmation Guidelines
- Income gross up is permitted as follows and is subject to income reasonability in all cases:
 - Gross up ≤ 20%, maximum LTV of 80%
 - Minimum credit bureau score of 650
 - Gross up greater than 20%, considered a Material Exception.
 - Maximum LTV of 80%
 - Minimum beacon score of 650 where LTV is ≤ 65%
 - Minimum beacon score of 730 where LTV is > 65%
- Subject to Income Reasonability which will include a review of customers T1s and statement of business activities and/or financial statements, confirmation of savings and/or net worth.
- **Note:** If there has been greater than

	<p>20% change (increase or decrease) in the current year NOA income when compared to the two-year average, additional due diligence may be required to understand the reasons. If rationale can be provided to support the average income as reasonable and most reflective of actual consistent income, this income may be used. Otherwise, the lower year's income will be used for qualification purposes.</p>	
<p>Income Gross-Up Rationale:</p>	<p>Income gross-up amount must be rationalized.</p> <p>When Statement of Business and Professional Activity and/or other supporting document (Schedules/Worksheets and/or Financial Statements) are presented, income gross-up amount must be supported and cannot exceed the total amount of eligible expenses, except when using net income after taxes for assessing income gross up amount.</p> <ul style="list-style-type: none"> ▪ Gross-Up to 20%: <ul style="list-style-type: none"> ○ A gross up rationale will be required which can include evidence of the following (but not limited to) non-cash expenses and/or Net Income After Tax less dividend: <ul style="list-style-type: none"> From Statement of Business or Professional Activities: <ul style="list-style-type: none"> - Motor vehicle expenses - Business use of home - Capital Cost Allowance From Financial Statements: <ul style="list-style-type: none"> • Depreciation • Amortization • Net Income After Tax less dividend ▪ Gross-Up > 20%: <ul style="list-style-type: none"> ○ A gross up ration is required. It is considered a material exception and will require a detailed review of the most recent two years T1 Generals, Statement of Business and Professional Activities(if applicable), applicable income Schedules and/or certified accountant prepared financial statements 	<p>Income gross-up amount must be supported by and cannot exceed the total amount of eligible expenses.</p> <ul style="list-style-type: none"> ▪ Gross-Up to 15%: <ul style="list-style-type: none"> ○ A rationale will be required which can include evidence of the following (but not limited to) non-cash expenses: <ul style="list-style-type: none"> From Statement of Business or Professional Activities: <ul style="list-style-type: none"> - Motor vehicle expenses - Business use of home - Capital Cost Allowance

	-															
Debt Servicing	<p>-</p> <p>Total Debt Service Ratio:</p> <ul style="list-style-type: none"> • 42% with Credit Score<680 • 45% with Credit Score≥680 <p>Gross Debt Service Ratio:</p> <ul style="list-style-type: none"> • 35% with Credit Score<680 • 39% with Credit Score≥680 	<p>Total Debt Service Ratio:</p> <ul style="list-style-type: none"> ▪ 44% with a Credit Score ≥ 600 <p>Gross Debt Service Ratio:</p> <ul style="list-style-type: none"> ▪ 39% with a Credit Score ≥ 600 <p>Exceptions will not be considered above these threshold</p>														
Debts Paid for by the Business	<ul style="list-style-type: none"> ▪ Debts that are reported to the customer's credit bureau must be included in the debt servicing calculation 															
Appraisal	<ul style="list-style-type: none"> ▪ Standard appraisal policy 	<ul style="list-style-type: none"> ▪ The insurer will appraise the property 														
Maximum Amortization	<ul style="list-style-type: none"> ▪ 30 years 	<ul style="list-style-type: none"> ▪ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ▪ Up to 25 years for all other applications <p>* See section 9.1 Default Insurance for qualifying criteria</p>														
Down Payment	<ul style="list-style-type: none"> ▪ From own resources, cannot be borrowed ▪ Gift is not permitted when the application is being considered under the Net Worth Policy or when approval is based on wealth 	<ul style="list-style-type: none"> ▪ Minimum 5% from own resources without recourse to borrowing ▪ Remainder can be gifted from immediate family members but not borrowed ▪ Confirmation of Closing Cost without recourse to borrowing 														
Borrower Qualification	<ul style="list-style-type: none"> ▪ Proof of two years BFS status ▪ No previous bankruptcy ▪ Refer to documentation requirements, below 															
Professionals (Conventional)	<ul style="list-style-type: none"> ▪ Professionals such as doctors and lawyers are included in the BFS policy. When these customers are BFS (vs employed by professional firms), they are not required to own a registered business to qualify for BFS status. ▪ The documentation requirements include: <table border="1" data-bbox="467 1373 1373 1793"> <thead> <tr> <th><i>Type of Professional</i></th> <th><i>Copy of Required Documentation</i></th> </tr> </thead> <tbody> <tr> <td>Architect</td> <td>License by a provincial body (such as the Ontario Association of Architects)</td> </tr> <tr> <td>Dentist</td> <td>Certificate of Registration issued by The College of Dental Surgeons for the province</td> </tr> <tr> <td>Doctor</td> <td>Membership with the College of Physicians and Surgeons for the province</td> </tr> <tr> <td>Engineer</td> <td>License by a provincial or territorial body</td> </tr> <tr> <td>Lawyer</td> <td>Membership with the Canadian Law Society for the province</td> </tr> <tr> <td>Veterinarian</td> <td>Certificate of Registration issued by The College of Veterinary Medicine for the province</td> </tr> </tbody> </table>		<i>Type of Professional</i>	<i>Copy of Required Documentation</i>	Architect	License by a provincial body (such as the Ontario Association of Architects)	Dentist	Certificate of Registration issued by The College of Dental Surgeons for the province	Doctor	Membership with the College of Physicians and Surgeons for the province	Engineer	License by a provincial or territorial body	Lawyer	Membership with the Canadian Law Society for the province	Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province
<i>Type of Professional</i>	<i>Copy of Required Documentation</i>															
Architect	License by a provincial body (such as the Ontario Association of Architects)															
Dentist	Certificate of Registration issued by The College of Dental Surgeons for the province															
Doctor	Membership with the College of Physicians and Surgeons for the province															
Engineer	License by a provincial or territorial body															
Lawyer	Membership with the Canadian Law Society for the province															
Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province															

Documentation Requirement	<ul style="list-style-type: none"> ▪ Where income is NOT grossed up: Most recent 2 years Notice of Assessments. ▪ Where income is grossed up: <ul style="list-style-type: none"> ○ Most recent two years Notice of Assessments AND ○ T1 Generals (including Statement of Business or Professional Activities if applicable) Tax Returns must show 2 full taxation years of BFS income. ▪ When applicable, Schedules/Worksheets and/or Financial Statements will also need to be provided, i.e., when income is being grossed up for a borrower that owns an incorporated business <ul style="list-style-type: none"> ○ Note: For Quebec residents, both Federal and Quebec NOA and either a Federal or Provincial T1 are required. ▪ Down payment confirmation. ▪ Closing cost confirmation without recourse to borrowing for default insured BFS only is required. ▪ If one of the applicants is salaried or if other sources of income are included, the income must be confirmed per standard income confirmation guidelines. ▪ Purchase and Sale agreement including all addendums, and MLS (if applicable). ▪ Confirmation via written third party documentation to confirm BFS status and ownership, evidencing at least two full years of self-employment OR confirmation of professional status as noted above (not applicable for Insured deals). Documentation to confirm BFS status and ownership may include but not limited to : 	
	<p>Sole Proprietorship and Partnership</p> <ul style="list-style-type: none"> ▪ Master Business license/ Business Name Registration ▪ Business Registration ▪ GST Returns* ▪ Audited Financial Statements* ▪ Financial Statements prepared by a Licensed Accountant* ▪ Last 2 years Income Tax Returns supported by 2 years Notice of Assessments* ▪ Active Business Account opened 2 years ago or more* 	<p>Incorporated company (Up to 4 owners)</p> <ul style="list-style-type: none"> ▪ Business Registration ▪ Articles of Incorporation ▪ Active Business Account opened 2 years ago or more* ▪ T2 Corporation Income Tax Return for incorporated company (To include Schedule 50, Shareholder Information) ▪ Notice of Articles ▪ Certification of Incorporation*
	<p>*May require additional piece of 3rd party documentation to confirm business ownership</p>	

4.3. New to Canada – Insured

Overview

- This policy applies to customers who have immigrated to Canada within the last 60 months and are looking for an insured mortgage but have little/no established Canadian credit bureau history.
- For customers who are new to Canada with three months' minimum full-time employment in Canada, include details on the customer's previous employment and/or details on how their income and down payment has been generated including source of funds.
- **Note:** Indicating "New to Canada" in the customer's employment/occupation details is not acceptable (refer to the Customer Occupation section).
- For customers who are working in Canada, have permanent residence, and already have an established Canadian credit history, our regular policy will apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to

Canada applications.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Insured Mortgage ▪ Fixed Rate ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Purchase Plus Improvement ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ 1-4 units where one unit is owner-occupied principal residence ▪ New Construction (single advance) ▪ Resale ▪
Ineligible	<p>Product/Purpose:</p> <ul style="list-style-type: none"> ▪ Insured Business for Self ▪ Refinance/ Equity take out ▪ Cottage ▪ Second Homes ▪ Investor Properties ▪ TD Home Equity FlexLine <p>Property:</p> <ul style="list-style-type: none"> ▪ Non owner-occupied properties
Borrower Qualifications	<ul style="list-style-type: none"> ▪ Must have immigrated/relocated to Canada within last 60 months. ▪ Must have Landed Immigrant/ Permanent Resident Status ▪ Three months' minimum full-time employment in Canada. ▪ Borrowers transferred to Canada under relocation programs are considered on an exception basis. ▪ Guarantor's Income Confirmation required (if applicable).
Required Documentation	<ul style="list-style-type: none"> ▪ Purchase and Sale Agreement including all addendums, and MLS listing (if applicable). ▪ Standard income confirmation. ▪ Confirmation of Landed Immigrant Status (Permanent Residency Card). ▪ For borrowers with limited/ no Canadian credit history, alternative sources of credit history may be considered. <p><u>Evidence of satisfactory credit history:</u></p> <ul style="list-style-type: none"> • For Applicants with a prior US address and social security number <ul style="list-style-type: none"> ○ Copy of Equifax US credit bureau • For Insured International Applications (Excluding US): <ul style="list-style-type: none"> ○ An International credit report, OR ○ Evidence of 12-month history of rent payment and repayment of an additional financial obligation over the past 12 months (e.g., utilities, cable, childcare, insurance premiums) prior to application <p>Mandatory: Payments must be timely. No late payments.</p> <ul style="list-style-type: none"> ▪ If unable to obtain the preceding 12-month history of rent and preceding 12-month history of an additional financial obligation, LTV is limited to 90% (Sagen and Canada Guaranty only) and one of the following may be accepted: <ul style="list-style-type: none"> ▪ Satisfactory Letter of Reference from a recognized Financial Institution outlining history and past credit experience. Must be dated within 60 days of approval, or; ▪ Six months of Bank Statements from a Primary Account

	<ul style="list-style-type: none"> ○ Note: For bank statements to be deemed satisfactory, they should be clear of any indicators that would suggest borrower's cash flow is strained or would negatively impact the borrower's ability to maintain the required mortgage payments and other financial obligations (e.g. debit patterns such as mortgage/loan/credit repayment, living expenses such as rent and food flowing through the account), with no evidence of financial difficulties (i.e., no NSF items).
Debt Servicing	<ul style="list-style-type: none"> ▪ Maximum GDS Ratio <ul style="list-style-type: none"> ○ CMHC, Sagen and Canada Guaranty: <ul style="list-style-type: none"> - Up to 39% where beacon score is ≥ 600. ▪ Maximum TDS Ratio <ul style="list-style-type: none"> ○ CMHC, Sagen and Canada Guaranty: <ul style="list-style-type: none"> - Up to 44% where beacon score is ≥ 600 ▪ All debts outside of Canada must be included in the TDS. ▪ Rent earned outside of Canada is to be excluded from calculation.
Down Payment	<ul style="list-style-type: none"> ▪ All Down Payments must be verified using standard down payment confirmation guidelines ▪ Properties of 1 to 2 units: <ul style="list-style-type: none"> ○ 5% of the first \$500,000 ○ 10% of the purchase price ▪ Properties of 3 to 4 units: <ul style="list-style-type: none"> ○ 10% of the purchase price ▪ Minimum down payment must come from applicant's own resources. Remainder of the total down payment can come from borrowed sources with associated payments included in debt serviceability calculations ▪ Down payment can come from a Corporate Relocation Subsidy or be gifted by a close familial relationship (In most cases a parent, grandparent, child, sibling, spousal/common law relationship or adoption) <p>Please note: Corporate Relocation Subsidy is considered own resource provided there is no requirement of repayment, and the subsidy forms are part of the Relocation package. Evidence must be provided via the Relocation package along with proof of the deposit received prior to closing.</p> ▪ Mandatory: The source of down payment is to be included in the comments summary.
Loan to Value (LTV)	<ul style="list-style-type: none"> ▪ 1-2 units 95% to a maximum purchase price $< \\$1,500,000$ ▪ 3-4 units 90% to a maximum purchase price $< \\$1,500,000$
Amortization	<ul style="list-style-type: none"> ▪ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ▪ Up to 25 years for all other applications <p>*See section 9.1 Default Insurance for qualifying criteria.</p>

4.4. New to Canada and Returning to Canada – Conventional

Overview

This policy applies the Conventional mortgage underwriting requirements for customers who have immigrated to Canada or returned to Canada within the last 60 months, and who cannot meet standard debt serviceability based on confirmed income but whose income is reasonably expected to increase and may or may not have had sufficient time to build credit history that would allow them to qualify under our traditional mortgage financing programs.

This policy applies to customers who met all the following requirements:

- Obtained Permanent Residence status or Permanent Residents and Canadian Citizens returning to Canada on a permanent basis from another country within the last 60 months.
- Are employed in Canada with confirmed income.

- Have a TDS that exceeds standard lending guidelines, but income is reasonably expected to increase to meet standard TDS guidelines.

To support an assessment of the sources of down payment accumulation, include details and documentation on the customer's previous employment or asset sales that enabled their savings accumulation.

- For customers who can debt service, traditional financing should apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to Canada applications.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ Fixed Rate ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Single Advance ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied ▪ New Construction ▪ Resale ▪ Non-owner-occupied properties
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Non-Residents ▪ Temporary Residents
Maximum Number of Properties	<ul style="list-style-type: none"> ▪ Maximum two properties in Canada per household including the subject property. One owned property (owner-occupied, second home or recreational/cottage) in addition to the subject property. Property can be free and clear or financed with TD or another financial institution.
GDS/TDS	<ul style="list-style-type: none"> ▪ TDS >45% to < 100% <ul style="list-style-type: none"> ○ Requires the equivalent of 12 months of principal, interest, and property taxes (PIT) in liquid savings in Canada and 35% down payment. ▪ TDS ≥ 100% (excludes non-owner-occupied properties) requires the minimum liquid asset requirement below, which does not include the 12 months PIT and the 35% Down Payment requirements: <ul style="list-style-type: none"> ○ Exceptions to liquid asset requirement are not permitted. ○ \$100,000 in liquid assets for loan ≤ \$1 million ○ \$250,000 in liquid assets for loans > \$1 million ▪ TDS ≤80% for non-owner-occupied properties. No exceptions to the TDS for non-owner-occupied properties <ul style="list-style-type: none"> ○ Please note: non-owner-occupied properties requires the liquid asset requirement below, which does not include the 12 months PIT and the 35% Down Payment requirements: ○ Exceptions to liquid asset requirement are not permitted. Liquid asset For non-owner-occupied properties cannot be gifted: ○ \$250,000 in liquid assets for loans ≤\$500,000 ○ \$500,000 in liquid assets for loans >\$500,000

	<ul style="list-style-type: none"> The applicant profile must support a reasonable expectation of income growth to support a TDS of no more than 45% based on current confirmed Canadian employment and income, prior experience, education, training, and other factors All debts outside of Canada must be included in the TDS. Where current TDS is < 45%, standard lending policy should be used
Credit Worthiness	<ul style="list-style-type: none"> Customers may/or may not have established credit Canada. For applications with no/limited Canadian credit history – copy of foreign credit report or evidence of established credit history via six months of credit cards or bank statements from the country of origin that demonstrates evidence of credit repayment history. <p>Please note: If there is a credit bureau, all trades must be in good standing with no derogatory trades for any of the borrowers (Foreign (including US) & Canadian credit bureau)</p>
Maximum LTV	<ul style="list-style-type: none"> Lesser of 65% or Sliding Scale, no exceptions
Amortization	<ul style="list-style-type: none"> Maximum 30 years
Appraisal	<ul style="list-style-type: none"> Full appraisal is required
Income	<ul style="list-style-type: none"> Income must be confirmed as outlined in the Income Confirmation section. <p>For the scenarios below that allow exceptions or waivers to the standard Income Confirmation Guidelines, <u>rationale in the comments from the Sales Channel and Underwriters are required.</u></p> <hr/> <ul style="list-style-type: none"> Customer must be employed full-time in Canada for a minimum of three months. Evidence must be obtained to prove the minimum three months employment. <ul style="list-style-type: none"> <u>Exception for the 3 months minimum full-time employment in Canada can be considered under the following scenarios:</u> <ol style="list-style-type: none"> Customers who are being relocated/transferred to Canada by their employer. Customer with an offer of employment provided future start date is within 3 months of the application submission date. Waivers of probation can be considered for shorter tenure. For Fixed Income only (non-fluctuating salary or Minimum guaranteed hourly wages). Annual New to RESL document is not required if not available due to job tenure (e.g., employment tenure in Canada is less than 1 yr.) however a Letter of Employment and current income document are required. For fluctuating income and where annual income documents for the last two years are not available, only base income will be used and a letter of employment and one of pay stub or direct deposit is required. For Business for Self-applicants, refer to the Business for Self-policy for income documentation requirements. <ul style="list-style-type: none"> Where the New to Canada client has less than 2 years BFS, obtain the most recent 1-year NOA and full T1 General as income confirmation along with confirmation of BFS for a minimum of 1 year in Canada e.g., Business License, Business Registration, Articles of Incorporation, GST Returns, Audited Financial Statements or Financial Statements prepared by licensed Accountant, active business account opened 1 year ago confirming applicant is the owner of the business. Please note: If NOA Line 15000 is greater than the total of T1 General self-employed income Lines 10100, 12000, 13500, 13700, 13900, 14100 and 14300 then use the T1 self-employed income amount.

	<ul style="list-style-type: none"> ○ When using 1-year NOA/T1 Generals, a gross up is not permitted and a minimum income of \$15,000 is required. No exceptions are permitted for this income requirement • If customer has filed taxes in Canada, copy of most recent Notice of Assessment or T1 General to confirm no outstanding taxes owing. For taxes owing above the tolerance threshold the customer(s) must provide proof that the amount has been paid down within tolerance threshold or paid in full prior to, or at the time of funding the application as a condition of credit. Tolerance threshold per borrower is the lesser of: 5% of line 15000 on the most recent Notice of Assessment or \$5000 Note: <ul style="list-style-type: none"> ○ For Quebec residents, when Federal NOAs are provided as the type of document confirming income, the most recent (one year) Provincial (Revenue Quebec) Notice of Assessment is required. Both Federal and Provincial (most recent) NOAs must be reviewed to determine if any income taxes are owed and paid within policy threshold. As such, the taxes owing threshold is a combined amount of Provincial and Federal taxes owing. • For Investor Properties-Refer to the Investor Policy for requirements
<p style="text-align: center;">Down Payment</p>	<ul style="list-style-type: none"> • Standard Down Payment and Closing Cost Guidelines apply. ▪ Submission commentary for both the sales and underwriting must always include a narrative on the reasonability of the customers accumulation of down payment and 12 months of principal, interest and tax payments (PIT) based on prior income sources and asset sales that enabled the savings. Obtain documentation to verify the submission commentary. • In addition to the 35% down payment requirement, applicant(s) must provide evidence of the equivalent of 12 months of principal, interest, and tax payments (PIT) in liquid savings in Canada to illustrate the ability to generate income and save in previous country/employment. <ul style="list-style-type: none"> ○ This requirement is above the current 90-day history in the Down Payment Guidelines. • Gifted down payment and 12 months PIT is only available for owner-occupied properties and are limited to immediate family members (e.g., parents, grandparents, child, sibling). Note: Gifted funds are not permitted for non-owner-occupied properties. • For Investor Properties: <p>Gifts for down payment, 12 months PIT and liquid asset requirements are not eligible for investor properties.</p> <ul style="list-style-type: none"> ○ Non-owner-occupied properties requires the liquid asset requirement below, which does not include the 12 months PIT and the 35% Down Payment requirements (Exceptions to liquid asset requirement are not permitted. Liquid asset requirement for non-owner-occupied properties cannot be gifted): <ul style="list-style-type: none"> ○ \$250,000 in liquid assets for loans ≤\$500,000 ○ \$500,000 in liquid assets for loans >\$500,000 <p>Liquid assets are required to be in Canada for a minimum 90 days prior to submission date of the application (The total for the liquid assets does not include Down Payment and the 12-month PIT); Assets do not have to be with TD. Refer table below for eligible sources of liquid assets.</p> <p>Eligible sources of liquid assets Note:</p> <ul style="list-style-type: none"> • Assets must be in Canada for a minimum of 90 days at the time of application, but do not need to be held at TD. Down payment guideline to be followed to confirm 90 days history. • 90 days history does not apply to Real Estate Equity in sold property.

	<table border="1"> <thead> <tr> <th data-bbox="365 189 824 231">Eligible</th> <th data-bbox="824 189 1286 231">Ineligible</th> </tr> </thead> <tbody> <tr> <td data-bbox="365 231 824 903"> <ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF margined at 30% (limited to 50% of the required liquid assets if the required assets are <\$500K) ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Real Estate Equity in sold properties confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property¹ ▪ Guaranteed Investments Certificate (GIC) including non-redeemable GICs </td> <td data-bbox="824 231 1286 903"> <ul style="list-style-type: none"> ▪ Gifted Assets ▪ Margin Investment Accounts ▪ RESP Holdings ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity on unsold properties ▪ Assets jointly owned/shared with a person not on the application ▪ RDSP Holdings ▪ Assets in a Locked in Registered Account </td> </tr> </tbody> </table>	Eligible	Ineligible	<ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF margined at 30% (limited to 50% of the required liquid assets if the required assets are <\$500K) ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Real Estate Equity in sold properties confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property¹ ▪ Guaranteed Investments Certificate (GIC) including non-redeemable GICs 	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ Margin Investment Accounts ▪ RESP Holdings ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity on unsold properties ▪ Assets jointly owned/shared with a person not on the application ▪ RDSP Holdings ▪ Assets in a Locked in Registered Account 	
Eligible	Ineligible					
<ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF margined at 30% (limited to 50% of the required liquid assets if the required assets are <\$500K) ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Real Estate Equity in sold properties confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property¹ ▪ Guaranteed Investments Certificate (GIC) including non-redeemable GICs 	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ Margin Investment Accounts ▪ RESP Holdings ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity on unsold properties ▪ Assets jointly owned/shared with a person not on the application ▪ RDSP Holdings ▪ Assets in a Locked in Registered Account 					
Borrower Qualifications	<p>New Immigrants:</p> <ul style="list-style-type: none"> ○ Must be resident of Canada with Landed Immigrant Status confirmed via Permanent Residency Card (PRC) with an issue date no older than 60 months prior to the date of application. ○ Do not keep copy of PRC in file. Instead, document: Name, Number and Issue Date of PRC in submission comments as evidence that a review of Landed Immigrant / Permanent Residency Status has taken place. Please note: PR date is based on the "PR since" date on the back of the PR card ○ Must be Landed Immigrant/ Permanent Resident no more than <i>five</i> years. <p>Returning Canadian Citizen/Permanent Resident:</p> <ul style="list-style-type: none"> ○ Applicants must be residents of Canada with Landed Immigrant Status confirmed via a Permanent Resident Status Card (PRC) or Canadian citizenship confirmed from one of the following: Canadian Passport, Canadian Citizenship or Naturalization Card/Certificate, Certificate of Indian Status (Canadian) or Secure Certificate of Indian Status (Canadian). ○ Applicants must have returned to Canada for no more than 60 months. ○ Do not keep copy of the PRC or other document supporting Canadian citizenship in the file. Instead, provide document: Name, Number and Issue Date of PRC or other document supporting Canadian citizenship in submission comments as evidence that a review of the documents has taken place. Please note for Permanent Resident Card: PR date is based on the "PR since" date on the back of the PR card. ○ Confirmation of Canadian Citizenship or Permanent Residency Card via sales commentary and Evidence of prior out of country study, work, or residence: <ul style="list-style-type: none"> ○ Documentation provided with the application including income confirmation, accumulation of down payment and 12 months 					

	<p>principal, interest and taxes evidence must support the customer declared return to Canada date.</p> <ul style="list-style-type: none"> ○ Where evidence does not support that the applicant(s) have returned to Canada within the last 60 months (i.e., Credit History, length of relationship with TD) request additional documentation to ensure policy compliance. The additional documents will depend on the specific customer situation but could include direct pay deposit on out of country bank statement or copy of sale agreement of home in previous country.
--	---

4.5. Temporary Residents

Overview

- Applicants under these guidelines are not permanent residents and are foreign resident/non-Canadian (provided borrowers and/or property meet requirements under the [Prohibition on the Purchase of Residential Property by Non-Canadians Act](#)) and will typically be employed by established, well respected companies who are being relocated to Canada for a specific period for work purposes.
- Maximum exposure one (1) property in Canada
- Refer to Borrower Eligibility for important information as it relates to the Act.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Conventional Mortgage (Fixed Rate & Closed VIRM) ○ TD Home Equity FlexLine ▪ Insured: <ul style="list-style-type: none"> ○ Mortgage (Fixed Rate and Closed VIRM) <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Purchase ○ Refinance / Equity Take Out ○ Refer to 1.5.2 ▪ Insured: <ul style="list-style-type: none"> ○ Purchase ○ Purchase Plus Improvements <p>Property:</p> <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Owner-occupied – maximum one unit ○ New Construction ○ Resale ▪ Insured: <ul style="list-style-type: none"> ○ 1-4 units where one unit is owner occupied principal residence
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Purchase with Improvement ○ Refinance with Improvement <p>Property:</p> <ul style="list-style-type: none"> ▪ Conventional:

	<ul style="list-style-type: none"> ○ Investor ○ Multi-unit ○ Recreational <ul style="list-style-type: none"> ▪ Insured: <ul style="list-style-type: none"> ○ Investor Properties ○ Recreational Properties
LTV	<p>Conventional:</p> <ul style="list-style-type: none"> ▪ For Purchase: <ul style="list-style-type: none"> ○ Lesser of 80% LTV for conventional Mortgage subject to Sliding Scale. ○ Lesser of 65% LTV for conventional TD Home Equity FlexLine subject to Sliding Scale. ▪ For Refinance: <ul style="list-style-type: none"> ○ Lesser of 65%LTV for conventional financing subject to Sliding Scale. <p>Insured:</p> <ul style="list-style-type: none"> ○ 1-2 units 95% LTV to a maximum purchase price < \$1,500,000 ○ 3-4 units 90% LTV to a maximum purchase price < \$1,500,000
Amortization	<p>Conventional:</p> <ul style="list-style-type: none"> ▪ Maximum of 30 years <p>Insured:</p> <ul style="list-style-type: none"> ▪ Up to 30 years for insured financing for First Time Home Buyers and all purchasers of newly constructed homes* ▪ Up to 25 years for all other applications. *See section 9.1 Default Insurance for qualifying criteria.
Debt Servicing	<ul style="list-style-type: none"> ▪ Maximum GDS Ratio* <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater ▪ Maximum TDS Ratio* <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 44% where beacon score is 680 or greater <p>* TD Mortgages requiring default insurance are restricted to a maximum GDS 39% and/or TDS 44% where bureau/credit score is ≥ 600, exceptions will not be considered above these thresholds.</p>
Credit Bureau	<ul style="list-style-type: none"> ▪ For Conventional deals: <ul style="list-style-type: none"> ○ For customers with a US address and social security number, the customer can provide a copy of the Equifax US credit bureau. ○ For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the Underwriter for review: <ul style="list-style-type: none"> ▪ Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR ▪ Six months of bank statements from the country of origin demonstrating satisfactory credit repayment ○ Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g., debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the Underwriter. ▪ For CMHC insured deals: <ul style="list-style-type: none"> ○ CMHC will obtain copies of the international credit bureau if the country of origin is the United States.

For Applicants with a US address and social security number

- Copy of Equifax US Credit Bureau

For Insured International Applications (excluding US)

- An International Credit report
- Or
- Evidence of 12 months rent payment and payment of an additional financial obligation over the past 12 months, (e.g., utilities, cable, childcare, insurance premiums)

Mandatory: Payments must be timely. No late payments

There may be cases where the customer may be unable to obtain the 12-month history of rent and 12-month history of an additional financial obligation, **one** of the following may be accepted:

- Satisfactory Letter of Reference from a recognized Financial Institution outlining history and credit experience. Must be dated within 60 days of approval
- Or
- 6 months of satisfactory Bank of Statement from Primary Account

Note: For bank statements to be deemed satisfactory, they should be clear of any indicators that would suggest borrower's cash flow is strained or would negatively impact the borrower's ability to maintain the required mortgage payments and other financial obligations (e.g. debit patterns such as mortgage/loan/credit repayment, living expenses such as rent and food flowing through the account), with no evidence of financial difficulties (i.e., no NSF items). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the underwriter.

- **For Sagen/Canada Guaranty insured deals:**

- The Underwriter will forward the credit bureau to Sagen/Canada Guaranty for insured mortgages.

For Applicants with a US address and social security number

- Copy of Equifax US Credit Bureau

For Insured International Applications (excluding US)

- An International Credit report
- Or
- Evidence of 12 months rent payment and payment of an additional financial obligation over the past 12 months, (e.g., utilities, cable, childcare, insurance premiums)

Mandatory: Payments must be timely. No late payments

There may be cases where the customer may be unable to obtain the 12-month history of rent and an additional financial obligation over the past 12 months, **one of the** following may be accepted, however please note that for **Sagen and Canada**

Guaranty the LTV will be limited to 90%

- Satisfactory Letter of Reference from a recognized Financial Institution outlining history and credit experience. Must be dated within 60 days of approval or
- 6 months of satisfactory Bank of Statement from Primary Account.

Note: For bank statements to be deemed satisfactory, they should be clear of any indicators that would suggest borrower's cash flow is strained or would negatively impact the borrower's ability to maintain the required mortgage payments and other financial obligations (e.g. debit patterns such as mortgage/loan/credit repayment, living expenses such as rent and food flowing through the account), with no evidence of financial difficulties (i.e., no NSF items). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the underwriter.

	<p>TD Mortgage Solutions (TDMS) will review and verify the validity of all reference letters and forward the letters of reference to the insurers for review for all insured requests.</p>
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Standard borrower eligibility criteria apply. ▪ Customer must have relocated to Canada within the last 24 months, must be eligible to work in Canada and must be employed in Canada for a minimum of three months. Confirmation of valid Canadian Employment Authorization Form (Work Permit form 1442). ▪ Program not available to diplomats or foreign political parties that do not pay income tax in Canada (in the event of a foreclosure TD is unable to enforce against a diplomat). ▪ Must confirm sale of principal residence in their home country or be able to carry both properties. <p>**Note: The Temporary Resident requirements under the Prohibition on the Purchase of Residential Property by Non-Canadians Act overrides TD policy for all exempted individuals with the exception of:</p> <ul style="list-style-type: none"> • Accredited members of foreign missions in Canada. These individuals are not eligible for financing with TD. <p>Verbal confirmation by customer that they meet the borrower's eligibility of the Act is acceptable. However, all other documentation requirements as per TD policy still applies.</p>
Income Confirmation	<ul style="list-style-type: none"> ▪ Confirm income as declared on the application using a letter of employment indicating length of contract in Canada and no probationary period plus one current income document. ▪ Business for Self is not eligible.
Down Payment	<ul style="list-style-type: none"> ▪ For Conventional, follow standard Income Confirmation, Down Payment & Closing Cost Policy except gifted down payment must be from immediate family (grandparent, mother, father, child, sibling). <ul style="list-style-type: none"> • Insured: <ul style="list-style-type: none"> ○ Properties of 1 to 2 units: <ul style="list-style-type: none"> ○ 5% of the first \$500,000 ○ 10% of the amount exceeding \$500,000 ○ Properties of 3 to 4 units: <ul style="list-style-type: none"> ○ 10% of the purchase price ○ Minimum down payment must come from applicant's own resources. Remainder of the total down payment can come from borrowed sources with associated payments included in debt serviceability calculations ○ Down payment can come from a corporate Relocation Subsidy or be gifted by a close familial relationship <p>Please note: Corporate Relocation Subsidy is considered own resource provided there is no requirement of repayment, and the subsidy forms are part of the Relocation package. Evidence must be provided via the Relocation package along with proof of the deposit received prior to closing</p> ▪ In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds.

4.6. Non-Residents

Overview

- Applicants under these guidelines are Canadian citizens/permanent residents or foreign residents/non-Canadians (provided borrowers and/or property meet requirements under the [Prohibition on the Purchase of Residential Property by Non-Canadians Act](#)) that do not reside in Canada.
- Canadian citizens or permanent residents with ties in Canada (active credit history, established savings in Canada) who are temporarily relocated to another country by their employer are not to be considered non-residents and may qualify under standard lending guidelines.
- Maximum exposure of 2 properties (financed with TD) per non-resident investor.
- Confirmation and verification of the customer's identity is required under [Know Your Customer Guidelines](#).
- Solicitor's Preliminary Report must be completed with the customer present. Out of country signing of the Mortgage Loan Agreement is not permitted.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ Fixed Rate ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance (for existing TD Mortgages only) ▪ Transfer In ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Non owner-occupied (Rental) properties up to four units, ▪ Recreational properties meeting conventional standards. ▪ Purchases for family members to live in on a rent-free basis (Second Home).
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ TD Home Equity FlexLine ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase with Improvements ▪ Refinance with Improvements ▪ Refinance (for non-TD Mortgage) ▪ Net Worth Policy
LTV	<ul style="list-style-type: none"> ▪ Maximum 65% LTV subject to Sliding Scale ▪ No exceptions to LTV are permitted
Down Payment	<ul style="list-style-type: none"> ▪ Minimum 35% following standard Down Payment guidelines except gifted down payment must come from immediate family (grandparent, mother, father, child, sibling). ▪ In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds.
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Full Appraisal Required
Amortization	<ul style="list-style-type: none"> ▪ 30 years
Debt Servicing	<ul style="list-style-type: none"> ▪ All debts including housing costs from principal residence are included in the debt servicing calculations ▪ Standard debt servicing calculations applies. ▪ Maximum GDS Ratio: <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater ▪ Maximum TDS Ratio: <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 45% where beacon score is 680 or greater

Credit Bureau	<ul style="list-style-type: none"> ▪ The customer's complete address from their country of origin will be required by TD Mortgage Solutions (TDMS) to enable the credit investigation. ▪ For customers with a US address and US social security number, the customer can provide a copy of the Equifax US credit bureau. ▪ For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the Underwriter for review: <ul style="list-style-type: none"> ○ Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR ○ Six months of bank statements from the country of origin demonstrating satisfactory credit repayment ▪ Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g. debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the Underwriter.
Income Confirmation	<ul style="list-style-type: none"> ▪ Standard income confirmation is required ▪ Business for Self is not eligible

4.7. Port Policy

Overview

- The Port Policy rebates all or part of the prepayment charge and allows mortgage customers to take their existing rate, rate discount and term with them when they move or refinance to another mortgage.
- A minimum of \$20,000 in new money is required for Broker ports or refinances.
- **Important:**
 - Comments to the Underwriter must indicate that the customer is applying for a port and increase.
 - Port Policy does not apply to a TD Home Equity FlexLine Term Portion.

Guidelines:

Subject	Description
Prepayment Charge	<ul style="list-style-type: none"> ▪ Do not quote prepayment charges based on an "Information Statement". Valid Discharge Statements can only be ordered if within 30 days of the discharge date. Prepayment charge amounts are not locked in until the Discharge Statement is ordered. ▪ Since the new ported mortgage amount is greater than the discharged mortgage amount (minimum \$20,000 new money required) then no prepayment charge is due. ▪ For non-concurrent closings (new mortgage funding either before or after the existing mortgage is discharged), prepayment charge is payable in full by the mortgagors at the time of mortgage discharge. ▪ Customers are responsible for paying any applicable prepayment charges upon the discharge of the existing mortgage. Full or partial refunds of prepayment charges will be paid to the customer(s) upon the closing of a ported mortgage funding within 120 days of the discharge.
Eligibility	<ul style="list-style-type: none"> ▪ Minimum of one existing borrower on title must be on the new mortgage. <ul style="list-style-type: none"> ○ Note: Mortgage Guarantors are ineligible. ▪ The benefits of ports can only accrue to one mortgage. ▪ The funding date for the new mortgage must be within 180 days before or after the payout of the original mortgage. ▪ Refinance or purchase and sale deals. ▪ Purchases and Sale: <ul style="list-style-type: none"> ○ There must be a firm agreement of purchase and sale, and the mortgage funding date for the purchase must be within 180 days before or after the payout date of the existing mortgage.

	<ul style="list-style-type: none"> ○ If the purchase occurs prior to the sale, then purchase and sale agreements for both transactions must have all conditions waived. ▪ Refinance: <ul style="list-style-type: none"> ○ The discharge of the old mortgage must be concurrent with the funding of the new mortgage. ○ Subject Properties ○ Non-Subject Properties ○ The Mortgage being paid out must have been funded more than 120 days prior to be eligible. ▪ Mortgage to Builder Single Advance Builder deal must be closing within 120 days. 																								
Ineligibility	<ul style="list-style-type: none"> ▪ The following products and deals are not eligible under the Port Policy: <ul style="list-style-type: none"> ○ Closed VIRMs (fixed rate to VIRM; VIRM to fixed rate) ○ One Year Open ○ Terms less than four months remaining ○ Assumed mortgages ○ Porting to a builder single advance closing > 180 days ○ Refinance Plus Improvement Deals ○ Purchase Plus Improvements Deals ○ TD Home Equity FlexLine Term Portion ▪ Brokers cannot process a port for less than the discharged mortgage amount or when there is less than \$20,000 in new money. These transactions can only be considered at a TD Branch. ▪ Note: If a port is not eligible and the customer would like to proceed with a new mortgage, then they will be responsible for prepayment charges on the discharged mortgage. ▪ Refinance: ▪ If the Mortgage being discharged funded within the last 120 days it is ineligible. 																								
Rate and Term	<ul style="list-style-type: none"> ▪ The existing remaining term and rate is always transferred to the new mortgage. ▪ If the new mortgage amount is equal to the existing mortgage balance, the existing rate and rate discount is transferred. ▪ If the new mortgage amount is greater than the existing mortgage balance, the existing rate is transferred with additional funds priced at current rates. The final rate is a blended rate of the existing and new rates. ▪ If the rate has been booked and the closing date changes even within 120 days of closing, the booked rate will be lost for ported mortgages. Please contact your Regional or Inside Sales Manager if there is a change in closing date, within the rate expiry period and within the same term for the increase funds. <table border="1" data-bbox="571 1257 1284 1705" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td></td> </tr> <tr> <td>3 to 8</td> <td>6</td> </tr> <tr> <td>9 to 17</td> <td>12</td> </tr> <tr> <td>18 to 29</td> <td>24</td> </tr> <tr> <td>30 to 41</td> <td>36</td> </tr> <tr> <td>42 to 53</td> <td>48</td> </tr> <tr> <td>54 to 65</td> <td>60</td> </tr> <tr> <td>66 to 77</td> <td>72</td> </tr> <tr> <td>78 to 89</td> <td>84</td> </tr> <tr> <td>90 to 101</td> <td>84 (96 not offered)</td> </tr> <tr> <td>102 to 113</td> <td>120 (108 not offered)</td> </tr> <tr> <td>114 to 120</td> <td>120</td> </tr> </table>			3 to 8	6	9 to 17	12	18 to 29	24	30 to 41	36	42 to 53	48	54 to 65	60	66 to 77	72	78 to 89	84	90 to 101	84 (96 not offered)	102 to 113	120 (108 not offered)	114 to 120	120
3 to 8	6																								
9 to 17	12																								
18 to 29	24																								
30 to 41	36																								
42 to 53	48																								
54 to 65	60																								
66 to 77	72																								
78 to 89	84																								
90 to 101	84 (96 not offered)																								
102 to 113	120 (108 not offered)																								
114 to 120	120																								
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 30 years where the LTV is 80% or less ▪ Insured: Maximum of 25 years 																								
Default Insured Port	<ul style="list-style-type: none"> ▪ While LTV for purchase is limited to 90%; CMHC/Sagen/Canada Guaranty will consider higher LTVs when the new ratio is equal to or less than the original LTV ratio. ▪ Original mortgage is not in arrears and will be discharged prior to the funding of the new insured mortgage. 																								

	<ul style="list-style-type: none"> ▪ The mortgagor is the same as the mortgagor who paid the original CMHC/Sagen/Canada Guaranty mortgage insurance premiums. ▪ Original mortgage and new mortgage are on the borrowers' principal and/or secondary residence only. ▪ Customer's principal residence is located in Canada. ▪ If mortgage is "ported" to a new purchase property and the mortgage amount and LTV is less than the existing mortgage, no new insurance premium is applicable (straight ports). ▪ Property for the new principal residence must have a value range considered acceptable by CMHC/Sagen/Canada Guaranty for the proposed mortgage insurance balance.
Reinvestment Fee	<ul style="list-style-type: none"> ▪ This fee is charged on closed fixed rate and closed variable rate mortgages if paid in full for any reason before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the Mortgage loan is renewed. ▪ The fee is not included in the prepayment charge amount and is not refundable.

4.8. Replacement Policy

Overview

- The Replacement Policy rebates all or part of the prepayment charge when:
 - A customer has already paid, or is being charged, three months' interest on the discharge of an existing TD Mortgage/TD Home Equity FlexLine with a Term Portion, **AND**
 - The customer replaces the discharged credit product within a year with a new closed term TD Mortgage/TD Home Equity FlexLine with a Term Portion at a new rate and term.
 - Note: Mortgage/FlexLine Term Portion balance transfers are allowed within 120 days of maturity, waiving compensation (includes 3 months interest and IRD and CashBack claw back).

Note: Replacements are allowed within 120 days of maturity, waiving prepayment charges (includes both the three months' interest or IRD).

Guidelines:

Subject	Description
Eligibility	<ul style="list-style-type: none"> ▪ Minimum of one existing borrower on title must be on the new TD Mortgage or TD Home Equity FlexLine. <ul style="list-style-type: none"> ○ Note: Mortgage Guarantors are ineligible. ▪ There must be a minimum increase of \$20,000 in a closed term Mortgage or TD Home Equity FlexLine Term Portion for new and refinance applications. ▪ Only one borrower on title is eligible to take advantage of the Replacement Policy. ▪ Replacement must occur within one year of Mortgage/Term Portion discharge. Reverse replacement (purchase closes before sale) only valid when the new TD Mortgage or TD Home Equity FlexLine Term Portion is advanced within 180 days prior to the discharge of current Mortgage/Term Portion. ▪ Only applicable when the prepayment charge on the discharging product is the three months' interest prepayment charge. If the charge is IRD it is always payable. ▪ Available to both Refinance and Purchase and Sale deals. ▪ Refinance: <ul style="list-style-type: none"> ○ Refinance of a non-subject property is <u>only permitted</u> when the customer is selling a subject property with an existing TD Mortgage/FlexLine Fixed Rate Term Portion and is moving that TD Debt to another property they already own (proof of sale must be in credit file). ○ If the Mortgage/FlexLine Term Portion being discharged funded within the last 120 days it is ineligible for a refund.
Restrictions	<ul style="list-style-type: none"> ▪ IRD rebates are not available unless within 120 days of maturity. ▪ Brokers cannot process a replacement Mortgage or TD Home Equity FlexLine Term Portion when the new mortgage amount is less than or equal to the discharging amount plus the required \$20,000 increase. These transactions can

	<p>only be considered at a TD Branch.</p> <ul style="list-style-type: none"> ▪ Note: If Replacement is not eligible, and the customer would like to proceed with a new Mortgage/FlexLine Term Portion, then they will be responsible for prepayment charges on the discharged Mortgage/FlexLine Term Portion. ▪ Refinance: <ul style="list-style-type: none"> ○ If the Mortgage/FlexLine Term Portion being discharged funded within the last 120 days it is ineligible for a refund. 								
Rate and Term	<ul style="list-style-type: none"> ▪ The existing TD Mortgage/TD Home Equity FlexLine with a Term Portion must be replaced by: <ul style="list-style-type: none"> ○ A new closed term TD Mortgage (fixed or variable) or TD Home Equity FlexLine with a Term Portion, and ○ Amount must be greater than the discharged TD Mortgage or TD Home Equity FlexLine Term Portion. ○ There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion. 								
Calculating Prepayment Charges	<p>Discharge of a Fixed Rate TD Mortgage or TD Home Equity FlexLine Term Portion:</p> <ul style="list-style-type: none"> • Replacement rebate is always based on three months' interest prepayment charge less any IRD amount, if applicable. • IRD is always payable. If the IRD amount is greater than the three months' interest prepayment charge, no rebate is available. If three months' interest is higher than IRD, the customer may be eligible for refund of the difference. <p style="text-align: center;">Prepayment Charge Example for Fixed Rate:</p> <table border="1" data-bbox="594 894 1305 1031" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Description</th> <th style="text-align: center;">Calculation</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Three months' interest prepayment charge:</td> <td style="text-align: right;">\$2,500</td> </tr> <tr> <td style="text-align: right;">IRD:</td> <td style="text-align: right;">\$1,000</td> </tr> <tr> <td style="text-align: right;">Customer rebated:</td> <td style="text-align: right;">\$1,500</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ Discharge of a Closed VIRM: <ul style="list-style-type: none"> ○ In a variable rate product, IRD is always \$0.00. Three months' interest applies when a Closed VIRM is discharged prior to maturity. 	Description	Calculation	Three months' interest prepayment charge:	\$2,500	IRD:	\$1,000	Customer rebated:	\$1,500
Description	Calculation								
Three months' interest prepayment charge:	\$2,500								
IRD:	\$1,000								
Customer rebated:	\$1,500								
Reinvestment Fee	<ul style="list-style-type: none"> ▪ This fee is charged on closed fixed rate and closed variable rate mortgages if the mortgage loan is paid in full, for any reason, before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed. ▪ The fee is not included in the prepayment charge amount and is not refundable. 								
Additional Information	<ul style="list-style-type: none"> ▪ For all Replacements including Closed VIRMs, Referral Fees will be based ONLY on the new money. If the Replacement is within 120 days from maturity or at maturity, then Referral Fees will be paid on the entire amount. ▪ Mortgage and TD Home Equity FlexLine Term Portion balance transfers are permitted when within the Extended Early Renewal Cycle, with no prepayment charge (includes three months' interest, IRD, and cashback claw back): ▪ The Extended Early Renewal Cycle occurs within 120 days of maturity. If a full balance transfer (Replacement) does not occur within 120 days, the following prepayment charge will apply: <ul style="list-style-type: none"> ○ Mortgages/Term Portions maturing in one month – no charge. ○ Mortgages/Term Portions maturing within two months – one month interest charged. ○ Mortgages/Term Portions maturing within three months – two months' interest charged. ○ Mortgages/Term Portions maturing within four months – Regular prepayment charge applies. ▪ Note: If a full balance transfer (Replacement) occurs within 120 days of maturity, prepayment charge does not apply. 								

4.9. Prepayment Charge Exceptions for Canadian Military Personnel

Overview

- Canadian Military personnel who are re-assigned within or outside of Canada by the Military and must sell their Canadian residence with a TD Mortgage or TD Home Equity FlexLineTerm Portion are eligible to have the prepayment charge (IRD or three months' interest) waived. **Note:** Exceptions do not apply to civilians employed by the Canadian Military.

Process

- Brokers must obtain confirmation (e.g. posting instruction) from the customer that they are employed by the Canadian Military and are being stationed abroad or transferred to another military base within Canada.
- Broker must forward the customer confirmation to the Underwriter with a request to amend the discharge statement and waive the IRD or three months' interest prepayment charge as the customer qualifies under this policy.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

Note: Customer eligibility under this program does not impact Broker compensation. Standard Broker Fee Eligibility as per section 2.1 applies.

4.10. Purchase/Refinance Plus Improvements

Overview:

- The Purchase with Improvements and Refinance with Improvements product provides home buyers/owners with the opportunity to make improvements to their home and allows the homeowner to borrow against the increased value of the property from non-structural renovations.
- The amount of improvements (and hence the increase in market value) that can be financed is limited to the lesser of:
 - Insured: 10% of the 'improved value' or \$100,000
 - Conventional: 20% of the 'improved value' or \$100,000**No exceptions.** Note: If total cost of improvements exceeds allowable amount to be financed, customer can pay out of pocket, providing scope of work is non-structural.
- Note: The customer(s) must pay for the renovations up front, and provide proof of payment (ex: paid invoices/receipts) prior to the second draw for improvements is released.
- Must be closed by a solicitor/notary. In-House Registration Program is not available for this product.
- Non-Structural Improvements vs Structural Improvements**
 - Non-structural improvements are upgrades that do not change the main structure of the home. Examples include but are not limited to kitchen, bathroom, or basement renovations, painting, flooring, roofing, and landscaping.
 - Structural improvements involve changes to the main structure of the home, such as major additions, increasing the square footage, expanding the home, removing load bearing walls or adding another floor.
- Important:** Purchase/Refinance with Improvements requests are processed in two advances. The first draw provides the funds to purchase/refinance, the second draw is completed after the renovations have been completed.
- Confirm that the customer is aware that:
 - They will not have access to all funds on the date of closing
 - They must make full principal and interest payments once the first advance is completed
- Renovations **MUST** be completed within 12 months of first advance
 - Exceptions to the 12-month timeframe will only be considered on a case-by-case basis post funding. The exception request must be submitted to TD at least 3 weeks prior to the 1-year anniversary.
- At the end of the 12-month construction period, the **annual prepayment privilege** noted on the Mortgage Loan Agreement (MLA) will be adjusted to reflect the total principal amount advanced. This total then becomes the new "**original principal amount**" as noted throughout the MLA.

Improved Value:

- The Improved Value is defined as the current value of the property plus the cost of improvements as confirmed by appraiser/insurer
- For insured financing, the improved value must be less than \$1,500,000.
- Note: Not all improvements increase a property's value
 -

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional and Insured Mortgage ▪ Closed Fixed Rate <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Conventional Refinance
	<ul style="list-style-type: none"> ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Properties up to four units, where at least one is owner-occupied principle residence
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured refinance <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental properties ▪ Vacation properties ▪ Cottage properties
Maximum LTV (based on the improved value of the property)	<ul style="list-style-type: none"> ▪ Conventional: 80% ▪ Insured: <ul style="list-style-type: none"> ○ Purchase 95% (properties with one and two units) ○ Purchase 90% (properties with three and four units)
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 30 years where the LTV is 80% or less ▪ Insured: <ul style="list-style-type: none"> ○ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ○ Up to 25 years for all other applications ▪ *See section 9.1 Default Insurance for qualifying criteria.
Restrictions	<ul style="list-style-type: none"> ▪ Not available for rental/investment properties, vacation or cottage properties. ▪ Solicitor/notary must be retained by the customer. TD Refinance Program is not available for this product. ▪ Reusing a collateral charge is not available for this product. ▪ Porting into Purchase/Refinance Plus Improvement deals are not permitted.
Required Documentation	<ul style="list-style-type: none"> ▪ At time of credit application submission: <ul style="list-style-type: none"> ○ Obtain a detailed list of improvements along with contractor cost estimates, quotes, invoices to support improvements. Retain copies in the file. ○ Conventional only: If Sweat Equity (owner labour) is requested, a reasonable estimate based on applicant's skills must be submitted to TD Mortgage Solutions (TDMS). Amount must not exceed 50% of minimum equity requirement of the Improvement, to a maximum of \$25,000 for conventional requests. Must be supported by two competitive quotations. <ul style="list-style-type: none"> □ Sweat equity is not an eligible down payment source for insured applications. ▪ Post funding: <ul style="list-style-type: none"> ○ Paid invoices are required for the second draw/advance to ensure all work has been completed as agreed upon at the application. We do not advance funds prior to the renovation/improvement being completed. Customers will be

required to complete a Customer Declaration with their solicitor/notary when the improvements are complete and before the final draw will be processed. This Declaration will need to be forwarded to TDMS by the solicitor/notary before the second (final) draw will be released.

- **First advance:**
 - First advance will be up to 95% of the improved value of the property minus the cost of improvement and will be provided to the customer by their solicitor/notary.
- **Second advance:**
 - Second advance of funds (cost of improved value) will only occur once the solicitor/notary has forwarded receipt of a signed declaration from the customer with paid invoices/receipts confirming that improvements have been completed as per the contractor estimates/invoices/quotes provided at the time of application. TDMS will validate that improvements have been completed in accordance with the approval. Once validated, the second advance will be disbursed to the customer via their solicitor/notary.
- Second advance is not to exceed the value of the paid invoices/receipts provided.
- Where the improvement is completed by a contractor/builder and payment is not required until after completion, then Solicitor/Notary will be required to control payment and disburse funds to contractor/builder. You must request an exception in your comments to TDMS and provide supporting documentation.
- Refer to the example below:

Advances

Deal Scenario	First Advance	Second Advance
<input type="checkbox"/> Insured Example improved value: \$495,000 <input type="checkbox"/> Current value/Purchase Price: \$450,000 <input type="checkbox"/> Improvements: \$45,000 Approved Mortgage at 95% LTV; Mortgage Amount: \$470,250 (95% of \$495,000)	$\$470,250 - \$45,000 =$ $\$425,250$	$\$470,250 - \$425,250 =$ $\$45,000$
<input type="checkbox"/> Conventional Example improved value: \$700,000 <input type="checkbox"/> Current value/Purchase Price: \$600,000 <input type="checkbox"/> Improvements: \$100,000 <input type="checkbox"/> Approved Mortgage at 80% LTV; Mortgage Amount: \$560,000 (80% of \$700,000)	$\$560,000 - \$100,000 =$ $\$460,000$	$\$560,000 - \$460,000 =$ $\$100,000$

Appraisals	<ul style="list-style-type: none"> ▪ Full appraisal required for all conventional requests. ▪ Standard appraisal fees apply. ▪ Appraised value will include improvements (improved value) ▪ Appraiser will review contractor cost estimates, quotes, invoices ▪ If the appraised value came back lower than the estimated improved value, the 'cost of improvement' must be adjusted accordingly on the request. <ul style="list-style-type: none"> ○ The second draw is based on the 'cost of improvement' amount and must be disclosed accurately in the agreements.
-------------------	---

4.11. Cottage Properties

Overview

- Conventional and Insured financing is available for purchases (refinance is available for conventional only) of quality cottage properties. Properties that do not meet all standard property criteria are not eligible for insured financing.
- Insured financing is only available through Sagen/Canada Guaranty.
- **Notes:**
 - There must be no intent to occupy these properties year-round. Properties that are occupied year-round must meet all standard property criteria.
 - Properties must be in a recognized vacation area and the Broker should be prepared to submit evidence of this fact, such as lakefront or proximity to major recreational amenities (e.g. ski facility).
 - Not applicable for Second Home or Vacation Property requests where the property, otherwise, meets standard guidelines.
 - Supplier will decline or require default insurance through Sagen/Canada Guaranty, where marketability of property is questionable.

Guidelines:

Subject	Description
Eligible	Product: <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Fixed Rate ○ Closed VIRM ▪ Insured: <ul style="list-style-type: none"> ○ Fixed rate only Purpose: <ul style="list-style-type: none"> ▪ Purchase (single advance) ▪ Refinance (Conventional applications only) ▪ New construction ▪ Existing property ▪ Refer to 1.5.2 Property: <ul style="list-style-type: none"> ▪ Single unit properties ▪ Owned land

Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Insured: <ul style="list-style-type: none"> ○ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured Refinance ▪ Purchase/Refinance with Improvements <p>Property:</p> <ul style="list-style-type: none"> ▪ Multi-unit properties ▪ Leased Land ▪ Rental Properties
Property Criteria	<ul style="list-style-type: none"> ▪ Must have a minimum of a kitchen, three-piece bathroom, bedroom and common area. ▪ Seasonal access only is acceptable (e.g. road is not plowed or only accessible by boat). ▪ No permanent heat source required (e.g. wood stove, fireplace, stove or heat blower). ▪ Water source need not be potable, however running water is required. ▪ Indoor plumbing can be chemical, portable or holding tank. ▪ Foundation may be floating if normal for area (e.g. sitting on blocks). ▪ Property must meet minimum square footage requirements of 850 to qualify for conventional financing. Valuation restricted to five acres of property. ▪ Estimated remaining economic life of the property should be a minimum of 25 years.
Maximum Loan Amount	<ul style="list-style-type: none"> ▪ Conventional: \$500,000 ▪ Insured: \$350,000
Minimum Property Value	<ul style="list-style-type: none"> ▪ Conventional: \$75,000
Maximum Property Value	<ul style="list-style-type: none"> ▪ Conventional: Not applicable ▪ Insured: less than \$1,500,000
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Full appraisal is required for both Conventional applications. ▪ The appraisal must confirm property is in a recognized vacation area, comparable exist to support the purchase price and show evidence of market activity/liquidity. ▪ Sagen/Canada Guaranty will manage the appraisal directly for insured mortgage requests.
LTV	<ul style="list-style-type: none"> ▪ Conventional (including refinances): Maximum 50% LTV subject to Sliding Scale ▪ Insured: Maximum 90% LTV
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 25 years ▪ Insured: <ul style="list-style-type: none"> ○ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ○ Up to 25 years for all other applications ▪ *See section 9.1 Default Insurance for qualifying criteria
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Conventional <ul style="list-style-type: none"> ○ Minimum credit bureau score of 680. ○ Sufficient income to service all debts including carrying costs for principal residence. ▪ Insured <ul style="list-style-type: none"> ○ Minimum credit bureau score of 680. ○ Sufficient income to service all debts including carrying costs for principal residence. ○ No prior bankruptcy or judgments, no R3s in the past 24 months. ○ No third party guarantor other than spouse is permitted for purpose of qualification. ○ No gifted down payment.
Terms / Rates	<ul style="list-style-type: none"> ▪ Six months – seven year and 10-year fixed rate ▪ Closed VIRMS

4.12. Recreational / Vacation Properties

Overview

- Recreational properties are quality properties suitable for year-round road access, potable water and septic system, electrical and heating supply as per residential standards.
- Properties are in a recognized vacation area, readily marketable residential dwellings, located in a market with demonstrated ongoing resale demand
- Estimated remaining economic life of the property should be a minimum of 25 years.

Guidelines:

Subject	Description
LTV	<ul style="list-style-type: none"> ▪ Maximum LTV 65% subject to sliding scale
Appraisal	<ul style="list-style-type: none"> ▪ Full appraisal required ▪ Subject to minimum square footage requirements
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional mortgage ▪ TD Home Equity FlexLine
Ineligible Properties	<ul style="list-style-type: none"> ▪ Business for Self Insured program ▪ Temporary Residents ▪ Purchase/Refinance Plus Improvements ▪ High Ratio Mortgage ▪ Rental properties ▪ Leased land properties
Amortization	<ul style="list-style-type: none"> ▪ Maximum of 30 years

4.13. Second Home (Insured and Conventional)

Overview

Available for high ratio financing through Sagen/Canada Guaranty where the second home is owner-occupied or occupied by the mortgagor's immediate family member on a rent-free basis. Maximum purchase price/lending value for high ratio deals must be less than \$1,500,000 with a maximum number of units allowable of one unit.

Note: Conventional applications for second owner-occupied properties follow the regular conventional application policy.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional and Insured Mortgage
	<ul style="list-style-type: none"> ▪ Fixed Rate ▪ Closed VIRM ▪ Conventional TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase Single Advance ▪ Conventional Refinance ▪ Refer to 1.5.2 <p>Property:</p> <ul style="list-style-type: none"> ▪ Single Unit Properties: <ul style="list-style-type: none"> ○ Owner-occupied ○ Occupied by an immediate family member on a rent-free basis

Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured refinance ▪ Non-Residents for insured applications ▪ Temporary Resident <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental
Property Criteria	<ul style="list-style-type: none"> ▪ Standard TD property criteria apply, including but not limited to: <ul style="list-style-type: none"> ○ Year-round road access ○ Fully serviced with municipal water and sanitary sewers, well and septic tank or a combination of both ○ Winterized with a permanent heat source ○ Located in Canada ○ Estimated remaining economic life of the property should be a minimum of 25 years
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Standard credit qualification criteria apply ▪ No R3s in last 24 months ▪ No prior bankruptcies or judgments ▪ No third-party guarantors ▪ Spousal guarantor is acceptable ▪ TDS submitted must include servicing of both properties, including taxes, heat, condo fees and/or Home Owner's Association (HOA) Fees, if applicable, for customer's principal residence
Down Payment Restriction	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Standard down payment criteria apply. ▪ Insured: <ul style="list-style-type: none"> ○ Gifted down payment from immediate family members is acceptable. Note: An immediate family member is defined as a father, mother, child, brother, sister, grandparent, legal guardian, or legal dependent. ○ Default Insured: Purchase – 95%
Amortization	<ul style="list-style-type: none"> ▪ Insured: <ul style="list-style-type: none"> ▪ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* <ul style="list-style-type: none"> ○ Note: It is not a requirement that customers own their primary residence to qualify for the purchase of a Second Home either for their own personal use or for use by an immediate family member; the customer's primary residence may be rented, or they may be living with relatives. If the client does not own their primary residence, they can still be considered a First Time Home Buyer when purchasing a Second Home. See section 9.1 Default Insurance for qualifying criteria.
	<ul style="list-style-type: none"> ▪ Up to 25 years for all other applications ▪ Conventional: Maximum of 30 years

4.14. Leased Land

Overview

- Financing residential properties where the land is leased will be considered on an exception basis.
- The lease must be a crown land or government owned lease with no current restrictions to access and no material risk of any future restrictions.
- The amortization of the mortgage must be at least five years less than the expiry date of the lease.

- A full appraisal is required for any conventional mortgages where the property is on leased land.
- Financing on leased land is not available in Quebec.
- TD Home Equity FlexLines are not eligible.

Land Lease Criteria

- A copy of the signed lease must be retained in the credit file.
- The land lease must be reviewed with approval comments indicating that the lease was found to be satisfactory, including:
 - The remaining term of the lease, including term extension requested through a refinance application, must exceed amortization of the mortgage by a minimum of five years (e.g. if the term of the lease is 20 years the maximum amortization of the mortgage cannot exceed 15 years).
 - Must be a Crown or Government lease. Note: Privately-owned land leases that were previously approved prior to November 22, 2019 are grandfathered.
 - Sample of acceptable leases include the following:
 - First Nation Leases (Reserve lands)
 - Locatee Lands – CMHC is required for all transactions regardless of LTV
 - Designated or Surrendered
 - Municipalities and Universities
 - City of Vancouver, University of BC, University of Calgary, Simon Fraser University
 - Must be in favour of the borrower; signed by the landlord and assignable to the Bank.
 - There should be no restrictions in the lease on registering a leasehold mortgage interest.
 - No restrictions or limitations on the Bank's (or Bank delegate) access to the property or resale.
 - Head Lease & Sub-Lease must be prepaid for the entire term of the lease with the exception of lease extension for refinance application. For lease extension refinance applications, TDMS to add following condition:
 - Solicitor to withhold funds to pre-pay rent from proceed of transaction for lease extension
 - The landlord must provide the lender with written notification of any defaults and allow the lender a minimum of 45 days from the date of the written notice to cure the default.
 - The landlord will not modify the lease except for renewals or extensions of the term under the Lease or accept the termination of the Lease without providing written notice prior to the effective date of the amendment.
 - The Lender should not be restricted from exercising tenant rights including but not limited to renewal rights, rights to participate in arbitration, right to receive estoppels etc.
 - If the subject property is an investor property, there should not be restrictions on renting the property in Head Lease or Sub-Lease
- **Note:** Ensure you obtain a copy of the Head Lease and Sub Lease (where applicable).

Additional requirement for Westbank First Nation application:

For any leased land located in Westbank First Nation:

- Locatee Lands do not require CMHC insurer for LTV of 80% or less
- TD has chosen a list of designated solicitors to complete all closings. No exceptions permitted.
 - Barry Porrelli
Porrelli Law
221 - 3011 Louie Drive
Westbank, BC
V4T 3E3

- Phone: 250 768-0717
Fax: 250 768-5854
- Andrea East
Pushor Mitchell LLP
301 – 1665 Ellis Street
Kelowna, BC
V1Y 2B3
Phone: 250 762-2108
Fax: 250 762-9115
- Jordan Porrelli
Porrelli Law
221 - 3011 Louie Drive
Westbank, BC
V4T 3E3
Phone: 250 768-0717
Fax: 250 768-5854
- Deanna Stone
Montgomery Miles & Stone Law Firm
510-1708 Dolphin Avenue
Kelowna, BC
V1Y 9S4
Phone: 250.980.3360
Fax: 250.868.9011
- Jennette Vopicka
Acorn Law Corporation
202-3320 Richter Street
Kelowna, BC
V1W 4V5
Phone: 778-940-3768
Fax: 250-717-7941
- Sayre Potter
Pushor Mitchell LLP
301 – 1665 Ellis Street
Kelowna, BC
V1Y 2B3
Phone: 250 762-2108
Fax: 250 762-9115

Following condition should be added to instruction to the solicitor in addition to other Leased Land Criteria conditions:

- Westbank First Nation Program
- Solicitor to obtain FCT title insurance

Guidelines:

Subject	Description
Property Type	<ul style="list-style-type: none"> ▪ Owner occupied ▪ Investor Properties – Conventional only ▪ New build (Builder Single Advance only) ▪ Resale
LTV	<ul style="list-style-type: none"> ▪ Conventional Purchase or Refinance: <ul style="list-style-type: none"> ○ 80% LTV for Conventional subject to Sliding Scale ▪ Insured Purchase: <ul style="list-style-type: none"> ○ Fixed Rate Mortgage up to 95% LTV ○ VIRM financing up to 90% LTV
Down Payment	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Minimum down payment required for a conventional mortgage is equal to 20% of the property value where 10% of the down payment is required from own sources

	<ul style="list-style-type: none"> ○ Minimum 10% from own resources ▪ Insured: For 1-2 unit property: <ul style="list-style-type: none"> ○ Purchase Price ≤\$500,000: Minimum down payment of 5%* ○ Purchase Price > \$500,000 to < \$1,500,000: Minimum down payment of 5% for portion ≤ \$500,000 and 10% for portion >\$500,000 ○ Minimum 5% from own resources For 3-4 unit property: <ul style="list-style-type: none"> ○ 10% or purchase price
Eligible Products	<ul style="list-style-type: none"> ▪ Fixed rate mortgages ▪ Closed VIRM mortgages
Ineligible Product	<ul style="list-style-type: none"> ▪ Home Equity FlexLine
Appraisal	<ul style="list-style-type: none"> ▪ A full appraisal is required (Conventional) ▪ Insurer appraises the property (Insured)
Amortization	<ul style="list-style-type: none"> ▪ Conventional – Up to 30 years ▪ Insured mortgages: <ul style="list-style-type: none"> ○ Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes* ○ Up to 25 years for all other applications
Minimum Beacon Score	<ul style="list-style-type: none"> ▪ 600

Terms	Definitions
Leased Land	Leased Land is a financial arrangement where you purchase the home/structure but lease the land on which it sits on. The land and the home/structure are owned independently.
Head Lease	The head lease or ground lease is an arrangement between the landowner and the developer and/or the landlord.
Sub-Lease	The sub-lease is an arrangement between the tenant (Borrower) and the landlord.
Pre-paid Rent (Basic Rent)	The Head Lease and the Sub-Lease must both be pre-paid for the entire term of the lease i.e. 99 years. This means that the Developer has made full payment of the lease up to the 99 years to the Landowner. The Borrower via the Purchase and Sale prepays the lease for the 99 years. This mitigates the Bank's risk in this type of transaction.
Locatee Lands	A "Locatee" is a band member who holds a Certificate of Possession issued by the Minister of Indian Affairs and Northern Development (the "Minister") for a parcel of reserve land. A Locatee with a Certificate of Possession over a parcel of reserve land has a right of possession over that land. Accordingly, Locatees may lease their land under a Locatee Lease for a specific period, however the Locatee requires the consent of both the applicable Band Council and the Minister, and if the Locatee Lease is for a term greater than 49 years, then a majority vote of the electors of the applicable First Nation is required. A lender on a Locatee Lease has limited security because a Certificate of Possession can be terminated by the Minister in certain circumstances. Therefore, CMHC insurance is required.
Designated or Surrendered Lands	The most common way for a First Nation to enter a long-term lease for a portion of its reserve lands is by "designating" such lands to the Federal Crown, which enables the Federal Crown to lease those lands on behalf of the First Nation. Reserve lands that have been designated to the Federal Crown are referred to as "Designated lands". A lease of Designated lands will usually include provisions that explicitly permit the mortgaging of the lease, and the granting of various. Rights to the mortgagee to protect the

mortgagee's interests. Accordingly, leases of Designated lands are most favored by lenders. Therefore, CMHC is not a requirement.

4.15. Investor Properties

Overview

- A maximum of *five* residential investor properties per application is permitted, including those financed by other financial institutions and those that are free and clear. **Note:** The number of investor properties owned is defined by the property, not the number of units.
- This policy applies to investor properties with up to four units.
- If greater than four units refer to the [Multi Unit Residential Website](#).
- Loan to value restrictions exist for High Ratio Owner-Occupied investor properties.
- TD only participates in the CMHC program.
- Commercial content is maximum 20% of square footage for conventional TD Mortgages or TD Home Equity FlexLines only.

Guidelines:

Subject	Description
LTV	<ul style="list-style-type: none"> ▪ Conventional Purchase or Refinance: <ul style="list-style-type: none"> ○ For borrowers with only one investor property: <ul style="list-style-type: none"> - Purchases and refinances are available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). - Purchase and refinance applications up to 80% are permitted for those with a credit bureau score > 730. ○ For borrowers who own more than one investor property: <ul style="list-style-type: none"> - Purchases: <ul style="list-style-type: none"> • Available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). • Credit applications up to 80% are permitted for those with a credit bureau score > 730. - Refinances: <ul style="list-style-type: none"> • Available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). ▪ Insured Purchase: <ul style="list-style-type: none"> ○ LTV not to exceed 80% of lending value as determined by insurer ○ Two to four units only
Down Payment	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Minimum 20% down payment from own resources. ▪ Gifted down payment is permitted with a maximum of 2 investor properties (financed with TD or OFI). ▪ Insured: <ul style="list-style-type: none"> ○ 20% down payment from own resources ○ Gift down payment is permitted
Maximum Purchase Price/Property Value	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ N/A ▪ Insured: <ul style="list-style-type: none"> ○ Refer to Section 9.1 Default Insurance
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional or Insured: <ul style="list-style-type: none"> ○ Fixed rate mortgages ○ Closed VIRM mortgages ▪ Conventional only: <ul style="list-style-type: none"> ○ TD Home Equity FlexLine ○ Mortgage Financing for Leased Land Properties
Term	<ul style="list-style-type: none"> ▪ TD Mortgage – Six months to seven years and 10 years ▪ TD Home Equity FlexLine Term Portion – One to five years closed

Appraisal	<ul style="list-style-type: none"> ▪ A full appraisal is required (Conventional) ▪ Insurer appraises the property (Insured)
Amortization	<ul style="list-style-type: none"> ▪ Conventional – Up to 30 years ▪ Insured – Up to 25 years
Minimum Beacon Score	<ul style="list-style-type: none"> ▪ 680
	<p>A. Qualifying borrowers with a subject investor property - Conventional</p> <ul style="list-style-type: none"> ▪ For a subject investor property, include: <ul style="list-style-type: none"> ○ 100% gross rental income less vacancy rate <ul style="list-style-type: none"> ○ Vacancy rate are as follows: <ul style="list-style-type: none"> ▪ GTA/GVA/Major Urban – 4% ▪ Urban – 5% ▪ Non-Urban – 6% ○ 100% of mortgage payment (principal + interest) + property tax + heating cost ○ 100% of condo/strata/HOA/leased land fees (if applicable) ○ Maintenance/repair costs greater of actual or \$1,200 per unit ○ Insurance cost greater of actual or \$350 for condo or \$1000 for freehold ○ Note: Tab 1 (Subject Rental) of Rental Worksheet can be used to calculate net rental income and account for all other expenses <p>B. Qualifying borrowers with a subject investor property – Insured</p> <ul style="list-style-type: none"> ▪ For the subject property being financed, include: <ul style="list-style-type: none"> ○ 50% of the gross rental income in personal income; and ○ 100% of PITH (Principal + Interest + Taxes + Heating + Condo Fees) in personal liabilities. <p>C. Qualifying borrowers with one or more non-subject investor properties – Conventional and Insured</p> <ul style="list-style-type: none"> ▪ For other investor properties owned by the borrower (not subject to the application), complete Tab 2 (Non-Subject Rental) from Rental Worksheet. ▪ On the Rental Worksheet, include: <ul style="list-style-type: none"> ○ 100% of gross rental income less applicable vacancy rate ○ 100% of mortgage payment (principal + interest) ○ Property taxes confirmed by T1 General or property tax statement ○ Utilities (unless it can be confirmed that utilities are paid by tenant), use the greater of actual (T1 General) or: <ul style="list-style-type: none"> ▪ Condominiums: the greater of a) property square footage x 0.40, or b) \$625 ▪ Non-condominiums: the greater of a) property square footage x 0.60 or b) \$1,000 ○ 100% of condo/strata/HOA/leased land fees (if applicable) ○ Maintenance/repair costs greater of actual or \$1,200 per unit ○ Insurance cost greater of actual or \$350 for condo or \$1000 for freehold ▪ Net Rental Income Surplus (as confirmed through the rental worksheet) must be added to qualifying income. When NOA's/T1 Generals are provided to confirm income on the application, line 12600 (Net Rental Income) must be deducted from line 15000 ▪ Net rental deficit must be added as a monthly liability. ▪ Note: Changes to standard costs are at the discretion of Underwriter and will vary depending on location of property. Any appeal to cost amendments must be supported by a T1 General. ▪ Note: When using a rental worksheet, the Supplier must vet the supporting documents against the rental worksheet to ensure it was completed correctly.

<p>Serviceability</p>	<ul style="list-style-type: none"> ▪ The Debt Service Coverage ratio (DSC) is obtained by dividing the Net Operating Income by the annual debt Service based on the qualifying rate. ▪ Applies only to borrowers with one (1) or more existing non-subject investor properties ▪ Conventional: <ul style="list-style-type: none"> ○ Minimum combined DSC must be 1.0 for borrowers who cannot confirm a minimum of \$250M in liquid assets (in addition to down payment) ○ Minimum combined DSC must be 0.5x for borrowers who can confirm a minimum of \$250M in liquid assets (in addition to down payment). ○ When the borrower owns an existing single non-subject investor property and if subject application is an owner-occupied property, DSC is not applicable, however rental worksheet is still required. ▪ Insured: <ul style="list-style-type: none"> ○ Minimum combined DSC must be 1.0. • If there is a net rental deficit, add it as a monthly liability • Exceptions for customers with TDS<42% with strong liquid net worth and deep TD relationship can be considered and escalated to RRMCG. • Refer to section 'List of Eligible/Ineligible Sources of Liquid Assets' below.
<p>Eligible Assets</p>	<ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF discounted by 30% ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Real Estate Equity in sold property confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property.¹ ▪ Guaranteed Investment Certificate (GIC) including non-redeemable GICs. <p>Note:</p> <ul style="list-style-type: none"> ▪ Assets must be in Canada for a minimum of 90 days at the time of application, but do not need to be held at TD. Down payment guideline to be followed to confirm 90 days history. ▪ 90 days history does not apply to Real Estate Equity in sold property.
<p>Ineligible Assets</p>	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ RESP Holdings ▪ Margin Investment Accounts ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity in unsold property ▪ Assets jointly owned/shared with a person not on the application ▪ RDSP Holdings ▪ Assets in a Locked in Registered Account
<p>Standard Documents Required</p>	<ul style="list-style-type: none"> ▪ Purchase: (Conventional and Insured) <ul style="list-style-type: none"> ○ Offer to Purchase ○ Personal application to be completed for all applicants and guarantors. ○ Rental income documentation, see 'Investor Property Income Documentation Required' section below. ○ Appropriate documentation to support the cost of any repairs, property taxes, insurance and utilities (if applicable) ○ Any other documentation requested by CMHC (applicable to Insured applications only) ▪ Refinance (Conventional Only): <ul style="list-style-type: none"> ○ Confirmation of any debts being refinanced ○ Personal application to be completed for all applicants and guarantors.

	<ul style="list-style-type: none"> ○ Rental income documentation, see 'Investor Property Income Documentation Required' section below Appropriate documentation to support the cost of any repairs, property taxes, insurance and utilities (if applicable)
Investor Property Income Documentation Required	<p>For Purchase & Refinance Applications: Rental reasonability assessment (including calling for market rent) may be used by the Underwriter to ensure that the rental amount is consistent within the market place of the subject/non-subject investor property.</p> <p>Purchase (Subject):</p> <ul style="list-style-type: none"> ▪ Confirmation of Gross Rental Income via assumption of existing tenants within Purchase and Sale Agreement (the amount must be explicitly outlined in the agreement) OR use of Market Rent* if rental unit(s) is vacant/not tenanted. ▪ Exception rationale must be provided by sales channel and granted by underwriter if documents other than what is noted above are being used. <p>Refinance (Subject) and Existing Non-Subject Investor Properties:</p> <ul style="list-style-type: none"> ▪ Evidence of last two months rental deposits OR use of Market Rent* if rental unit(s) is vacant/not tenanted, AND ▪ Most recent taxation year T1 General (inclusive of Statement of Real Estate Rentals) is required to provide evidence that current and historical rents are consistent (regardless of whether the customer owned the investor property in the previous year) ▪ When the subject or existing non-subject investor property was rented out and is not reported in the most recent taxation year T1 General Statement of Real Estate Rentals, the sales channel must provide exception rationale. The underwriter may consider the use of this income on an exception basis with strong rationale to support. ▪ Supporting due diligence may be requested or completed to support the value of the rental deposit amount when the investor property was not reported in T1 General Statement of Real Estate Rentals. <p>*Market Rent:</p> <ul style="list-style-type: none"> ▪ This is a qualified opinion of reasonable market rents for the subject/non-subject investor property within the market area, for both conventional and insured applications. ▪ Market rent is permitted for a maximum of 2 investor properties. ▪ Opinions are acceptable only when they are provided in the TD Full Appraisal. The appraisal report needs to include information of the rental market in the area of the subject property per appraiser association standards. ▪ Only the lowest market rent in the appraisal report is permitted for use in the debt service calculations. ▪ When we receive rental deposits and market rent report – Underwriter must use the lower of the two in the debt service calculation. ▪ Market Rent should be obtained when property is vacant/not tenanted. ▪ Note: Only market rents for finished/rentable units are eligible application is for a Purchase/Refinance Plus Improvements or Builder Single Advance. Market Rent is acceptable for unfinished units in these scenarios as specs and plans for completion are provided to the appraiser by the Broker. <p>Maximum LTV when using Market Rent on the Subject Property:</p> <ul style="list-style-type: none"> ▪ For Purchase Applications: Up to 80% LTV where market rent is being used. ▪ For Refinance Applications: Opinion of market rent can be used where LTV is ≤ 65%. <ul style="list-style-type: none"> ○ Exceptions may be considered for LTV > 65% for customers with strong net worth and a deep TD relationship and must be escalated to RRMCG.

Assignment of Rents	<ul style="list-style-type: none"> ▪ All provinces except British Columbia: <ul style="list-style-type: none"> ○ Assignment of Rents is included in the Standard Charge Terms - a separate Assignment of Rents document is not required. ▪ British Columbia: <ul style="list-style-type: none"> ○ In BC a separate Assignment of Rents clause must be added to the mortgage registration for Assignment of Rents to be enforceable. ○ TDMS must advise the solicitor/FCT to register the mortgage with this clause "Solicitor to register charge with Assignment of Rents" for all rental properties (Purchases and Refinances applications) including owner-occupied rentals and is required regardless whether FCT or Solicitor is used.
----------------------------	--

4.16. Six-Month Convertible Mortgage

Overview

This mortgage lets a customer benefit from the typically lower interest rate of a six-month mortgage, with the option of converting to a longer closed term at any time during the six months at no cost.

Guidelines:

Subject	Description
Term	<ul style="list-style-type: none"> ▪ Six months ▪ Convert to a longer term at any time throughout the term
Interest Rate	<ul style="list-style-type: none"> ▪ Fixed for six months ▪
Financing Available	<ul style="list-style-type: none"> ▪ Conventional and insured ▪ Purchase price / lending value must be less than \$1,500,000 if LTV > 80%
Payment Options	<ul style="list-style-type: none"> ▪ All payment options are available
Payment Flexibility	<ul style="list-style-type: none"> ▪ Payments can be increased by up to 100% over term ▪ Prepayments up to 15% of the original principal amount per year without charge ▪ Mortgage may be prepaid in full upon payment of a three months' interest or IRD prepayment charge, whichever is greater ▪ Payment Pause, Payment Vacation available

4.17. Variable Interest Rate Products

Overview

- A variable interest rate credit product is subject to interest rate fluctuation.
- It is available for conventional and high ratio TD Mortgages and with a TD Home Equity FlexLine Term Portion.
- Unless specifically stated in this section, variable interest rate credit products are subject to the same requirements as fixed rate credit products.
- TD Mortgage – Only closed, 5-year Variable Interest Rate Mortgages (VIRMs) are available through the Broker Channel. Based on TD Mortgage Prime Rate (note that is not the same as TD Prime Rate used for Term Portions).
- TD Home Equity FlexLine Term Portion – Only closed, 3-year or 5-year variable rates are available through the Broker Channel. Based on TD Prime Rate (note this is not the same as TD Mortgage Prime Rate used for VIRMs).

Guidelines:

Subject	Description
Interest Rate	<ul style="list-style-type: none"> ▪ Interest Rate will change automatically if and when the TD Mortgage Prime Rate (for mortgages) or TD Prime Rate (for Term Portions) changes.

	<ul style="list-style-type: none"> ▪ Interest rate is expressed as if calculated monthly (MLA) or semi-annually, not in advance (TPAA). ▪ Ratios should be calculated using the Qualifying Rate for qualification purposes. Refer to the Qualifying Rate section for details. ▪
Down Payment	<ul style="list-style-type: none"> ▪ High Ratio: Minimum of 5% down payment from own resources without recourse to additional borrowings (Maximum 95% LTV of the lesser of the appraisal value or purchase price.) Subject to LTV restrictions for owner occupied rentals. ▪ Conventional: Minimum of 20% down payment, with 15% from own resources without recourse to additional borrowings (Maximum 80% LTV of the lesser of the appraisal value or purchase price).
Eligible Properties	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Available for new or existing owner-occupied and investor properties with up to and including four units ○ Available for purchase from a builder (single advance) ▪ Insured: <ul style="list-style-type: none"> ○ CMHC deals: <ul style="list-style-type: none"> - Available for new or existing owner-occupied properties up to and including four units - Available for purchase from a builder (single advance) - Not available on investor properties ○ Sagen/Canada Guaranty deals: <ul style="list-style-type: none"> - Purchase transactions: maximum four units where at least one unit must be occupied as the principal residence - Non-purchase transaction: maximum two units where at least one unit must be owner-occupied as the principal residence - Available for purchase from a builder (single advance) - Not available on investor properties
Restrictions	<ul style="list-style-type: none"> ▪ Not portable – Cannot port a variable rate product since the rates cannot be blended. ▪ Not transferrable – Cannot transfer a variable rate product; however, it can be replaced. Refer to the Replacement Policy. ▪ Not assumable – Cannot arrange for a customer to take over an existing mortgage for another customer for the same property when financing has a variable rate.
Principal and Interest Payments	<ul style="list-style-type: none"> ▪ Payments are fixed for the entire term. <ul style="list-style-type: none"> ○ If the TD Mortgage Prime Rate or TD Prime Rate decreases after funding, more of the customer's payment will go towards the principal. ○ If the rate increases after funding, more will go towards interest. ▪ As interest rates on Variable Interest Rate Mortgages (VIRM) and TD Home Equity FlexLine Variable Rate Term Portions (TP) increase, there will be a point where the principal and interest payments no longer cover the interest charged. The rate above which this happens is known as the Trigger Rate. Customers who have hit the trigger rate will be notified. It is recommended that customers increase the mortgage payment, apply a lump sum payment, or convert to a fixed rate mortgage to reduce the amortization. Although no action is required by the customer at this time, at renewal, customer payments will be brought into contractual amortization which could result in a larger P + I payment. ▪ When the full amount of interest is not being paid (Trigger Rate) interest is deferred, and the balance can increase until it hits the Trigger Point. When this happens, customers are notified and they must decide to make a lump-sum payment, convert to a fixed rate term, or increase their payment amount: ▪ The definition of Trigger Point for the various lending solutions are: <ul style="list-style-type: none"> ○ Conventional VIRM: When the principal amount plus deferred interest exceed 80%LTV the customer is notified and has 30 days to either make a lump sum payment, increase their payment amount or convert to a fixed rate mortgage to bring the balance below or equal to 80% LTV. ○ TP: If at any time the outstanding principal amount (including any deferred interest) exceeds the original principal amount. Customer is notified and has 60 days to either make a lump sum payment and increase their payment amount, or convert to a Fixed Rate Term Portion. ○ Insured VIRM Mortgage: Deferred interest is capitalized and when the

	<p>outstanding principal amount exceeds 105% of the original advance amount, customer is notified and has 30 days to make a lump sum payment, increase their payment amount or convert to a fixed rate mortgage to bring balance below or equal to 105%</p> <ul style="list-style-type: none"> ▪ If rates increase between the time of application approval and funding, then the following may occur depending on the product: <ul style="list-style-type: none"> ○ VIRM – The interest rate will be recalculated at the current TD Mortgage Prime Rate on the day solicitor instructions are issued (or reissued) and the customer's payment amount may increase to cover interest charged within their contractual amortization period. This information is outlined in the MLA. ○ TP – The interest rate will be recalculated at the current TD Prime Rate on the day of funding and the customer's payment amount may increase to cover interest charged within their contractual amortization period. This information is outlined in the TPAA. ○ Important: Remind customers that the payment amount on a variable interest rate product may increase between the time of application approval and funding in a rising interest rate environment.
<p>Conversion from VIRM to Fixed Rate Mortgage</p>	<ul style="list-style-type: none"> ▪ Customers have the option to early renew a Closed VIRM into a Closed Fixed Rate term that is the lesser of either the remaining term or three years. <ul style="list-style-type: none"> ○ For example: if the remaining term is one year 11 months, the customer can early renew into a two-year term, (or longer if desired). If the remaining term is four years, the customer can choose to renew into a minimum of a three-year term, without paying a prepayment charge. Note: Remaining terms are always rounded up. ○ The new P+I payment on the Closed Fixed Rate term must be based on the remaining amortization. ○ High Ratio: Extending the amortization is not permitted.

4.18. Builder Purchase Assignment

Overview

- This product is available to finance an in-progress home build from another party and requires consent from the builder/developer to assign the Purchase and Sale Agreement. **Note:** Non-builder (i.e. resale of existing properties) assignments are not permitted.
- Brokers must obtain the following documents from the customer:
 - A copy of the original full Purchase and Sale Agreement issued by the builder, including all schedules and/or addendums. Note: This agreement will indicate if the builder allows assignments and the terms of the assignment (e.g. purchase amount, assignee limitations).
 - A copy of the executed Builder Purchase Assignment Agreement provided by the builder to confirm their consent to the assignment.

Note: The Builder Purchase Assignment Agreement cannot be the one used for resale purchases provided by the Provincial Real Estate Board. You must ensure the following information is provided on the Agreement:

 - Names of the assignor and assignee.
 - Date and signature of the assignor, assignee and builder.
 - Buyer(s) on the original Purchase and Sale Agreement must be the same as the assignor(s) on the Builder Purchase Assignment Agreement.
 - Deposit amount.
 - Total assignment purchase price. Not to include commission charges and/or assignment fees. **Note:** The assignment purchase price can be used for financing, if there is no price restriction from the builder and the assignment price is supported by the standard Property Valuation process.
 - Builder and project name.
 - Property address.
 - Closing date of the property.
- Builder Purchase Assignment deals must be completed as a Builder Single Advance application. **Note:** All Builder Single Advance deals are subject to a 120-day rate hold and require customers to use an external solicitor.
- Add a note in the comments section of the application to advise the Underwriter that this is a Builder

Purchase Assignment deal.

Eligibility

- Purchase transactions
- Single Advance Only
- Conventional or Insured TD Mortgages
- Conventional TD Home Equity FlexLines
- **Note:** Blanket appraisal is not eligible for Builder Purchase Assignment

4.19. Net Worth Policy

Overview

- This policy applies to customers whose financial picture is not captured by traditional income requirements and income levels do not meet standard debt service guidelines but have significant confirmed liquid assets.
- Applications must be submitted with confirmable Canadian income.
- **Note:** This policy should only be used if the customer does not qualify under the conventional lending policy.
- **Important:** Submission requires the following inputs be accurate:
 - Application must be submitted as "Net Worth" under Lending Program drop down.
 - Robust submission commentary including details regarding origin of assets and assessment of reasonability to repay. It's important to share the customer's complete story and include rationale for approval.
 - *Refer to the **Net Worth Submission Criteria** below for additional guidance.*
 - *Submit all required documents up front.*

Minimum Net Worth Requirement

- Minimum \$250,000 in liquid assets in Canada for a minimum of 90 days prior to application; assets do not have to be with TD.
- Additional liquid assets will be required for larger loan requests.
- Net worth requirement is in addition to funds for down payment.
- **Note:** Net worth requirement must be confirmed. Confirmation of Net Worth Requirement will follow existing Down Payment Policy guidelines.

List of Eligible/Ineligible Sources of Liquid Assets

Note:

- Assets must be in Canada for a minimum of 90 days at the time of application, but do not need to be held at TD. Down payment guideline to be followed to confirm 90 days history.
- 90 days history does not apply to Real Estate Equity in sold property.

Eligible	Ineligible
<ul style="list-style-type: none">▪ Cash, near cash, stocks and bonds (regardless of term) which are easily liquidated into cash ("Liquid Assets")▪ Liquid Assets in RRSP/RRIF will be discounted by 30% (limited to 50% of the required liquid assets if the required liquid assets are < \$500K)▪ Liquid Assets in a TFSA that are not margined▪ Liquid Assets held in a personal holding company▪ Real Estate Equity in sold property confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property¹	<ul style="list-style-type: none">▪ Gifted Assets▪ RESP Holdings▪ Margin Investment Accounts▪ Restrained savings/investments▪ Liquid Assets in an Operating Company▪ Insurance▪ Real Estate Equity in unsold property▪ Assets jointly owned/shared with a person not on the application▪ RDSP Holdings▪ Assets in a Locked in Registered Account

<ul style="list-style-type: none"> ▪ Guaranteed Investment Certificate (GIC) including non-redeemable GICs 	
---	--

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied including owner occupied rental, Second Home, Recreational & Cottage Properties ▪ Non -owner occupied investor properties (standard Investor Property Policy applies for all requirements except TDS allowed up to 80%)
Ineligible	<p>Purpose/Applicant:</p> <ul style="list-style-type: none"> ▪ Non-Residents ▪ Insured purchase or refinance
Terms	<ul style="list-style-type: none"> ▪ Fixed or Variable Rate
Amortization	<ul style="list-style-type: none"> ▪ Up to 30 years
Minimum Credit Score	<ul style="list-style-type: none"> ▪ 650 or one of the following: <ul style="list-style-type: none"> ○ US credit bureau with no derogatory trades for any of the borrowers ○ Non- US credit bureau: Copy of foreign credit report or evidence of credit history, such as a 6 months of credit card or bank statements from country of origin that demonstrates loan/mortgage repayment.
LTV	<ul style="list-style-type: none"> ▪ 80% subject to Sliding Scale where TDS<60% ▪ 65% subject to Sliding Scale where TDS>60%
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Standard Appraisal Policy
Down Payment	<ul style="list-style-type: none"> ▪ Subject to existing conventional Down Payment Policy <ul style="list-style-type: none"> ○ Except Gifted down payment is not permitted, no exception
Income Confirmation	<ul style="list-style-type: none"> ▪ Standard Income confirmation is required ▪ Applications MUST be submitted with declared Canadian Income.

<p style="text-align: center;">TDS and Minimum Liquid Assets Requirement</p>	<ul style="list-style-type: none"> ▪ No maximum TDS (owner-occupied), however required liquid assets increase as TDS rises ▪ Non-owner-occupied Investor property TDS<80% ▪ Minimum \$250,000 in liquid assets ▪ Must have liquid assets equal to the customer's total TD and OFI mortgage debt minus the amount of mortgage debt they would be eligible for at 45% TDS <ul style="list-style-type: none"> ○ Example: If the customer is eligible for \$350,000 in mortgage debt at 45% TDS but they are requesting total TD mortgage debt of \$550,000 plus they have an OFI mortgage of \$200,000 on a different home, the customer must have \$400,000 of liquid assets to qualify under this policy. <ul style="list-style-type: none"> ▪ \$550,000 in total requested TD + \$200,000 OFI RESL debt minus \$350,000 in qualifying RESL debt at 45%= \$400,000 in liquid assets. ▪ <u>Where required liquid assets are less than \$500,000</u>, no more than 50% can be from RRSP/RRIF funds (after 30% discounting) <ul style="list-style-type: none"> ▪ Example: If the customer is required to have \$400,000 in liquid assets, no more than \$200,000 can be from RRSP (after 30% discount) <p style="margin-left: 40px;">Assuming \$260,000 in RRSP's, less 30% discount =\$182,000 \$400,000 liquid assets required minus \$182,000 RRSP= \$218,000 \$218,000 must come from non- RRSP sources.</p> ▪ Total required Liquid Assets are over and above Down Payment amount. Liquid Assets follow existing Down Payment Policy except that the liquid assts must be in Canada for a minimum of 90 days prior to application. The assets do not have to be with TD.

Net Worth Submission Criteria

Subject	Description
Action Required	<ul style="list-style-type: none"> ▪ Identify customers through your conversation. ▪ Assess income reasonability and sustainability. ▪ Select "Net Worth" under Lending Program drop down. ▪ Use the comments template below to assist with strong rationale supporting your assessment.
Reasonability and Sustainability	<ul style="list-style-type: none"> ▪ Assess the reasonability of the application and the sustainability of the cash flow based on what the customer has shared with you during the conversation: <ul style="list-style-type: none"> ○ Does accumulation of assets seem reasonable related to the profession, length of employment, and age of the borrower? ○ Do the borrowers' assets indicate enhanced ability to service debt beyond their level of reported income? ○ How did the borrower accumulate their assets, and why is their reported income low(er)?
The Submission	<ul style="list-style-type: none"> ▪ Given your new knowledge of how the customer earns their income, you are now able to summarize and explain: <ul style="list-style-type: none"> ○ The customer's full financial profile, and ○ Why you are confident that the customer has the repayment capacity to support their TD financing request.
Having the Conversation	<ul style="list-style-type: none"> ▪ The key to success is to have an in-depth conversation ensuring you obtain a complete financial profile. If they have been successful in saving at least \$250,000, you should discuss the following: <ul style="list-style-type: none"> ○ How did they earn the money to accumulate their savings? Will these earnings continue? ○ How long have they had these savings? ○ Why is there a difference between stated income and NOA? ○ If they own a business, what kind of business is it? How long have they owned it? Is it a corporation? ○ Do they have other types of income confirmation they could provide?
NW Credit Submission Comments Template	<p>Collateral</p> <ul style="list-style-type: none"> ▪ PURPOSE & CLOSING / COF: <p>Character</p> <ul style="list-style-type: none"> ▪ EMPLOYMENT & INCOME: ▪ ASSETS & LIABILITIES: ▪ DOWN PAYMENT: ▪ CREDIT BUREAU: <p>Capacity</p> <ul style="list-style-type: none"> ▪ GDS / TDS: ▪ LTV / SLIDING SCALE: <p>Contact</p> <ul style="list-style-type: none"> ▪ ADDITIONAL INFO:

4.20. Professional Lending Policy

Overview

This policy applies to three key customer segments:

1. Newly licensed Health Care Professionals (Doctors and Dentists only) who have been practicing in Canada no more than 3 years.
2. Medical Residents and Fellows who are currently in their residency or fellowship program.
3. Newly licensed Veterinarians who have been practicing in Canada no more than 1 year or Veterinary students in the final year of their program.

These customers are nearing completion of their studies or are in the early stage of their career and their confirmed income may not be high enough to meet standard debt service guidelines.

Customers that meet the conventional lending policy based on confirmed income should not be submitted under the Professional Lending Policy.

Brokers MUST submit the application with customer's confirmed income and if the customer is eligible for the program, the TDMS Underwriter will amend the qualifying income using the projected income and recalculate the debt service ratios.

Income Confirmation:

Most recent 2 years NOAs and 1 Current Income Document to confirm that the borrower is employed.

Minimum Requirements for the Application Submission by the Broker:

- Satisfy all eligibility requirements prior to submission to the TDMS Underwriter. Refer to "Eligibility and Documentation" under Borrower Requirements for additional guidance.
- Include #PRO as the first comment in your Credit Submission Comments Template.
- Customer's confirmed income and current employment information must be used in the submission.

Understanding Customer's Financial Picture & Eligibility

Pre-submission - Brokers **MUST**

- Be prepared to provide advice and have a thorough conversation about affordability including how the customer plans to manage their monthly obligation based on their current net income. To help facilitate the discussion, Brokers can refer to the [Mortgage Affordability Calculator \(MAC\)](#). Include the following in their affordability conversation and identify if the requested amount is appropriate given their current net income.
 - Customer's current net income (income after deduction)
 - Actual Mortgage or FlexLine payments, property taxes, and heating expenses
 - Actual payments for outstanding credit liabilities – Student Loan or LOC, loan, lease, or credit card payments
 - Other significant living expenses should be taken to consideration
 - Customer's cashflow and debt story including details of customer's plan to cover any shortfall

NOTE:

Upon approval, underwriter will add the following condition to the Broker Commitment:
Customer acknowledges the lending amount has been approved on a projected future income.

Borrower Requirements

Policy Details	Conventional Professional Lending
Eligible Purpose	<ul style="list-style-type: none"> • Purchase • Transfer In • Refinance (Practicing Doctor and Dentist only)
Ineligible Purpose	<ul style="list-style-type: none"> • Progress Advance Construction Draw • Non-Residents • Non-Permanent Residents
Eligible Properties	<ul style="list-style-type: none"> • Owner Occupied including Owner Occupied Rental
Ineligible Properties	<ul style="list-style-type: none"> • Investor Properties • 2nd Home/ Recreational Properties • Cottage Properties
Eligible Products	<ul style="list-style-type: none"> • Mortgage • Home Equity FlexLine
Maximum number of Properties	<ul style="list-style-type: none"> • 1 (with TD, OFI, or free and clear)

Minimum Credit Score	<ul style="list-style-type: none"> • 680
Maximum LTV	<ul style="list-style-type: none"> • 80% conventional lending only
Gross Debt Service (GDS) and Total Debt Service (TDSR) Based on the projected income	<p>GDS</p> <ul style="list-style-type: none"> • 35% with Credit Score < 680 • 39% with Credit Score ≥ 680 <p>TDS</p> <ul style="list-style-type: none"> • 42% with Credit Score < 680 • 45% with Credit Score ≥ 680 <p>Note:</p> <ul style="list-style-type: none"> • TDS exceptions will not be considered for applicants in their medical residency years (excluding final year)
Maximum Amortization	<ul style="list-style-type: none"> • 30 years
Minimum Down Payment	<ul style="list-style-type: none"> • 20%
Eligibility and Documentation	<p>Practicing Doctors and Dentist Professional status subject to confirmation of the following (evidence of all):</p> <ul style="list-style-type: none"> • Proof of completion of educational requirements (i.e., graduation from an accredited Canadian or Foreign Medical or Dental school). <p>and</p> <ul style="list-style-type: none"> • Proof of accompanying professional status in Canada (i.e., license to practice) from a Canadian Medical / Dental regulatory authority including identification of specialization and • Maximum length of licensure ≤ 3 years. <p>Professional and Specialization Status Eligibility requirements are to be fulfilled by one of the following:</p> <ul style="list-style-type: none"> • Internet search from the applicable provincial Medical Regulatory Authorities or Dental Regulatory Authorities. Confirmation of search to be documented in broker credit submission commentary. • Physical document of education and licensing certification (including identification of specialization, where applicable) Evidence to be included in the credit file. <p>Medical Residents/Fellows in Canadian residency /fellowship</p> <ul style="list-style-type: none"> • Proof of completion of educational requirements (i.e., graduation from an accredited Canadian or Foreign Medical) • Proof of enrollment in a medical residency program in Canada Evidence to include the year of residency /fellowship program. <p>Practicing Veterinarians Professional status subject to confirmation of the following (evidence of all):</p> <ul style="list-style-type: none"> • Proof of completion of educational requirements, Veterinary Schools recognized by the American Veterinary Medical Association (AVMA) <p>and</p> <ul style="list-style-type: none"> • Proof of accompanying professional status in Canada, Certificate of Qualification from the National Examining Board (NEB) of the Canadian Veterinarian Medical Association (CVMA) on file <p>and</p> <ul style="list-style-type: none"> • Maximum length of licensure ≤1 year

	<p>Veterinary students in their last year of Veterinary program (evidence of all): Proof of enrollment in last year of Veterinary program in Canada. Evidence to be included in the Credit File.</p>
<p>Professional Lending Credit Submission Comments Template</p>	<p>Use the below template in every TD Professional Lending submission request with accurate information confirmed with customers.</p> <ol style="list-style-type: none"> 1. Ensure a full review of the Professional Lending Policy is completed prior to submission. 2. Include #PRO as the first comment in your Submission Comments Template. 3. Which one of the 3 customer segments do the applicants fall under: <ol style="list-style-type: none"> a. Newly licensed Health Care Professionals (Doctors and Dentists only) who have been practicing in Canada no more than 3 years. b. Medical Residents and Fellows who are currently in their residency or fellowship program. c. Newly licensed Veterinarians who have been practicing in Canada no more than 1 year or Veterinary Students in the final year of their program. 4. Obtain required proof of completion of education and additional documentation, as outlined under the eligibility and documentation section above. 5. Provide 2 most recent year's Notice of Assessment and 1 current income document to confirm income. This is the income you must include on the application.

Accredited Canadian Medical Schools	
Alberta	<ul style="list-style-type: none"> ▪ University of Alberta, Faculty of Medicine and Dentistry ▪ University of Calgary, Cumming School of Medicine
British Columbia	<ul style="list-style-type: none"> ▪ University of British Columbia, Faculty of Medicine
Manitoba	<ul style="list-style-type: none"> ▪ University of Manitoba, Max Rady College of Medicine
Newfoundland & Labrador	<ul style="list-style-type: none"> ▪ Memorial University of Newfoundland, Faculty of Medicine
Nova Scotia	<ul style="list-style-type: none"> ▪ Dalhousie University, Faculty of Medicine
Ontario	<ul style="list-style-type: none"> ▪ McMaster University, Michael G. DeGroote School of Medicine ▪ Northern Ontario School of Medicine ▪ University of Ottawa, Faculty of Medicine ▪ Queen's University, School of Medicine ▪ University of Toronto, Faculty of Medicine ▪ Western University, Schulich School of Medicine and Dentistry
Québec	<ul style="list-style-type: none"> ▪ Université Laval, Faculté de médecine ▪ McGill University, Faculty of Medicine ▪ Université de Montréal, Faculté de médecine ▪ Université de Sherbrooke, Faculté de médecine
Saskatchewan	<ul style="list-style-type: none"> ▪ University of Saskatchewan, College of Medicine

Accredited Foreign Medical and Dental Schools:

- **Medical Schools:** Schools recognized on the World Directory of Medical Schools **with a Sponsor Note**
- **Dental Schools:** Schools recognized by the Commission on Dental Accreditation of Canada (CDAC)

Table 1

Canadian Medical Regulatory Authorities

- Collège des Médecins du Québec
- College of Physicians and Surgeons of Alberta
- College of Physicians and Surgeons of British Columbia
- College of Physicians and Surgeons of Manitoba
- College of Physicians and Surgeons of New Brunswick
- College of Physicians and Surgeons of Newfoundland & Labrador
- College of Physicians and Surgeons of Nova Scotia
- College of Physicians and Surgeons of Ontario
- College of Physicians and Surgeons of Prince Edward Island
- College of Physicians and Surgeons of Saskatchewan
- Government of the Northwest Territories
- Nunavut Department of Health and Social Services, Medical Registration Committee
- Yukon Medical Council

Canadian Dental Regulatory Authorities

- Alberta Dental Association and College
- College of Dental Surgeons of British Columbia
- Manitoba Dental Association
- New Brunswick Dental Society
- Newfoundland & Labrador Dental Board
- Government of the Northwest Territories
- Provincial Dental Board of Nova Scotia
- Nunavut Registrar's Office
- Royal College of Dental Surgeons of Ontario
- Dental Council of Prince Edward Island
- Ordre des dentistes du Québec
- College of Dental Surgeons of Saskatchewan
- Government of Yukon's Professional Licensing & Regulatory Affairs Branch

Accredited Canadian Veterinarian Colleges:

- The Atlantic Veterinary College
- The Ontario Veterinary College
- Faculty of Veterinary Medicine
- Faculté De Médecine Vétérinaire

Table 2 – Doctors and Medical Resident/Fellow Specializations and Projected Incomes

Specialty	Projected Income for Medical Residents First and Second year (TDMS Use Only)	Projected Income for Medical Residents Third to Final year exclusive (TDMS Use Only)	Projected Income for Practicing Doctors and Last year of Medical Residency (TDMS Use Only)
Tier 1			
Family Medicine	\$185,000	\$225,000	\$225,000
Tier 2			
Psychiatry	\$185,000	\$225,000	\$250,000
Pediatrics			
Dermatology			
Neurology			
Physical Medicine & Rehabilitation			
Tier 3			
Anesthesiology	\$185,000	\$225,000	\$300,000

Diagnostic Radiologists			
Obstetrics/Gynecology			
Emergency Medicine			
Respirology			
Otolaryngology			
Nephrology			
Plastic Surgery			
Medical Oncology			
Endocrinology / Metabolism			
Radiation Oncology			
Critical Care Medicine			
Public Health & Preventive Medicine			
Rheumatology			
Hematology			
Geriatric Medicine			
General Internal Medicine			
Gastroenterology			
General Surgery			
Orthopedic Surgery			
Urology			
Medical Microbiology & Infectious Diseases			
Cardiovascular / Thoracic Surgery			
Neurosurgery			
Nuclear Medicine			
Clinical Immunology / Allergy			
Medical Genetics			
Occupational Medicine			
Tier 4			
Cardiology	\$185,000	\$225,000	\$350,000
Tier 5			
Ophthalmology	\$185,000	\$ 225,000	\$375,000

Table 3 – Dental Specializations and Projected Incomes

Specialty	Projected Income for Practicing Dentists (TDMS Use Only)
Tier 1	
General Practitioner Dentist	\$175,000
Endodontists	
Periodontists	
Tier 2	
Oral & Maxillofacial Surgeons	\$225,000
Orthodontists	

Table 4 – Veterinarians and Projected Incomes

Specialty	Projected Incomes for Veterinarians (TDMS Use Only)
Final Year of Veterinarian School	\$86,000
Licensed Veterinarian	

4.21. Equity Buyout Program (Insured)

Overview

Available for borrower(s) who wish to buyout another borrower(s)' interest in the property. Insured financing can only be used to acquire the departing co-borrower's interest in the property; Equity take outs and funds to payout matrimonial debts, prepayment charges and administrative fees are not permitted. The following requirements to apply:

- Available on purchase transactions up to 95% LTV.
- All parties must be currently on title on the property
- Documentation validating the remaining borrower is purchasing the departing borrowers' interest and the sale price of the property must be confirmed via the following acceptable documents:
 - An agreement of purchase and sale, AND;
 - A separation agreement or court order, note:
 - A separation agreement or court order is not required for non-spousal co-owner buyout.
 - The separation agreement is not to be retained in the credit file.
- Down payment confirmation is not required.
- Standard income confirmation guidelines apply.
- Full appraisal is required and will be completed by the insurer.
- Property must be flagged as 'Private Sale' in your comments to the underwriter.

Note: TD Home Equity FlexLine is not eligible.

4.22. Hotel Condos (Insured and Conventional)

Overview

High ratio insured (CMHC, Sagen and Canada Guaranty) and conventional financing is available for Hotel Condo units:

- These properties are generally in buildings with a combination of hotel condo units and residential condo units. They may have cost sharing arrangements and other factors that could impact marketability.
- Typically located in major metropolitan areas and operated as Luxury hotels. Units do not have occupancy restrictions and are located on a separate floor from hotel units.
- Property management for the residential condo units must be separate from the 'Hotel' segment of the building.
- Property must not be part of a rental pool, time share, etc.
- The borrower's access to shared elevators, parking, etc. is not contractually impeded by the commercial party(s).
- Title of individual residential condo is registered in the owners' names only and property is used as primary residence.
- Conventional: Maximum 65% LTV, subject to sliding scale-no exceptions
- Insured:
 - Standard LTV (maximum 95%) and Down Payment criteria for high ratio insured mortgages applies.
 - Available through CMHC, Sagen and Canada Guaranty; however, applications to Sagen would require a manual submission.
- Property must be flagged as 'Restricted' in your comments to the underwriter.

Amortization

- 25 years
 - Max amortization is 30 years for First Time Home Buyers and all purchasers of newly constructed homes for insured requests only. See section 9.1 Default Insurance for qualifying criteria.

Note: TD Home Equity FlexLine is not eligible.

4.23. TD Home Equity FlexLine

Overview

- A TD Home Equity FlexLine can be used to purchase a new home, finance renovations, or consolidate debt, allowing immediate access to available credit without the need to reapply for additional credit, subject to the terms of the agreement:
 - Customizable Revolving Portion and Term Portion
 - Borrow up to 80% total loan to value (LTV) with a Term Portion
 - All with one application and one registered charge.
- The **Revolving Portion** offers a variable interest rate that changes with the TD Prime Rate and has flexible repayment options.
- A **Term Portion** allows customers to set all or a portion (subject to minimums) of their outstanding balance into a fixed or variable interest rate with a term and amortization period, allowing them to pay-off the balance over a period of time.

Guidelines:

Subject	Description
Minimum Amount	<ul style="list-style-type: none">▪ Revolving Portion: \$20,000▪ Term Portion: \$5,000▪ Minimum Total TD Home Equity FlexLine: \$20,000
Maximum Amount (LTV)	<ul style="list-style-type: none">▪ Revolving Portion: 65% LTV▪ Term Portion: 80% LTV

Rates and Terms	<ul style="list-style-type: none"> ▪ Revolving Portion: Variable rate based on TD Prime Rate ▪ Term Portion: <ul style="list-style-type: none"> ○ A variety of fixed and variable terms. ○ Available terms include: <ul style="list-style-type: none"> • 1 to 5 year fixed closed • 3 or 5 year variable closed based on TD Prime. ○ A maximum of 40 terms portions is permitted
Amortization	<ul style="list-style-type: none"> ▪ Revolving Portion: No amortization ▪ Term Portion: Up to 30 years
Repayment	<ul style="list-style-type: none"> ▪ Revolving Portion: <ul style="list-style-type: none"> ○ Minimum of interest only monthly. ○ No prepayment restrictions. ○ Customers can request to pay a fixed payment amount, 3% of the outstanding balance, or 1% of the outstanding balance, using the full credit limit as the basis. ○ Note: Revolving Portion payments are set up as monthly interest-only at signing and can be changed at any time at a TD Branch or through EasyLine. ▪ Term Portion: <ul style="list-style-type: none"> ○ Principal and interest payments (similar to a mortgage). ○ Payments can be increased by up to 100% of the original P+I over the term. ○ Prepayments up to 15% of the original principal amount per year without charge on Closed terms. ○ Note: Term Portion payments are set up as monthly at signing and can be changed at any time at a TD Branch or through EasyLine.
Mandatory Cancellation	<ul style="list-style-type: none"> ▪ Deals that have been delayed post-activation and have not been re-activated within 10 business days, must be cancelled after that period.
Product Benefits	<ul style="list-style-type: none"> ▪ A credit product with customizable Revolving and Term Portions. ▪ Available for conventional purchases of up to 80% loan to value in a single application. ▪ Choose the size of the Revolving Portion up to a maximum of 65% loan to value. ▪ A Term Portion must be set up for the remaining amount requested up to 80% loan to value.
Payment Options	<ul style="list-style-type: none"> ▪ Any TD branch, EasyLine, EasyWeb, TD Mobile Application, ATM, by mail or pre-authorized debit (PAD). Note: PAD payments for Revolving Portions must be made from a TD Chequing or Savings account. OFI PAD payments are available for Term Portions only.
Additional Features	<ul style="list-style-type: none"> ▪ Accessible through Access Card and personalized cheques ▪ Monthly statements ▪ Annual statement for accounts with Term Portions
TD Home Equity FlexLine Template	<ul style="list-style-type: none"> ▪ Use the below Template in every TD Home Equity FlexLine submission request with accurate information confirmed from clients. <p><u>TD Home Equity FlexLine Template:</u></p> <ol style="list-style-type: none"> 1. Original Plan Limit (up to 80% LTV) = 2. Credit Limit (up to 65% LTV and minimum of \$20,000) = 3. Term Portion Amount (if applicable, minimum of \$5000 and max of Plan limit) = 4. Amount to be advanced from Revolving Portion (in addition to Term Portion Amount) =

Here is the explanation for each point:

1. Original Plan limit- This is the amount the customer is qualified for: Up to 80% LTV. Qualification is based on 30-year amortization at the qualifying rate.
2. Credit limit - This is the maximum the customer could go up to on the revolving portion. This is set by the broker/customer and can go **up to a maximum of 65% LTV**
3. Term Portion Amount - This is the amortizing component of the TD Home Equity FlexLine. Please Indicate if the customer would like a Variable or a Fixed rate for the Term Portion as per the Broker Rate for TD Home Equity Flex Line **at that time**. This can go up to a maximum of 80% LTV.
4. Amount to be advanced from Revolving Portion - This is often \$0. However, this is where you may indicate if the customer would like to draw funds from the revolving portion of the TD Home Equity FlexLine if there is room in the credit limit.

Please note:

- If the Plan Limit is greater than the Credit Limit, the difference between the Plan Limit and the Credit Limit must be put into Mandatory Term Portion. For example, if the customer would like a Plan Limit of 75% LTV and a Credit Limit of 65% LTV, then a minimum Mandatory Term Portion of 10% LTV must be programmed. If the Plan Limit is equal to Credit Limit of 65% LTV, then no Mandatory Term Portion is required.
- The customer can request the entire Plan Limit into the Term Portion at funding (max of 80%) and can still set up a Credit Limit of up to 65% LTV.
- If customer requests for the full Plan Limit into a Term Portion, access to available Revolving Portion will continue to increase as payments to the principal payments are applied up to the Credit Limit

4.24. TD Protection Plans

Overview

TD Protection Plans (TDPP) offers optional Critical Illness and Life Insurance or Life Insurance that can pay towards the outstanding balance on a mortgage or line of credit if a customer experiences an unexpected, covered event.

<i>Description</i>	Life Insurance	Life Insurance + Critical Illness Insurance*
Coverage Maximum	<ul style="list-style-type: none"> ▪ Up to \$1,000,000 ▪ Partial coverage: if mortgage balance or line of credit limit greater than \$300,000 	<ul style="list-style-type: none"> ▪ Up to \$1,000,000 ▪ Partial coverage: if mortgage balance or line of credit limit greater than \$300,000
Conditions Covered (TD Mortgage)	<ul style="list-style-type: none"> ▪ Death, covered terminal illness or accidental dismemberment 	<ul style="list-style-type: none"> • Death, covered terminal illness or accidental dismemberment, cancer (life-threatening), acute heart attack or stroke
Conditions Covered (TD Home Equity FlexLine)	<ul style="list-style-type: none"> ▪ Death or covered accidental dismemberment 	<ul style="list-style-type: none"> • Death, covered accidental dismemberment, cancer (life-threatening), acute heart attack or stroke
Eligibility	<ul style="list-style-type: none"> ▪ A Canadian resident; and ▪ 18-69 years old 	<ul style="list-style-type: none"> ▪ A Canadian resident; and ▪ 18-55 years old

*Critical Illness Insurance is only available if the customer is enrolled in Life Insurance.

Additional details for Mortgage or Line of Credit Life and Critical Illness coverages can be found at <https://www.td.com/ca/en/personal-banking/products/insurance/protect-your-mortgage/>.

Referral Process Overview

TD uses a referral process to help your customers understand their TDPP options. Your role in this process is to provide the customer with information to help them decide if they want to receive more information from TD about TDPP. Please refer to the steps below:

- 1. Broker asks customer if they'd like to learn more about TDPP:**
 - Inform your customer of their protection options early in the borrowing journey
 - Ask your customer if they are interested in learning more about TDPPs.
 - If customer has questions about TDPP, let them know that by completing a referral, a TD specialist will be happy to answer any questions they have.
- 2. Broker provides customer with Summary of Coverage:**
 - The *Summary of Coverage for Mortgage Critical Illness and Life Insurance* or the *Summary of Coverage for Line of Credit Critical Illness and Life Insurance* are available on the [TD Mortgage Solutions \(TDMS\) Portal](#) and are emailed to you as an attachment with the TD Broker Commitment email.
- 3. Broker obtains consent and completes a referral form for customer:**
 - If the customer is interested in learning more about TDPP, simply complete and submit a referral form on behalf of the customer by following the instructions. Provide them with the disclosures on the form, obtain their consent, and a TD specialist will contact them.
 - The referral form is available on the [TDMS Portal](#) and online on the [TD Protection Plans Broker Resource Centre Page](#).
- 4. Broker can view status of deals:**
 - See if deals have been referred/not referred in TDMS.
 - With customer consent (optional), brokers will receive emails from TD providing an update on their referrals at multiple points in the process.
- 5. Broker receives compensation on successfully closed referred sales:**
 - For every successful TD Mortgage Protection and TD Line of Credit Protection qualified referral, you can earn a referral fee.
 - Due to regulatory restrictions, a TD Protection Plan referral by a Broker operating under their Quebec license will not qualify for the Referral Fee.
 - Refer to [TD Protection Plan Referral Fees](#) for more information.

Sample Script to Introduce TDPP to Your Customer

"As your Broker, I want to ensure you have considered all impacts of this new home financing. An impact to consider would be what would happen if you, or the co-borrower, suffer an unexpected covered life event. After I have completed your TD Mortgage application, I would like to offer you the opportunity to speak with our TD specialist to explain your TD Protection Plan options, how does that sound?"

"You have the option of protecting your TD Home Equity FlexLine in the event you pass away or experience a covered critical illness. This coverage could help pay off or reduce your outstanding TD Home Equity FlexLine balance in case of an approved claim. Planning for these unexpected events could be very impactful to your financial future. I can refer you to a TD specialist to have a detailed conversation about your coverage options, how does that sound?"

"This TD Mortgage may be one of your largest liabilities, having protection in place may help you ease future financial obligations associated with this TD Mortgage in the case a covered life event occurs. As this is an important decision, I would like to refer you to our TD specialist, who will be able to review all your options, and how coverage may benefit you. How does that sound?"

What Your Customer Can Expect

- Through the referral form, your customer can choose to be contacted by phone, email, or both.
 - If your customer selects phone, a TD specialist will call them within a few business days to provide them with details on their TDPP options.
 - If your customer selects email, they will receive an email with additional details about TDPP options, including a link to a webpage with tools and information, and a link to apply online.
 - If your customer selects both, they will receive an email to confirm we have received a referral and a TD specialist will call your customer within a few business days to provide them with details on their TDPP options.

Important!

- As a reminder, the conversation between you and the customer is **not** a sales conversation. Based on the referral process, you are not to attempt to sell or provide advice on TD Protection Plans to customers, including refraining from discussing details related to the *TD Protection Plans Assessment tool* and *TD Protection Plans Quote Tool*. TD is available to help address any questions from customers.
- If the customer is requesting to receive information via email, please indicate that you are providing the information as per their request. Here's an example:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

Helpful Resources

- There are resources available to help you support your customer in making an informed decision about whether they would like to be referred to a TD specialist for more information about TDPP:
 - Refer to the [TD Protection Plans Broker Resource Centre Page](#) for additional resources that you can provide your customer, including links to the [TD Protection Plan Assessment Tool](#) and the [Premium Quote Tool](#). **Note:** The Broker Resource Centre web page is for Broker use only and **should not be shared** with customers.
 - Refer to the [TD Protection Plans Fact Sheet](#) and [TD Protection Plans Frequently Asked Questions](#) in the Appendix for more information on how to submit a referral form to TD.
 - Email your questions to TD Broker Protection Support at TD.brokerprotectionsupport@td.com

5. Basic Mortgage / TD Home Equity FlexLine Features and Policies

5.1. Financing Types

Overview

- All TD Mortgages and TD Home Equity FlexLines must be registered in first position.
- Minimum beacon score is 650 for conventional and insured financing.
- All properties must be located in Canada and all TD Mortgages or TD Home Equity FlexLines must be in Canadian dollars. **Note:** Properties in Canadian Territories are not eligible for financing through the Broker Channel.

Conventional Mortgages:

- TD Mortgages with Loan to Value of $\leq 80\%$, that do not have default insurance.

Conventional TD Home Equity FlexLines

- TD Home Equity FlexLines have a Plan Limit Loan to Value of $\leq 80\%$,

- The Credit Limit is the customer's chosen maximum revolving portion and may be up to a maximum of 65% LTV. A Term Portion must be set up for a minimum of the remaining requested amount up to 80% LTV

Insured Financing:

- High ratio TD Mortgages with Loan to Value > 80% must be default insured.
- TD Home Equity FlexLines are not eligible for Loan to Value > 80%.
- Low ratio insurance for mortgages is required in some higher risk instances where the LTV is < 80%.

5.2. Purpose of a Credit Application

Overview

Use this guideline to provide written comments to the Underwriter for the purpose of the account **and** reason (MANDATORY REQUIREMENT).

Eligible Loan Purposes

- Purchase
- Purchase plus Improvements
- Refinance
- Refinance plus Improvements
- Transfer In

Purpose and reason for financing

- Purchase – a customer is buying:
 - a house (owner-occupied, second home), condo, apartment
 - an investment/rental property
 - a cottage/vacation/recreational property
- Refinance – a customer is:
 - Making improvements and/or renovating:
 - home (owner-occupied, second home) or rental/investment home (interior or exterior)
 - ask the customer what the improvement is for
 - Buying personal property (non-real estate) such as a boat, trailer, furniture, jewelry, vehicle.
 - Consolidating existing debt such as closing out unsecured or secured debts (e.g. credit card, mortgage, line of credit).
 - Taking equity out of existing property for purchase of a subsequent property.
 - Looking for available credit for future use/emergency funds:
 - Ask the customer what the funds are being used for. On a best effort basis, specify what the customer intends to use the funds for in the future. However, customer may not have a specific use and therefore future use /emergency funds will be sufficient
 - Requesting a refinance for other possible reasons, such as but not limited to:
 - A customer is adding a structure on an existing property (e.g. shed, deck, pool)
 - financing a wedding
 - vacation
 - education
 - investing (e.g. GICs, TD Wealth)
 - gift (e.g. assisting a family member with down payment funds)
 - adding or removing a borrower to the account

5.3. Eligible and Ineligible Products, Properties, Purpose and Programs

Product Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional mortgages ≤ 80% LTV ▪ Closed VIRMs 	<ul style="list-style-type: none"> ▪ Conventional FlexLines ≤ 80% LTV Maximum 65% LTV on Credit Limit (Revolving Portion)

	<ul style="list-style-type: none"> ▪ Fixed Rate Mortgages (1 to 10-yr term) ▪ High ratio mortgages – must be default insured ▪ Six-month Convertible Mortgage ▪ Low ratio mortgages 	<ul style="list-style-type: none"> ▪ Fixed Rate Term Portions (1 to 5-year terms only) ▪ Variable Term Portions (3 and 5-year terms only)
Ineligible Products	<ul style="list-style-type: none"> ▪ Open Mortgages ▪ Open Variable Rate Mortgages ▪ Blanket/Interalia Mortgages ▪ Estate mortgages ▪ In Trust Mortgages ▪ Mortgages in a company name (includes Family Trust) ▪ Self-Directed RSP Mortgages ▪ Subsidized mortgages 	<ul style="list-style-type: none"> ▪ Open Term Portion ▪ Open Variable Rate Term Portion ▪ Any Insured products ▪ Blanket/Interalia Mortgages ▪ Estate mortgages ▪ In Trust Mortgages ▪ Mortgages in a company name (includes Family Trust) ▪ Self-Directed RSP Mortgages ▪ Subsidized mortgages

Property Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Properties	<ul style="list-style-type: none"> ▪ Cottage ▪ Commercial content ≤ 20% ▪ Hotel Condos (Insured) ▪ Leased Land ▪ Modular homes (Affixed to Site) ▪ Owner-Occupied ▪ Recreational/vacation ▪ Rental properties (up to four units) ▪ Second home 	<ul style="list-style-type: none"> ▪ Modular homes (Affixed to Site) ▪ Non-Owner Occupied Rental up to four units ▪ Owner Occupied ▪ Second Homes and Recreational properties meeting conventional lending guidelines
Ineligible Properties	<ul style="list-style-type: none"> ▪ Agricultural Properties ▪ Commercial Properties ▪ Commercial Content > 20% above Grade Floor Space (minor excesses can be done on exception) ▪ Co-operative housing ▪ Co-ownerships ▪ First Nations Reserve Land ▪ Former grow ops ▪ Fractional Interests ▪ Hotel Condos (Conventional) ▪ Life lease/life interest ▪ Mobile/floating/modular homes (via CLIP program) ▪ Properties in the Canadian Territories ▪ Rental Pools ▪ Single unit Rental properties (Insured) ▪ Time Share ▪ Vacant Land 	<ul style="list-style-type: none"> ▪ Agricultural Properties ▪ Commercial Properties ▪ Commercial Content > 20% above Grade Floor Space (minor excesses can be done on exception) ▪ Co-operative housing ▪ Co-ownerships ▪ Cottage Properties ▪ Commercial content ≤ 20% ▪ First Nations Reserve Land ▪ Former grow ops ▪ Fractional Interests ▪ Hotel Condos (Conventional) ▪ Hotel Condos (Insured) ▪ Leased Land ▪ Life lease/life interest ▪ Mobile/floating/modular homes (via CLIP program) ▪ Properties in the Canadian Territories ▪ Rental Pools ▪ Restricted Properties ▪ Single unit Rental properties (Insured) ▪ Time Share ▪ Vacant Land

Purpose Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Purpose	<ul style="list-style-type: none"> ▪ Bridge Loans 	<ul style="list-style-type: none"> ▪ Bridge Loans

	<ul style="list-style-type: none"> ▪ Equity Take-Out ▪ Private Mortgage Payouts through solicitors only ▪ Ports (existing TD customer moving their current mortgage to a new property) ▪ Purchase ▪ Purchase Plus improvements ▪ Refinance (existing TD customer or from another lender) ▪ Refinance Plus improvements ▪ Transfers-Ins (on non-collateral mortgages only, from approved lenders) 	<ul style="list-style-type: none"> ▪ Equity Take-Out ▪ Builder Single Advance (closing < 120 days) ▪ Purchase ▪ Refinance (existing TD customer or from another lender)
Ineligible Purpose	<ul style="list-style-type: none"> ▪ Assumptions ▪ Progress Draw Mortgages (including modular homes with multiple draws) ▪ Insured Refinance ▪ Refinance plus improvements (Insured) 	<ul style="list-style-type: none"> ▪ Assumptions ▪ Builder Single Advance (closing > 120 days) ▪ Purchase Plus Improvements ▪ Ports ▪ Progress Draws (including modular homes with multiple draws) ▪ Refinance Plus Improvements ▪ Transfer-ins

Program Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Programs	<ul style="list-style-type: none"> ▪ Business for Self (Insured and Conventional) ▪ High Net Worth ▪ New to Canada (Insured and Conventional) ▪ Non-Residents ▪ Temporary Residents 	<ul style="list-style-type: none"> ▪ New to Canada (Conventional) ▪ Business for Self (Conventional) ▪ High Net Worth ▪ Temporary Residents
Ineligible Programs	<ul style="list-style-type: none"> ▪ Professional Lending 	<ul style="list-style-type: none"> ▪ Insured New to Canada ▪ Insured Business for Self ▪ Non-Residents ▪ Professional Lending

5.4. Restricted Properties

Overview

Consideration to finance restricted properties is on an exception basis only and applications must adhere to the following parameters:

Guidelines:

Subject	Description
Boarding and Rooming Houses / Student Housing	<ul style="list-style-type: none"> ▪ These are rental properties where the rental contract may be short term in nature and generally involves renting only a 'room' ▪ Rooms may be rented on a weekly or monthly basis – turnover can be high and generally a higher level of property maintenance may be required ▪ The risks to the Bank are high turnover and a higher level of property maintenance cost ▪ Financing these types of properties is considered on a rare exception basis only depending on geographic location, existing relationship with TD and strength of the covenant(s)
Non-Conventional Construction	<ul style="list-style-type: none"> ▪ These properties include experimental construction types that do not conform to normal construction guidelines. An example is straw bale construction ▪ Financing these types of properties is considered on an exception basis only
Properties with ownership / occupancy restrictions (Excluding Age Restricted Properties)	<ul style="list-style-type: none"> ▪ These properties include restrictions such as the maximum number of days that an owner can occupy the unit each year and do not permit year around habitation (Even if the year around accessible) that can impact marketability.
Commercial Content > 20% Above Grade Floor Space	<ul style="list-style-type: none"> ▪ Properties with commercial component greater than 20% of the "above grade" floor space (i.e., main floor and above) – minor excesses can be considered as an exception.
Hotel Condominium	<ul style="list-style-type: none"> ▪ Typically located in major metropolitan areas and operated as luxury hotels. Units do not have occupancy restrictions and are located on separate floor from hotel units (see additional information in section 4.21-Hotel Condos (Insured and Conventional))
Resort Condominium	<ul style="list-style-type: none"> ▪ Typically located in rural areas and operated as Luxury resorts. Units may have occupancy restrictions, are often intermixed with the resort (hotel) and typically these sites offer the condo-owned units as either a fixed rental pool commitment or optional rental pool
Eligible Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Refinance/ Equity Take-out ▪ Single Advance
Eligible Product	<ul style="list-style-type: none"> ▪ Mortgage only
Appraisal	<ul style="list-style-type: none"> ▪ Full Appraisal
Amortization	<ul style="list-style-type: none"> ▪ 25 years
LTV	<ul style="list-style-type: none"> ▪ Maximum 65% LTV subject to sliding scale. Exceptions beyond 65% LTV will not be permitted
Maximum Loan Amount	<ul style="list-style-type: none"> ▪ \$750,000

5.5. Restricted Communities

Overview

- Restricted communities are identified based on certain physical and economic characteristics.
- Due to marketability concerns, Default Insurance is required for mortgages in these communities.
- Note: Not eligible for TD Home Equity FlexLines

- Conventional financing may be considered up to 65% LTV subject to meeting conventional standard property criteria on an exception basis only and where customer profile/net worth supports an exception approval.

Amortization

- 25 years
 - Max amortization is 30 years for First Time Home Buyers and all purchasers of newly constructed homes for insured requests only. See section 9.1 Default Insurance for qualifying criteria.

Province	Communities
Quebec	<ul style="list-style-type: none"> ▪ Murdochville
Ontario	<ul style="list-style-type: none"> ▪ Manitowadge (Hermio) ▪ Red Lake ▪ Golden
Alberta	<ul style="list-style-type: none"> ▪ Grand Cache ▪ Fox Creek ▪ Swan Hills
British Columbia	<ul style="list-style-type: none"> ▪ Gold River ▪ Logan Lake ▪ Stewart ▪ Tumbler Ridge

Properties owned by mining companies will continue to require default insurance with no exception.

5.6. Security Position

- Security for TD Mortgages and TD Home Equity FlexLines must be in first position. Second position financing is not permitted.

5.7. Purchase Agreement

- Review and retain the entire Purchase and Sale Agreement, including schedules, waivers, property disclosures, addendums, floor and site plan whenever it forms part of the Agreement.
- Waivers for condition of financing or condition for inspection are not required.
- The Purchase and Sale Agreement must be signed by both the seller and the buyer.
- Electronic signature is acceptable; however, email accepted/confirmed agreement is not. Purchase and Sale Agreements missing witness signatures are acceptable.
- All purchasers listed on the Purchase and Sale Agreement must be included on the credit application.
- Any conditions outlined on the Purchase and Sale Agreement/addendums must be reviewed to confirm they do not adversely affect the credit application or marketability of the property such as but not limited to Power of Sale, sold 'as is' and/or Handyman special, Easements on property, Restrictive covenants or structural encroachments. You must disclose any conditions that could adversely affect the credit application or marketability of the property to TD Mortgage Solutions (TDMS).
- Confirm that any 'cash backs' or any other form of financial incentives included in the body of the Purchase and Sale Agreement/addendums are deducted from the purchase price as these may affect the Loan to Value (LTV).
- For new builds (Builder Single Advance), obtain a copy of the floor plan for the model being purchased, and for all properties except high rise condominiums also obtain lot and site plans. This will help confirm the property location and the house size.
- Where property taxes have not yet been assessed or cannot be confirmed, use the minimum threshold of 0.50% (BC), 0.65% (Alberta), 0.80% (Quebec) or 0.75% (all other provinces) of the property value
- Confirm the closing date is entered correctly.
- If realtor information is blank or contains seller's name, the transaction is considered a private sale. For conventional financing, a full appraisal is required. For insured financing, the nature of the transaction must be disclosed to the insurer (e.g. private sale or realtor sale). A private sale may be listed on MLS.
- If MLS or Purchase and Sale Agreement indicate any evidence of existing tenancy or rental of the subject property, this must be closely reviewed to understand the purpose of the transaction.

5.8. Application Expiries

- TD Mortgage or TD Home Equity FlexLine approvals are valid for 180 days, after which a new approval is required.
- Credit bureaus must be less than 30 days old at the time of submission. However, they are valid for the length of the approval period (e.g. mortgage approval period of 180 days), after which a new credit bureau is required.
- Rate Holds are valid for 120 days.
- Appraisals are valid for 180 days.

5.9. Mortgage / TD Home Equity FlexLine Statements

- TD Mortgage and TD Home Equity FlexLine Term Portion statements are issued annually.
- TD Home Equity Revolving Portion statements are issued monthly
- Where a statement is required to confirm current balances (discharge, transfer, etc.) then an annual statement is not sufficient. Where it is used to confirm mortgage payments for rental worksheets for example, the amount on the credit bureau or annual TD Mortgage or TD Home Equity FlexLine statement can be used.

5.10. Square Footage Minimums

House:

- 850 Square Feet (above grade)
- Homes less than 850 Square Feet will be considered with CMHC/Sagen/Canada Guaranty coverage.

Condo:

- 440 Square Feet in Greater Toronto Area (GTA), Greater Vancouver Area (GVA) and Major Urban areas.
- 600 Square Feet in Urban and Non-Urban markets.
- Condos less than 440 Square Feet in GTA, GVA and Major Urban areas and less than 600 square feet in Urban and Non-Urban areas will be considered with CMHC/Sagen/Canada Guaranty coverage insurance.
- Status Certificates are not required at time of submission. The solicitor is responsible for the review of the Status Certificate.

5.11. Amortization

- Minimum amortization period is five years.
- Maximum amortization periods are summarized below:

Product	Maximum* – Fixed Rate, Term Portion or Closed VIRM (# Years)
Conventional Mortgages	30
Insured Low Ratio (80% LTV and lower) Mortgages	25
Insured High Ratio (over 80% LTV) Mortgages (excluding FTHB and purchasers of newly constructed homes)	25
Insured High Ratio Mortgages (over 80% LTV) - First Time Home Buyer (FTHB) and all purchasers of newly constructed homes only. See section 9.1 Default Insurance for qualifying criteria	30
Conventional FlexLine (Term Portion)	30 (Adjudicated at 25 years)

* Some specific product policies carry a lower maximum amortization threshold. The specific detail of each product is outlined in this manual.

- Amortization period is subject to the applicant's ability to make the regular payments within TD's acceptable TDS limits.
- TD will accept the Transfer In of an existing mortgage with longer amortizations, provided all other aspects of the credit request meet appropriate product guidelines.

5.12. Debt Serviceability

Overview

Calculating the debt service ratios determines if the customer can easily manage the proposed payments.

GDS Ratio

- Total of all housing costs associated with the customer's principal residence against gross income, including rent or mortgage payment, realty taxes, property taxes, heating costs, and if applicable half the condo fees or all of the lease costs. **Note:** If the actual heating cost amount is not available, heating costs will be estimated by taking into consideration factors such as property size and type of dwelling. Where the heating cost is included in the condominium maintenance fees, be sure to include a note in your comments to the Underwriter. Qualifying debt servicing ratios:
 - 35% where beacon score is less than 680*
 - Up to 39% where beacon score is 680* or greater
- In addition to condo/strata/maintenance fees, some homeowners may also be required to pay **Home Owner's Association (HOA)/Strata (including Freehold Strata) Fees** which are collected to cover costs associated with maintaining and improving properties in the association. For all applications where HOA Fees have been identified with the property, 50% HOA Fees must be included in the debt service ratio calculations by adding a note in your comments to the Underwriter.

TDS Ratio

- Total of all debt payments including housing costs used in GDS calculation against gross income. Qualifying debt servicing ratios:
 - 42% where beacon score is less than 680*
 - Up to 45% where beacon score is 680* or greater
- * Mortgages requiring default insurance are restricted to the maximum GDS 39% and TDS 44% ratios with credit score is ≥ 600 . Exceptions will not be considered above these thresholds.

Consider recommending applications with TDS slightly higher than outlined above as an exception to policy when there are other ways to mitigate the risk. For example:

- One of the obligations will be fully repaid within 2 or 3 months.
- Confirmation of additional Eligible Liquid assets in addition to down payment if applicable

List of Eligible/Ineligible Sources of Liquid Assets¹

<u>Eligible</u>	<u>Ineligible</u>
<ul style="list-style-type: none"> ▪ <u>Liquid assets are defined as cash, near cash, stocks and bonds (regardless of term) which are easily liquidated into cash.</u> ▪ <u>Liquid Assets in RRSP/RRIF discounted by 30%</u> ▪ <u>Liquid Assets in a TFSA that are not margined.</u> ▪ <u>Liquid Assets held in a personal holding company.</u> 	<ul style="list-style-type: none"> ▪ <u>RESP Holdings</u> ▪ <u>Margin Investment Accounts</u> ▪ <u>Restrained savings/investments.</u> ▪ <u>Liquid Assets in an Operating Company</u> ▪ <u>Insurance</u> ▪ <u>RDSP Holdings</u> ▪ <u>Assets in a Locked in Registered Account</u>

<ul style="list-style-type: none"> ▪ <u>Real Estate Equity in sold property confirmed via Statement of Adjustment with net proceeds outlined prior to closing of subject property²</u> ▪ <u>Guaranteed Investments Certificate (GIC) including non-redeemable GICs</u> ▪ <u>Assets must be in Canada at the time of application, but do not need to be held at TD.</u> 	
--	--

¹Above mentioned list of Eligible/Ineligible sources of Liquid Assets applicable to TDS Exceptions Only¹.

²90 days history does not apply to Real Estate Equity in sold property

- The minimum Rent/Housing costs are as follows:
 - For resident status of 'Rent' the minimum proxies must be applied:
 - Greater Toronto Area / Greater Vancouver Area - \$1,650
 - Major Urban (excluding Quebec) - \$1,450
 - Rest of Country - \$1,150
 - For other residential statuses, the following minimum costs must be applied:
 - Owned by Spouse – 50% of above noted 'Rent' proxy
 - Lives with Parents/Board * or customers from Indigenous Communities residing on reserve/settled land – 25% of above noted 'Rent' proxy**
- *Note:** For applicants who live with their parents/family and have one or more existing investor property (ies) and are requesting financing for an additional investor property, include the full rent proxy in the debt service calculation.
- **Note:** For customers from Indigenous Communities residing on reserve/settled land who can provide a letter from the First Nation community confirming that the customer is not required to pay any housing costs/rent, the housing costs/rent can be removed from the debt service calculations. Letter from First Nation must include:
- Borrower's name, First Nation's name, phone number and address
 - Date (within 60 days of original submission date)
 - Authorized signature (i.e Band Manager, Chief of Council, Housing Administrator, or authorized individual on behalf of the Nation (physical, electronic / digital signature is acceptable)
 - Confirmation of what housing costs are included/paid and that the coverage will be ongoing
- The rent/housing cost should be included in ratios when the applicants will continue to pay rent/housing costs for their primary residence. Unless the rent/housing cost amount can be confirmed to be less, the above listed proxies must be used.

Foreign Credit Bureaus

- As the credit bureau report is part of the adjudication process the Underwriter will review foreign credit bureau reports as required, as provided by the Broker.
 - Reported trades need to be converted to Canadian dollars at the current exchange rate for debt servicing ratios.
 - Include comments in the credit application indicating the current exchange rate used.

Debt Service Calculations for Existing Credit:

Type of Debt	Calculation Used
Mortgages	<ul style="list-style-type: none"> ▪ Installment Payment

<p>Fixed/Installment Loans Term Loans Demand Loans Student Loans Reserve Loans Letter of Credit or Guarantee</p>	<ul style="list-style-type: none"> ▪ Existing debts: <ul style="list-style-type: none"> ○ If term left on the loan is > three months, use monthly payment amount as reported on the credit bureau. ○ If term remaining is confirmed to be ≤ three months, then payment is not included in TDS. ▪ Debts with no payment shown on the credit bureau: <ul style="list-style-type: none"> ○ 5% of the reported outstanding balance. ○ For Government (Federal or Provincial) student loan with no payment amount, 1% of reported outstanding balance may be used. ▪ If term remaining is confirmed to be ≤ three months, then payment is not included in TDS.
<p>Student Lines of Credit</p>	<ul style="list-style-type: none"> ▪ Existing TD Student Lines of Credit: <ul style="list-style-type: none"> ○ 1% of the outstanding limit may be used. ▪ Non-TD Student Line of Credit: <ul style="list-style-type: none"> ○ If Credit Bureau reports trade as a student line of credit, 1% of the outstanding limit may be used. ○ If the Credit Bureau does not report the credit as a student line of credit, then 3% of the outstanding balance will be used.
<p>TD Unsecured Revolving Credit</p>	<ul style="list-style-type: none"> ▪ Payment equal to 3% of the outstanding balance as reported on the credit bureau. ▪ 5% of the Credit Card balance for an applicant with a Quebec address
<p>TD Secured Revolving Credit</p>	<ul style="list-style-type: none"> ▪ Full authorized limit amortized over 30 years using the customer contract rate or Bank of Canada five-year benchmark rate if contract rate is not available
<p>Non-TD Unsecured Revolving Credit</p>	<ul style="list-style-type: none"> ▪ Payment equal to 3% of the outstanding balance as reported on the credit bureau. ▪ 5% of the Credit Card balance for an applicant with a Quebec address
<p>Non-TD Secured Revolving Credit</p>	<ul style="list-style-type: none"> ▪ Full authorized limit amortized over 30 years using the Bank of Canada five-year benchmark rate or customer contract rate if known and verified on file ▪ Treat all Non-TD revolving credit with credit limit ≥ \$50,000 as 'secured', unless it is known to be an unsecured facility, then follow the "Non-TD Unsecured Revolving Credit" policy
<p>Liquid or Margin Secured Revolving Line of Credit¹</p>	<ul style="list-style-type: none"> ▪ Existing TD Secured LOC – Payment is calculated using the credit limit and interest rate over a 20-year amortization period. ▪ Existing Non-TD Secured LOC – Refer to the "Non-TD Secured Revolving Credit" policy noted above.

Customer Declared Payments	<ul style="list-style-type: none"> ▪ Payments declared by applicants must be included in debt servicing (e.g., Alimony payments, Private mortgage payments, but excludes costs such as private school or automobile insurance). <p>Example: If applicant declares any Spousal/Child support payment, Broker to obtain a copy of court order/divorce/separation agreement to confirm how much the borrower is required to pay. Reminder do not retain a copy of the court order/divorce/separation agreement in the credit file, but comments should confirm details of the document.</p> <p>Note: If the applicant does not declare any Spousal/Child support, no court order/divorce/separation agreement is needed to confirm no payment.</p>
Open Trades	<ul style="list-style-type: none"> ▪ The payment is calculated at 3% of the balance outstanding. ▪ If there is no balance outstanding, no payment in the TDS is required. ▪ Open Trades that are utilities should not be included in the TDS calculation. ▪ Note: <ul style="list-style-type: none"> ○ E.g., AMEX cards can be offered to customers as both Revolving or Open Trades with no limit. ▪ Open trades must be paid in full at the end of each month.

¹For qualifying purposes interest only payments are not permitted as part of the GDS/TDS calculations to ensure that borrowers can absorb payment shock from increases in interest rates and/or provisions within the credit that may require switch to principal reducing payments

5.13. Property Taxes

All customers are responsible for paying their own property taxes.

If a customer inquires about existing Bank Paid Property Taxes, please advise the customer to reach out to a TD Branch or TD Mobile Mortgage Specialist (MMS).

5.14. Automated Property Valuation (APV)

TD uses Automated Property Valuation (APV) to assess the value of property. If a property is not eligible for APV or APV does not return a valuation, TD Mortgage Solutions (TDMS) will condition an approved application with either a requirement for a desktop appraisal or full property appraisal to be provided by the Brokerage.

Broker Benefits:

- Quicker approval turnaround with no condition of appraisal.
- Firm up your customer's deal quicker.
- Less work for the Broker who won't have to request an appraisal.
- Better potential of closing deals.
- Reduced property valuation costs.
- Improved relationship with customers increasing potential referral business.

Customer Experience:

- When APV is utilized, the fee (\$99.00) is deducted from the customer's TD Mortgage advance or debited directly to the customer's TD Home Equity FlexLine advance. Note: The APV fee does not apply to appraisals in Quebec. Refer to [Appraisals \(Quebec Only\)](#) for more information.

- Less intrusive for the customer who won't have to schedule an appointment time with the appraiser.
- Quicker turn around on commitment from TD.
- Reduced costs for property valuation.

Tips for Successful APV:

- Proper address including postal code is critical
- Actual property tax values should be used in the application
- For refinance transactions, ensure that the property value presented is reasonable
- For refinance transactions, ensure the original purchase price and purchase date are provided with the application

Restrictions/Exclusions:

Some types of applications and properties will continue to require a full appraisal, such as, but not limited to:

Geographic Location	Property Value	Loan Amount
BC/ON/AB	>\$2,000M	>\$1,450M
Rest of Canada (ROC)	>\$1,000M	>\$800M

- Purchase and Refinance with improvements
- Rental properties
- All New to Canada applications
- BFS applications > 15% gross up
- Restricted properties
- Cottage properties
- Recreational / vacation properties
- The property has more than one unit (multiple units)
- Leasehold mortgages
- Purchases with no MLS
- Private sales
- Power of sale
- Rural / non-urban properties
- Small Communities: When insurance requirement is waived as outlined under Sliding Scale or on an exception basis by TDMS, regardless of LTV
- Leased land
- Laneway homes
- Non-resident purchases
- Non-arm's length transactions
- Properties > 5 acres.

5.15. Product Changes

Overview

A minimum of five business days are required for product changes. This is particularly important on high ratio deals where the application must go back to the insurer for approval.

New Broker Commitment Required:

Changes that require a new Broker Commitment to be printed and signed include, but are not limited to:

- Any resubmitted application that generates a new approval (includes product switches)
- A change in the borrowed amount
- A customer rate increase
- Changes to the source of down payment
- Postal code changes
- Property dwelling type
- Property usage (e.g. second home to rental)
- Amortization
- Debts to be paid
- Closing date that impacts the Interest Adjustment Date (IAD) and maturity date. **Note:** If the MLA has already been signed by the customer, then a new Broker Commitment is not required.

- Change from Insured to Conventional (or vice versa)
- Change in property value
- Change in security address
- Change in applicants or applicant's name
- Change in income disclosure (e.g. salaried to BFS)
- All changes that impact the Cost of Borrowing or Conditions of Approval
- **Note:** Some changes may also trigger a new Appropriate Assessment form. Refer to the Appropriate Product Assessment.

5.16. Resubmission

Overview

A Broker will be asked to resubmit an application:

- When there is a co-applicant/guarantor (where applicable) being added to the application.
- When there is an applicant being removed from the application.
- When a new credit bureau is required to re-adjudicate a credit request (e.g. re-adjudication of an approval/pre-approval request that exceeds the original approval/pre-approval term).
- When the name of the applicant on a credit application changes. **Note:** when the name of an applicant is only a correction, a re-submission is not required – for example, Bob Smith is changed to Robert Smith, or James MacKay is changed to James McKay.
- Where the Broker is asking for substantial changes to the application based upon the Underwriter assessment of the changes.

When a Broker is making changes to an application that do not require a resubmit, these changes should be requested from the Broker in writing to ensure they reflect the Broker request.

5.17. TD Application Protocol (formerly TD Channel Protocol) for Credit Application Conflicts

Overview

TD customers can use several channels to obtain real estate secured credit. At times, customers may submit credit applications through different channels (i.e., TD Branch, TD Mobile Mortgage Specialist, Broker, or online) for the same real estate secured property.

TD does not have a 'first in' policy. Instead, we leave it to the customer to decide on the channel. Once they have decided, all other credit application requests must be cancelled, to create a more comfortable customer experience.

When a credit application conflict occurs, TD has put in place practices for each channel to follow in order to create a fair and equitable resolution for all referral sources.

Notes:

- TD Application protocol only applies to approved full applications, not pre-approvals.
- Channels must not compete by undercutting rates offered by another channel.

TD Application Protocol for Brokers:

- Prior to any conversation, Broker must ask the customer if they are already working with TD on an application for the same real estate secured property.
- If an application exists for the same real estate secured property, then do not have any conversation about rate or campaigns.
- If the customer confirms there is an application on the system but for a different property, then Broker may proceed with a new application for the unique property.
- If the customer confirms there is an application, but wants to get a better rate, then direct the customer to the original channel/submitter for any rate conversations and to complete the application.
- If the customer confirms that you are their preferred channel, then advise the customer of the following:
 - New rate cannot be lower than the original application.

- Advise the customer that we are unable to discuss the rate until the original submitters application is cancelled and a new application is entered on the system. Please note that this application will require re-approval.
- Original application must be cancelled before a new one can be submitted
- Whether or not original application was approved, your application will still need full adjudication and may not be approved.
- Rate and Approval on the new application is not guaranteed.
- If the customer started an application with another TD channel but has subsequently decided to proceed with the Broker:
 - The Broker must advise their Regional or Inside Sales Manager (RSM or ISM) of the situation so they can notify the other channel (TD Branch Manager, MMS District Manager, or PCMR) to cancel the original application before initiating a new credit application.
 - Original submitter has 2 business days to respond and cancel the application.
 - Once the original application is cancelled by the other channel, the RSM or ISM will confirm with the Broker that they can proceed with the new credit application. They will also advise TD Mortgage Solutions (TDMS) of the situation.
 - When submitting the new application, please ask your RSM/ISM to confirm the rate that was offered to ensure new application is not undercutting original rate provided.
- If the customer started an application with the Broker but has subsequently decided to proceed with another TD channel:
 - The RSM or ISM will be contacted by the other channel to notify them of the customer's decision.
 - The RSM or ISM will contact the Broker to discuss the situation and move forward with the cancellation through TDMS. The RSM or ISM must confirm and cancel the application within 2 business days.
 - The Broker is not to contact the customer at this point.
 - **Important:** Brokers must not charge any fees or amounts to customers for the cancellation of a credit application. There are **no exceptions** to this rule.
 - If a commitment has been provided to a Broker and the customer chooses to proceed with another TD channel, the Broker fees may be protected by TD as a rare one-off exception, depending on the circumstances.

Important note on cancellation of credit applications:

- Credit Application protocol only applies to full applications for the same property, not pre-approvals or rate holds.
- Channels must not compete by undercutting rates or advice offered by another channel. Rates and/or campaign exceptions will not be considered when an active application is already in the system for the same property.
- If the Credit Centre notes that there are duplicate applications submitted for the same real estate secured credit request, the first request received will be adjudicated. This is to ensure a better customer experience and minimize any risk of funding two identical deals from different channels.
- All subsequent requests will be declined as presented and returned to the initiating channel advising of the channel conflict and of which channel application was first received and adjudicated.

5.18. Flexible Payment Features

Overview

Additional flexible payment features give customers more choice and control over their lives when they really need it.

Payment Pause for TD Mortgages

When customers need to take a break from their mortgage payment or respond to an unexpected situation, it is great to know that they have the **flexibility to pause a mortgage payment**. Skip the equivalent of one monthly mortgage payment per calendar year up to a maximum of four monthly mortgage payments over the life of the mortgage. Requests cannot be made back-to-back across a calendar year end. In other words, a customer cannot take a Payment Pause in December and then another in January.

Payment Vacation for TD Mortgages

If your customer is preparing for a big or life-changing event like staying home with a new baby or taking a sabbatical from work, they can consider a **payment vacation**. Skip up to the equivalent of a maximum of four monthly mortgage payments per term, if customers have a prepaid amount that has reduced their amortization

schedule. Multiple requests can be made within the same term.

Payment Extension for TD Home Equity FlexLines

When customers need to take a break from their Term Portion payment or respond to an unexpected situation, it is great to know that they have the **flexibility to skip a scheduled principal payment**. Customers can qualify for up to four months of principal and interest payment deferrals over the life of the Term Portion with a maximum of two months of consecutive payment extensions, subject to TD approval.

Terms and Conditions for all features

- Mortgage or Term Portion is not pending for renewal.
- Mortgage or Term Portion is not in early renewal or renewal cycle.
- Customer is not currently in arrears (mortgage and other TD debt).
- There is no evidence of current or previous bankruptcy and no evidence that previous TD debt has been written off.
- A borrower is not deceased.
- **Note:** Using one of the flexible payment features will cause the interest that should have been paid during the feature to be added back to the principal balance of the mortgage or Term Portion. This means that the accruing interest will bear additional interest at the current interest rate of the mortgage or Term Portion.
- Customers must continue to pay their realty taxes and creditor insurance payments, if applicable.

6. Borrower Criteria

6.1. Joint Applicants, Guarantors and Spousal Consent

Overview

Mortgages:

- All persons on title must sign the Mortgage Loan Agreement as mortgagors.
- Additional guarantor(s) who are not on title must sign the Guarantee Agreement as guarantors.
- In Alberta, the guarantor must sign the Guarantee Agreement and the solicitor must provide a certificate required by the Guarantees Acknowledgement Act. The solicitor is responsible for providing this certificate.

TD Home Equity FlexLine Term Portion:

- ALL persons on title must sign the TD Home Equity FlexLine Agreement and, if applicable, Term Portion Amending Agreement as co-borrowers and the collateral mortgage charge as mortgagors.
- For Term Portions, proceeds MUST be deposited to an account owned by ALL of the borrowers. For purchases, proceeds will be sent to the solicitor directly.
- Each borrower on a personal credit product with multiple borrowers has the option to choose how they will receive cost of borrowing disclosure documents.
- **If multiple owners are on title and all owners want access to the funds:**
 - All owners must sign the TD Home Equity FlexLine Agreement and, if applicable, Term Portion Amending and the collateral mortgage.
- **If multiple owners are on title but NOT all owners on title want access to the funds:**
 - All owners must sign the TD Home Equity FlexLine Agreement/Term Portion Amending and the collateral mortgage.
 - All borrowers must understand that each is equally responsible for the credit facility.
 - Independent Legal Advice (ILA) must be obtained from each of the borrowers who do not intend to use the funds.
 - This option is not available for Term Portions in Alberta as a guarantee would be needed from the owners not accessing funds. However, TD Home Equity FlexLines in Alberta may be completed using these guidelines.
 - For TD Home Equity FlexLines, the Line of Credit will be set up on the system with all borrowers showing as owners. There is no method to control access to funds for certain borrowers and you must ensure that all borrowers understand this. DO NOT attempt to set up a TD Home Equity FlexLine with multiple signatures required as the Bank is not in a position to enforce this.
- **If one or more borrower(s) are not on title but want the TD Home Equity FlexLine Term Portion in their name only:**
 - This is not permitted because it would result in a guarantor relationship as the parties on title who are providing the security would have to provide a guarantee.

Joint Applicants:

- Joint applications generally apply to spousal situations where there are common Assets and Liabilities that are shared/the responsibility of both individuals, and the credit application is made by both individuals together. In this case:
 - Both applicants must sign the credit application and the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement.
 - The property pledged as security must be registered in both names.
- Individual spouses may apply for credit independently if they satisfy the bank's standard lending criteria without the support of the other spouse. In such case:
 - Only the applicant must sign the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement
 - The spouse is required to sign a Spousal Consent because he/she is not on title
 - The asset pledged as security must then be registered in the name of the applicant only
- If delinquency occurs, the Bank's collection group will commence collection activities against one or all of the Applicant/Joint Applicant(s).
- Each is equally responsible for the debt obligation and the credit product will appear on both applicants' credit bureau.
- **Note:** In British Columbia the spouse not on title must sign a 'Spousal Consent Letter' and does not sign the collateral mortgage as consenting spouse.
- **Note:** For the province of Newfoundland, in a matrimonial home situation a spouse **not** on title must sign

our Charge as mortgagor due to provincial legislation. The Consenting Spouse provision is not recognized. Hence, both spouses will need to apply and sign the credit application. No exception can be made.

- Independent Legal Advice (ILA) is considered on a deal-by-deal basis and **MUST** be obtained where:
 - A spouse or third party is providing home equity security but does not directly benefit from or have access to the proceeds of the credit facility.
 - A spouse not on title provides spousal consent but does not directly benefit from or have access to the proceeds of the credit facility.

Guarantors:

- A guarantee is a commitment by the guarantor to pay the debt of the borrower upon demand by the lender. The situation in which a guarantor is most typically required is when the ability of the borrower to repay the debt is in question.
- Guarantor relationships are only permitted on mortgages, guarantor relationships are not permitted on a TD Home Equity FlexLine.

6.2. Independent Legal Advice (ILA)

Overview

- Independent Legal Advice (ILA) means that a person receives legal advice from a solicitor/notary independent from the transaction and any other parties to the transaction, to ensure they understand the nature and consequences of the agreements/documents they are signing.
- The solicitor/notary ensures, among other things, that the person is not under any pressure to sign the documentation.
- In considering ILA, an understanding of why the funds are being requested and who will benefit from the funds is important.
- ILA must be obtained:
 - Where a spouse not on title provides spousal consent but does not directly benefit from or have access to the proceeds of the credit facility.
 - If a third party is in control of the application or the borrower(s) does not seem to understand the nature of the application.
 - If the purpose of the funds, although payable to both, will not benefit all borrower(s) (e.g. mother is mortgaging her house to pay off son's personal debts).

Additional Information

Party Type	Definition
Borrower(s)	<ul style="list-style-type: none"> ▪ Person(s) who is responsible for paying the debt to the Bank
Mortgagor(s)	<ul style="list-style-type: none"> ▪ Person(s) who is on title to the real estate and must also be a borrower.
Guarantor(s)	<ul style="list-style-type: none"> ▪ Person(s) who is guaranteeing the payments from the borrower and is not a mortgagor.
Consenting Spouse	<ul style="list-style-type: none"> ▪ Spouse who has a family law interest in the matrimonial home but is not on title. ▪ He/she may or may not be a borrower with the exception of BC. ▪ In BC the consent of a non-titled spouse (same or opposite sex) is not required unless there is an interest registered by the non-titled spouse pursuant to the Land (Spouse Protection) Act against title to the homestead. An example where the bank would require a spousal consent is when the Bank is aware of a couple going through divorce proceedings and one spouse is not on title.
Third Party	<ul style="list-style-type: none"> ▪ Family member, independent financial advisor etc. who is not identified as above but is involved in the transaction.

6.3. Power of Attorney

Overview

- A Power of Attorney (POA) document provides the attorney with the authority to act on the donor's (customers) behalf as soon as it is signed and witnessed unless stated otherwise within the POA Document.
- A POA is **always treated as an exception even for final signing** and only accepted where the donor and

- attorney are existing TD customers.
- Brokers must flag the usage of POA **upfront** to TDMS
- If informed by TDMS that the donor's profile, specifically ID on file, is not AML compliant, the Broker must refer the donor to a TD Branch to update
 - Broker to advise TDMS once the required updates have been completed.
- TD Mortgages or TD Home Equity FlexLines closing under POA must be closed by a solicitor/notary and Title Insurance is required (set out in solicitor instructions). No exceptions will be permitted.
- Approval to use POA is documented in solicitor/notary instruction.
- An external solicitor/notary is required for all requests to provide a legal opinion on the validity and enforceability of the POA.
- When we do accept the use of a POA we should always be able to demonstrate that the transaction benefited the donor
- TD Mortgage Solutions (TDMS) requires a minimum of seven business days from time of receipt of POA documentation for approval.
- Key requirements that must be satisfied in order to use a POA:
 - Nature of financing request (purchase or refinance)
 - Amount of request and closing date
 - Declared or proposed title/ownership of the property
 - Confirmation that the transaction is being completed by an external lawyer and the lawyer's name
 - Relationship between the donor and attorney
 - Circumstance as to why POA usage is required
 - Does the donor have personal knowledge of this transaction? What is the nature of the donor's involvement?
 - Banking relationships (institution and account/branch #) for the donor and attorney – Both the donor and the attorney must be TD customers

6.4. Bankruptcy Policy

Conventional Financing:

- TD will consider previous bankrupts (one instance, not multiples) after two years of discharge for Owner-occupied Purchase for Conventional financing situations only (exclude Refinances) provided the customer can satisfy all of the following conditions:
 - Copy of the Bankruptcy Discharge Statement must be provided
 - The reason for the bankruptcy was an acceptable event (business failure or marital split) rather than mismanagement
 - Bankruptcy must have been for a significant amount (over \$50,000)
 - Applicant has established verifiable savings
 - Applicant has down payment and closing costs from own resources (not a gift)
 - Applicants' credit bureau report(s), bank account operation, etc., since the bankruptcy are clean
 - No TD debt was included in the prior bankruptcy
 - Customer has been discharged from bankruptcy a minimum of two years to the date of application

High Ratio/Insured Mortgage Financing:

In addition to the above conditions, applicant must have re-established some form of bank credit (e.g. major credit card, bank loan, etc.)

6.5. Interest Rate Differential (IRD) Estimate Example

Let's assume the following:

- \$100,000 prepayment on a five-year fixed rate mortgage
- Customer Rate = 6.5%
- Discount = 1%
- Mortgage prepaid after three years, 24 months remaining to maturity
- Current Posted Rate for 2-year closed term = 5%

The similar mortgage rate is the posted rate for the closest remaining term minus the most recent customer discount. **Note:** The most recent customer discount refers to the discount the customer received on the original mortgage or if renewed, the last renewal.

In this example, we'd take the current two-year fixed mortgage rate, which is equal to 5% and deduct the discount

the customer previously received of 1% to obtain the similar interest rate. The chart below provides a formula for estimating the IRD for this example. This is only an approximation, but it can help explain the IRD to your customers.

Subject	IRD Estimate
Customer Rate:	6.5%
Similar Mortgage Rate:	4.0% (posted rate for the closest remaining term minus the most recent discount) 5.0% - 1.0% = 4.0%
IRD:	6.5% - 4.0% = 2.5%
Remaining Term:	24 months
IRD Prepayment Charge Estimate:	$(\$100,000 \times 2.5\% \times 24 \text{ months}) \div 12 = \$5,000$

Important: The actual calculation will be more precise and will generally result in a lower prepayment charge than the estimated prepayment charge.

6.6. Title Insurance

Title Insurance is accepted by TD for the following providers (no others will be accepted):

- Title Plus – LPIC (Lawyers Professional Indemnity)
- First Canadian (First American) Title Insurance Company
- Stewart Title Guaranty Company
- Travelers Guarantee Company of Canada
- Chicago Title Insurance
- **Note:** Title Insurers are subject to change at any time.

7. Submitting a Credit Application

7.1. Appraisals (excluding Quebec)

Overview

For TD approvals requiring a property valuation (non-APV):

- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the approved AMCs are Nationwide, RPS Real Property Solutions and Solidifi.
- Approved AMC must email their report in PDF format directly to the appropriate TD Mortgage Solutions (TDMS) Underwriter. Broker must ensure that they are entering in the correct TD UW's email address when ordering the appraisal to avoid delays.
- If the appraisal is not addressed to TD, the Broker must provide a satisfactory letter of transmittal.
- All letters of transmittal originating from an OFI must be completed by an AMC (Nationwide, RPS Real Property Solutions and Solidifi).
- Customer is to pay for the appraisal fee where the payment must be made to the AMC before the appraisal will be completed via a payment link that is to be emailed to the customer by the Broker. Note: *This will ensure that the appraisal fee is captured correctly on the APR.*

Important: If a Full Appraisal has been completed after a Desktop or Drive-by appraisal, the value of the Full Appraisal will override any Desktop or Drive-by appraisal value that was returned, even if the value of the Full Appraisal comes in lower.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required. Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or Broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing.

If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required.

Letters of Transmittal:

- A request for a letter of transmittal must be submitted using the applicable AMC portal
- Once the AMC receives the request and confirms payment has been made, the request is forwarded to the TDMS Underwriter
- The Underwriter will ONLY authorize use of the letter of transmittal if the deal has been declined and the appraisal is no longer required by TD.
- After the TDMS Underwriter confirms the deal has been declined, they will provide written approval (email) back to the AMC indicating that "TD is not proceeding with this application – LOT is authorized"
- The AMC will communicate the result of the request back to the Broker

Incoming:

- TDMS will only accept letters of transmittal attached to a TD approved AMC (Nationwide, RPS Real Property Solutions and Solidifi) appraisal.

7.2. Appraisals (Quebec Only)

Overview

For TD approvals requiring an Appraisal Report:

- Appraisals will be ordered by the appropriate TD Mortgage Solutions (TDMS) Underwriter.
- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the two approved AMCs are Nationwide and RPS Real Property Solutions Inc.
- Approved AMC must e-mail their report in PDF format directly to the appropriate TDMS Underwriter.
- Appraisal and related costs are paid by TD.
- **Important:** If a Full Appraisal has been completed after a Desktop or Drive-by appraisal, the value of the

Full Appraisal will override any Desktop or Drive-by appraisal value that was returned, even if the value of the Full Appraisal comes in lower.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required. Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or Broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing. If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required

7.3. Qualifying Rate

Overview

TD systems will determine the correct interest rate to use for qualifying purposes as follows:

- Qualifying Rate is the interest rate utilized to calculate the credit product payment for inclusion in the Total Debt Service calculation:
 - Both **conventional and insured TD Mortgages or TD Home Equity FlexLines** will qualify at the greater of the customer's contract rate +2%, and the minimum qualifying rate (5.25%).
- The Minimum Qualifying Rate is defined by OSFI and the Department of Finance and updated periodically at their discretion.
- Conventional Mortgage Pre-Approvals:
 - The qualifying rate remains unchanged when converting to a full application **only** if the rate and pre-approval have not expired **and** there have been no material changes to the application details.
 - Examples of material changes are change in term, mortgage interest rate type (fixed/VIRM), borrowing amount, security details, insurance indicator (conventional vs. high-ratio), etc.
 - In situations where there are material changes, if the TD Prime and TD Mortgage Prime rate increases, a preapproval may no longer be valid as the application will be underwritten at the new rate.
- Default insured mortgages:
 - The qualifying rate is not determined until a full application is submitted to the default insurer with property details.
 - The existing pre-approved amount may change if a new higher qualifying rate is applied at time of application to the default insurer.
- Mortgage Transfer-In Qualifying rate:
 - Refer to section 7.10- Mortgage Transfer Plan
- The actual customer rate includes any customer variance provided.
- Previously approved conventional and default insured full applications:
 - If a change is made resulting in the loss of an approval decision (i.e., change in term, mortgage interest rate type (fixed/VIRM), borrowing amount, security details, insurance indicator (conventional vs. high-ratio), etc.), the application will be adjudicated using the qualifying rate that exists:
 - A) On the day of resubmission to the TD Mortgage Solutions Credit Centre for conventional practices or;
 - B) at the time the changed application is re-sent to the default insurer (for high-ratio).

7.4. Interest Adjustment Date (IAD) Policy

Overview

- Interest is due from the date of the advance of a mortgage.
- The interest adjustment date is the first day of the month following the funding date.
- The interest adjustment amount is the interest due from the time of funding to the start of the term (the first of the following month).
- When a home purchase closes on a date other than the first of the month, the funds are disbursed on that date. In order to keep the term start date on the first of the month, an interest adjustment payment is required.

Example:

- If a mortgage is advanced on May 15 to be paid on the first day of each month, June 1 would be the interest adjustment date and July 1 the first monthly payment date.
- On June 1, the borrower would be required to pay the interest that has accrued on the principal since the date of the advance (May 15).

TD Home Equity FlexLines

- TD Home Equity FlexLines with Term Portions do not have an IAD. All Term Portions are set at monthly payments with the first payment occurring one month from the closing date. Customers may change their payment frequency and first payment date after activation.

7.5. Rate Hold Policy

Overview

- Rate will be held for a period up to 120 days for existing (resale) purchases or refinances. No interest rate should be committed to the customer if the closing date is outside the 120-day allowable booking period.
- Customer receives the lower of:
 - The committed interest rate, inclusive of any discretion, OR
 - The posted rate (no discount will be applied to the posted rate) on the date of funding. If interest rates have decreased prior to the funding date and Broker has NOT requested a decrease, the committed rate or the lower of the new-posted rate will apply.
- Customer does not automatically receive the lowest rate during the rate commitment period. To have the lower Broker rate apply, you must contact your Underwriter in writing to request the interest rate be adjusted each time an interest rate change is processed. If the customer is also looking for additional discretionary pricing, you must obtain approval from your RSM or ISM. Requests for rate decreases will not be accepted if received any later than three days before the TD Mortgage or TD Home Equity FlexLine Term Portion closes. Should the customer wish to change the term, amortization or product within the 120-day rate commitment period, the interest rate will be the applicable rate at the time of the requested change.
- If you want to adjust the rate and extend the rate hold period beyond the initial 120-day rate hold period, the original request must be cancelled, and the new request must be sent in writing to the Underwriter.
- Once the interest rate is set as outlined in the above process, the interest rate will not be adjusted again unless specifically requested in writing by the Broker; or the rate hold period has expired.
- Rate holds are applicable to the approved deal and are not transferable.
- **Note:** If the customer has already signed the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Term Portion Agreement prior to a change in the interest rate, a new Agreement would be required.
- A Rate Booking is lost when there is a material change in the application including:
 - Rate Type (Variable to Fixed, Fixed to Variable)
 - Term Duration (ex: 3 year to 5 year)
 - Closing date is extended beyond 120-day rate hold period
 - Switching between conventional and insured
 - Switching between Owner Occupied and Rental
 - Amortization Change
 - Product Change (not applicable to Purchase Plus applications without other material changes)

In addition, for TD Home Equity FlexLines:

- Deals that have been delayed post-activation and have not been re-activated within 10 business days, must be cancelled after that period.
- Broker can resubmit the transaction under the following conditions:
 - **Rate hold has not expired with no changes to the application:** An exception can be requested to honour the rate.
 - **Rate hold has not expired with changes to the application:** The rate must be rebooked at current rates.
 - **Rate hold has expired before the new closing date:** The rate must be rebooked at current rates.
- If the cancellation occurs before activation and the deal is resubmitted a new rate booking will be required.

7.6. Pre-approvals for Property Purchases

Overview

- A Pre-approval is for customers who are looking to purchase a property but do not know the credit amount they qualify for.
- Pre-approvals are valid for 120 days. After 120 days if the customer wants to renew the pre-approval, the Broker would need to provide an updated credit bureau to support re-adjudication.
- The rate will be held for 120 days on a preapproval. When the pre-approval expires, you will need to renew the rate.
- If TD's posted Broker rate decreases during a pre-approval rate hold, the Broker may request to have the rate rebooked at the new lower posted Broker rate.
- To extend a pre-approval beyond the original 120-day term, the original request must be cancelled, and the new request submitted.
- Rate exception requests will not be accepted for a pre-approval. A rate exception request can only be reviewed after the deal is approved.
- A pre-approval provides a strong indication of a full or formal approval. The full application is subject to full review of the customer's financial situation, including a credit bureau report, and the property being purchased. Deals can be declined based on unavailable information during the pre-approval process.

7.7. Interest Rate Buydowns

Eligible:

- Buydowns of interest rates if the buydown fee is paid by the Broker
- Buydowns of interest rates if the fee is paid by another third party. Eligible third parties include:
 - Customer's Employer
 - Canadian Military/RCMP/Government of Canada (RPS Real Property Solutions Inc. Relocation Services)
- Subsequent buydowns of interest rates are permitted on new ported mortgages if the fee is paid by the Broker or third party.
- **Note:** Customers are required to sign a **Rate Buydown Letter of Direction** for all RPS Real Property Solutions Inc. paid and customer employer paid interest rate buydowns. TD Mortgage Solutions (TDMS) will send the letter to the solicitor/notary as part of the signing package.

Restrictions:

- The rate can only be bought down to:
 - a minimum 1% for Fixed Rate TD Home Equity FlexLine Term Portions and Fixed Rate TD Mortgages.
 - For Variable Interest Rate Mortgages (VIRM) and Variable Interest Rate FlexLine Term Portions, the customer rate including any buydown will never be less than zero at funding or throughout the term.
- The third party buydown and Broker buydown cannot be combined.
- A variable rate buydown can only be paid for by the broker.
- Employer and Canadian Military/RCMP/Government of Canada buydowns are not available on VIRMs and Variable Rate FlexLine Term Portions.
- Interest rate buydowns are not permitted by customers.
- Where an interest rate buydown is offered by a third party as an incentive to purchase a property, the value of the buydown must be deducted from the purchase price before the LTV is calculated.

Steps:

- **Broker Initiated Buydowns:**
 - A Broker can request a rate buydown within the application upon original submission or after an application has been submitted by contacting the Underwriter assigned to the application.
 - Brokers can use the current version of the Broker Rate Sheet to determine buydown limits and calculate the associated cost.
 - The final cost of buydown is calculated using the buydown curve in effect on the Broker Rate Sheet on the date of the last rate booking prior to funding.
 - A current version of the Broker Rate Sheet can be obtained by contacting your RSM or by visiting the TDMS Portal.
 - The cost of the buydown will be deducted from the Broker's Referral Fee.
 - **Note:** Broker-paid buydowns are calculated on the FULL amount of the mortgage or TD Home Equity FlexLine term portion, in all cases, including where compensation is based only on new money.

- **RPS Real Property Solutions Inc. Paid Buydowns (DND, RCMP or Government of Canada):**
 - Customer advises Broker if this is a RPS Real Property Solutions Inc. buydown.
 - Broker must inform the Underwriter in the application comments that this is a RPS Real Property Solutions Inc. buydown.
 - Broker receives the RPS Real Property Solutions Inc. form from the customer and sends to TDMS for completion.
 - If the application is approved the completed RPS Real Property Solutions Inc. form will be returned to the Broker by the Underwriter.
 - Broker to return the completed RPS Real Property Solutions Inc. form to the customer.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The interest rate buydown fee amount will be deducted from proceeds.

- **Customer's Employer Paid Buydowns:**
 - Customer advises Broker if this is an employer paid buydown
 - Broker must inform the Underwriter in the application comments that this is an employer paid buydown
 - If application is approved the Broker provides the customer with the Employer Paid Mortgage Rate Buydown Letter available on the [TDMS](#) website.
 - Broker to instruct customer that the signed Employer Paid Mortgage Rate Buydown Letter must be returned prior to funding.
 - Broker to return the signed Employer Paid Mortgage Rate Buydown Letter to the Underwriter.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The interest rate buydown fee amount will be deducted from proceeds.

7.8. Credit Agreements

Overview

- The Mortgage Loan Agreement (MLA) and TD Home Equity FlexLine Agreement (FLA) documents the terms of the TD Mortgage or TD Home Equity FlexLine. It is secured by a collateral charge.
- The Term Portion Amending Agreement (TPAA) contains the terms for a Term Portion and is an amendment to the FLA.
- Customers may choose to register their collateral charge for more than the approved principal amount of the TD Mortgage or TD Home Equity FlexLine, up to 125% of the property value. This may allow them to borrow additional funds in the future without having to re-register the charge eliminating any solicitor/notary /TD Refinance Mortgage Program fees (Note: Prepayment charges are still applicable). Subject to approval and current lending criteria at that time.
- The MLA and FLA secured by a collateral charge must be in first position only.

Increases

- If your customer would like to increase their TD Mortgage registered with a collateral charge they may be able to do so without incurring legal fees:
 - Comments to the Underwriter should specify that the customer would like to 'reuse' their collateral charge.
 - A new credit application and approval are required, including an evaluation of the property value.
 - The new credit amount cannot exceed the amount of the existing collateral charge.
 - There can be no changes to title of the property since the time of registration of the collateral charge.
 - **Note:** Other fees may still apply when processing an increase (e.g. property valuation fees).
- If your customer has a subsequent TD Home Equity FlexLine charge registered on title, the mortgage increase can still be done as a re-use.
- If the subsequent charge is anything other than a TD Home Equity FlexLine, the customer must register a new charge and will incur associated fees.
- Provided the collateral charge and the property value supports the request for an increase, customers may refinance an existing TD Mortgage or TD Home Equity FlexLine to a TD mortgage or TD Home Equity FlexLine using the same charge.

Changes

- There is a Cost of Borrowing requirement to provide accurate disclosure before entering into an agreement. Any changes that affect the cost of borrowing will require a new MLA or TD Home Equity FlexLine

Agreement and, if applicable, Amendment Agreement (Term Portion) to be signed by the customer. This includes, but is not limited to:

- Change to interest rate or rate discretion
- Change to closing date (see Notes below).
- Changes to borrowed amount
- Change in amortization
- Change in the term of the product
- Change in product type
- **Note:** For mortgages, if the customer has already signed the MLA and is not able to re-sign AND the IAD doesn't change (i.e. a decrease to the interest rate, or a change to the closing date that does not cross over month end), an exception may be made.
- **Note:** For TD Home Equity FlexLines, if the customer has already signed the TPAA and is not able to re-sign AND the closing date changes by no more than 10 days from the original closing date, an exception may be made.

7.9. TD Refinance Program

Overview

The Refinance Program allows for your transactions to be processed quickly and efficiently using First Canadian Title (FCT). Customers can always still choose to use a solicitor/notary.

Benefits

- FCT will manage most title issues directly with the customer to alleviate delays.
- FCT will facilitate document signings directly with the customer.

Qualifying Transactions

- The refinance program is designed for:
 - First priority mortgage;
 - Refinance of existing TD Mortgage;
 - Refinance of existing TD Home Equity FlexLine;
 - Refinance of mortgages from another financial institution;
 - Equity Take Outs of a free and clear property;
 - Mortgages on residential properties that are currently owned by the borrower(s), consisting of not more than four (4) units and meet following criteria under mortgages that qualify;
 - Products that qualify include the Mortgage product and the TD Home Equity FlexLine product.

Non-Qualifying Transactions

- The following transactions/properties cannot be processed through the First Canadian Title (FCT) Refinance Program:
 - Purchase Transactions
 - Refinance plus improvements
 - Mortgages on Leased Lands
 - Any home not affixed to the land
 - Mortgages being signed using a Power of Attorney
 - Hotel Condos
 - Any changes to Title including adding someone on Title or a Name Change
 - Postponements
 - Private Mortgage Payouts
 - All other ineligible transactions listed under [Eligible and Ineligible Products](#). **Properties**
- Non-residents are not eligible to use the Refinance Program (this excludes Transfer-In transactions)
- Out of province signing is not permitted for FCT deals

Submitting Credit Application for Approval

By asking the right questions you will avoid unnecessary delays. Please ask or investigate the following while interviewing your customers:

- Does your customer have any outstanding mortgages, lines of credit or loans?
If the answer is “yes”, obtain particulars from your customer. This may validate the encumbrances registered on title.
- Does your customer have an existing TD Mortgage or TD Home Equity FlexLine on the property? If so, will

it be discharged to place the new TD Mortgage or TD Home Equity FlexLine on title?

If the answer is “yes”, ensure this is disclosed on the credit application.

If the answer is “no”, the credit application will not be approved.

- Will the customer be discharging a TD or other financial institution's mortgage with this refinance transaction?
If the answer is yes:
 - Complete the [Request for Discharge Payout Statement](#) and obtain a signature from all customers
 - For mortgages from another financial institution, submit the completed form to TD Mortgage Solutions (TDMS).
 - For TD Mortgages or TD Home Equity FlexLine Term Portions, ensure you have a prepayment charge discussion with the customer. Refer to the customer handout in the Appendix: Making a prepayment? Here's what you need to know.
- Are all parties who are on title applying for the TD Mortgage or TD Home Equity FlexLine together?
If the answer is “no”, all parties must be present to apply and sign for the new TD Mortgage or TD Home Equity FlexLine (including the Guarantors for mortgages). Please include all names on your application.
- Obtain from your customer information regarding the property legal description and property tax roll number. TIP: Ask your customer for a copy of their tax bill to obtain the property information and legal description.
- Advise your customer that a letter will be given to them at the time of signing. This letter will outline that the terms of the TD Mortgage or TD Home Equity FlexLine require that the customers have adequate property insurance coverage.

Steps for using the TD Refinance Program for Brokers

Step	Description
1	Submit your credit application to TD for verification and approval <ul style="list-style-type: none">▪ TDMS TDMS will provide you with the customer's conditional approval.▪ Arrange for your customer to accept and fulfill conditions.
2	If approved, arrange to have your customer complete and sign the Request for Discharge Payout Statement , authorization to request the payout of an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TDMS website under the 'Document' drop down menu.
3	Forward to TDMS: <ul style="list-style-type: none">▪ All documentation as per conditions (e.g. income confirmation)▪ Request for Discharge Payout Statement▪ TDMS requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.
4	Signing TD Mortgage or TD Home Equity FlexLine documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.
5	FCT will process the release of funds once the documents have been signed.

7.10. Mortgage Transfer Plan

Overview

- TD accepts transfers of conventional (non-collateral) mortgages from the below listed financial institutions subject to the applicants and properties meeting TD standard lending criteria.
 - Schedule 1 Banks:
 - Bank of Montreal
 - Bank of Nova Scotia
 - CIBC
 - Canadian Western Bank
 - Laurentian Bank

- National Bank
 - Royal Bank
 - Life Insurance Companies
 - Les Caisses Populaires Desjardins (Québec only)
 - First National
 - Credit Unions, Trust Companies or other Banks will be considered on an exception basis. This is subject to Credit Centre review of the Mortgage document or standard charge terms.
- Standard income confirmation required.
 - Mortgage approval is subject to receipt of a Mortgage Statement for Assignment Purposes that confirms the mortgage is not a collateral charge and is up-to-date and no arrears exist.
 - Insured mortgages do not require an appraisal provided the mortgage is set up as an insured mortgage using the original Insurer Reference Number.
 - Mortgage transfers must be registered with a conventional/standard charge.
 - All conditions of the mortgage transfer must be satisfied a minimum of 15 business days prior to the closing date.
 - Not eligible for TD Home Equity FlexLine.

Mortgages Not Eligible for Transfer:

- Private mortgages
- Collateral mortgages (e.g. Manulife One accounts, Scotia Total Equity Plan accounts are secured by collateral mortgages and are not acceptable).
- Mortgages where there is no blended monthly Principal and Interest payment
- Mortgages with a non-assignable or non-transferrable clause in the mortgage document or standard charge terms
- Mortgage where the interest compounding is less frequent than semi-annual or twice yearly (e.g. annual compounding is not eligible).
- **Note:** This transfer plan applies to properties up to a maximum of four units only

Eligible Transfer Amount

- Transfers/Assignments are intended to be a transfer of the principal balance only. Accrued interest, administration/transfer fees and pre-payment charges (if any) are normally paid by the customer.
- However, given that it is difficult to obtain a Mortgage Statement for Assignment Purposes from other Financial Institutions prior to obtaining TD Credit Approval, 'tolerances' will be permitted to include accrued interest, administration/transfer fees and pre-payment charges in the principal balance funded at TD, as outlined below.

Insured Mortgages

- Accrued interest and transfer/administration fees to a maximum of the lesser of:
 - \$3000 over the principal balance stated on the discharge statement, or
 - \$3000 over the amount approved by the Underwriter, or
 - Original insured amount (original mortgage amount).
 - Note: Re-amortization is not permitted.

Conventional Mortgages

- Accrued interest, transfer/administration fees and prepayment charges (if any) to a maximum of the lesser of:
 - 2% to maximum of \$3000 over the principal balance stated on the discharge statement, or
 - Maximum 80% LTV based on appraised value at time of transfer
 - Note: Re-amortization is not permitted.

Mortgage Transfers with Increases

- Mortgage transfers with increases (beyond the tolerances outlined above) are excluded from the Mortgage Transfer Plan. Requests for mortgage transfers with increases must be set up as new mortgages on the system. A new mortgage must be registered on title and the existing mortgage must be discharged.

Amortization

- Existing amortization years will be accepted for transfers in to accommodate existing mortgages. Where existing amortization exceeds current policy, transfers in are permitted provided there are no changes to the amount, amortization, etc.

Appraisals

- APV can be used for conventional mortgage transfers at no cost to the customer or Brokers
- TD Mortgage Solutions (TDMS) will order appraisals for all Mortgage Transfers. **Note:** Brokers must not order appraisals directly. If they do, they **will not** be reimbursed for any fees incurred.
- If a full appraisal is required, the cost of the appraisal will be covered by TD Broker Services.

Qualifying Rate

- All insured mortgage transfer-in application will be qualified at the customer contract rate with remaining amortization and loan amount.
- All conventional transfer-in applications will be qualified based on greater of the Minimum Qualifying Rate or the customer rate +2% with remaining amortization and loan amount.

Steps for using the Mortgage Transfer Plan

Step	Description
1	Submit your credit application to TD for verification and approval <ul style="list-style-type: none"> ▪ TDMS will provide you with the customer's conditional approval. ▪ Arrange for your customer to accept and fulfill conditions.
2	If approved, arrange to have your customer complete and sign the Request for Mortgage Assignment Payout Statement to payout an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TDMS website under the 'Document' drop down menu.
3	Forward to TDMS: <ul style="list-style-type: none"> ▪ Copy of most recent renewal agreement or annual statement ▪ Current printout of the mortgage balance (wherever possible to confirm accurate balance) ▪ Copy of Request for mortgage Assignment Payout Statement (Broker), signed by the borrower. ▪ Copy of original registered mortgage document including all schedules and, if applicable, standard charge terms ▪ Confirmation of property insurance coverage (current Homeowner Insurance Policy and Number). <p>Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer. IRD is always payable by the customer and can change or increase overnight.</p>
4	TDMS requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.
5	Signing Mortgage Documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.
6	FCT will process the release of funds once the documents have been signed.

7.11. Standard Approval Conditions

Income and Down Payment Confirmation:

- Obtain confirmation of income that meets TD's standard guidelines for an amount at least equal to the amount input on the application
- Obtain confirmation of down payment that meets TD's standard guidelines

Confirm Closing Costs of 1.5% of Purchase Price Not Borrowed:

- Applicable to insured Mortgages only
- Confirm closing costs of 1.5% of the Purchase Price. Can be factored into TDS ratio as a loan over 12 months.

Copy of Firm Purchase Agreement and MLS Listing with Photo:

- Purchase Agreement
 - Review the entire Purchase Agreement, including all schedules and waivers
 - Any conditions outlined on the Purchase Agreement must be reviewed to ensure they do not adversely affect the credit application or marketability of the property
 - **Note:** No longer required to obtain a waiver of financing or home inspection prior to funding
 - Ensure that any 'cash backs' or any other forms of financial incentives included in the body of the Purchase Agreement are deducted from the purchase price as these may affect the Loan to Value
- MLS (Multiple Listing Service) – Review to determine:
 - Property details are consistent with the application
 - Property tax amount entered on the application is consistent with the MLS
 - MLS zoning must comply with the use of the property

Full Appraisal Required

- Applicable to conventional financing
- Exceptions must be specifically approved by TD Mortgage Solutions (TDMS) and must be reflected in the Approval Comments and will not be considered unless MLS Listing and Offer to Purchase is provided

Subject to Major Urban/Urban/Non-Urban/Recreational Sliding Scale

- Applicable to conventional financing only
 - Ensure loan amount does not exceed sliding scale formula based on property location. Refer to – Policy Guidelines Sliding Scale
- Exceptions must be specifically approved by TDMS and must be reflected in the Approval Comments

7.12. Income Confirmation

Reasonability

As part of the credit application process, it's important to ask customers the right questions in order to validate that the income declared by the customer is legitimate and acceptable in relation to the overall customer profile and is sustainable to service the debt.

To assist with validating income reasonability, you must provide a full description of your customer's employment information on the **Job Title** field in Expert. For example, enter 'investment manager' or 'IT consultant' rather than a vague description such as 'manager'.

Guidelines:

- **T1 General:**
 - When using T1 General as a source of income, you must confirm that there are no outstanding taxes owing or paid down within tolerance threshold.
- **NOA:**
 - Validate that required data points below are present. All pages of the NOA are not required if the documents provided has the following information:
 - Tax year filed
 - Name of the applicant
 - A Tax Assessment Summary where you will find line 150 Total Income which is used for the applicant's income
 - Net Income, Taxable Income and Refund or Balance Owing line items
 - **Note:** In lieu of the standard paper format, the online version or the 'Proof of Income' (C-Print) versions of the NOA are acceptable.
 - When using Notice of Assessment (NOA) as a source of income, you must confirm that there are no outstanding taxes owing or paid down within tolerance threshold.
 - Tolerance threshold for taxes owing per borrower is the lesser of:
 - 5% of Line 15000 on the most recent Notice of Assessment OR
 - \$5,000
 - **Note:** Quebec residents are required to file both a Federal and a Revenue Quebec tax return. When Federal NOAs are provided as the type of document confirming income, the most recent (one year) Provincial (Revenue Quebec) Notice of Assessment is required. Both Federal and Provincial (most recent) NOAs must be reviewed to determine if any income taxes are owed where

NOA average is being used to confirm income. As such, the taxes owing tolerance threshold noted above is a combined amount of Provincial and Federal taxes owing.

- **Paystub:**
 - When a paystub has both an issue date and pay period end date, either one may be used for the purposes of calculating the age of the document
- **Direct Pay Deposit:**
 - The following is required when direct deposit is being used to calculate the qualifying income:
 - Weekly pay: 8 consecutive deposits
 - Biweekly/Semi-monthly pay: 4 consecutive deposits
 - Monthly pay: 2 consecutive deposits
 - When using direct pay deposit to confirm income is current (i.e. for fluctuating or spousal/child support), one current direct deposit is sufficient..

- **Letter of Employment:**

- **General**

- A letter of employment, including a PDF (Portable Document Format) electronic version, is acceptable for most forms of employment. Applicants who are employed by a relative must be processed as if they have fluctuating income.

- **Requirements: The LOE must include:**

- Establish the borrower's monthly or annual income. If the letter indicates an annual salary and a bonus amount, only the annual salary can be used for the income calculation. If bonus income is required to qualify for the debt, fluctuating income guidelines apply.
- The letter must be dated no earlier than 60 days prior to the original submitted application date and include:
 - Borrower's First and Last name (matching other documentation provided).
 - Annual income. If a different income frequency is indicated on the letter, you must calculate the annual amount.
 - Employer Signature – physical, electronic (or digital) signature is acceptable.
 - Name of the person signing the letter.
 - Company name – may appear as operating name or as a number company.

LOE is an acceptable current income document for the following income sources:

- Fluctuating Income
- Leave of absence (i.e.-maternity/parental leave)
- Northern Allowance
- Under Temporary (Non-Permanent Policy)

Where LOE is supported by a paystub and/ or direct deposit, missing attribute such as employer signature is acceptable however Borrower's Name and Employer Name must be included on the LOE

Source of Income

- **Current documentation is defined as being dated no earlier than 60 days prior to the original submitted application date. Please note that the original application submission date applies to Live applications (not pre-approvals).**

Subject	Description
<p>Fixed (Non-fluctuating/ Salaried) Employment Income</p>	<ul style="list-style-type: none"> ▪ To demonstrate the necessary stability of employment, borrowers should have been continuously employed by their current employer for at least one year and not currently on probation. ▪ Customers must provide one and/or two of the following documentation to confirm income: <ul style="list-style-type: none"> ○ Existing TD Borrower - One Current Document ○ If Borrower is New to RESL - One Current Document AND One Annual
<p>Income</p>	<p>Document</p> <ul style="list-style-type: none"> ○ A borrower is New to RESL if the applicant does not currently have an active TD Mortgage or FlexLine at time of the original submitted application date. ○ If a customer has multiple Fixed Employment Income sources, refer to Multiple Sources of Income Policy. <ul style="list-style-type: none"> ▪ Acceptable Current Documentation <ul style="list-style-type: none"> ○ Current Direct Pay Deposit ○ Current Pay Stubs ▪ Acceptable Annual Documentation: <ul style="list-style-type: none"> ○ Most recent NOA ○ Previous Year-End Paystub ○ Most recent T4 ▪ Variance in annualized income is defined as a $\geq 20\%$ difference between: <ul style="list-style-type: none"> ○ Annualized income on the current document and the income on the annual document, OR ○ Annualized year-to-date (YTD) paystub income and current paystub income ▪ The variance in annualized income can be managed as follows: <ul style="list-style-type: none"> ○ Use the lower of the income from the two documents OR ○ In cases where the variance is due to additional income such as bonus, profit sharing, or income that fluctuates, refer to fluctuating employment income guidelines OR ○ Where the difference is based on changes in life circumstances, such as a promotion or return from leave (excluding maternity or paternity leave), request use of current income from Primary document alongside exception rationale to TDMS. ○ Note: If the customer has a job tenure for less than 12 months or has a declared return date from maternity or paternity leave, an exception for variance $>20\%$ between the current and annual document is not required, however an annual document is still required when applicable <ul style="list-style-type: none"> ○ For customers who have returned from maternity or paternity leave, document the customer's return to work date in the credit application. <p>Variance is calculated as follows:</p> <ul style="list-style-type: none"> ○ Between annualized income on a current document and income on an annual document (New to RESL): <p style="text-align: center;"><u>Annualized Base Pay from Current Document – Income from Annual Document</u> Income from Annual Document</p> ○ Between annualized year-to-date and current income using a paystub (New to RESL/Existing RESL customer) <p style="text-align: center;"><u>Current Annualized Base Pay – YTD Annualized Income*</u> YTD Annualized Income</p>

	<p>*YTD Annualized Income is determined by YTD Amount / # of Pay(s) Passed based on Pay Frequency X # of Pay Periods per Year</p> <p>For example: Aug 31 Paystub - Current Base Pay is \$5,000/monthly (which equates to \$60,000 annualized) and YTD is at \$35,000. YTD Annualized Income is \$52,500 [(\$35,000 / 8) X12]</p> <p>Therefore, the variance between Current Annualized Base Pay and YTD Annualized Income is 14.2% {[(60,000 – 52,500) / 52,500] X 100%}</p> <ul style="list-style-type: none"> ○ Trouble Shooting <ul style="list-style-type: none"> • If the borrower wishes to include any bonuses or commission earned in their total income in order to qualify for credit, the documentation options are more limited. To use salaried income including bonuses or commission refer to the Fluctuating Income section. • If a customer has multiple sources of income, refer to the “Multiple Sources of Income” policy below.
--	---

Part-Time / Hourly	<ul style="list-style-type: none"> ▪ Where a borrower's part time or hourly wages are guaranteed and do not fluctuate follow the Salaried Income confirmation guidelines. ▪ Where a borrower's part time or hourly wages are not guaranteed or fluctuate follow the Fluctuating Income section.
Pension / Disability Income	<ul style="list-style-type: none"> ▪ This income may be derived from a public source such as OAS, CPP/QPP, or from a private source – usually a former employer. ▪ Income can be confirmed by one of the following options: <ul style="list-style-type: none"> ○ Current direct deposit <ul style="list-style-type: none"> ▪ If the income is less than \$30,000, gross up by 25% ▪ If the income is \$30,000 or more, gross up by 35% ▪ CPP/QPP/OAS is not eligible for gross up OR ○ Most recent monthly statement (pay stub) OR ○ For CPP/QPP/OAS only: To use the gross amount, most recent T4A is also acceptable ▪ For provincial government disability support payments (i.e. ODSP) refer to Social Assistance Benefits. <p>Note: When split pension income is identified on the NOA/T1 General, use:</p> <ul style="list-style-type: none"> ▪ Line 23600 for the pension owner’s income, and ▪ Line 15000 for the spouse receiving the split pension income
Spousal / Child Support	<ul style="list-style-type: none"> ▪ For Conventional applications, either of the following is acceptable: <ul style="list-style-type: none"> ○ Most recent NOA or T1 General/Tax Return to confirm the support payment is declared as income, supported by most recent 1-month direct deposit (includes cheque deposits, Email Money Transfers) ○ History of support payment deposits (follow Direct Deposit confirmation guidelines for the number of deposits required) showing regular support payments and a copy of the formal separation agreement or court order. ▪ For Insured applications, either of the following is acceptable: <ul style="list-style-type: none"> ○ Most recent NOA or T1 General/Tax Return to confirm the support payment is declared as income, supported by a separation agreement or court order, OR ○ History of support payment deposits (follow Direct Deposit confirmation guidelines for the number of deposits required) showing regular support payments and a copy of the formal separation agreement or court order. ▪ If the customer has disclosed that they are required to pay child or spousal support this must be included as part of their liabilities and considered in the TDS calculation.

<p>Fluctuating / Irregular</p>	<ul style="list-style-type: none"> ▪ Any two of the following documents from the most recent two tax years; averaged: <ul style="list-style-type: none"> ○ Notice of Assessment ○ Previous Year End Paystub ○ T4 ▪ In addition, supported by a current: <ul style="list-style-type: none"> ○ Letter of Employment ○ Direct Deposit ○ Pay Stub ▪ Use the average of the NOA, T4, or Year End Paystubs' annual income in your application. ▪ If the income from the most recent annual document varies from the average of the two annual documents by more than 20% you must use the lower of, or seek an exception to use the average, alongside a reasonable explanation for the variance ▪ If the applicant is self-employed, refer to Section 4.2 Business for Self – Conventional and Insured with Traditional Income Confirmation. ▪ Important: If the customer's source of employment for the two-year period is not consistent (e.g. previously salaried but now commissioned sales or self-employed) the NOA(s) may not accurately represent current income. Using the average or more current income from the NOA should be treated as an exception.
<p>Leave of Absence (i.e. Maternity / Paternity / Adoption Leave)</p>	<ul style="list-style-type: none"> ▪ A customer who has taken a defined leave of absence either to care for a child or parent, must provide documentation that supports both historical income and expected return to work date. ▪ A Letter of Employment is required to confirm that the applicant is currently employed and on parental leave. You may use 100% of the gross income documented on the letter AND; ▪ Most recent Year-End Paystub or T4 to confirm the employer name and historical income. <ul style="list-style-type: none"> ▪ Note: Variance check not required.
<p>Investment Income (Including RRIF Income)</p>	<ul style="list-style-type: none"> ▪ Both of the following must be obtained: <ul style="list-style-type: none"> ○ Notices of Assessment from the most recent two years (<u>using the average of the two years for the income shown on Line 15000</u>). ○ NOAs must further be supported with applicable investment statements (see next bullet) to show that customer has sufficient invested assets to support the indicated income (reasonability). <ul style="list-style-type: none"> ▪ Investment statement should reflect name (first/last) matching borrower, Investment Company, account number, balances, dated within 60 days of the original submitted application date. ▪ In lieu of investment statements, assets held within TD that are listed on Applicants' Account Summary (ETOT) profile can be supported by screenshot/Account Summary print out and it should reflect name (first/last) matching borrower, account number, balances and be dated within 60 days of the submitted application date.

Rental Income

For investor (non-owner-occupied) properties, refer to Section 4.15 Investor Properties Policy.

For Owner-Occupied properties with rental unit(s), subject/non-subject:

100% of confirmed gross rental income can be used, subject to:

- Amount used cannot represent more than 50% of the total application income.

Example	
Total of all incomes earned, including: <ul style="list-style-type: none"> ▪ Employment income = \$15,000 ▪ Rental income = \$20,000 	\$35,000
Maximum Rental income to be used on the application, lesser of: <ul style="list-style-type: none"> ▪ \$35,000 x 0.50 = \$17,500 OR ▪ \$20,000 	\$17,500

- **For all applications with non-subject investor properties:** Net Rental Income Surplus (as confirmed through the rental worksheet) **must** be added to qualifying income. When NOA's/T1 Generals are provided to confirm income on the application, line 12600 (Net Rental Income) **must** be deducted from line 15000.

Required Documentation:**Purchase Applications (Subject):**

- Confirmation of Gross Rental Income via assumption of existing tenants within Purchase and Sale Agreement (the amount must be explicitly outlined in the agreement) OR use of Market Rent* if rental unit(s) is vacant/not tenanted.
- Exception rationale must be provided by sales channel and supported by the underwriter if documents other than what is noted above are being used.

Refinance Applications (Subject) and Existing Non-Subject Owner-Occupied with Rental Unit(s) Properties:

- Confirmation of Gross Rental Income via evidence of last two months rental deposits OR use of Market Rent* if rental unit(s) is vacant/not tenanted, AND
- Most recent taxation year T1 General (inclusive of Statement of Real Estate Rentals) is required to provide evidence that current and historical rents are consistent (regardless of whether the customer owned the owner-occupied with rental property in the previous year)
- When the subject or existing non-subject investor property was rented out and is not reported in the most recent taxation year T1 General Statement of Real Estate Rentals, the sales channel must provide exception rationale. The underwriter may consider the use of this income on an exception basis with strong rationale to support.
- Supporting due diligence may be requested or completed to support the value of the rental deposit amount when owner-occupied with rental unit(s) property was not reported in T1 General statement of Real Estate Rentals

For Purchase and Refinance Applications:

Rental reasonability assessment (including calling for market rent) may be used by the Underwriter to ensure that the rental amount is consistent within the marketplace of the subject non-subject property.

*Market Rent:

This is a qualified opinion of reasonable market rents for the subject/non-subject owner-occupied with rental unit(s) property within the market area. Opinions are acceptable only when they are provided in the TD Appraisal. The appraisal report needs to include information on the rental market in the area of the subject property per appraiser association standards.

For both purchase and refinance transactions:

- Market rent should be obtained when property is vacant/not tenanted.
- When we receive rental deposits and market rent report – Underwriter must use the lower of the two in the debt service calculation.
- Where property is an owner-occupied single-family dwelling and has more than one unit (e.g., property with main floor unit and two finished basement units), the unit(s) with the lower/lowest market rent(s) must be used for debt service calculations.
- Note: Only market rents for finished/rentable units are eligible unless the application is for a Purchase/Refinance Plus Improvements or Builder Single Advance. Market Rent is acceptable for unfinished units in these scenarios as specs and plans for completion are provided to the appraiser by the Broker.

Government Child Care and Social Assistance Benefit

▪ **Canada Child Benefit (CCB)**

- The Canada Child Benefit (CCB) is a tax-free monthly payment made to eligible families to help them with the cost of raising children.
- 100% of CCB income can be used, subject to:
 - Amount used cannot represent more than 50% of total income on the application for all applicants;
 - Children 15 years old (child cannot be turning more than 15 years old in the calendar year);
 - No gross up permitted

Example:

Description	Calculation
Total of all incomes earned, including: <ul style="list-style-type: none">▪ Employment income = \$80,000▪ Investment income = \$20,000	\$120,000

▪ CCB income = \$20,000	
-------------------------	--

Maximum CCB income to be used on the application, lesser of: <ul style="list-style-type: none">▪ \$120,000 x 0.50 = \$60,000 OR▪ \$20,000	\$20,000
---	----------

	<ul style="list-style-type: none"> ○ CCB income must be verified by any one of the following forms of acceptable documentation: <ul style="list-style-type: none"> - CCB Annual Statement issued by the Canada Revenue Agency for the current year - Bank statement showing the automatic deposit (one month) of the Canada Child Benefit ○ In addition, the child's age must be verbally confirmed with the customer by Broker and documented within the submission comments. ○ Note: Child tax credits or refundable tax credits for childcare cannot be included as a source of income. ○ Social Assistance <ul style="list-style-type: none"> - Social Assistance benefits are not permitted as debt servicing income, except of provincial government disability support payments where the benefit can be confirmed permanent i.e. In Ontario, ODSP is an acceptable source of Social Assistance income. <p>Documentation Required:</p> <ul style="list-style-type: none"> - A Current paystub or one direct deposit (Use as qualifying income), <p>AND</p> <ul style="list-style-type: none"> - Letter from provincial authority to confirm benefit is permanent, OR; - Most recent two years T1 generals (Line 14500) OR - Most recent two years T5007(Statement of Benefits)
<p>Non-Canadian Currency</p>	<ul style="list-style-type: none"> ▪ Exception approval is required from TDMS when non-Canadian currency is to be used as source of income in the application. This does not apply to Canadians earning USD income. ▪ When inputting the income amount in the application, convert the amount to Canadian dollars by using the current exchange rate and enter that amount. ▪ Include comments in the application indicating the source of the income, the original amount and exchange rate, and how the customer will provide confirmation of their income (Letter of Employment, etc.).
<p>Non-Taxable Income</p>	<ul style="list-style-type: none"> ▪ Follow income confirmation guidelines depending on the source. For example, if the non-taxable income is from Disability/Pension, follow those guidelines. ▪ The following are examples of non-taxable income that can be converted to a 'gross' amount for the purposes of the application provided that sufficient documentation is obtained to confirm the income is non-taxable: <ul style="list-style-type: none"> ○ <i>Workers Compensation Payments (WSIB).</i> ○ <i>Non-Taxable Pension Income (e.g. Guaranteed Income Supplement).</i> ○ <i>Disability Income, provided by either private or government and guaranteed for the life of the applicant.</i> ○ <i>Indian Act Exemption.</i> ▪ Gross-Up <ul style="list-style-type: none"> ○ <i>Eligible non-taxable income can be grossed-up for the purposes of calculating GDS/TDS ratios, based on the two-tier gross up approach. Borrowers with non-taxable income:</i> <ul style="list-style-type: none"> - <i>less than \$30,000 are eligible to have their non-taxable income grossed-up by 25%</i> - <i>of \$30,000 or more are eligible to have their non-taxable income grossed-up by 35%</i> <p>Calculation: <i>Borrower(s) Non-Taxable Income X Gross-up Factor = Grossed-up Income</i></p> <p>Example 1: <i>Non-Taxable Income = \$25,000 and Gross-up Factor = 25%</i></p>

	<ul style="list-style-type: none"> - $\\$25,000 \times 1.25 = \\$31,250$ Total Grossed-up Income Example 2: Non-Taxable Income = \$35,000 and Gross-up Factor = 35% - $\\$35,000 \times 1.35 = \\$47,250$ Total Grossed-up Income Example 3: Non-Taxable Income = \$25,000, Taxable Income = \$50,000 and Gross-up Factor = 25% - $[(\\$25,000 \times 1.25) = \\$31,250] + \\$50,000 = \\$81,250$ Total Gross Income o TDMS approval not required to use non-taxable income; however, confirmation received must be from an eligible source. ▪ Notes: <ul style="list-style-type: none"> o Allowances or Expense Reimbursements should not be considered as Non-Taxable Income as the employee incurs additional expenses that offset this type of income.
<p>Northern Allowance</p>	<ul style="list-style-type: none"> ▪ Customers who receive a Northern Allowance from their employer to assist with the high cost of living in northern or isolated areas are now able to include this amount as part of their gross income. <ul style="list-style-type: none"> o A Letter of Employment or an Employer Contract dated within 60 days of the original submission date outlining the terms of employment can be accepted to confirm that the allowance is a part of the customer's compensation. o If the document is outdated, proof of direct deposit or a pay stub dated within 60 days of the original submission date will be required to confirm the customer is currently employed.
<p>Multiple Sources of Income</p>	<ul style="list-style-type: none"> ▪ Often a customer will have multiple sources of income. For any income source that they want to have included in the application for the purposes of qualification, acceptable documentation must be provided. The following can be used: <ul style="list-style-type: none"> o Two years NOAs, averaged, which consolidate all sources of income and the applicable Current Income Document for each source. o OR o Follow income confirmation guidelines for each source. ▪ If a customer has multiple Fixed Employment Income sources, one annual document is required in addition to the current document requirement for each source (applies to both existing and new to RESL customers) <ul style="list-style-type: none"> o If using NOA as the annual document, one NOA will cover all fixed employment income sources. o If using YE Paystubs/T4 as the annual document, the YE Paystub/T4 is required for each fixed employment income source.
<p>Foster Care Income</p>	<ul style="list-style-type: none"> ▪ Foster Care income is a non-taxable subsidy provided to support with the day-to-day expenses associated with fostering children. ▪ 100% of the Foster Care income can be used, subject to: <ul style="list-style-type: none"> o Amount used cannot represent more than 50% of total income on the application for all applicants. o Income is not eligible for gross up. o The maximum allowable number of children under foster care, including the borrower's own children, per application is restricted to six. Note: Brokers to include total number of children under care in submission comments. o Applicants must have at least two years of experience as foster parents. o Property must be owner-occupied. <p style="text-align: center;">Example:</p>

	Description	Calculation
	Total of all incomes earned, including: <ul style="list-style-type: none">▪ Employment income borrower #1 = \$15,000	\$90,000

	<ul style="list-style-type: none"> ▪ Investment income borrower #1 = \$10,000 ▪ Foster Care income borrower #2 = \$60,000 ▪ CCB income borrower #1 = \$5,000 	
	<p>Maximum Foster Care income to be used on the application, lesser of:</p> <ul style="list-style-type: none"> ▪ \$90,000 x 0.50 = \$45,000 OR ▪ \$60,000 	\$45,000

- For insured mortgage applications – if Foster Care income accounts for more than 50% of the applicant's total income, a minimum of 10% down payment is required.
- Required Documentation:
 - Letter of income or contract from the foster care agency/government ministry must confirm:
 - Tenure of applicant and current approved status as foster parent.
 - The number of foster child/ren under care and the amount of allowance received for each child, AND;
 - A current paystub or one month of Direct Deposit to confirm that the foster care income is still currently being received.

7.13. Down Payment and Closing Costs

Reasonability and Verification

Submission comments must always explain why a down payment is reasonable. Reasonability is an assessment of the application and borrower information confirming that it makes sense the funds were accumulated as disclosed. This assessment must take into consideration factors such as age, employment, and income. For example, someone new to employment with a large down payment would warrant an enhanced explanation of how funds were accumulated or a young person with a large down payment would raise red flags unless he or she has received an inheritance of a large gift.

When assessing reasonability regarding a customer's income and/or source of accumulated funds requires the exercise of judgment. The following red flags are meant to highlight potentially inconsistent or insufficient information that may suggest the stated source of accumulated funds is not reasonable and requires additional due diligence.

- A customer states that their employment income is the source of funds for a down payment. However, the down payment amount does not seem reasonable when compared to the customer's stated occupation and provided employment documentation.
- A customer states that their employment income is the source of funds for a down payment. However, the customer just began working recently and it does not seem reasonable that they would have accumulated the amount of funds required for their down payment based on their stated occupation and provided employment documentation.
- A customer claims that their source of funds for a down payment is from their personal savings. However, the customer has had a lengthy relationship with the bank and has not historically had an amount of funds on deposit compared with the size of the down payment.
- A customer who is listed as unemployed or on social assistance states their source of funds for their down payment is from their employment salary.
- A customer states that their source of funds for a down payment is from the sale of a previous property for which the customer has an existing mortgage with the bank. However, the value of the property and the outstanding balance on the mortgage appear to be inconsistent with the down payment amount.
- A customer states that their source of funds for a down payment is from their investment accounts. Upon seeing the customer's investment account activity however, this appears to be inconsistent because the accumulated funds in the investment account are below what would be expected to support the down payment.
- A customer states that their source of funds for a down payment is from their RRSP investments. However, their investment statements show amounts significantly lower than what would be required to support the amount of down payment the customer is paying.

Minimum Equity Required for Down Payment

The applicant must be able to provide the minimum equity portion of down payment from his/her own resources without borrowing.

- **Insured Mortgages**
 - Purchase Price of ≤ \$500,000; Minimum down payment of 5%
 - Purchase Price of \$500,000 to < \$1,000,000: Minimum down payment of 5% for portion ≤ \$500,000 and 10% for portion > \$500,000
 - The remainder of the total down payment can come from borrowed sources.
 - Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the mortgage advance and stated as part of the conditions of credit on the Mortgage Loan Agreement.
 - The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.

- **Conventional Financing**
 - Minimum 10% of the purchase price.
 - The remainder of the total down payment can come from borrowed sources, however, cannot be borrowed against subject property.
 - Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the advance and stated as part of the conditions of credit on the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement.
 - The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.

Timing of Confirmation of Down Payment

At the submission stage the customer must indicate how much down payment they will be providing and where those funds will be coming from. If the funds are coming from a number of sources (e.g. a savings account and two investment accounts) the customer should be able to provide a breakdown of where those funds are located.

These funds must be confirmed in accordance with the Down Payment Policy by the closing date.

- A 90-day history of the down payment must be obtained and kept on file.
- Review accumulated savings within the 90-days history prior to original submitted application date
- If where the entire down payment amount is not present at the beginning of the 90-day history period, it must have been fully accumulated by the end of that period of time or rationale needs to be provided to advise how the remainder of the down payment will be accumulated.
- For builder deposits made for the purchase from a builder of a new construction home, if the builder deposits were made more than 90 days prior to the initiation of the credit application, one of the following must be obtained and retained in file. A 90-day history leading up to the deposit is not required:
 - Copy of cancelled cheques from customer to the builder for the noted deposit(s) with evidence cheques have cleared, or
 - Confirmation from builder via receipt or statement of adjustments showing the deposits have been received, or
 - Confirmation from the builder's solicitor/notary or customers solicitor/notary via receipt or statement of adjustments showing the deposits have been received

Non-Borrowed Funds/Legitimate Source

The minimum equity portion of down payment must be provided from non-borrowed funds and must be from a legitimate source. Non-borrowed means: Bona fide savings of the applicant

- In a Bank Account
- Wire Payments
- Proceeds from Sale of Investments
- From Employment/Investment Income
- From a Pension
- From a Registered Retirement Savings Plan (RRSP)
- From Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance
- From a Government Benefit
- From a Trust Fund
- From a Grant
- Proceeds from Business
- Non-Repayable Gift

- Net Proceeds from the sale of real estate property

Down Payment Description

When the down payment selected is Personal Cash, Existing Equity, Secondary Financing, Grants, or Other, one of the above predefined descriptions must be entered in the free format 'Down Payment Description' field:

- Proceeds from Sale of Investments
- Savings - From Employment/Investment Income
- Savings - From Pension
- Savings – From RRSP
- Savings - From Inheritance
- Savings - From Government Benefit
- Savings - From Legal/Insurance Settlement
- Savings - From Lottery/Casino winnings
- Savings – From a Trust Fund
- Savings – From a Grant
- Proceeds from Business
- Non-Repayable Gift
- Net Proceeds from the sale of real estate property
- Borrowed against Liquid Assets
- Non-Liquid Secured/Unsecured Credit

Source of Down Payment

Subject	Description
<p>Bona Fide Savings of the Applicant in a Bank Account</p>	<ul style="list-style-type: none"> ○ Review savings to confirm the accumulation or presence of funds (TD and OFI) within the 90-day history prior to original submitted application date. <p>Example:</p> <ul style="list-style-type: none"> ○ If the original submission date is September 20th, the following is acceptable: ○ Monthly statements for June, July and August, or ○ A copy of an internet printout from June 22th to September 20th <p>What is not acceptable is an internet printout from May 20 to August 20 nor monthly statements for May, June and July</p> <ul style="list-style-type: none"> ▪ Review account history for evidence that the funds required for down payment were in the account consistently throughout the 90-day period or were reasonably accumulated within the 90-day period. ▪ Overall, it should be reasonable that the applicant accumulated the savings over time when considering the applicant's profile ▪ For large deposits above \$10,000 that form part of the down payment amount (individually or cumulatively within a 5 consecutive calendar day period), further investigation and documentation to support the source of the deposit(s) is required. <p>NOTE: The documentation to support the source for large deposit(s) within the 90-day period is not required for deposits that do not form part of the down payment</p> <ul style="list-style-type: none"> ▪ When funds are transferred to the account within the 90 days, the time period used to measure the source does not change (90 days from the application submission date). ▪ Ensure the ownership of the account is the same as one or more of the applicants. NOTE: Where full name is not present on an internet printout, obtain additional documentation matching account number to the applicant's name. <ul style="list-style-type: none"> ○ Documentation Requirements: ○ Ownership of bank statements, passbooks or internet print outs must be confirmed in cases where the name and account number

	<p>are not clearly noted in the front of the passbook or on the bank statement or internet print out.</p>
<p>Investment Accounts</p>	<ul style="list-style-type: none"> ▪ Includes all investment types – GIC/Term deposits or trading (Mutual Funds/Stock) accounts. ▪ Stand-alone GIC/Term Deposit (held outside of an Investment/Trading account): <ul style="list-style-type: none"> ○ Certificate of Investment/Deposit with issue date ≥ 90 days from application submission date and has not matured is acceptable, using the principal amount only. ○ For GIC/Term Deposit issued < 90 days from application submission date, documentation to confirm the source of funds prior to certificate issue date is required to ensure the 90-day history requirement is provided ▪ For all other investment types, provide evidence that investment account has been held/purchased ≥ 90-days. This can be achieved by obtaining the following: <ul style="list-style-type: none"> ▪ Most recent statement confirming the sale / holding of the investment (TD or OFI) <ul style="list-style-type: none"> • For monthly statements, the most recent 3 months monthly statement is required. • For quarterly statements obtain the most recent quarterly statement up to 120 days old. • Example: If the original submission date is September 18th, the following is acceptable: Monthly statements for June, July and August, OR a quarterly statement covering the previous calendar quarter from April 1 – June 30. • Review 90-day history; For large deposits above \$10,000 that form part of the downpayment amount (individually and cumulatively within 5 day-consecutive calendar day period), further investigation and documentation to support the source of the deposit(s) is required. ▪ Refer to Timing of Down Payment for more information. ▪ Ensure there is special attention paid to documenting ownership of the account to ensure it is the same as one or more of the applicants. For example, where full name is not present on an internet printout, obtain additional documentation matching the account number to the applicant's name.
<p>Wire Payments</p>	<ul style="list-style-type: none"> ▪ Documentation requirements where a wire payment is used for down payment (for all domestic or foreign wire payments): <ul style="list-style-type: none"> ○ Obtain a copy of the wire payment receipt that confirms the origin of the wire including from where, from whom, the amount, and date. ○ If funds are being sent from a Sanctioned Country, follow the guidelines in 'Note' below. ○ Obtain and review the 90-day history surrounding receipt of the wire transfer into the applicant's account following Bank Account/Savings requirements above. <ul style="list-style-type: none"> ▪ For large deposits above \$10,000 that form part of the downpayment amount (individually and cumulatively within 5 day-consecutive calendar day period), further investigation and documentation to support the source of the deposit(s) is required. ○ Follow documentation requirements for each source depending on how the funds were accumulated in country of origin. ▪ Funds wired from a foreign country to a Canadian Financial Institution

	<p>account including TD and used as down payment for the new purchase. Obtain details of the wire payments:</p> <ul style="list-style-type: none"> ○ Name, address, account number and relationship the transmitter has with the recipient ○ Ask how the funds were accumulated in the country of origin ○ If it's determined the funds are borrowed from the country of origin, include the applicable loan payment in TDS and ensure the minimum equity requirement of non-borrowed funds has been met ○ If funds are a gift from family in the country of origin, follow gifted down payment procedures ○ If the funds are from the sale of property in the country of origin, obtain proof of sale <ul style="list-style-type: none"> ▪ Note: Funds credited to a Canadian Financial Institution (including TD), that are derived from a wire payment in a sanctioned country, should not be credited/released to the customer's account. See Affiliations with Certain Sanctioned Countries for more information.
<p>From a Registered Retirement Savings Plan (RRSP)</p>	<ul style="list-style-type: none"> ▪ When the down payment is coming from a withdrawal from the applicant's RRSP, confirmation of the availability of funds in the RRSP account is required. ▪ Follow Investment Account Policy ▪ Note: To prove that the RRSP is owned by the applicant, the customer's name, account number, statement date and financial institution where the account is housed must be clearly identified on the document. ▪ Locked-In RRSPs may be cautiously used for down payment confirmation. These funds will be subject to penalties when cashed out, reducing the amount of down payment available. Approval letter from plan administrator is required. ▪ Borrowing against an equivalent amount of proven liquid assets is acceptable provided the payments are included in the debt service ratios. ▪ Withholding tax is applicable on RRSP withdrawals unless the customer qualifies for Revenue Canada's First Time Home Buyer's Plan. This will reduce the amount of funds available for the down payment from the stated RSP balance.
<p>RESP</p>	<ul style="list-style-type: none"> ▪ Follow Investment Account Policy ▪ RESP has been withdrawn and deposited in the customer's account after deduction of any applicable grants.
<p>From a Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance</p>	<ul style="list-style-type: none"> ▪ When the customer has received funds from a legal/insurance settlement, lottery or casino winnings, or an inheritance, it can be used as a source of down payment. The customer must provide evidence of receiving the funds by verifying they have been deposited in the customers' account prior to closing. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Legal/Insurance settlements: Obtain a copy of the letter and/or cheque confirming the settlement amount received. ○ Lottery winnings: Lottery winnings are distributed in the form of a cheque payable by the lottery. Depending on the dollar amount of the lottery winnings, public/media disclosure is often available. Obtain a copy of the lottery cheque payable by the lottery company or a copy of the media clipping in the absence of a lottery cheque. ○ Casino winnings: Casino winnings are cashed out and a release/receipt is provided to the customer. Large winnings are distributed in the form of a cheque/certificate of winnings. Depending on the dollar amount of the casino winnings, public/media disclosure is often available. Obtain a copy of the cheque payable by the casino, casino receipt or release form, or a copy of the media clipping in the absence of a casino cheque.

	<ul style="list-style-type: none"> ○ Inheritance: Obtain a copy of the will and a letter from the lawyer to confirm the inheritance amount.
From a Government Benefit	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Government Benefit such as Survivor's Pension, Canada Pension, Old Age Security, Disability, etc. Review bank statements to verify that the government benefit has been received either in a lump sum or monthly deposits and send to TD Mortgage Solutions (TDMS). For lump sum deposit(s) additional documentation will be required such as a copy of the letter provided by the government.
First Time Home Buyer Incentive (FTHBI)	<u>The First Time Home Buyer Incentive (FTHBI) program has been discontinued effective March 21, 2024.</u>
First Home Savings Account (FHSA)	<ul style="list-style-type: none"> ▪ FHSA applicant must be a Canadian resident ▪ Follow the Investment Account Policy There is no requirement to hold funds within the account for a specific period. However, if the funds are not in the account for 90 days, follow regular due diligence to determine the original source of the funds
From a Trust Fund	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Trust Fund, review bank statements to verify that the trust funds have been received, either in a lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as solicitor/notary or trustee to provide documentation to confirm the existence of the Trust Fund.
From a Grant	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Grant, review bank statements to verify that the grant has been received, either in lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as a letter from the organization providing the Grant to confirm existence of the Grant.
Proceeds from Business	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is either from a sale of a business/company or from a Small Business Bank account. ▪ For transactions above \$10,000, confirmation of source of funds is required for transactions that are inconsistent with normal business activity. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Business Name Registration or Articles of Incorporation to confirm customer is the owner of the business ○ Confirm funds in business account; following Bank Account/Savings requirements above ○ To confirm the proceeds came from the sale of a business/company, obtain a copy of the Purchase and Sale Agreement (PSA) for the business sale transaction. This agreement must indicate the portion of the proceeds received by the borrower (if there were multiple owners of the business), and the date of the transaction completion. ○ Confirmation of funds are deposited to customer's account. This does not apply to sole proprietorship business registration. <p>Sole proprietorship is an unincorporated business that is owned by one individual and does not have separate legal status. This can be confirmed from the T1 General line 13500 and the Statement of Business Activity (from full T1 package)</p>
Non-Repayable Gift	<ul style="list-style-type: none"> ▪ For insured mortgages a gifted down payment must come from a close familial relationship (in most cases a parent, grandparent, sibling,

	<p>spousal/common law relationship or adoption). Gifts from another source are not permitted for insured deals.</p> <ul style="list-style-type: none"> ▪ For conventional mortgages a gifted down payment can come from a relative or employer. Some credit policy restrictions apply (for example, New to Canada, must be from an immediate family member). ▪ Documentation Requirements <ul style="list-style-type: none"> ○ TD Gift Letter verifying the gift is unencumbered, requires no repayment and states relationship of giftor to giftee. TD Gift Letter must be dated no older than 90 days prior to the original submitted application date; electronically signed gift letter is acceptable. ○ In addition to Gift Letter, obtain confirmation of the existence of the funds: <ul style="list-style-type: none"> - If the funds have already been gifted to the giftee/customer, verify that the funds are on deposit in the customer's account prior to closing - If the funds have already been provided to the solicitor/notary acting on behalf of the customer for the mortgage transaction, obtain confirmation that the funds have been provided to the solicitor/notary - If the giftor is still in possession of the funds, the giftor can have their financial institution complete the verification section at the bottom of the gift letter
<p>Sale of Real Estate Property</p>	<p>When a customer is selling one property and purchasing another the net proceeds of that sale will often provide the down payment for the new purchase.</p> <p>For example: If the current property is sold for \$350,000 and the balance of the existing mortgage is \$250,000 the customer will have \$100,000 in equity (or net proceeds from the sale). If the customer is using the net proceeds of the sale as the down payment:</p> <ul style="list-style-type: none"> ▪ Obtain the actual offer to purchase and sale together with a mortgage statement, if applicable OR Statement of Adjustments. The offer of sale must be firm (unconditional). ▪ For properties declared free and clear, additional due diligence in the form of a title search is required to confirm the source of down payment. ▪ For properties not declared free and clear, copies of recent mortgage and/or line of credit statements must be on file. The outstanding mortgage balance and/or the line of credit limit (as additional drawdowns could occur at any time) should form the basis of the calculation of net equity to be realized from the property and used in our down payment calculation. ▪ Real Estate commissions, solicitor/notary fees and other costs associated with the property sale must be considered when calculating the net equity or proceeds from the sale. ▪ Note: If there is a planned delay between the closing of the sale of the customer's property and the closing of the sale of the new purchase, the customer may require bridge financing.

Confirmation of Borrowed Funds

The following outlines the customer's options for eligible sources of the remainder of their down payment (minimum equity portion must come from own resources) and details on what documentation is required to prove the source of funds are legitimate. The customer must prove that the down payment comes from borrowed sources, which can be one or more of the following:

Subject	Description
<p>Borrowed Against Liquid</p>	<ul style="list-style-type: none"> ▪ Liquid Assets are those that can be easily and quickly redeemed or accessed, such as Bonds, Stocks or Securities. Payments are to be

Assets	<p>included in the debt service ratios.</p> <ul style="list-style-type: none"> ▪ The customer must provide statements from the financial institution showing the description of the assets and the current value. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ The most recent issued statement confirming the investments exists. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Obtain 90-day history of the investment. ○ In order to prove that the investment account containing the funds is owned by the applicant you must be able to clearly match the customer's name, account number, date of the statement, and where the account is held.
Non-Liquid Secured	<ul style="list-style-type: none"> ▪ Non-Liquid Secured Credit refers to instances where part of the down payment is coming from an existing Home Equity Secured Line of Credit. This is acceptable provided it is not secured against the property currently being financed and the payments are included in the debt service ratios. ▪ The use of existing unsecured credit (loans or lines of credit) is also acceptable for part of the down payment provided the payments are included in the debt service ratios. In both cases, the applicant must meet the minimum amount of equity requirements from non-borrowed resources. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ If reporting to the credit bureau, obtain confirmation of the Home Equity Secured Line of Credit and existence of credit available to support the down payment amount indicated.
Loan Repaid by Regular Installments	<ul style="list-style-type: none"> ▪ Ensure the loan payments are included in the debt service ratios. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For a loan, if reporting to the credit bureau, review to confirm evidence of the loan and funds are on deposit to support the down payment amount indicated.
Unsecured Line of Credit	<ul style="list-style-type: none"> ▪ Ensure ULOC payments are included in the debt service ratios. ▪ Include 3% of borrowed amount to represent repayment of borrowed funds in monthly liabilities of new application. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For ULOC, if reporting to the credit bureau, review to confirm evidence of the ULOC and existence of credit available to support the down payment amount indicated.

Closing Costs

- Remind the customer to set aside additional funds for legal expenses, moving costs and land transfer costs.
- For CMHC/Sagen/Canada Guaranty insured financing, the customer must also provide evidence for closing costs equal to 1.5% of the purchase price. For Alberta only, closing costs are to be confirmed as 0.5% of the purchase price.
- Closing costs, except BFS insured applications may be borrowed provided the payments are included in debt service ratios and based on a maximum amortization of 12 months.
- For BFS insured applications, confirm closing costs without recourse to borrowing.
- Evidence of closing costs follows the same requirements as sources of down payment, whereby a 90-day history is required.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

7.14. Purchase Incentives

- This policy applies to Conventional and High Ratio TD Mortgages and Conventional TD Home Equity FlexLines
- Vendors often offer incentives to encourage prospective homebuyers to purchase a property
- These incentives either:

- Contribute to the value of the property (e.g. upgrades on a purchase from builder), or
- Do not contribute to the value of the property (e.g. vendor cash backs, rate buy downs, decorating allowance, waiving mortgage payments, new cars, etc.)
- A common builder practice is to include household items such as appliances, lighting fixtures, window coverings. These incentives would contribute to the value of the property and do not need to be deducted from the purchase price.
- Where a purchase incentive does not contribute to the value of the property (e.g. new car, vacation, waiving mortgage payments, decorating allowance, rate buy downs, etc.), the value of the incentive must be deducted from the purchase price and LTV calculated on this amount.
- Rental guarantee amount does not need to be deducted from the purchase price, however, use of Gross Monthly Rent from the Rental Guarantee Agreement is not permitted. Follow Investor Properties Policy if rental income is required.
 - Review all schedules and addendums to determine if there are any purchase incentives to determine if the value of the incentive is disclosed in the documentation.
 - **Important:** A purchase incentive is not an eligible source of down payment
 - **Note:** TD Broker channel has a builder relationship with Jayman MasterBUILT only.

7.15. TD Branches

- All TD Mortgages and TD Home Equity FlexLines are assigned for servicing to either the branch of the customer's choosing or a local TD Canada Trust branch (e.g. privilege payment, payment frequency, etc.). Note: Customers cannot sign mortgage documents at the branch.
- Your customer can direct the credit product to a specific branch on the commitment form, otherwise it is assigned based on the following:
 - Owner-occupied property – closest branch to the property
 - Rental property – closest branch to the current residence of the primary applicant
 - Refinances – existing branch will be maintained
- If the customer requests any changes to the credit product after funding, refer them to a branch.

7.16. Amendments to Mortgagor/Guarantor(s)

If that a change is required to a mortgagor/guarantor's name or should there be an addition/removal/change after an application has been released from TD Mortgage Solutions (TDMS) to the funding unit, we require that the Broker advise TDMS directly. The Broker must submit the change for amendment to TDMS. If approved, the file will then be corrected and resubmitted to our funding unit to prepare new documentation. The documents will be prepared with the new mortgagor/guarantor information and forwarded to the solicitor/notary or FCT Remote Signor for closing. These types of changes may result in delays in funding.

7.17. GST/HST

GST/HST rates can be found on the [Canada Revenue Agency](#) website. When completing an application for a purchase from a builder that is closing within 120 days, it is important to ensure the purchase price of the residential property includes the GST/HST less any applicable rebates:

- If the purchase price includes the GST/HST, less any applicable rebates, use the purchase price as stated on the Purchase Agreement.
- If the purchase price excludes the GST/HST and the applicable rebates, ask your customer to obtain an Amendment/Addendum from their builder reflecting a purchase price inclusive of the GST/HST, less any applicable rebates.

Note:

- BC Builders do not typically provide an Amendment/Addendum for this
- If an Amendment/Addendum is available, use the purchase price as stated on that document.
- If an Amendment/Addendum is not available and GST/HST is the responsibility of the customer, calculate the purchase price including GST/HST less any applicable rebates to be used as the lending value on the credit application.
- Once the calculation is complete, print a copy of the calculation and retain in the file.
- If your customer presents a separate agreement with builder upgrades that are not accounted for in the

original contract, use the purchase price of the property including the GST/HST, less any applicable rebates, plus the cost of the upgrades, including the GST/HST, less any applicable rebates.

- If your customer presents a separate agreement with a builder discount or decorating allowance that is not accounted for in the original contract, use the purchase price and calculated GST/ HST, less any applicable rebates, less the builder discount or decorating allowance. Please obtain an Amendment/Addendum to confirm the amount of the builder discount/ decorating allowance.

[Provincial Net HST or GST Calculator](#)

8. Property Criteria

8.1. Basic Criteria

Overview

- Residential properties with concrete or pressure treated wood foundations are acceptable.
- The housing unit should be representative of the standard normally found in the community.
When properties are constructed using Insulbrick, conventional financing will only be considered when the Insulbrick does not exceed 10% of the total construction. All other aspects of the property should meet Prime Residential Guidelines and the construction should be representative of the standards normally found in the community. Where the Insulbrick exceeds 10% of the total construction, CMHC/Sagen/Canada Guaranty insurance is required.
- Properties may be fully serviced with municipal water and sanitary sewers, well and septic tanks, or a combination of both, except Cottage properties.
- The property must be properly designed and in adequate physical condition to be livable for the full duration of the TD Mortgage or TD Home Equity FlexLine.
- There should be some amenities in the area such as bus service, schools, and shopping that will assure buyer interest in a resale situation.
- Maximum amortization must be five years less than the remaining economic life.
- Property may contain up to four units, one of which must be owner-occupied.
 - The property must be at least 97% complete.
- Land value should not exceed 80% of the appraised value, as indicated on the appraisal, where applicable.
 - The inclusion of residential outbuildings in the appraised value is permitted.
 - A residential outbuilding is considered any structure not attached to the primary residence and used for residential purposes. These may include detached garages, greenhouses, sheds, barn/shop for personal use and boathouses.
- **Note:** For non owner-occupied properties with up to four units refer to Rental Properties up to four Units.

Prime Residential Properties

- Consider only prime residential properties for conventional and insured financing. Prime residential properties are usually considered to be:
 - New properties or those built within the last 35 to 40 years which are in good condition.
 - Older properties that are in good repair and are located in good residential areas.
 - Properties having had sufficient improvements to "keep pace with the neighborhood".

Rural Properties

- Rural properties will be considered providing they are not active farming operations and the applicant's income to service is not derived from the property.
- When considering the value of a property where the land exceeds 10 acres, the value will be based on the home and a maximum of 10 acres of land only; only residential out buildings will be included in the valuation.
 - Any structure not attached to the primary residence and used for residential purposes. These may include detached garages, greenhouses, sheds, barn/shop for personal use, and boathouses.
- When processing a credit application for a non-urban rural property that exceeds five acres, you must:

- Include “house + up to 10 acres” in the ‘Comment’ field when submitting your deal; otherwise only “house + up to five acres” will be evaluated.
- Order a full appraisal

Exterior Finishes

- The following external finishes are permitted:
 - Brick veneer, solid brick, stone veneer, solid stone, stucco, wood siding, aluminum siding, vinyl siding.

Acceptable Heating Sources

- The following heating sources are permitted:
 - Natural gas, electric furnace, oil furnace, electric baseboard, geo-thermal, radiant, hot water.

Acceptable Water Sources

- The following water sources are permitted:
 - Municipal, shore well, private well, communal/co-op well, artesian well, cistern

Modular Manufactured Properties

- Modular Manufactured homes will be considered for single advance only. Conventional financing will be considered provided the property meets all normal requirements such as owner-occupied, proper foundation, services, location, owned land and 100% complete. Mortgage default insurance will be required for high ratio financing.

Properties Located on Flood Plain

- If a property is located on a flood plain, financing is not permitted. Exceptions will be considered where an appraisal confirms that:
 - Preventative measures are in place (e.g. dykes, subject property is built on higher ground)
 - The property has been built to municipal code
 - There is minimal risk of flood damage to the specific property because of the preventative measures
- Contact your RSM or ISM for more information.

Laneway Homes

- Laneway Homes (commonly referred to as Coach or Carriage Homes) are separate units typically that can be accessed by a driveway or a laneway. A garden suite is a separate unit that may not have access to a driveway or laneway. In order to be considered eligible for valuation under the appraisal policy, the unit must meet **ALL** of the following criteria:
 - Must be self-contained (e.g. have a functional bathroom and kitchen).
 - Must be minimum 350 square feet (33 square meters) and must not be the largest structure on the property.
 - Must be in compliance with local Zoning By-Laws
- Full appraisal is required in order to have the full property value assessment.
- **Important:** Brokers must include “Property includes laneway home” in the ‘Comments’. A full appraisal must be ordered to ensure the full property value is assessed

8.2. Minimum Loan Amount and Sliding Scale

Minimum Loan Amount

- Minimum amount for a mortgage application including ports and refinances is \$20,000. Requests below this amount will be declined.
- Minimum amount for a TD Home Equity FlexLine application (Plan Limit) is \$20,000.
- Minimum amount for a TD Home Equity FlexLine Term Portion (if applicable) is \$5,000.
- Minimum Purchase Price (Applicable to Condominiums only):
 - GTA/GVA: \$185,000

- Ontario: \$160,000
- BC: \$140,000
- Alberta/Manitoba/Saskatchewan and Quebec: \$130,000
- Atlantic and Rest of Canada: \$100,000

Sliding Scale

- The sliding scale formula places a limit on the financing provided for real estate properties. Sliding scale only applies to conventional mortgage and Flexline financing.
- The purpose of sliding scale is to mitigate the higher risk associated with unusually expensive or unique properties, which may be harder to sell and more prone to price declines in the event of a real estate downturn
- Sliding Scale formula is based on the location of the property (Greater Vancouver or Greater Toronto Area Major Urban, Major Urban, Urban and Non-Urban/Rest of Canada). The lesser of sliding scale amount or individual policy maximum apply (i.e. New to Canada, Non-resident, or Recreational/Vacation properties are at 65% LTV).
- There is no Sliding Scale equivalent for low ratio default insured mortgages (LTV 80% and less).
- Stated maximums below apply to the lesser of the Appraised Value or Purchase Price.
- Maximum purchase price for high ratio (LTV > 80%) default insured RESL is less than \$1,500,000.
- Flexline LTV is the lower of 80% or sliding scale. Maximum revolving Credit Limit of 65% LTV for Home Equity Flexline
- Note: if house and 10 acres of land is considered for rural property valuation, non-urban sliding scale thresholds will apply in all cases despite the property location. To apply standard sliding scale policy, only house and five acres can be considered.
- **Note: Lending amount subject to lesser of LTV limits for specific policies and Sliding Scale calculation (e.g. Rental policy, New to Canada and Returning to Canada Policy, etc.).**

Location	Greater Vancouver Area (GVA) ¹	Greater Toronto Area (GTA) ¹	Major Urban Centre ²	Urban Centre ³	Non-Urban/ Rest of Canada ⁴
Owner Occupied (includes Second Home) Lending amount subject to lesser of LTV max for property/Product type and Sliding Scale Calculation	<p>Lesser of 80% LTV or Sliding Scale calculation as follows:</p> <p>80% up to the Sliding Scale Cut-off (refer to chart below) plus</p> <p>50% of the remaining balance</p>	<p>Lesser of 80% LTV or Sliding Scale calculation as follows:</p> <p>80% up to the Sliding Scale Cut-off (refer to chart below) plus</p> <p>50% of the remaining balance</p>	<p>Lesser of 80% LTV or Sliding Scale calculation as follows:</p> <p>80% up to the Sliding Scale Cut-off (refer to chart below) plus</p> <p>50% of the remaining balance</p>	<p>Lesser of 80% LTV or Sliding Scale calculation as follows:</p> <p>80% up to the Sliding Scale Cut-off (refer to chart below) plus</p> <p>50% of the remaining balance</p>	<p>Lesser of 80% LTV or Sliding Scale calculation as follows:</p> <p>Ontario and BC: 80% of first \$750,000 plus 50% of the remaining balance for non-condo dwellings</p> <p>Rest of Canada: 80% of the first \$500,000 50% of the balance for non-condo dwellings</p> <p>Condo dwellings 80% for the first \$500,000 50% of the balance</p>
Investor Property	Lending amount subject to lesser of Investor Properties policy LTV limits and Sliding Scale				
Recreational / Vacation Property	Lending amount subject to lesser of LTV 65% and Non-Urban Sliding Scale based on location and property type (Condominium Apartments or Other Residential Property Types)				
Cottage Property	Lending amount subject to lesser of LTV 50% and Non-Urban Sliding Scale based on location, up to maximum \$500,000 loan amount				

1. Greater Vancouver Area (GVA) and Greater Toronto Area (GTA)

- For Canadian Cities included in the Select GVA/GTA category refer to the chart below.

2. Major Urban Centre

- For Canadian Cities included in the Major Urban category refer to the chart below.
- As defined by Census Metropolitan Agglomeration per Stats Can.

3. Urban Centre

- For Canadian Cities included in the Urban category refer to the chart below.

4. Urban Centre not listed in the Urban Cities List

If a community is not on the Urban City listing and meets one of the criteria listed below, they are eligible for the lowest tier of the Urban policy-based on location as follows:

- i. Condominium Apartments (80% of the first \$750,000 and 50% of the difference):

- ii. Other Residential Property Types (Ontario/BC 80% of the first \$1,000,00 and 50% of the difference & Rest of Canada (ROC) 80% of the first \$850,000 and the 50% of the difference)

Criteria:

- All other cities with population of 30,000 or more.
- All communities with population < 30,000 that are located within 50 km of an Urban or Major (Excluding communities on the restricted community list)

5. Non-Urban/Rest of Canada and Recreational

- Properties that fall under the Cottage Property Policy are restricted to a maximum LTV of 50% up to a maximum loan amount of \$500,000.
- Default insurance is required for all properties located in or near Non-Urban centres with population base < 5,000 and > 100 km from an Urban or Major Urban Centre.
 - Insurance requirement waived if:
 - LTV up to 65% or
 - Property is located in a small community where there is a TD Branch (provided the community is not on the Restricted Community list)
 - If request an exception to waive insurance requirement where the LTV > 65% or there is no TD branch to be escalated to RRMCG.

Greater Vancouver Area (GVA) Cities		All Other Residential Property Types	Condominium Apartment
GVA \$3.25MM	West Vancouver, Vancouver	80% of the first \$3,250,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
GVA \$2.75MM	North Vancouver	80% of the first \$2,750,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
GVA \$2.50MM	White Rock, Burnaby	80% of the first \$2,500,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
	Richmond	80% of the first \$2,500,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
GVA \$2.25MM	Port Moody, Anmore, Belcarra, Coquitlam, Surrey, Delta (inclusive of Tsawwassen)	80% of the first \$2,250,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
GVA \$2.00MM	Langley (inclusive of Aldergrove)	80% of the first \$2,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
GVA \$1.75 MM	Port Coquitlam, New Westminster	80% of the first \$1,750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance

Greater Toronto Area (GTA) Cities		All Other Residential Property Types	Condominium Apartment
GTA \$3.25MM	City of Toronto (inclusive of East York, Etobicoke, North York, Scarborough) Oakville	80% of the first \$3,250,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
GTA \$3.00MM	Richmond Hill (inclusive of Oak Ridges) King (inclusive of King City, Schomberg and Nobleton)	80% of the first \$3,000,000 Plus 50% of the balance	
GTA \$2.75MM	Markham (Inclusive of Unionville)	80% of the first \$2,750,000 Plus 50% of the balance	
GTA \$2.50MM	Vaughn (inclusive of Concord, Kleinberg, Maple, Thornhill, Woodbridge) Aurora Whitchurch-Stouffville	80% of the first \$2,500,000 Plus 50% of the balance	
GTA \$2.25MM	Brampton, Mississauga, Burlington	80% of the first \$2,250,000 Plus 50% of the balance	

GTA \$2.00MM	Caledon (inclusive of Bolton)	80% of the first \$2,000,00 Plus 50% of the balance
GTA \$1.75MM	Ancaster, Georgetown, Milton, Newmarket,	80% of the first \$1,750,000 Plus 50% of the balance
GTA \$1.50MM	Ajax, Whitby, Waterdown, Dundas, Pickering	80% of the first \$1,500,000 Plus 50% of the balance
GTA \$1.25MM	Barrie, Stoney Creek, Hamilton, Oshawa	80% of the first \$1,250,000 Plus 50% of the balance

Major Urban Centre

- As defined by Census Metropolitan Agglomeration per StatsCan

Other Major Urban Cities		All Other Residential Property Types	Condominium Apartment
MU \$2.00MM	B.C: Kelowna (inclusive of West Kelowna, Lake Country)	80% of the first \$2,000,000 Plus 50% of the balance	
MU \$1.75MM	B.C: Colwood Esquimalt Highlands Langford Metchosin Oak Bay Sidney Victoria (inclusive of Saanichton-Saanich Central, Saanich East, Saanich North and Saanich West) Victoria West View Royal Maple Ridge Pitt Meadows Squamish QC: Montreal Island including: Central Montreal Eastern Montreal Western Montreal	80% of the first \$1,750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
MU \$1.50MM	B.C: Abbotsford QC: St. Lambert ON: Cambridge London Kitchener-Waterloo Guelph Acton/Halton Hills	80% of the first \$1,500,000 Plus 50% of the balance	

MU \$1.25MM	B.C: Sooke AB: Calgary (inclusive of Bears paw, Springbank) ON: Ottawa Nepean Gloucester Constance Bay Stittsville West Carleton Cumberland Kanata Vanier Dunrobin Rockcliffe Manotick Orleans QC: Boucherville, Brossard, St. Bruno-De-Montarville	80% of the first \$1,250,000 Plus 50% of the balance	
MU \$1.00MM	AB: Edmonton, Sherwood Park, St. Albert, Leduc ON: Gatineau QC: Chateauguay Mascouche Terrebonne Blainville Candiac La Prairie Repentigny Longueuil Laval Hull	80% of the first \$1,000,000 Plus 50% of the balance	

Urban Centre Listing:

- Population base is 30,000 or more
- All communities with population < 30,000 that are located within 50km of an Urban or Major Urban area. Not applicable to cities where (*) is denoted due to additional considerations.

Urban Centre Cities		All Other Residential Property Types	Condominium Apartment
U \$1.75MM	On: Collingwood	80% of the first \$1,750,000 Plus 50% of the balance	
U \$1.50MM	BC: Parksville Whistler*	80% of the first \$1,500,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance

	ON: Innisfil Grimsby Orillia		
U \$1.25MM	BC: Chilliwack Mission Courtenay Comox Cumberland Nanaimo AB: Okotoks ON: Brantford Bradford St. Catherines NS: Halifax	80% of the first \$1,250,000 Plus 50% of the balance	
U \$1.00MM	BC: Prince George Vernon Campbell River Duncan Kamloops Penticton AB: Chestermere Airdrie Grande Prairie ON: Belleville Brockville Chatham-Kent Cornwall Kingston Leamington Midland North Bay Owen Sound Sarnia Sault Ste Marie Niagara Falls Peterborough Stratford St Thomas Sudbury Timmins Thunder Bay Woodstock Welland Windsor	80% of the first \$1,000,000 Plus 50% of the balance	

	<p>QC: Aylmer St. Eustache St. Hubert</p> <p>NS: Dartmouth</p> <p>YK: Whitehorse</p>		
<p>U \$0.850MM</p>	<p>AB: Beaumont Fort McMurray Ft Saskatchewan Lethbridge Lloydminster Medicine Hat Red Deer Spruce Grove</p> <p>SK: Grand Coulee Moose Jaw Prince Albert Regina Saskatoon</p> <p>MN: Brandon East St Paul St Paul St Andrews Steinbach Winkler Winnipeg</p> <p>QC: Alma Beauport Charlesbourg Chicoutimi Drummondville Granby Joliette Levis Quebec City Rimouski Rouyn-Noranda Saint-Georges St. Augustin Salaberry-de-Valleyfield Shawinigan Sorel-Tracy Trois-Rivières Val D'or Victoriaville Saint Pierre St. Lazare Sherbrooke</p>	<p>80% of the first \$850,000 Plus 50% of the balance</p>	

	<p>NB: Fredericton Moncton St John</p> <p>NS: New Glasgow Sydney Truro</p> <p>NFLD: Conception Bay Mount Pearl St John's</p> <p>PEI: Charlottetown</p>		
--	--	--	--

Urban Cities not listed in the Urban Cities list

- All other cities with populations of 30,000 or more.
- All communities with population < 30,000 that are located within 50 km of an Urban or Major centre. (except communities on the Restricted Community list).

8.3. Well Water and Septic Certificates

Overview

- The requirement for well and/or septic certificates must be included in the instructions to the solicitor/notary. The solicitor/notary is responsible to obtain, review and forward the certificates with the standard credit documents.

Existing Properties and Purchases from Builder – Single Advance

- Applications for properties that have well water as the principal water source must be supported by a current water potability certificate dated within 60 days of the closing date. The solicitor/notary is responsible to obtain, review and forward the certificates to TD with the standard credit documents.
- **Water Potability Certificate:**
 - Must confirm water quality passes the municipal test or is fit for human consumption.
 - Well Water Potability Certificates can be waived under the following circumstances:
 - Properties on which TD has an existing first charge and there are no known water concerns.
 - Properties that have water supplied by cistern where the water is brought in from another source.
 - Transfer/assignments from other major financial as outlined under the Mortgage Transfer Plan.
- **Septic Certificate:**
 - Are required for rural properties with new systems only.
 - Must be from a provincial or municipal authority and certify that the soil and water pollution, septic system design and installation are acceptable.
- **Shared Well Access:**
 - For both Insured and Conventional applications, the following is required in addition to the standard requirement for well water certificates:
 - **An agreement is in place for:**
 - Long-term use and maintenance of the well and pump on a reasonable mutual or individual basis.
 - Supply lines installed and easements for the supply lines.
 - **The agreement must:**
 - Run in perpetuity or until municipal water is available to the site
 - Be in favour of the mortgagor
 - Be assignable
 - Bind the owner, his/her heirs, any assignees or existing mortgagees of the adjoining land from which the water was being supplied
 - **The agreement of access must be registered on title.**

9. Default Insurance

9.1. Default Insured Applications

Overview

- Default insurance protects the Bank against a credit loss, in the event a borrower is unable to repay their mortgage and enables qualified borrowers to purchase homes with smaller down payments.
- It is important for customers to understand how the default insurance premiums are calculated and charged by the mortgage insurer, either Canada Mortgage and Housing Corporation (CMHC), Sagen, or Canada Guaranty.
- A home phone number must be provided for Insured deals.
- High ratio facilities are currently insured for the following:
 - Purchase and Purchase with Improvements of any new or existing single attached, detached or duplex unit

Additional Disclosure Required

- Canadian government regulations require federally regulated mortgage lenders, including TD, to provide disclosure statements to mortgage customers explaining their mortgage default insurance and to publicly display general information on this topic.
- Customers who are paying default insurance premiums will be required to sign a disclosure as part of the Mortgage Fulfillment package.

High Ratio Mortgages

- High ratio mortgages are mortgages where the LTV is greater than 80% of the value of the property
- High Ratio Mortgages must have mortgage default insurance coverage.
- The borrower agrees to pay an insurance premium.
- The mortgage insurance obtained by the borrower protects the Bank against default by the borrower.
- Like all credit applications at TD, a full and proper credit investigation of the applicant(s) will be completed as part of the decision-making process before a high ratio mortgage application is forwarded to the default insurers for their review and approval. Failure to do so can result in an insurer denying a claim on the basis of negligence.

Insurance Premium Payments

- The borrower can:
 - Pay the premium in cash up front, or
 - Add the premium to the principal amount of the mortgage

Borrower Qualification

- Standard borrower eligibility criteria applies
- When determining a borrower's eligibility for the loan in terms of Gross Debt Service (GDS) and Total Debt Service (TDS) ratios for insured mortgages:
 - All applications, including fixed term *five* years or greater, will be qualified based on the greater of the *five*-year Benchmark Rate or customer rate.
 - **Note:** If the customer changes their term, rate or rate type (e.g. *five*-year fixed to a VIRM) the mortgage must be re-decided using the appropriate Qualifying Rate.
 - Refer to the **Qualifying Rate** section for further details.
 - Additional terms and conditions may apply for insured refinance requests, as determined by the Underwriter

Loan Purpose

- Purchase
- Purchase plus Improvements

Products

- Eligible products: Mortgage - fixed rate and closed VIRM
- Ineligible products: TD Home Equity FlexLine

Terms

- Six months
- One, two, three, four, five, six, seven or 10 years closed
- Closed VIRM

Eligible Property Types

- Owner-occupied up to four units
- New or existing properties
- Rental properties up to four units
- Second Homes (Sagen/Canada Guaranty only)
- Cottage Properties (Sagen/Canada Guaranty only)

Loan to Value (LTV)

- Owner-occupied:
 - Purchase up to 95% LTV for 1 to 2 unit properties
 - Purchase up to 90% LTV for 3 to 4 unit properties:
 - 95% of the lesser of the appraised value or purchase price for the amount up to \$500,000
 - 90% of the lesser of the appraised value or purchase price for the amount over \$500,000 to less than \$1,000,000
- Rental:
 - Purchase up to 80% LTV for non-owner occupied rental properties with 2 to 4 units

Down Payment

- Minimum down payment, as a percentage of purchase price, that must come from borrowers' own resources is:
 - Properties of 1 to 2 units:
 - 5% of the first \$500,000
 - 10% of the amount exceeding \$500,000
 - Properties of 3 to 4 units:
 - 10% of the purchase price
- Balance of the down payment can come from borrowed sources provided the associated payments are included in the debt serviceability.

Maximum Purchase Price/Property Value

- Less than \$1,500,000.
- For non-owner occupied investor properties only: Less than \$1,000,000

Amortization

- Up to 30 years for First Time Home Buyers and all purchasers of newly constructed homes*
- Up to 25 years for all other applications
- *To be eligible for a maximum amortization of up to 30 years, the following applies:
 - First Time Homebuyer (FTHB): At least one borrower must be a first-time homebuyer. To be considered a first-time home, a borrower must meet one of the following criteria:
 - The borrower has never purchased a home before, or
 - In This calendar year, and in prior 4 calendar years, the borrower has not occupied a home as a principal place of residence that either they themselves or their current spouse or common-law partner owned, or
 - The borrower recently experienced the breakdown of a marriage or common-law partnership. The borrower must have been living separate and apart from their spouse for at least 90 days, and they must not have a new spouse or common-law partner who owns a home that is their principal place of residence.
 - FTHB purchasing an existing home is eligible for 30-year amortization.
 - All purchasers are eligible for 30 years amortization on newly constructed homes.
 - Newly Constructed Home: The property that the borrower is purchasing must be a newly constructed home and the new home must not have been previously occupied for residential purposes. This requirement does not exclude newly constructed condominiums where there has been an interim occupancy period.
 - Homeowner Occupancy: The home must be intended for homeowner occupancy (occupied by the borrower, by a person related to the borrower by marriage, common law partnership, or any legal parent-child on a rent-free basis).

Minimum Requirements for the Credit Submission

When amortization exceeds 25 years:

- The First Time Home Buyer Declaration Form must be signed and uploaded - Only for existing properties; not applicable for Builder Single Advance
- Available through CMHC, Sagen and Canada Guaranty.
- LTV must be > 80%.

9.2. Default Insurance Premiums Reference Chart

30-Year Amortization Period

LTV Ratio	Owner-occupied Properties				Rental Properties (two to four units)*	Cottage Properties**
	Maximum 25-year amortization period		Amortization period of 25 – 30 years***			
	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization	Percentage charged on Loan Amount for self-employed borrower without third party income validation with a maximum 25-year amortization	Percentage charged on mortgage loan amount for employed/ self-employed borrower with third party income validation with amortization exceeding 25 years	Percentage charged on mortgage loan amount for self-employed borrower without third party income validation with amortization exceeding 25 years	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization
Up to 65%	0.60%	1.50%	Not available	Not available	1.45%	1.45%
65.01% to 75%	1.70%	2.60%	Not available	Not available	2.00%	2.55%
75.01% to 80%	2.40%	3.30%	Not available	Not available	2.90%	3.15%
80.01% to 85%	2.80%	3.75%	3.00%	3.95%	Not available	3.50%
85.01% to 90%	3.10%	5.85%	3.30%	6.05%	Not available	4.35%
90.01% to 95%	4.00%	Not available	4.20%	Not available	Not available	Not available
90.01% to 95% and non-traditional source of down payment	4.50%	Not available	4.70%	Not available	Not available	Not available

* Single rental units are not eligible for insurance.

** These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.

*** Up to 30-year amortization for qualifying borrowers purchasing an eligible property.

If the principal amount of your mortgage is a result of combining an existing insured mortgage with additional borrowed funds, the insurance company will combine the information from the existing mortgage and use the

premium table below to calculate the premium amount. The insurer may determine that a premium credit is available.

Here are default insurance premium rates offered by insurers when there is an increase on the borrowed amount, and the original loan amount required mortgage default insurance effective for purchase mortgages approved on or after December 16, 2024. The insurer may determine that a premium credit is available. This rate is charged on the new money:

30-Year Amortization Period

LTV Ratio	Owner-occupied Properties				Rental Properties (two to four units)*	Cottage Properties**
	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization	Percentage charged on increase to Loan Amount for self-employed borrower without third party income validation with a maximum 25-year amortization	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation with amortization exceeding 25 years ***	Percentage charged on increase to Loan Amount for self-employed borrower without third party income validation with amortization exceeding 25 years ***	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation with a maximum 25-year amortization
Up to 65%	0.60%	3.00%	Not available	Not available	3.15%	2.90%
65.01% to 75%	5.90%	6.50%	Not available	Not available	3.45%	6.10%
75.01% to 80%	6.05%	7.00%	Not available	Not available	4.30%	6.40%
80.01% to 85%	6.20%	7.50%	6.40%	7.50%	Not available	7.00%
85.01% to 90%	6.25%	9.00%	6.45%	9.00%	Not available	7.60%
90.01% to 95%	6.30%	Not available	6.50%	Not available	Not available	Not available
90.01% to 95% and non-traditional source of down payment	6.60%	Not available	6.80%	Not available	Not available	Not available

0.6% premium surcharge on the above percentages may be added by the insurer when amortization on the existing mortgage is blended with that of the new money.

* Single rental units are not eligible for insurance.

** These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.

*** Up to 30-year amortization for qualifying borrowers purchasing an eligible property.

10. Appendix

10.1. Broker Information Kit – Overview of Updates

Following are highlights of the changes, deletions and/or clarifications that have been made to this edition of the Broker Information Kit.

Note: Please refer to the applicable section within the Broker Information Kit to read the full process or policy.

Section	Description
3.20	Updated email under "Processing an Application"
4.10	Increased maximum amount of improvement that can be financed on Purchase/Refinance with Improvements Mortgage.

10.2. Occupation Category and Occupation Description Table

Occupation Category	Occupation Description
<p style="text-align: center;">Accounting/Finance/Insurance</p>	<ul style="list-style-type: none"> ▪ Accountant ▪ Accounting Consultant ▪ Accounts Payable/Receivable Clerk ▪ Actuary Or Actuarial Analyst ▪ Auditor ▪ Bookkeeper ▪ Claims Adjuster ▪ Collections Officer ▪ Corporate Finance Accountant/Analyst ▪ Financial Analyst/Researcher ▪ Financial Controller ▪ Financial Planner ▪ Financial Products Sales Agent/Broker ▪ Fund Accountant ▪ Investment Analyst ▪ Investment Broker ▪ Stock/Securities Broker ▪ Investment Consultant ▪ Policy Underwriter ▪ Risk Manager/Compliance Officer ▪ Securities Analyst/Researcher ▪ Tax Accountant ▪ Tax Assessment and Collections Officer ▪ Assessor/Business Valuator/Appraiser ▪ Business Management Consultant ▪ Economist ▪ Insurance Agent/Broker ▪ Manager, Finance ▪ Project/Change Manager - Accounting/Finance/ Insurance ▪ Supervisor, Finance/Insurance Workers
<p style="text-align: center;">Administrative/Clerical</p>	<ul style="list-style-type: none"> ▪ Administrative Assistant ▪ Claims Processor ▪ Executive Assistant ▪ Administrative Officer ▪ Advertising/Marketing/Public Relations Professional ▪ Conference/Event Planner ▪ Correspondence/Publication Clerk ▪ Court Clerk/Court Services ▪ Court Reporter/Medical Transcriber ▪ Customs, Ship and Other Broker ▪ Data Entry Clerk ▪ Desktop Publishing Operator ▪ Employment Insurance/Revenue Officer ▪ General Office Support Worker ▪ Human Resources Professional ▪ Human Resources/Recruitment Officer ▪ Library Assistant/Clerk ▪ Manager, Advertising/Marketing/ Public Relations ▪ Manager, Health Information ▪ Manager, Human Resources ▪ Manager, Purchasing ▪ Medical Administrative Assistant ▪ Payroll Administrator ▪ Personnel Clerk ▪ Procurement/Purchasing Agent ▪ Project/Change Manager-Office Support ▪ Property Administrator

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Receptionist ▪ Records Management Technician ▪ Regulatory Clerk ▪ Statistical Officer/Research Support ▪ Storekeeper/Partsperson ▪ Supervisor, General Office/Admin/Support ▪ Supervisor, Library/Correspondence ▪ Survey Interviewer/Statistical Clerk
Art & Culture	<ul style="list-style-type: none"> ▪ Actor, Comedian and Circus Performer ▪ Agent, Sports/Entertainment ▪ Announcer/Broadcaster ▪ Archivist ▪ Artisan/Craftsperson ▪ Audio/Video Recording Technician ▪ Author And Writer Except Technical ▪ Broadcast Technician ▪ Conductor/Composer/Arranger ▪ Conservator/Curator ▪ Dancer ▪ Editor ▪ Film/Broadcast Assistant and Operator ▪ Film/Video Camera Operator ▪ Graphic Arts Technician ▪ Graphic Designer/Illustrator ▪ Influencer/Model ▪ Interior Designer/Interior Decorator ▪ Journalist ▪ Librarian ▪ Library/Public Archive Technician ▪ Manager, Library/Museum/Art Gallery ▪ Manager, Sports/Entertainment ▪ Manager, Publishing/Film/Broadcast/Perf Arts ▪ Museum Registrar/Restorer/Interpreter ▪ Musician/Singer ▪ Painter/Sculptor/Visual Artist ▪ Photographer ▪ Photography/Performing Arts Worker ▪ Producer/Director/Choreographer ▪ Project/Change Manager, Arts and Culture ▪ Technical Writer ▪ Textile/Leather/Fur Patternmaker ▪ Theatre/Fashion/Exhibit Designer ▪ Translator/Terminologist/Interpreter
Bank/Real Estate/ Mortgage Professionals	<ul style="list-style-type: none"> ▪ Bank Teller ▪ Credit Reviewer/Analyst ▪ Escrow Officer/Manager ▪ Financial Services Rep/Advisor ▪ Investment Banker ▪ Loan Officer/Originator ▪ Mortgage Broker ▪ Real Estate Agent ▪ Real Estate Agent Leasing/Acquisition ▪ Real Estate Appraiser ▪ Real Estate Broker ▪ Real Estate Developer ▪ Underwriter ▪ Manager, Bank/Financial Institution ▪ Manager, Credit ▪ Project/Change Manager-Bank/Real Estate ▪ Real Estate Investor

Occupation Category	Occupation Description
Casino & Gaming	<ul style="list-style-type: none"> ▪ Casino/Gaming ▪ Casino Or Gaming Dealer/Operator ▪ Casino/Track Cashier ▪ Casino/Track Surveillance Security ▪ Horse Racing/Off Track Betting Operator ▪ Manager, Gaming/Casino
Community & Care	<ul style="list-style-type: none"> ▪ Border/Customs/Immigration Officer ▪ By-Law Enforcement/Regulatory Officer ▪ Chief/Senior Firefighting Officer ▪ Combat Member of The Armed Forces ▪ Commissioned Armed Forces Officer ▪ Commissioned Police Officer ▪ Correctional Service Officer ▪ Firefighter ▪ Home Child Care Provider ▪ Manager, Community/Correctional Service ▪ Operations Member of The Armed Forces ▪ Personal/Home Support Worker/Caregiver ▪ Police Investigator ▪ Police Officer Except Commissioned ▪ Probation/Parole Officer ▪ Project/Change Manager-Community ▪ Security Guard/Security Service ▪ Sheriff And Bailiff ▪ Social And Community Service Worker ▪ Social Service/Social Worker ▪ Specialized Member of Armed Forces ▪ Student Monitor/Crossing Guard
Computer & Information Systems	<ul style="list-style-type: none"> ▪ Business Systems Specialist ▪ Computer Engineer (except Software Engineer) ▪ Computer Network & Web Technician ▪ Computer System Developer / Programmer ▪ Cybersecurity Specialist ▪ Database Analyst / Data Administrator ▪ Information Systems Specialist ▪ Information Systems Testing Technician ▪ Manager, Computer / Information Systems ▪ Project / Change Manager - Information Technology ▪ Software Developer & Programmer ▪ Software Engineer & Designer ▪ User Support Technician ▪ Website / Application Designer ▪ Website / Application Developer & Programmer
Contractor/Mechanic/Repairer	<ul style="list-style-type: none"> ▪ Appliance Servicer and Repairer ▪ Auto Body Collision Repair Estimator ▪ Auto Body Collision Technician ▪ Automotive Mechanic ▪ Construction Millwright ▪ Electrical Mechanic ▪ Electronic Serv. Tech - House/Biz Equip ▪ Elevator Constructor and Mechanic ▪ General Maintenance/Repairer ▪ Heavy-Duty Equipment Mechanic ▪ HVAC Mechanic/Technician ▪ Industrial Mechanic ▪ Manager, Construction ▪ Manager, Home Building/Renovation ▪ Oil And Solid Fuel Heating Mechanic ▪ Supervisor, Carpentry Trades ▪ Supervisor, Electrical Trade/Telecomm

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Supervisor, Machining/Metal Work ▪ Supervisor, Mechanic Trades ▪ Supervisor, Pipefitting ▪ Telecomm Line/Cable Installer/Repairer
Education/Training	<ul style="list-style-type: none"> ▪ School/College Administrator ▪ School Principal ▪ Career Development and Career Counsellor ▪ College And Vocational Instructor ▪ Driving Instructor ▪ Early Childhood Educator/ Assistant ▪ Educational Counsellor ▪ Elementary/Kindergarten Teacher ▪ Elementary/Secondary School Teacher Asst ▪ Flying Instructor ▪ Instructor Of Persons with Disabilities ▪ Post-Secondary Teaching/Research Asst. ▪ Project/Change Manager-Education ▪ Secondary School Teacher ▪ University Professor/Lecturer
Engineering	<ul style="list-style-type: none"> ▪ Aerospace Engineer ▪ Air Pilot/Flight Engineer ▪ Chemical Engineer ▪ Civil Engineer ▪ Electrical/Electronics Engineer ▪ Electronical/Electronic Engineering Tech ▪ Engineer Inspector/Regulatory Officer ▪ Geological Engineer ▪ Industrial Engineering Technologist/Technician ▪ Industrial Manufacturing Technologist/Technician ▪ Industrial/Manufacturing Engineer ▪ Manager, Engineering ▪ Mechanical Engineer ▪ Mechanical Engineering Tech ▪ Metallurgical/Materials Engineer ▪ Mining Engineer ▪ Petroleum Engineer ▪ Project/Change Manager-Engineering ▪ Railway/Yard Locomotive Engineer
Executive/Senior Management	<ul style="list-style-type: none"> ▪ Bank Executive ▪ C Suite/Sr Manager, Broadcasting Org ▪ C Suite/Sr Manager, Construction ▪ C Suite/Sr Manager, Education/Training ▪ C Suite/Sr Manager, Health and Medical ▪ C Suite/Sr Manager, Manufacturing/Production ▪ C Suite/Sr Manager, Sales/Serv Industry ▪ C Suite/Sr Manager, Social Community Org ▪ C Suite/Sr Manager, Trades Industry ▪ C Suite/Sr Manager, Transport/Logistics ▪ Chief Financial Officer (CFO) ▪ President/Chief or Senior Executive
Food Service	<ul style="list-style-type: none"> ▪ Baker ▪ Bartender ▪ Butcher, Retail/Wholesale ▪ Chef ▪ Cook ▪ Fishmonger, Retail/Wholesale ▪ Food Counter Attendant/Kitchen Helper ▪ Food/Beverage Server ▪ Manager, Restaurant/Food Service

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Meat Cutter, Retail/Wholesale
<p style="text-align: center;">Government/Diplomatic</p>	<ul style="list-style-type: none"> ▪ Aboriginal Band Chief ▪ Ambassador ▪ Executive Council Member of Government ▪ Head Of a Government Agency ▪ Head Of State/Government ▪ Leader/President of Political Party ▪ Member Of Legislature/Parliament ▪ President Of State-Owned Company/Bank ▪ Mayor ▪ City/Town Councillor ▪ Business Dev. Officer/Market Researcher ▪ Deputy Minister Or Equivalent Rank ▪ Diplomat Including Attache/Counselor ▪ Education Policy Researcher/Prog Officer ▪ Govt Manager In Econ Analysis Policy Development ▪ Govt Manager In Education Policy Development ▪ Govt Manager In Health/Social Policy Development ▪ Health Policy Researcher/Program Officer ▪ Military Officer Rank General or Above ▪ Policy Researcher and Program Officer ▪ Program Officer Unique to Government ▪ Project/Change Manager-Government Org ▪ Recreation Policy Researcher/Prog Officer ▪ Reeve ▪ Social Policy Researcher/Program Officer ▪ Head Of International Organization
<p style="text-align: center;">Labourer/Assembly Worker</p>	<ul style="list-style-type: none"> ▪ Aircraft Assembler and Inspector ▪ Assembly/Assembly Line Worker ▪ Car Assembler/Inspector/Tester ▪ Construction Trades Helper/Labourer ▪ Electric Motor Assembler/Inspector ▪ Electrical Appliance Assembler/Inspector ▪ Electronic Assembler/Inspector/Tester ▪ Furniture And Fixture Maker/Inspector ▪ Labourer In Chemical Products Processing ▪ Labourer In Fish and Seafood Processing ▪ Labourer In Food and Beverage Processing ▪ Labourer In Metal Fabrication ▪ Labourer In Mineral and Metal Processing ▪ Labourer In Rubber/Plastic Fabricating ▪ Labourer In Textile Processing/Cutting ▪ Labourer In Wood, Pulp and Papermaking ▪ Mechanical Assembler and Inspector ▪ Plastic Products Assembler/Inspector ▪ Supervisor, Motor Vehicle Assembling ▪ Wood Products Assembler/Inspector
<p style="text-align: center;">Legal</p>	<ul style="list-style-type: none"> ▪ Corporate Attorney/Lawyer ▪ Criminal Lawyer ▪ Private Practice Attorney/Lawyer ▪ Government Attorney/Lawyer ▪ Contracts Administration Lawyer ▪ Legal Secretary ▪ Paralegal ▪ Patent/Intellectual Property Lawyer ▪ Real Estate Lawyer ▪ Regulatory/Compliance Lawyer ▪ Tax Lawyer

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Judge ▪ Labour And Employment Lawyer
<p style="text-align: center;">Machine/Equipment Operator</p>	<ul style="list-style-type: none"> ▪ Machine/Equipment Operator ▪ Binding And Finishing Machine Operator ▪ Chain Saw and Skidder Operator ▪ Chemical Plant Machine Operator ▪ Crane Operator ▪ Electrical Parts Fabricator/Inspector ▪ Farm Machinery Operator ▪ Food And Beverage Machine Operator ▪ Glass Making Machine Operator ▪ Heavy Equipment Operator ▪ Industrial Sewing Machine Operator ▪ Logging Machinery Operator ▪ Machining Tool Operator ▪ Metalworking/Forging Machine Operator ▪ Mineral And Metal Machine Operator ▪ Paper Converting Machine Operator ▪ Plastics Processing Machine Operator ▪ Plateless Printing Equipment Operator ▪ Printing Press Operator ▪ Public Works Maintenance Equip Operator ▪ Pulp Mill, Papermaking Machine Operator ▪ Rubber Processing Machine Operator ▪ Sawmill Machine Operator ▪ Supervisor, Heavy Equip Operator Crews ▪ Textile/Hide/Pelt Machine Operator ▪ Welder ▪ Woodworking Machine Operator
<p style="text-align: center;">Manufacturing & Production</p>	<ul style="list-style-type: none"> ▪ Manager, Manufacturing ▪ Camera, Platemaking Worker ▪ Concrete/Clay/Stone Forming Operator ▪ Fish And Seafood Plant Worker ▪ Food And Beverage Tester/Grader ▪ Foundry Worker ▪ Industrial Painters and Metal Finisher ▪ Lumber Inspector/Grader ▪ Manager, Utilities ▪ Mineral And Metal Control/Process Ops ▪ Mineral And Metal Inspector/Tester ▪ Petroleum/Gas Control/Process Operator ▪ Photographic And Film Processor ▪ Power Engineer And Power System Operator ▪ Project/Change Manager-Manufacturing ▪ Pulping/Papermaking Control Operator ▪ Supervisor, Electronics Manufacturing ▪ Supervisor, Food and Beverage Processing ▪ Supervisor, Forest Products Processing ▪ Supervisor, Furniture and Fixture Making ▪ Supervisor, Metal Products Manufacturing ▪ Supervisor, Mineral and Metal Processing ▪ Supervisor, Petroleum/Chemical Making ▪ Supervisor, Textile Product Processing ▪ Supervisor. Plastic And Rubber Products ▪ Textile/Fur/Leather Inspector/Grader ▪ Water/Waste Treatment Plant Operator

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Weaver And Knitter
<p style="text-align: center;">Medical Assistant/Technician</p>	<ul style="list-style-type: none"> ▪ Cardiology Technologist ▪ Dental Assistant/Dental Lab Assistant ▪ Dental Technologist/Technician ▪ Massage Therapist/Masseuse ▪ Medical Lab Assistant/Technician ▪ Medical Laboratory Technologist ▪ Medical Radiation Technologist ▪ Nurse Aid and Patient Service Assoc. ▪ Pharmacy Assistant ▪ Pharmacy Technician ▪ Physician Assistant or Midwife ▪ Respiratory Therapist/Technician ▪ Veterinary Technician
<p style="text-align: center;">Medical Practitioner</p>	<ul style="list-style-type: none"> ▪ Audiologist/Speech Pathologist ▪ Chiropractor ▪ Clinical/Laboratory Medicine Specialist ▪ Dental Hygienist/Dental Therapist ▪ Dentist ▪ Denturist ▪ Dietitian/Nutritionist ▪ EMT/Paramedic ▪ General Practitioner/Family Physician ▪ Kinesiologist ▪ Licensed Practical Nurse ▪ Manager, Health Care ▪ Medical Professional ▪ Medical Sonographer ▪ Naturopath ▪ Nurse Practitioner ▪ Occupational Therapist ▪ Optician ▪ Optometrist ▪ Orthodontist ▪ Pharmacist ▪ Physiotherapist ▪ Psychiatrist ▪ Psychologist ▪ Registered Nurse/Psychiatric Nurse ▪ Specialist, Surgery ▪ Supervisor/Coordinator, Nursing ▪ Therapist In Counselling ▪ Traditional Chinese Med/Acupuncturist ▪ Veterinarian
<p style="text-align: center;">Natural Resources & Agriculture</p>	<ul style="list-style-type: none"> ▪ Aquaculture And Marine Harvest Labourer ▪ Contractor/Supervisor, Agric. Service ▪ Fishermen/Women ▪ Fishing Master/Officer ▪ Fishing Vessel Deckhand ▪ Harvesting Labourer ▪ Landscape And Grounds Maintenance Labourer ▪ Livestock Labourer ▪ Logging And Forestry Labourer ▪ Manager, Agriculture ▪ Manager, Aquaculture

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Manager, Horticulture ▪ Manager, Natural Resource Production/Fishing ▪ Mine Labourer ▪ Nursery And Greenhouse Labourer ▪ Oil And Gas Drilling, Servicing Labourer ▪ Oil/Gas Drilling Services Professional ▪ Oil/Gas Well Driller, Servicer, Tester ▪ Oil/Gas Well Drilling Service Operator ▪ Project/Change Manager-Natural Resources ▪ Silviculture And Forestry Worker ▪ Specialized Livestock Worker ▪ Supervisor, Landscape and Horticulture ▪ Supervisor, Logging and Forestry ▪ Supervisor, Mining and Quarrying ▪ Trapper And Hunter ▪ Underground Mine Service/Support Worker ▪ Underground Production and Development Miner
Natural/Applied Sciences	<ul style="list-style-type: none"> ▪ Agricultural And Fish Products Inspector ▪ Agricultural Rep, Consultant, Specialist ▪ Aircraft Instrument Tech and Inspector ▪ Architect ▪ Architectural Technologist/Technician ▪ Biological Technologist/Technician ▪ Biologist ▪ Chemical Technologist and Technician ▪ Chemist ▪ Civil Engineering Technologist/Technician ▪ Conservation And Fishery Officer ▪ Construction/Infrastructure Inspector ▪ Construction Estimator/Quantity Surveyor ▪ Data Scientist ▪ Drafting Technologist/Technician ▪ Enviro Health and Safety Officer ▪ Forestry Management/Harvest Professional ▪ Forestry Technologist/Technician ▪ Geo And Mineral Technologist/Technician ▪ Geoscientist And Oceanographer ▪ Industrial Instrument Tech /Mechanic ▪ Industrial/Product Designer ▪ Land Survey Technologist/Technician ▪ Land Surveyor ▪ Landscape Architect ▪ Landscape, Horticulture Tech/Specialist ▪ Manager, Architecture and Science ▪ Mathematician, Statistician, Actuary ▪ Meteorologist/Climatologist ▪ Non-Destructive Tester and Inspector ▪ Occupational Health/Safety Professional ▪ Physicist/Astronomer ▪ Project/Change Manager-Applied Sciences ▪ Sociologist/Anthropologist ▪ Technical Role in Geomatics/Meteorology ▪ Urban/Land Use Planner
Recreation & Sport	<ul style="list-style-type: none"> ▪ Athlete ▪ Coach ▪ Program Director, Sports/Fitness ▪ Recreation/Sport Program Instructor ▪ Sports Official/Referee ▪ Head Of International Sports Org

Occupation Category	Occupation Description
Religious Professionals	<ul style="list-style-type: none"> ▪ Religious Leader ▪ Missionary/Aid Worker ▪ Religious Practitioner
Sales	<ul style="list-style-type: none"> ▪ Airline Ticket and Service Agent ▪ Florist ▪ Ground, Water Transport Ticket Agent ▪ Jeweller/Precious Metals Dealer ▪ Manager, Corporate Sales ▪ Manager, Retail/Wholesale Trade ▪ Retail Salesperson/Visual Merchandiser ▪ Retail/Wholesale Buyer ▪ Sales Support/Assistance Agent ▪ Sales/Acct Rep Non-Tech - Wholesale ▪ Supervisor, Retail Sales ▪ Technical Sales Specialist - Wholesale ▪ Telemarketer
Service	<ul style="list-style-type: none"> ▪ Amusement, Recreation, Sport Attendant ▪ Call Center Agent ▪ Cargo Service Representative ▪ Cashier ▪ Courier/Messenger ▪ Customer Service Rep – Financial Institution ▪ Dry-Cleaning, Laundry Worker ▪ Esthetician/Beauty Treatment Operator ▪ Executive Housekeeper ▪ Funeral Director and Embalmer ▪ Hairstylist/Barber ▪ Image, Social and Personal Consultant ▪ Information Services Rep ▪ Janitor, Caretaker, Heavy-Duty Cleaner ▪ Letter Carrier ▪ Light Duty Cleaner ▪ Mail And Parcel Sorter ▪ Maitres D'hotel/Host/Hostess ▪ Manager, Customer/Personal Services ▪ Manager, Postal and Courier Services ▪ Mover ▪ Pawnbroker Owner/Operator ▪ Pet Groomer And Animal Care Worker ▪ Postal Services Representative ▪ Purser And Flight Attendant ▪ Retail Customer Service Rep ▪ Seamstress/Tailor, Furrier, Milliner ▪ Service Station Attendant ▪ Shoe Repairer/Shoemaker ▪ Specialized Cleaner ▪ Store Shelf Stocker, Clerk, Order Filler ▪ Supervisor, Cleaning ▪ Supervisor, Customer/Info Services ▪ Supervisor, Food Service ▪ Supervisor, Mail/Message Distribution ▪ Technical Customer Service Agent

Occupation Category	Occupation Description
<p style="text-align: center;">Tourism & Lodging</p>	<ul style="list-style-type: none"> ▪ Accommodation And Luggage Attendant ▪ Facilities Set-Up Worker ▪ Hotel Front Desk Clerk ▪ Manager, Accommodation Service ▪ Outdoor Sport/Recreational Guide ▪ Project/Change Manager-Tourism ▪ Supervisor, Travel/Tourism Services ▪ Tour/Travel Guide ▪ Travel Counsellor
<p style="text-align: center;">Trades</p>	<ul style="list-style-type: none"> ▪ Boilermaker ▪ Bricklayer ▪ Cabinetmaker ▪ Carpenter ▪ Concrete Finisher ▪ Driller And Blaster ▪ Electrical Power Line and Cable Worker ▪ Electrician Non-Industrial ▪ Floor Covering Installer ▪ Gas Fitter ▪ Glazier ▪ Industrial Electrician ▪ Insulator ▪ Interior/Exterior Painter ▪ Ironworker ▪ Locksmith ▪ Machine Fitter ▪ Machinist/Machining/Tooling Inspector ▪ Manager, Facility Operation/Maintenance ▪ Material Handler ▪ Pest Controller and Fumigator ▪ Pipefitter/Sprinkler System Installer ▪ Plasterer, Drywall Installer and Lather ▪ Plumber ▪ Power System Electrician ▪ Roofer And Shingler ▪ Sheet Metal Worker ▪ Structural Metal Fabricator/Fitter ▪ Superintendent/Building Maintenance Worker ▪ Supervisor, Printing and Binding ▪ Tilesetter ▪ Tool And Die Maker ▪ Upholsterer ▪ Utility Maintenance Worker ▪ Water Well Driller
<p style="text-align: center;">Transportation & Logistics</p>	<ul style="list-style-type: none"> ▪ Air Traffic Controller ▪ Air Transport Ramp Attendant ▪ Aircraft Mechanic and Inspector ▪ Boat And Cable Ferry Operator ▪ Deck Officer of Water Transport ▪ Delivery Service Driver ▪ Dispatcher ▪ Engineer Officer Of Water Transport ▪ Limousine Driver and Chauffeur ▪ Longshore Worker ▪ Manager, Transportation ▪ Production Logistics Worker ▪ Production/Transportation Coordinator ▪ Project/Change Manager-Logistics ▪ Public Transit Transportation Operator

Occupation Category	Occupation Description
	<ul style="list-style-type: none">▪ Purchasing/Inventory Control Worker▪ Railway And Motor Transport Labourer▪ Railway Car Inspector/Mechanic▪ Railway Conductor/Brakemen/Women▪ Railway Traffic Controller▪ Railway Yard/Track Maintenance Worker▪ Shipper/Receiver▪ Supervisor, Motor Transport▪ Supervisor, Railway Transport Operation▪ Supervisor, Supply Chain/Scheduling▪ Taxi Driver▪ Transport Truck Driver▪ Transportation Route/Crew Scheduler▪ Water Transport Deck/Engine Room Crew

10.3. TD Broker Refinance Program Fee Schedule

January 2026

Title Insured TD Broker Refinance Program Fee Schedule for credit applications up to \$750,000.00

(Fees are current as of January 19, 2026 and are subject to change without notice)

Province	Program Fee	Additional Fees for Registration Insurance Premiums*
British Columbia	\$746.67	\$0.00
Alberta	\$664.00	\$5/\$5000 of the mortgage amount
Saskatchewan	\$700.00	See variable registration fees chart below
Manitoba	\$925.00	\$0.00
Ontario	\$894.32	\$0.00
New Brunswick	\$849.00	\$0.00
Nova Scotia	\$849.00	\$0.00
Newfoundland and Labrador	\$992.00	\$0.40 per \$100.00 of the mortgage amount
Prince Edward Island	\$1085.00	N/A
Quebec	See table below	\$0.00

*Insurance Premiums for credit applications over \$750,000.00 See variable chart below

Program Fee noted above include:

- All searches
- TD Mortgage or TD Home Equity FlexLine registration
- Unlimited secured and unsecured debt payouts
- One signing appointment
- All discharge registration fees
- All applicable taxes

Quebec – Refinance with no discharge

Province	Program Fee	Additional Fees for Registration and Conversion
Quebec	\$1562**	N/A

**The new base program fee includes title searches, document preparation, one signing appointment, three (3) unsecured debt payouts, registration and a title insurance policy for TD and all applicable taxes.

Quebec – Refinance with discharge

Province	Program Fee	Additional Fees for Registration and Conversion
Quebec	\$1562***	N/A

***The all-in program fee includes title searches, document preparation, one signing appointment, unlimited discharges and unsecured debt payouts, registration, cancellation fees, a title insurance policy for TD and all applicable taxes.

Insurance Premiums

For credit applications over \$750,000.00, additional premiums apply as follows. In British Columbia the additional premium applies only for credit amounts greater than \$1,000,000.00:

Credit Amount	Additional Premium	Tax on Premium
\$750,000.01 to less than or equal to \$1,000,000.00	\$100	ON - \$8.00 NF - \$15.00 SK - \$6.00 MB- \$0.00 QC - \$9.00

\$1,000,000.01 to less than or equal to \$1,500,000.00	\$250	ON - \$20.00 NF - \$37.50 SK - \$15.00 MB - \$0.00 QC - \$22.50
\$1,500,000.01 to less than or equal to \$2,000,000.00	\$350	ON - \$28.00 NF - \$52.50 SK - \$21.00 MB - \$0.00 QC - \$31.50
\$2,000,000.01 to less than or equal to \$5,000,000.00	\$750	ON - \$ 60.00 NF - \$112.50 SK - \$45.00 MB - \$0.00 QC - \$67.50
\$5,000,000.01 and Over	\$750 plus \$0.65 per \$1000 over \$5,000,000.01	Taxes will vary depending on province and the amount over \$5,000,000.01

Saskatchewan Variable Registration Fees

Saskatchewan Variable Registration Fees	
Registered Mortgage Amt.	Fee
\$0.00 - \$249,999.99	\$180.00
\$250,000 - \$500,000	\$250.00
\$500,000.01 - \$750,000	\$500.00
\$750,000.01 - \$1,000,000.00	\$750.00
\$1,000,000.01 +	\$1,000.00

The fees noted above apply to transactions associated with this program. For additional services, not part of the program, please contact us.

10.4. Costs and Fees Associated with a TD Product

Cost of borrowing information is provided to customers in their Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement (or Amendment Agreement when there is a Term Portion) which they sign with their solicitor/notary or with the FCT Remote Signor. It is important that you also provide customers with an in-depth overview of the costs and fees associated with their TD Mortgage or TD Home Equity FlexLine.

To support your conversation with customers, please refer to the chart below for guidelines on Cost of Borrowing and fee disclosures.

Subject	Description
Annual Interest Rate	<ul style="list-style-type: none"> • With a Fixed Interest Rate, the Annual Interest Rate is expressed as if calculated semi-annually, not in advance. • With Variable Interest Rates Mortgages (VIRMs), the Annual Interest Rate charged is the TD Prime Rate plus/minus the variance and is expressed as if calculated monthly, not in advance. The customer's Annual Interest Rate will change automatically when the TD Prime Rate changes. TD Prime Rate is the rate which is set and adjusted at the Bank's discretion on prime residential properties.
Annual Percentage Rate	<ul style="list-style-type: none"> • The Annual Percentage Rate (APR) reflects, in addition to interest, any applicable fees that apply to the customer's mortgage or Term Portion.
Term	<ul style="list-style-type: none"> • For closed terms, if the customer pays some or all of the mortgage loan (outside of prepayment privileges) before the end of the term, they will have to pay any applicable Prepayment Charges (see below).
Date of Advance	<ul style="list-style-type: none"> • Interest is charged at the annual interest rate from this date.
Payments	<ul style="list-style-type: none"> • Before the customer's first principal and interest payment, the customer must make a payment for the interest owing from the date the bank advanced the principal amount to the start date of the term, which would be the first of the following month. This is referred to as the Interest Adjustment Payment (IAD is only applicable to mortgages). • With Mortgage Payments, the customer's principal and interest payments are due on the first of every month throughout the term, beginning the first of the month following the term start date. For example, if the mortgage funds on November 15th, the first payment would be due on January 1st. The mortgage term always starts on the first of a month. • TD Home Equity FlexLines with Term Portions do not have an IAD period. All Term Portions are set at monthly payments with the first payment occurring one month from the closing date. Customers may change their payment frequency and first payment date after activation.
Amortization Period	<ul style="list-style-type: none"> • When the term starts this is how long it will take to pay off the mortgage or Term Portion in full based on the customer's current payment details.
Prepayment Privilege	<ul style="list-style-type: none"> • For closed terms, the customer has the following prepayment privileges on the mortgage or Term Portion without paying any prepayment charges: <ul style="list-style-type: none"> ○ Make one or more lump-sum payments each calendar year, up to a total of 15% of the original principal amount with no prepayment charge. The minimum amount they can prepay is \$100.

Subject	Description
	<ul style="list-style-type: none"> ○ Increase their principal and interest payments by up to 100% at any time during the term of their mortgage or Term Portion. The customer can always opt to revert to their original payment amount. ○ Increase the frequency of their principal and interest payments. ● Refer to the Prepayment Privileges.
Prepayment Charges	<ul style="list-style-type: none"> ● If the customer pays more than the 15% prepayment privilege set out above, they will be required to pay a prepayment charge which will be the higher of the following two amounts: <ul style="list-style-type: none"> ○ Three months interest amount, or ○ The interest rate differential amount. The interest rate differential amount is the difference between the principal amount the customer owes at the time of prepayment and the principal amount they would owe using a similar mortgage rate. ● Note: A reinvestment fee may also apply if the mortgage or Term Portion is prepaid in full during the first term. See below for details. ● Refer to the Enhanced Disclosure of Prepayment Charges section and the Customer Handouts customer handout.
Default Insurance	<ul style="list-style-type: none"> ● If your customer's Loan-to-Value is more than 80%, they will require Default Insurance. This insurance covers the bank for losses if the customer defaults on their mortgage. The cost the customer pays for insurance is the insurance premium plus applicable sales tax (depending on the province) ● Your customer can elect to pay the insurance premium up front, however, more often they add it to their approved principal amount. The sales tax on the premium is paid to the lawyer by the customer as part of the statement of adjustments. ● Information on default insurance premiums will be provided to the customer with the MLA at mortgage signing. ● Refer to the Default Insurance section.
Automated Property Valuation	<ul style="list-style-type: none"> ● TD uses Automated Property Valuation (APV) to assess the value of the property. If a property is not eligible for APV or APV does not return a valuation, the property will be subject to a desktop appraisal or full property appraisal to be provided by the Brokerage. The APV fee is deducted from the customer's TD Mortgage or TD Home Equity FlexLine advance. Currently, this charge is \$99 and is subject to change. ● This fee is included in the APR. ● Refer to the Automated Property Valuation (APV) section.
Appraisal Fee	<ul style="list-style-type: none"> ● There may be an administration fee for obtaining an appraisal/valuation of the customer's property. ● Note: TD pays the appraisal fee for properties located in Quebec. ● This fee is included in the APR. ● Refer to the Appraisals (excluding Quebec) and Appraisals (Quebec Only) sections.
Discharge Fee	<ul style="list-style-type: none"> ● This fee is charged to prepare the documents needed to discharge the collateral charge after the customer paid their mortgage or TD Home Equity FlexLine in full. In addition, the customer is responsible for paying any government fees to register the discharge. ● Currently, this charge is \$0 to \$260 depending on the province and is subject to change. ● Refer to the Requesting Prepayment Information section.
Assignment Fee	<ul style="list-style-type: none"> ● This fee is charged to prepare the documents needed to transfer the collateral charge to another lender.

Subject	Description
	<ul style="list-style-type: none"> • Currently, this charge is \$0 to \$260 depending on the province and is subject to change.
Reinvestment Fee	<ul style="list-style-type: none"> • This fee is charged on closed fixed rate and closed variable rate TD Mortgages only, if the mortgage loan is paid in full for any reason before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed. • The fee is not included in the prepayment charge amount and is not refundable. • The charge is \$300.
Collateral Charge	<ul style="list-style-type: none"> • The customer's legal representative may charge them additional fees in connection with registering a collateral charge. • Refer to the Credit Agreements section a.
Property Taxes	<p>TD no longer requires customers with high ratio mortgages to be set up on bank to pay for property taxes. Customers are responsible for paying their own property taxes.</p>

10.5. Ports versus Replacements at TD

TD offers a Port or a Replacement policy for eligible customers. To support your conversation with customers, please refer to the chart below to help you understand which policy can be recommended to your customers.

Description	Port Policy	Replacement Policy
<p>Definition</p>	<p>A Port will allow TD Mortgage customers to take their current rate and term when they move or refinance to another TD Mortgage. The prepayment charge may be rebated.</p> <p>TIP: In some cases, paying a prepayment charge upfront and securing a new lower rate and term is less costly than porting.</p>	<p>The Replacement Policy rebates the prepayment charge when a customer has already paid or is being charged 3 Months' Interest on the discharge of an existing TD Mortgage/TD Home Equity FlexLine Term Portion when replaced within a year with a new closed term TD Mortgage/TD Home Equity FlexLine with a Term Portion at a new rate and term.</p>
<p>Qualifications</p>	<p>The new TD Mortgage must fund within 180 days of discharging the existing TD Mortgage.</p> <ul style="list-style-type: none"> • Refinance and Purchase and Sale deals qualify • Mortgage to Mortgage • • There must be a minimum increase of \$20,000 Subject Properties • Non_Subject Properties • Refinance: <ul style="list-style-type: none"> ○ The Mortgage being paid out must have been funded more than 120 days prior to be eligible. 	<p>The new TD Mortgage/Term Portion on the new TD Home Equity FlexLine must fund within one year of discharging the existing TD Mortgage/TD Home Equity FlexLine).</p> <ul style="list-style-type: none"> • Purchase and Sale deals: Amount must be greater than the discharged TD Mortgage/TD Home Equity FlexLine Term Portion. • Refinance: <ul style="list-style-type: none"> ○ There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion ○ Refinance of a non-subject property is <u>only permitted</u> when the customer is selling a subject property with an existing TD Mortgage/FlexLine Fixed Rate Term Portion and is moving that TD Debt to another property they already own (proof of sale must be in credit file). ○ If the Mortgage/FlexLine Term Portion being discharged funded within the last 120 days it is ineligible for a refund. • TD Mortgage to TD Mortgage • TD Mortgage/TD Home Equity FlexLine Term Portion(s) to TD Home Equity FlexLine Term Portion <p>Note: If within 120 days of the maturity of the existing TD product(s) and the customer is using</p>

Description	Port Policy	Replacement Policy
		the Replacement Policy then the total prepayment charge (3 Months' Interest or IRD) will be rebated.
Exclusions	Mortgage to Mortgage: <ul style="list-style-type: none"> • Closed VIRMs (fixed rate to VIRM; VIRM to fixed rate) • 1-Year Fixed Open • Term less than 4 months remaining • Assumed mortgages • Porting to a builder single advance closing > 120 days • Porting to Purchase/Refinance Plus Improvement mortgage 	N/A
Rate and Term	<ul style="list-style-type: none"> • The existing remaining term and rate is always transferred to the new TD Mortgage. • Since the new TD Mortgage amount is greater than the discharged mortgage, the existing mortgage rate is transferred with additional funds priced at the current rate. The final rate is a blended rate of the existing and new rates. 	<p>The existing TD Mortgage/TD Home Equity FlexLine Term Portion is replaced by a new closed term TD Mortgage or TD Home Equity FlexLine Term Portion at current rates and the amount must be greater than the discharged deal.</p> <ul style="list-style-type: none"> • Purchase and sale deals: Amount must be greater than the discharged TD Mortgage/TD Home Equity FlexLine Term Portion. • Refinance/increase deals (existing TD product on same subject property): There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion
Prepayment Charge	The prepayment charge is rebated.	<p>The prepayment charge is rebated</p> <ul style="list-style-type: none"> • If IRD is greater than 3 Months' Interest, then no rebate is available • If 3 Months' Interest is greater than IRD, the difference is rebated. <p>Note: Not available if IRD was rebated under the Port Policy.</p>
Referral Fees	<p>TD only pays on new money:</p> <ul style="list-style-type: none"> ▪ Referral Fees are only payable on new money added to the amount being ported. 	<p>TD only pays on new money:</p> <ul style="list-style-type: none"> ▪ Referral Fees are only payable on new money added to the amount being replaced. ▪ If the replacement mortgage funds within 120 days from date of maturity or at maturity, then Referral Fees will be paid on the entire amount. ▪ In cases where the three months' interest prepayment charge applies, Referral Fees will be paid on new money only when completing a mortgage refinance.
Reinvestment Fee	<ul style="list-style-type: none"> ▪ The reinvestment fee is charged on closed fixed rate and closed variable rate mortgages if paid in full for any reason before the end of the first term (e.g., 	

Description	Port Policy	Replacement Policy
	<p>discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed.</p> <ul style="list-style-type: none"><li data-bbox="423 216 1398 243">▪ The fee is not included in the prepayment charge amount and is not refundable.	

10.6. TD Protection Plans Fact Sheet



Help your customers protect their home and life that they've built

TD Protection Plans

Refer to TD and we will take care of the rest!

Ask your customer if they would like to learn more from TD about how optional TD Mortgage Protection or TD Line of Credit Protection can help protect their financial health in the event of:

TD Mortgage Protection: death, a covered accidental dismemberment, terminal illness or critical illness.

TD Line of Credit Protection: death, a covered accidental dismemberment or critical illness.

If your customers are interested and between the ages of 18 to 69, complete the referral with your customer and provide them with the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance. The Summary of Coverage is available as an attachment within the TD Mortgage or TD Home Equity FlexLine Commitment Package, as well as on the TD Mortgage Solutions Portal.

Two Convenient Referral Options

Access the Referral Form:

1. Sign on to the [TD Mortgage Solutions \(TDMS\) Portal](#) and use the pre-populated referral form, or
2. Online via [TD Protection Plans Broker Resource Centre Page](#)

To complete the referral form:

- Read the customer the disclosures provided on the referral form, obtain customer consent and click submit
- If your customer provides their consent (optional), TD will provide you with electronic status update to inform you about the status of the referral.

What can your customer expect:

As part of the referral form, your customer can choose to be contacted by phone, email, or both.

- If your customer selects phone: a TD specialist will contact your customer within 2-5 business days to provide them with details on their TD Protection Plan options.
- If your customer selects email: Your customer will receive an email with details about TD Protection Plans, including a link to a webpage with tools and information, and a link to apply online.
- If your customer selects both: Your customer will receive an email to confirm we have received a referral and a TD specialist will call your customer within a few business days to provide them with details on their TD Protection Plan options.

For more information email
TD.brokerprotectionsupport@td.com



The TD logo and other trade-marks are the property of the Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.
For internal use only. Not to be shared with customers.

Best Practices

How to have a successful TD Protection Plans referral

- Introduce TD Mortgage Protection or TD Line of Credit Protection early in the borrowing conversation
- Customer must provide consent that they're interested in learning more about TD Protection Plans to submit a referral online Provide appropriate expectations, that they will be contacted by TD within 2-5 business days

Referral Fees for Successful TD Protection Plan Referrals!

A successful TD Protection Plan referral occurs when:

- TD has received a referral from a broker;
- The eligible borrower has completed a TD Protection Plans application which has been approved by TD Life for either Life or Life and Critical Illness Insurance; and
 - The eligible borrower's coverage has been in force for:
 - At least 90* days for the 1st payment; and
 - At least 15* months for the 2nd payment

Note: Due to regulatory restrictions, a TD Protection Plan referral by a Broker operating under their Quebec license will not qualify for the Referral Fee for TD Protection Plans.

Earn up to 20 BPS per insured borrower, to be paid in two installments

1 st payment	2 nd payment	Total	
90 days*	15 months*	20 BPS	* after effective date of coverage
10 BPS	10 BPS		

Note: For TD Home Equity FlexLine, a minimum Referral Fee of \$100 per insured borrower will be paid at 90 days if coverage is active

Example of a Successful referral Scenario:

Two borrowers
Both age 40
Approved for \$500M insured Mortgage Life and Critical Illness

Calculation:

90 days*		15 months*
\$500,000		\$500,000
X 0.001		X 0.001
\$500	+	\$500
(per borrower)		(per borrower)
Total Referral Fee \$2,000 (2 borrowers)		

Two borrowers
Both age 40
Approved Home Equity FlexLine limit \$600M insured Line of Credit Life and Critical Illness average insured balance:

90 days*		15 months*
\$500,000		\$400,000
X 0.001		X 0.001
\$500	+	\$400
(per borrower)		(per borrower)
Total Referral Fee \$1,800 (2 borrowers)		

- AVG insured balance in first 90 days is \$500M
- AVG insured balance from 12th to 15th month is \$400M

* after effective date of coverage

For more information email
TD.brokerprotectionsupport@td.com



The TD logo and other trade-marks are the property of the Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.
For internal use only. Not to be shared with customers.

10.7. TD Protection Plans Frequently Asked Questions

How does the TD referral process work?

TD uses a referral process to help your customers understand their TD Protection Plan options. If they are interested in learning more, provide them with the *Summary of Coverage for Mortgage Critical Illness and Life Insurance* or the *Summary of Coverage for Line of Credit Critical Illness and Life Insurance* and complete the referral form. There are two options to submit a referral form to TD:

- You can complete and submit an [online referral](#) on behalf of customers by providing them with the disclosures on the referral form and obtaining their consent. The referral form can be found on the [TD Mortgage Solutions Portal](#) or the [TD Protection Plans Broker Resource Centre](#).
- If your customer provides their consent (optional), TD will provide you with an electronic update to inform you about the status of the referral.
- Once a referral is received as per customer request, a TD specialist will reach out to them within 2 to 5 business days. We're here to help your customers every step of the way.

As a reminder, the conversation between you and the customer is **not** a sales conversation. Based on the referral process, you are not to attempt to sell or provide advice on TD Protection Plans to customers including refraining from discussing details related to the TD Protection Plans Assessment tool or Premium Quote Tool. A TD specialist is here to help address any questions your customers may have.

What can my customer expect?

As part of the referral form, your customer can choose to be contacted by phone, email, or both.

- **If your customer selects phone:** a TD specialist will contact your customer within 2 to 5 business days to provide them with details on their TD Protection Plan options.
- **If your customer selects email:** Your customer will also receive an email with additional details about TD Protection Plans, including a link to a webpage with tools and information, and a link to apply online.
- **If your customer selects both:** Your customer will receive an email to confirm we have received a referral and a TD specialist will call your customer within a few business days to provide them with details on their TD Protection Plan options.

How do I determine if my customer is eligible for coverage?

TD Protection Plan is offered to TD Mortgage or TD Home Equity FlexLine borrowers or guarantors who are Canadian residents and between the ages of 18 to 69.

If your customers are interested and eligible, provide them with the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance and complete the referral form. Advise your customer that once a referral is submitted to TD, a TD specialist will call them to discuss their eligible coverage options and address any questions.

When and how do I introduce TD Protection Plans?

A good opportunity to introduce TD Protection Plans is when you're speaking to customers about helping to protect their TD Mortgage or TD Home Equity FlexLine. It's important to start this conversation early in the customers' borrowing journey. Invite your customers to learn more about how TD Protection Plans may help protect their financial health in the event of:

- TD Mortgage Protection: death, a covered accidental dismemberment, terminal illness or critical illness.
- TD Line of Credit Protection: death, a covered accidental dismemberment or critical illness.

See below for sample scripting you can use to introduce TD Protection Plans to your customer:

"As your Broker, my role is to provide advice on your home financing options and how you can help protect your investment. After I have completed your financing application, I would like to offer you the opportunity for a TD specialist to contact you to help you understand your TD Protection Plan options for your [TD Mortgage/TD Home Equity FlexLine]. How does that sound?"

"You have the option of protecting your [TD Mortgage/TD Home Equity FlexLine] with Life & Critical Illness coverage in the event you experience an unexpected, covered event"

"This [TD Mortgage/TD Home Equity FlexLine] may be one of your largest liabilities. Protecting this [TD Mortgage/TD Home Equity FlexLine] may help you ease future financial obligations associated with your [TD Mortgage/TD Home Equity FlexLine] in case of a covered critical life event. As this is an important decision, I would like to refer you to our TD specialist, who will be able to review all your options, and how coverage may benefit you. Would you be interested in being referred to a TD specialist?"

Could TD Protection Plans be the right option for my customers?

TD Protection Plans are optional creditor's group insurance that can pay towards the outstanding TD Mortgage or TD Home Equity FlexLine balance in the event of death or a covered critical illness.

If your customer requests further information, in addition to the Summary of Coverage for Mortgage or Line of Credit Critical Illness & Life Insurance, consider sharing the following information when helping your customer self-assess whether they are interested in being referred to TD to learn more about TD Protection Plans.

Your TD Mortgage or TD Home Equity FlexLine is a long-term financial obligation and you've worked hard for your home. If you aren't sure if a TD Protection Plan is the right option for you, in addition to reviewing the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance, consider asking yourself the following questions:

- *What would the impact be to my finances if my income was lost or reduced due to a covered critical illness?*
- *Would my partner or co-borrower be able to afford the mortgage on their own if I were to pass away or suffer a covered critical illness and unable to work?*
- *Do I have loved ones who rely on me financially?*

If you're interested in learning more, I can help submit a referral request to have a TD specialist contact you.

Note: If the customer is requesting to receive information via email, please indicate that you are providing the information as per their request. Here's an example for sending the email:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

What do I do if my customer has questions about TD Protection Plans?

You can provide your customer with the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance, available on the TDMS Portal or attached to the TD Broker Commitment email. Once a referral is received, a TD specialist will address any questions your customer may have during the follow-up call.

If your customer requests it, you can share with them the link to resources available at [www.\[insert hyperlink\]](#). You can find the links in the [TD Protection Plans Broker Resource Centre](#), such as the Protection Assessment Tool and the Premium Quote Tool. (Note: The Broker Resource Centre web page is for Broker use only and **must not** be shared with customers).

If the customer is requesting to receive information via email, please indicate in the email that you are providing the information as per their request. Here's an example for sending the email:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

Looking for more support? We're here to help you. Contact TD.brokerprotectionsupport@td.com with any questions you may have.

What if my customer is refinancing their TD mortgage and has TD Protection Plan coverage?

If your customer is refinancing their existing TD mortgage with TD Protection Plans coverage, with their consent you should complete the referral and a TD specialist can advise them on their Continuation of Coverage options.

How do I learn more about referring customers to TD?

For more information **on qualified referrals**, please refer to [TD Protection Plans](#) or contact TD.brokerprotectionsupport@td.com

10.8. TD Bridge Loan Worksheet (Sample)

Date:

Mortgagor(s):

Broker Credit Application Number:

Property Being Purchased

Address:

	Closing Date: <input type="text"/>
Amount New Property Purchased for:	\$ <input type="text"/>
Plus Total Closing Costs of the Purchase Property:	\$ <input type="text"/>
Less Initial deposit (confirmed through the purchase agreement):	\$ <input type="text"/>
Less approved TD Mortgage or TD Home Equity FlexLine:	\$ <input type="text"/>
Funds Required to Close:	A* \$ <input type="text"/>

Property Being Sold:

Note: Closing date of home being sold must be later than purchase to qualify for bridge financing.

Address:

	Closing Date: <input type="text"/>
Amount Property Sold for (including any Deposit received):	\$ <input type="text"/>
Less Existing Mortgage #1:	\$ <input type="text"/>
Less Existing Mortgage #2 (if applicable):	\$ <input type="text"/>
Less any Prepayment Charge for all mortgages: [e.g. Interest Rate Differential (IRD) or 3 months interest depending upon the customer's existing mortgage]	\$ <input type="text"/>
Less any Mortgage Administration/Discharge fees for all mortgages:	\$ <input type="text"/>
Less Real Estate Commission:	\$ <input type="text"/>
[If Real Estate Commission is not captured in Sale Agreement, rationale to support Real Estate Commission amount used to be provided to the Broker Credit Assistant.]	
Less GST or HST on Real Estate Commission: [as applicable by Province]	\$ <input type="text"/>
Less Other Closing Costs of the Sale Property, if applicable:	\$ <input type="text"/>
Net Sale Proceeds is MAX Amount Available for Bridge Loan	B* \$ <input type="text"/>

Prepared by:

***To Qualify Funds required (A) cannot exceed Net Sale Proceeds (B)**

10.9. Customer Handouts

- a. TD Mortgage Comparison Chart (One page)
- b. TD Home Equity FlexLine Comparison Chart (One page)
- c. Flexible Payment Options (Two pages)
- d. Making a prepayment? Here's what you need to know (Four pages)
- e. Property Tax Customer Factsheet (Two pages)
- f. Credit Agreement Signing Guide (One page)



TD Mortgage Comparison Chart

	Fixed Rate Mortgage	Six-Month Convertible Mortgage	Variable Interest Rate (Closed)
Term	Choice of 1–7 and 10 years	6 months	5 years
Amortization Period	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured) 	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured) 	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured)
Key Features	<ul style="list-style-type: none"> • Fixed interest rate for the duration of the selected term • Annual statement 	<ul style="list-style-type: none"> • Fixed interest rate for the duration of the selected term • Ability to convert to a longer closed term at any time at no cost • Annual statement 	<ul style="list-style-type: none"> • Variable interest rate based on the TD Mortgage Prime Rate with fixed payments for the duration of the selected term • At any time, can be converted to a closed Fixed Rate Mortgage, with a minimum term equivalent to the lesser of 3 years or the remaining period of the original term • Annual statement
This product is an option for:	<p>Borrowers who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who prefer a short term, with flexibility of converting to a longer term at any time.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are not concerned with interest rate volatility.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>
Repayment	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account
Payment Frequency	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly
TD Protection Plans	TD Mortgage Protection can help protect customers financially in the event of death, a covered accidental dismemberment, terminal illness or critical illness.		





TD Home Equity FlexLine Comparison Chart

	Revolving Portion	Term Portion Fixed Rate (Closed)	Term Portion Variable Rate (Closed)
Term	Not applicable	Choice of 1 to 5 years	3 or 5 years
Amortization Period	Not applicable	Up to 30 years	Up to 30 years
Key Features	<ul style="list-style-type: none"> • Variable interest rate based on the TD Prime Rate • Revolving Portion payments, once made, become Available Credit up to the Credit Limit. • Available Credit is accessible from any TD Branch, EasyLine, EasyWeb, Access Card¹ and personalized cheques • Monthly statements 	<ul style="list-style-type: none"> • Offers the security of a fixed interest rate for the duration of the selected term • Annual statement 	<ul style="list-style-type: none"> • Variable interest rate based on the TD Prime Rate with fixed payments • At any time, Term Portions with 5-year Variable Rate can be converted to a closed Fixed Rate Term Portion, with a minimum term equivalent to the lesser of 3 years or the remaining period of the original term • Annual statement
This product is an option for:	<p>Borrowers who prefer the flexibility of revolving credit.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are not concerned with interest rate volatility.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>
Repayment	<ul style="list-style-type: none"> • Minimum of interest only monthly payments • No prepayment restrictions • Payments can be made at any TD Branch, EasyLine, EasyWeb, ATM, by mail or pre-authorized debit.¹ • Pre-Authorized Debit account must be a TD account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account
Payment Frequency	Fixed monthly payment of 1% or 3% of the outstanding balance, or monthly interest only payments ²	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly ³	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly ³
TD Protection Plans	TD Line of Credit Protection can help protect customers financially in the event of death, a covered accidental dismemberment, terminal illness or critical illness.		

Ready to help you move forward | 

Last Revised: February 2022

¹Available when the TD Home Equity FlexLine is programmed on a TD Access Card. Fees may apply for Interac[®] access and the use of other ATMs. ²TD Home Equity FlexLine Revolving Portion payments are set up as monthly interest-only at signing and can be changed at any time at a TD Branch or through EasyLine. ³TD Home Equity FlexLine Term Portion payments are set up as monthly at signing and can be changed at any time at a TD Branch or through EasyLine.

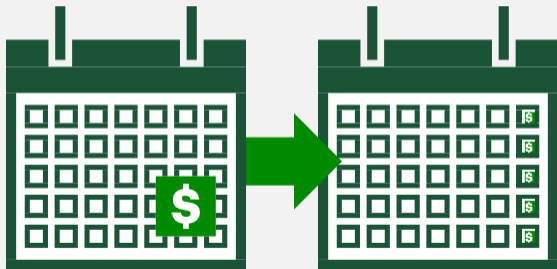


Flexible Payment Options

TD Mortgages and TD Home Equity FlexLine Term Portions can help you prepare for the unexpected with a range of flexible payment options to suit you.

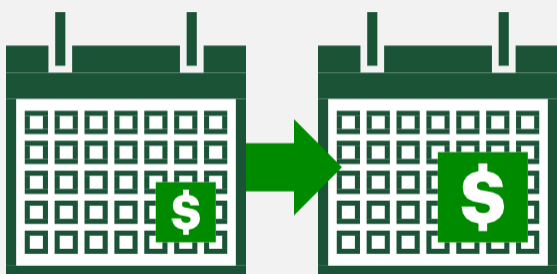
Speed Up Your

Payments



Increase your payment frequency

You can pay more often by increasing your principal and interest payments from monthly to weekly or even bi-weekly. Over time, more frequent principal and interest payments will mean that you are paying your TD Mortgage or TD Home Equity FlexLine Term Portion faster.



Increase your payment amount

You can increase your original scheduled principal and interest payments by up to 100% during your closed term. That's double your normal payment amount. For example, if you typically pay \$1,000 a month, you can increase your payment up to \$2,000 a month during your closed term.



Make a lump sum payment

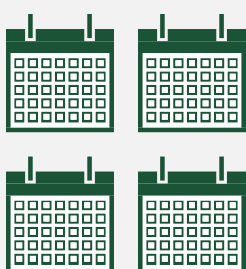
Got some extra cash? Use it to prepay a bit of your closed term and shrink the amount you owe, faster. Make a lump sum payment of up to 15% of the original principal amount borrowed each year, free of any prepayment charges. Maximum 15% prepayment amount can be made up of a single or multiple lump sum amounts.

Slow Down Your



Payment Pause for TD Mortgages

If you need to take an emergency break from your payments, you can request to skip the equivalent of one monthly payment, partially or in full. This can be requested no more than once a calendar year, up to four times over the length of your amortization period.¹



Payment Vacation for TD Mortgages

If you know change is on its way, you can prepare by prepaying in advance. Request to take up to four months off your payments, partially or in full, if you have a prepaid amount that has reduced your amortization schedule for that requested period. Prepayments can be made by either lump-sum payments towards your principal balance or by increasing the amount or frequency of your regular payments.¹

Prepayment

S



What is a prepayment?

Want to know how a prepayment is different from a principal and interest payment? A prepayment is a lump sum payment of any amount in addition to regular scheduled payments. Like it sounds, prepayment means paying your debt down early.

Whether you make one or multiple lump sum payments, a prepayment on the principal amount leaves you with a smaller debt, and over time, less interest to pay.



Is a prepayment the right choice for you?

N Check your terms

Closed terms often have clauses to define how much you can prepay and how often. Paying more than what your prepayment privileges allow might result in charges.

N Benefits

Prepayments are a great way to reduce the amount of interest you'll pay overall. The faster you pay your principal, the less interest you pay. So, if you can make a lump sum prepayment, you're ahead of the game.

N Charges

The following actions may result in you having to pay a prepayment charge:

- Paying more than your prepayment privileges allow
- Refinancing (increasing your borrowing amount) before the end of term
- Early renewing your TD Mortgage or Term Portion
- Refinancing with another lender before the end of your term

N Selling your home before the end of the term



To understand if you might have a prepayment charge you can call us at 1 800 281 8031 or visit our [Prepayment Calculator at tools.td.com/mortgage-prepayment-calculator for an estimate.](https://tools.td.com/mortgage-prepayment-calculator)



Ready to help you
move forward



¹Subject to TD approval. Not available on TD Home Equity FlexLine Term Portions. Interest will continue to accrue during the use of these features and is added back to the principal balance. [®]The TD logo and other trade-marks are the property of The Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.



“Account” refers to your:

- TD Mortgage, or
- TD Home Equity Line of Credit – Term Portion (also called a Fixed Rate Advantage Option), or
- TD Home Equity FlexLine – Term Portion (also called a Fixed Rate Advantage Option).

To help you make smart, informed decisions about your mortgage prepayment options, this is what you need to know about prepayment charges and other fees associated with paying down or paying off your Account.

Account Types

The type of account you have will affect the prepayment charge you may encounter. We’ve provided explanations below.

Fixed vs. Variable Interest Rate

- **Fixed Interest Rate:** Your interest rate does not change and your payments are the same amount throughout the entire term.
- **Variable Interest Rate:** Your interest rate may change when prime rate changes, but your payments remain the same throughout the term. When the prime rate changes, the amount of your regular payment applied toward interest and principal will change.
 - If the interest rate decreases, more of your payment goes toward principal.
 - If the interest rate rises, more goes toward interest and your amortization period may be extended.
 - At a certain interest rate, you may be required to make specific changes to your Account.

Open vs. Closed to Prepayment Term

- **Open:** Allows you to pay any amount toward your outstanding balance at any time without a prepayment charge. Interest rates are typically higher than for closed terms.
- **Closed:** Only permits a certain amount to be prepaid before a prepayment charge applies. Renegotiating or refinancing before the end of your term will also result in a prepayment charge. Interest rates are typically lower than for open terms.

Long-term vs. Short-term

- **Long-term:** Terms of three years or more. Best if you prefer rate security and predictable payments for budgeting.
- **Short-term:** Terms of two years or less. Suited to customers who believe interest rates will decrease before their maturity date.

For more information on mortgages, visit www.tdcanadatrust.com/mortgages.

A Prepayment Charge Depends on the Type of Account Chosen

Account Type	Prepayment Charge
Open Term	No prepayment charge
Closed Variable Interest Rate Term	Three Months’ Interest Amount
Closed Fixed Interest Rate Term	Greater of Three Months’ Interest Amount or Interest Rate Differential (IRD) Amount

When a Prepayment Charge Applies

The following actions may result in you having to pay a prepayment charge:

- Paying more than your prepayment privileges allow
- Refinancing (increasing your borrowing amount) before the Maturity Date
- Early renewing your Account
- Transferring your Account to another lender before the end of your term

Avoiding or Reducing a Prepayment Charge

Whether you're paying off the outstanding balance of your Account because you are moving, or simply paying down your principal sooner, TD gives you options to possibly avoid or reduce prepayment charges.

- **Portability Plus®**

Take your existing TD Mortgage interest rate and term with you to your new home - and avoid prepayment charges on the amount that you "port" when paying off your mortgage before the Maturity Date (applies to TD Mortgages with closed fixed interest rate terms only). Any additional money that you borrow will receive the current rate in effect at that time for those funds and the new mortgage interest rate will be blended with the interest rate on your existing mortgage. Some conditions apply.

- **Choose an open term**

If you choose an open term, then you will avoid paying a prepayment charge when you do any of the actions identified above.

- **Reduce the principal balance of your Account**

- Over the term, increase your payment by up to 100% of the original regular payment
- Each calendar year, prepay up to 15% of the original principal amount
- Change your payment frequency to a more frequent payment schedule

By reducing the principal balance of your Account, you will reduce the balance on which the IRD Amount or Three Months Interest Amount is calculated.

Additional fees that may apply when paying out an Account

It is important to note that additional fee(s) may be charged when a TD Mortgage is paid in full and discharged (not applicable if you are just paying out a Home Equity Line of Credit/TD Home Equity FlexLine - Term Portions). These may include -

- **A Discharge or Assignment Fee**

This is an administration fee for preparing the discharge or assignment request. There is no administration fee if you assign the Home Equity Line of Credit/TD Home Equity FlexLine.

- **A Reinvestment Fee**

If you prepay your TD Mortgage in full before the maturity date during your initial term (i.e. you never renewed your TD Mortgage)

- **An Administration Fee for paying out the Open Variable Interest Rate Mortgage in full**

- **A Cashback Reimbursement**

If you received a cashback payment in connection with your TD Mortgage, you may be required to reimburse a proportionate amount. This applies in the following situations -

- You prepay the TD Mortgage in full
- We assign the TD Mortgage to another lender at your request
- You renew the TD Mortgage and that renewal is effective before the maturity date of your current mortgage term

Prepayment Charge Types

There are two types of prepayment charges that may apply. See below for a description of how we calculate estimated prepayment charges.

The actual calculation will be more precise and will result in a lower prepayment charge than the estimated prepayment charge below. Alternatively, use our online prepayment calculator at www.tdcanadatrust.com/prepaymentcalculator to obtain an estimate.

Three Months Interest Amount

An amount equal to three months (90 days) interest on the amount prepaid at your current interest rate.

Interest Rate Differential (IRD) Amount

An amount equivalent to the difference between your annual interest rate and the posted interest rate on a term that is closest to the remainder of the term less any rate discount² you received, multiplied by the amount being prepaid, and multiplied by the time that is remaining on the term.

Prepayment Charge Example

- David and Susan have 28 months remaining on their term.
- They have an outstanding Account balance of \$100,000.
- They are paying an interest rate of 5% which includes a 1% rate discount off of the posted rate when they set up their Account.
- They would like to pay off their outstanding balance.

David and Susan have a **Closed Fixed Interest Rate Account**. The prepayment charge will be the greater of Three Months Interest or the Interest Rate Differential amount.

First: Estimate the Three Months Interest (90 days) Amount.

Step 1:	\$100,000 (A)	the amount prepaid
Step 2:	0.05 (B)	the Annual Interest Rate on the Account, expressed as a decimal
Step 3:	\$5,000 (C)	$A \times B = C$
Step 4:	\$1,250 (D)	$C \div 4 = D$, D is the estimated Three Months Interest Amount
David and Susan's estimated Three Months Interest Amount = \$1,250		

Second: Determine the right term and corresponding interest rate for a Similar Mortgage³ - a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of the Account.

If the number of months remaining on your Term, excluding the current month, is...	...then the term used to determine the posted rate for the Similar Mortgage would be:
Less than 9 months	6 months convertible
From 9 months to up to 17 months	1 year closed fixed rate
From 18 months to up to 29 months	2 year fixed rate
From 30 months to up to 41 months	3 year fixed rate
From 42 months to up to 53 months	4 year fixed rate
From 54 months to up to 65 months	5 year closed fixed rate
From 66 months to up to 77 months	6 year fixed rate
From 78 months to up to 101 months	7 year fixed rate
From 102 months up to and including 120 months	10 year fixed rate

If the current posted rate for a 2 year fixed rate mortgage term is 5%, taking into account the customers' 1% rate discount they received, the **Similar Mortgage rate is 4%**.

The current posted rate for the Similar Mortgage can be found at www.tdcanadatrust.com/mortgagerates.

Third: Estimate the Interest Rate Differential Amount.

Step 1:	5.00% (A)	the Annual Interest Rate on the Account
Step 2:	4.00% (B)	the posted interest rate for a Similar Mortgage, less any discount received under the Account
Step 3:	0.01 (C)	$A - B = C$, expressed as a decimal
Step 4:	\$100,000 (D)	the amount prepaid
Step 5:	28 (E)	number of months remaining on the term of this Account, including full and partial months
Step 6:	\$2,333 (F)	$(C \times D \times E) \div 12 = F$, F is the estimated IRD Amount
David and Susan's estimated IRD Amount is= \$2,333		

Based on the calculations above, David and Susan would pay an **estimated prepayment charge of \$2,333**, which is equivalent to the IRD Amount estimate - the higher of the two calculations.

Factors that can Change Your Calculation

A For the IRD calculation:

the timing of your prepayment which impacts:

- the remaining term for the Similar Mortgage
- the remaining number of months in the IRD Amount calculation

our posted rates

the prepayment amount

the regular payment amount

the payment frequency

B. For the Three Months' Interest calculation:

- the prepayment amount
- the current Term Portion - Variable Rate Annual Interest Rate (if applicable)
- the regular payment amount
- the payment frequency

If you have any questions about prepayment charges, would like to know your actual prepayment charge or would like to discuss this in more detail, call us at **1-800-281-8031** or contact your local branch.

¹ For Variable Rate Mortgages, prime rate refers to the ID Mortgage Prime Rate. For Term Portions - Variable Rate, prime rate refers to the ID Prime Rate.

² You can find out your rate discount by calling 1-800-281-8031 or contacting your branch.

³ A Similar Mortgage is a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of your mortgage, as determined by us. The interest rate for a Similar Mortgage is determined on the earlier of the date of the prepayment or the date of issuance of a valid official statement for discharge purposes. The remaining term for a Similar Mortgage is determined as of the date of prepayment.

® The TD logo and other trade-marks are the property of The Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.

Here's what you need to know about TD paying your property taxes

If TD is currently paying your property taxes and you are interested in switching to the option of paying your property taxes directly with your municipality, please contact your branch.

In order for TD to pay your property taxes, we collect a portion of your annual estimated property taxes with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from your mortgage loan. Essentially, we help you save enough money so that we can pay your property taxes in full when they are due with money you have accumulated in your property tax account.

How do you determine how much money will be collected for the tax portion of my mortgage payment?

The property tax portion is based on an average of annual estimated tax amounts for years 1 and 2, divided equally throughout the tax year. This will build a balance in the property tax account to pay your tax bill when it's due (example 1). Each municipality has a unique schedule for when taxes are due and TD will pay the annual property tax in full upon receipt of the bill from your municipality. The majority of municipalities issue tax bills once or twice a year.

Example 1	Details
Home possession date:	March 1
1 st regular mortgage payment with tax portion:	April 1
Estimated annual property taxes year 1:	\$1,500
Estimated annual property taxes year 2:	<u>+\$1,500</u>
Total estimated annual property taxes	\$3,000
Final property tax bill due	June 30
Number of months to collect taxes in	3 (April – June)
Number of months to collect taxes in year 2:	<u>+12 (July – June)</u>
Total months for years 1 and 2:	15 (April – June)
Monthly tax portion	$\$3,000 \div 15$ months = \$200

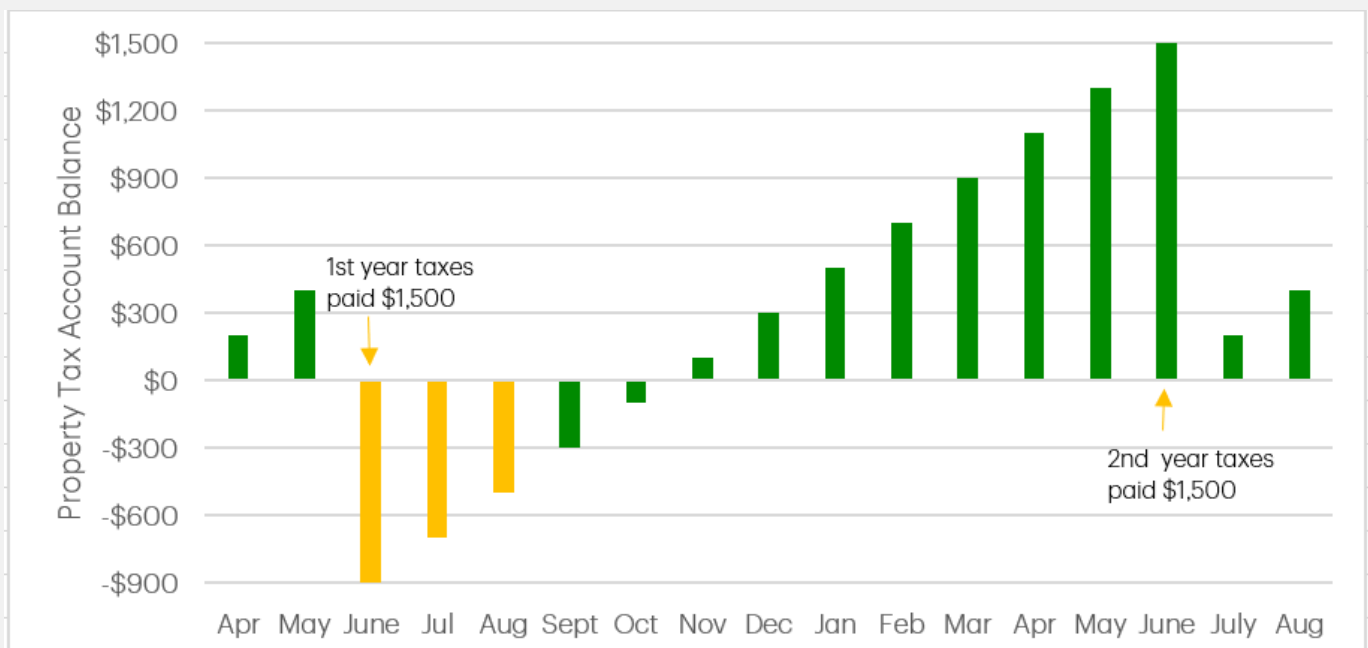
After your mortgage has been set up, you will receive a [Repayment Letter](#) from us explaining how your specific tax portion is calculated and how much will be added to your mortgage payment.

What happens if my property tax account cannot cover my tax bill?

Sometimes tax bill payments are due to your municipality in the early months of your mortgage loan or you are notified of an increase to the amount of property taxes due before you've had time to accumulate enough in your property tax account to cover the payment. If this happens, to ensure your tax bill is paid in full and on time, we lend you the difference. We call this difference a shortage in your property tax account.

To make up the shortage, we use a catch-up period, during which we adjust your property tax payments to cover future tax payments and repay the shortage.

Note: For newly constructed homes, if the tax bill only covered the land and not the building, the catch up period may be extended as there will be supplemental tax bills issued by the municipality for each year until the reassessment is completed.



How will I be notified if the property tax portion with my regular mortgage payment is changing?

You receive a [Property Tax Payment Notice](#) from us after we've paid your final property tax installment for the year. The notice outlines how much we paid in property taxes on your behalf, the balance in your property tax account after payment of property taxes, and any changes to the tax portion of your regular mortgage payment. We give you approximately two months' notice if we have to adjust your tax payment. Upon receipt of this notice, please contact us without delay if you have any questions or wish to discuss repayment arrangements.

What happens if I receive a property tax bill directly when TD has arranged to pay property taxes on my behalf?

If you happen to receive a tax bill directly, simply bring it into your TD Canada Trust branch as soon as possible. It may mean that your municipality has not yet updated its records to show that TD is making your property tax payments on your behalf.

Why do I have a surplus in my property tax account?

Each municipality has different due dates for when final tax bills must be paid. Seeing a surplus in your property tax account is often the result of us building a balance in your tax account to cover a future tax bill.

Do I need to be aware of any provincial differences?

British Columbia: A Provincial Home Owner Grant Program (PHOG) is available to all eligible homeowners. The homeowner must apply for it each year. You can obtain details on the program from your taxing authority. We will make remittances based on the assumption that you apply and qualify annually for the basic grant. Please advise your branch if you do not or no longer qualify for the grant, or if you qualify for any additional grant.

Quebec: A real estate transfer tax (commonly called *taxe de Bienvenue*, or welcome tax) will be assessed when you first purchase your property. You must pay this one time amount yourself, as the bank does not factor it into the tax portion of your regular mortgage payment. In addition, some municipalities will not mail property tax bills directly to TD; therefore, upon receipt of any tax related bill (i.e. property, school tax, initial property tax bill assessment, duplicate tax bills and revised tax bills) it needs to be brought into TD Canada Trust as soon as possible.

Contact your local TD Canada Trust branch or call 1-800-577-6103 for more information





Here's what happens after your TD Product is approved.



Here are the next steps once your TD Mortgage or TD Home Equity FlexLine has been approved:

1. Signing the Credit Agreement

You will need to sign the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement (FLA). The MLA or FLA outlines the credit terms.

Note: If you have a TD Home Equity FlexLine with a Term Portion, you will also need to sign the Term Portion Amending Agreement (TPAA) which contains the credit terms for a Term Portion.

2. Signing the collateral charge

Once the MLA or FLA is signed by all the required borrowers (and on TD Mortgages, the guarantee is signed by the guarantors, if applicable), you will sign the collateral charge. The collateral charge is the security that you grant us in exchange for us lending to you. It is registered against the title of the real estate property.

You may have decided to have your collateral charge registered for more than the approved amount (up to 125% of the current property value). If you are using a legal representative to register your new collateral charge, it is important that you discuss any additional associated costs and/or fees prior to funding that may occur because of the higher registration amount. If you then choose to reduce the registered amount of the collateral charge, please make sure to tell us.

3. You'll notice that the interest rate for the TD Product is different from the interest rate on the collateral charge.

The MLA or FLA sets out the specific credit terms. The collateral charge provides the security and is registered at TD Prime Rate + 10% (except Quebec where registration occurs at 20%). This is the maximum rate of interest for which TD is secured. No changes to this interest rate are permitted. This rate can give you greater flexibility and potential cost savings in the future.

You can only be charged interest based on the interest rate in the MLA or FLA.

Having a collateral charge can be useful if you ever want to change your TD Product. For example, if you have registered the collateral charge for a higher amount than your current MLA or FLA, then if you want to borrow a higher amount in the future, you may be able to reuse the existing collateral charge, subject to credit approval and property valuation. If you are able to reuse the collateral charge, as mentioned above, you will not need to pay for a discharge and registration of a new collateral charge. For more information about your collateral charge, please reach out to your Mortgage Broker.

For more information, contact your Mortgage Broker.

Ready to help you
move forward

