

BEAUSOLEIL FIRST NATION
MARKET BASED HOUSING PROGRAM
POLICY

FIRST NATIONS MARKET HOUSING FUND & SECTION 10 (MLG)

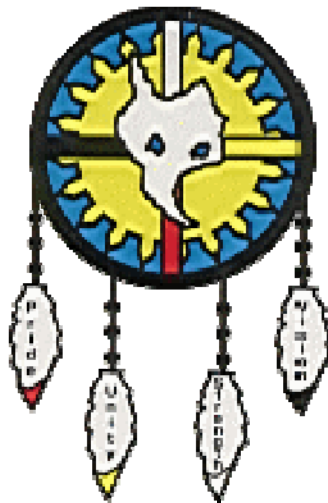




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SECTION I – INTRODUCTION, DEFINITIONS, POLICY ADMINISTRATION

1.0 Statement of Purpose

It is the intention of the Council and the Housing Committee to accommodate the housing needs of our members in accordance with the Beausoleil First Nation Market Based Housing Program and subject to the availability of funds. Council's mandate is to ensure First Nation members have equal access to affordable housing and to establish criteria that all the members must follow. The market based housing program policy ensures that housing is made available in a fair and equitable manner.

Chief and Council have approved this policy to guide the delivery and administration of Beausoleil First Nation market based housing.

2.0 Background on the Market Based Housing Program

The market based housing program is designed to provide an affordable loan to qualified Beausoleil First Nation members who wish to construct, purchase, renovate or refinance a home located within Beausoleil First Nation. The market based housing program applies to loans obtained through the First Nations Market Housing Fund (FNMHF) Credit Enhancement Facility and for Section 10 loans obtained with a Beausoleil First Nation Ministerial Loan Guarantee.

The following loan options are offered by Beausoleil First Nation through the market based housing program:

a) New Construction

An eligible First Nation member interested in building a home within Beausoleil First Nation may receive approval from Beausoleil First Nation to apply to a bank through the FNMHF Credit Enhancement Facility for a mortgage loan of up to \$250,000 or, for a Section 10 loan up to \$150,000. The First Nation member shall provide a minimum downpayment of 5% of the construction costs and may be eligible to receive a grant of up to 5% of the construction costs (up to a maximum of \$12,500 subject to approval). The Certificate of Possession (CP) shall be transferred to Beausoleil First Nation (if Beausoleil does not already hold the CP) prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. Beausoleil First Nation shall hold the CP until the First Nation member's mortgage loan is paid in full.



b) Purchase of an Existing Unit

An eligible First Nation member interested in purchasing an existing home within Beausoleil First Nation may receive approval from Beausoleil First Nation to apply to a bank through the FNMHF Credit Enhancement Facility for a mortgage loan of up to \$250,000 or, for a Section 10 loan up to \$150,000. The First Nation member shall provide a minimum downpayment of 5% of the purchase price and may be eligible to receive a grant of up to 5% of the construction costs (up to a maximum of \$12,500 subject to approval). The Certificate of Possession shall be transferred to Beausoleil First Nation prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. Beausoleil First Nation shall hold the CP until the First Nation member's mortgage loan is paid in full.

c) Renovation

An eligible First Nation member who has a Certificate of Possession (CP) on a property located within Beausoleil First Nation and who is interested in carrying out renovations to the unit on that property may receive approval from the First Nation to apply to a bank through the FNMHF Credit Enhancement Facility for a mortgage loan of up to \$75,000, with a minimum loan amount of \$5,000 or to a bank for a Section 10 loan of up to \$150,000 with a minimum of \$25,000. The CP shall be transferred to Beausoleil First Nation prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. Beausoleil First Nation shall hold the CP until the First Nation member's mortgage loan is paid in full.

d) Refinance

An eligible First Nation member who has a Certificate of Possession (CP) on a property located within Beausoleil First Nation and who is interested in refinancing (obtaining a new loan to pay out an existing loan for a unit on that property) may receive approval from the First Nation to apply to a bank through the FNMHF Credit Enhancement Facility bank for a loan of up to \$250,000; as part of the \$250,000 the First Nation member may include up to \$75,000 for renovations (renovation costs must be a minimum of \$5,000). The First Nation member may also be able to apply to refinance through the Section 10 program for a loan of up to \$150,000 with a minimum of \$25,000. Any penalties for early discharge of the existing mortgage shall be the responsibility of the homeowner; such penalties shall not be included in the refinance amount. The CP shall be transferred to Beausoleil First Nation prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. Beausoleil First Nation shall hold the CP until the First Nation member's mortgage loan is paid in full.

An eligible First Nation member interested in applying for a market based mortgage loan must apply to a bank approved by the First Nation and must pay the cost of mortgage loan insurance through Canada Mortgage and Housing Corporation (CMHC). If the homeowner defaults on the mortgage loan the bank shall request full payment from



CMHC under the mortgage loan insurance. CMHC shall reimburse the bank in full then request 70% of the outstanding balance of the mortgage loan from the Beausoleil First Nation (the First Nation). If the First Nation is unable to pay the requested amount, CMHC shall submit a claim under the Credit Enhancement Certificate from the Fund.

An eligible First Nation member interested in applying for a market based mortgage loan through a bank other than those approved by the First Nation through the First Nations Market Housing Fund shall apply for a loan through the Section 10 program. The homeowner's mortgage loan is guaranteed by the First Nation through a Ministerial Loan Guarantee with Aboriginal Affairs and Northern Development Canada (AANDC). If the First Nation member does not repay the loan as agreed, the outstanding balance is paid out to the bank through the ministerial guarantee by AANDC who shall then require repayment from the first Nation.

The member shall meet the bank's mortgage loan eligibility requirements and shall have full responsibility for all aspects of unit construction, purchase, renovation and/or refinance. They shall make payments to the bank to repay the mortgage loan and shall be responsible for maintenance, repairs, insurance and all other costs associated with the home.

As a condition of loan approval, the First Nation shall hold the Certificate of Possession (CP) for the unit and property until the First Nation member's bank loan is paid in full. Where a First Nation member defaults on the mortgage the First Nation member shall forfeit any downpayment or equity contribution and the First Nation shall retain the CP. Neither the former homeowner, nor their heirs nor their estate shall have any claim to CP that was transferred to the First Nation.

The First Nation shall guarantee only one market based loan at a time per First Nation member for new construction, purchase of an existing or refinancing of a loan (a renovation loan is exempt from this requirement). A First Nation member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

3.0 Definitions

- **"AANDC"** means Aboriginal Affairs and Northern Development Canada (formerly known as Indian and Northern Affairs Canada).
- **"Applicant"** or **"applicants"** refers to the person(s) applying for assistance through this program.
- **"Arrears"** refers to housing related-payments owed to Beausoleil First Nation by a person who has entered into agreement with Beausoleil First Nation and has failed to pay as agreed.



- **“Bank mortgage loan”** or **“bank loan”** means the loan provided by the bank, and guaranteed by Beausoleil First Nation for the construction, purchase, renovation or refinancing of a home on Beausoleil First Nation.
- **“Beausoleil First Nation”** refers to Beausoleil First Nation or Christian Island Indian Reserve No. 30 and 30A.
- **“CMHC”** means Canada Mortgage and Housing Corporation.
- **“CMHC mortgage insurance”** is a mortgage loan insurance premium calculated as a percentage of the mortgage loan amount.
- **“Community”** or **“the community”** refers to Beausoleil First Nation.
- **“Council”** refers to the Beausoleil First Nation Chief and Council.
- **“Due diligence”** means to take reasonable care to confirm all of the facts and investigate all relevant aspects of an action before moving forward (e.g. foreclosure/eviction).
- **“Engineered drawing”** means a technical drawing that defines the requirements for engineered items in the home such as building structure and mechanical systems. The drawing must be stamped as approved by an engineering professional.
- **“Eviction”** refers to the legal action taken by Beausoleil First Nation to remove a homeowner from a Beausoleil market based unit for failing to honour the conditions of their market based agreement.
- **“First Nation Council Resolution”** refers to a written resolution of Chief and Council adopted at a duly convened meeting of the Council.
- **“General contractor”** means a qualified project manager who is responsible for all the aspects of a home building/renovation project including but not limited to preparation of the building site, hiring subcontractors, providing temporary utilities on site, disposing or recycling of construction waste, monitoring schedules and cash flows, maintaining accurate financial records and scheduling trades and material deliveries.
- **“FNMHF”** means the First Nations Market Housing Fund.
- **“Foreclosure”** means the legal process taken by the First Nation to terminate the homeowner’s right to own and occupy the housing unit as a result of default of the mortgage loan or other related agreement.
- **“Health and safety standards”** means the minimum requirements for housing that are related to public health as defined in the Ontario Public Health Standards and safety and structural efficiency as defined in the Ontario Building Code.
- **“Homeowner”** means the First Nation member who has received assistance through the market based housing program.
- **“Housing department”** refers to the Beausoleil First Nation administrative body responsible for all housing matters in which Beausoleil First Nation has an interest in and delivers to the community members or acts as agent for the delivery and management of such programs as may be available from time to time.
- **“Housing Manager”** refers to the person hired by Council to assist Council in ensuring that all housing policy management plans are implemented and operational. The housing manager shall manage the day-to-day operations, oversee the financial



management of the housing program and shall report to Council, when and as requested.

- **“Lender”** or **“the lender”** means the lending/financial institution approved by Beausoleil First Nation to provide the mortgage loan to the First Nation member.
- **“Loan payment”** or **“mortgage loan payment”** means the amount paid or required to be paid by a homeowner to the bank to repay the bank mortgage loan.
- **“Member”** refers to a member of the Beausoleil First Nation whose name appears on the First Nation membership list.
- **“Ministerial Loan Guarantee”** means a guarantee provided by Beausoleil First Nation which is used as security for a bank loan (mortgage).
- **“Qualifying member”** or **“qualifying applicant”** refers to a member or applicant who meets the eligibility criteria for housing as confirmed within this housing policy.
- **“Site plan”** means a written plan of the proposed construction project including property lines, distance from the proposed structure to the property line (setbacks), slopes, total footage of the unit, floor area, easements, grading, roads and driveways, topographic features such as streams, trees, etc.
- **“TDS ratio”** or **“total debt service ratio”** means a percentage of the applicant’s gross annual income (before taxes and deductions) required to cover the monthly bank mortgage loan payment and other debts, such as car payments.
- **“Unit”** refers to the unit owned by the homeowner.
- **“Working days”** refers to every official working day of the week which include the days between and including Monday to Friday and exclude weekends and public holidays.

Words used in the singular within this policy shall include the plural and vice versa.

4.0 Policy Objectives

- 4.1 The overall policy objective is to ensure First Nation members are provided with fair, consistent housing services with equal opportunity through the implementation of this housing policy.
- 4.2 Additional policy objectives are to:
 - a) Provide eligible members access to affordable and competitive mortgages and loans in order to build, purchase, renovate or refinance a home in Beausoleil First Nation; and
 - b) Address the need and demand for homeownership assistance by allocating market based housing loans in a fair and equitable manner; and
 - c) Protect and enhance Beausoleil’s investment in housing; and
 - d) Confirm the roles and responsibilities of all parties involved with Beausoleil First Nation market based housing.



5.0 Policy Administration

- 5.1 This policy applies to:
- a) All existing and future market based housing loans for units located within Beausoleil First Nation; and
 - b) All individuals who have made or shall make an application for market based housing loans within Beausoleil First Nation.
- 5.2 The housing department is responsible for the day-to-day administration and enforcement of all housing programs and services.

6.0 Amendments to the Housing Policy

- 6.1 The Housing Manager shall present proposed policy amendments to Council for approval. Council may consult with the housing department, the housing committee and/or First Nation members to discuss the nature of any proposed amendments.
- 6.2 Policy amendments approved by Council shall be recorded in the Council meeting minutes. Policy amendments take effect the date they are passed by motion and the decision of Council shall be final.
- 6.3 The revised policy, including the amendments, shall be available to members at the housing department office. Where the policy amendment is deemed to be a change that impacts the homeowner, they shall be notified of the change through a separate written notice within 30 working days of policy approval.
- 6.4 The housing department shall note the policy amendment on a policy amendment list in the format noted below. The policy amendment list shall precede the table of contents within the policy. Amendments are numbered consecutively on the policy amendment list by date of approval by Council until such a time that a new issue of the policy is released which contains all of the amendments listed. The reissued policy shall be identified by date and each reissue cancels and replaces all previous issues.



6.5 Policy Amendment List

Amendment Number	Approval Date	Description



SECTION II – ROLES AND RESPONSIBILITIES, APPEALS

7.0 Roles and Responsibilities

7.1 Members

- 7.1.1 As members of Beausoleil First Nation each person is encouraged to contribute their views on existing and future housing programs and services.
- 7.1.2 Members are encouraged to support implementation and enforcement of the housing policy approved by Chief and Council.

7.2 Chief and Council

- 7.2.1 Chief and Council shall have the final decision-making authority for all housing program and services.
- 7.2.2 Council is responsible to:
 - a) Manage and administer all Beausoleil First Nation housing policies; and
 - b) Approve all budgets related to the delivery and administration of housing programs and services; and
 - c) Approve all applications for market based housing; and
 - d) Ensure all housing programs and services are provided; and
 - e) Approve changes in policy as recommended by the Housing Manager; and
 - f) Support the enforcement of the housing policy; and
 - g) Provide members with an annual report which summarizes the activities of Beausoleil First Nation housing programs and services.

7.3 Appeals Committee

Appeals will be brought to Chief & Council and Housing Committee as needed.

7.4 Housing Manager

Housing Manager to enforce Housing Policy as approved by Chief & Council

The key responsibilities of the housing manager are to:

- a) Administer the market based program by applying the program policy; and
- b) Review all applications for market based housing to ensure completeness and eligibility; and
- c) Monitor the effectiveness of the housing policy; and
- d) Recommend changes in policy as needed and review housing goals and priorities annually; and



- e) Prepare annual and other reports as required to Council on the activities of the housing manager; and
- f) Provide information and counselling for homeowners who require assistance in making the mortgage loan application to the bank and in understanding and assuming their housing responsibilities; and
- g) Provide information and counselling for homeowners who require assistance in carrying out their responsibilities as relates to the market based loan; and
- h) Maintain a log/summary of counselling (phone calls, emails, correspondence, home visits) including date of contact and brief description of topic, at the front of the homeowner's file; and
- i) Plan and carry out community meetings on housing programs and services.

7.5 Homeowner (First Nation Member Approved for a Market Based Housing Loan)

The key responsibilities of the homeowner are to:

- a) Meet the conditions of their bank mortgage loan agreement including making regular payments; and
- b) Abide by all Beausoleil First Nation laws, codes, by-laws and this housing policy; and
- c) Carry out their responsibilities as homeowners in Beausoleil First Nation which include but are not limited to completing and paying the full cost of all required maintenance and repairs, paying utility and service costs, keeping the property free of health and safety hazards and, providing property and other insurance as required by the bank and Beausoleil First Nation; and
- d) Provide the housing department with current contact information for emergency purposes; and
- e) Not interfere with or unreasonably disturb a neighbouring occupant and not jeopardize the health or safety or lawful right of a neighbouring occupant or the First Nation.



SECTION III – NEW CONSTRUCTION – ELIGIBILITY TO OCCUPANCY

New construction is defined as the construction of a new home on an existing serviced lot or an increase in the livable area of an existing home located within Beausoleil First Nation. The eligible First Nation member shall occupy the home as their primary residence.

8.0 Maximum Loan Guarantee and Amortization Period

8.1 Maximum Loan Guarantee

8.1.1 The maximum loan guarantee shall be either:

- a) \$250,000.00 for a loan obtained through the FNMHF Credit Enhancement Facility; or
- b) \$150,000.00 for a Section 10 loan (Ministerial Loan Guarantee).

8.1.2 Where the applicant wishes to construct a home where costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any bank loan funds are advanced.

8.1.3 The First Nation shall guarantee only one market based loan at a time, per First Nation member. A First Nation member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

8.2 Maximum Amortization Period

The maximum amortization period shall be 25 years.

9.0 Eligibility

9.1 An applicant shall be a registered member of Beausoleil First Nation.

9.2 An applicant shall be 19 years of age or older.

9.3 An applicant shall complete an application for market-based housing (refer to Appendix B).

9.4 An applicant shall demonstrate that they have a land allotment for construction of the unit (i.e. from the First Nation or, an option to purchase from another member that holds a Certificate of Possession or, that they hold an existing Certificate of Possession).



- 9.5 An applicant shall authorize a Beausoleil First Nation credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the First Nation. Where the applicant is more than 30 days in arrears on any account with the First Nation the applicant shall not be eligible for a market based housing loan until they provide the housing department with written confirmation that the arrears/outstanding account(s) has been paid in full.

10.0 Application & Conditional Letter of Support

10.1 Submitting an Application

- 10.1.1 A First Nation member interested in applying for this program shall submit an application for market based housing to the housing department (refer to Appendix B).
- 10.1.2 A completed application shall be submitted in a sealed envelope addressed "To the attention of the Housing Manager" in care of the Beausoleil Housing Department. The applicant's name and current mailing address shall be included on the envelope.
- 10.1.3 An application is to be submitted by mail or by hand to the Beausoleil First Nation administrative office reception desk.
- 10.1.4 Where an application is submitted by hand to the Beausoleil administrative office, the receptionist shall provide the individual submitting the application with a written receipt confirming the date the application was received by Beausoleil First Nation.
- 10.1.5 Where an application is received through the mail, the housing department shall telephone the applicant at the number provided in the application to confirm receipt of the application.
- 10.1.6 The housing manager shall maintain the application in a secure location with access only by authorized representatives of Beausoleil First Nation.

10.2 Receipt and Review of an Application

- 10.2.1 Within 10 days of receipt of the application the housing manager shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy; and
 - c) Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing manager shall notify the applicant in writing and/or by phone.
- 10.2.2 Where the application is complete and an applicant meets the eligibility requirements the housing manager shall contact the applicant by phone to confirm eligibility and mutually agree upon a



date and time for an in-person meeting. During the meeting the housing manager shall discuss the roles and responsibilities of the First Nation and the applicant with respect to the delivery and administration of a market based housing loan.

10.2.3 The housing manager shall keep a written record of the application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.

10.3 Conditional Letter of Support

10.3.1 Where the applicant meets all of the eligibility requirements, the housing manager shall submit the application and related details (e.g. credit check, lot identification) and request approval of a conditional letter of support from Council (refer to Appendix C). The conditional letter of support shall confirm that Beausoleil First Nation is prepared to guarantee the First Nation member's mortgage loan provided that the First Nation member meets the bank's mortgage lending requirements.

10.3.2 On receipt of the approved letter of support from Council, the housing department shall forward the letter of support to the applicant's bank and shall confirm to the applicant by phone that this has been done so that they can proceed to apply for a pre-approved mortgage.

11.0 Downpayment & Beausoleil Grant Program

11.1 An applicant shall provide a downpayment equal to a minimum of 5% of the mortgage loan amount. The downpayment shall be paid to the bank before the first loan advance.

11.2 Subject to approval, a forgivable grant of up to 5% of the construction cost to a maximum of \$12,500 may be available from Beausoleil First Nation for a qualifying First Nation member. Where the grant is made available, the grant shall be paid directly to the bank.

11.3 The grant is available only once per qualifying First Nation member, per lifetime.

11.4 In order to be eligible to receive the grant an applicant shall have met all of the eligibility requirements for the market based loan and be in good standing (not have any outstanding payments/debts and not be in violation of any agreements) with Beausoleil First Nation.



- 11.5 Where two First Nation members apply jointly for a mortgage loan, stacking of the grant is prohibited. In such cases the maximum grant would be up to 5% of the mortgage loan (i.e. 5% in total, not 5% per member).
- 11.6 Where the 5% downpayment requirement of the mortgage loan exceeds any available grant (i.e. where construction costs are greater than the maximum loan guarantee amount) the applicant shall demonstrate that they are able to obtain the additional downpayment amount from their own sources. This additional amount shall be paid by the applicant to the bank before the grant program funds are paid to the bank.
- 11.7 The grant shall be forgivable over a five (5) year period beginning the date of occupancy. For every full year the homeowner owns and occupies the home, one year of the grant period shall be earned.
- 11.8 If the homeowner sells the home or, is in default of the mortgage loan agreement before the end of the five year period, any remaining unearned portion of the grant shall be repaid to the First Nation (i.e. if the homeowner sells or defaults after 3 years, the remaining 2 year portion or 2/5 of the grant will be due and payable to the First Nation.

Please Note: Grant Program is subject to availability

12.0 Pre-Approved Mortgage - Applicant Responsibilities

- 12.1 On receipt of the conditional letter of support approved by Council, an applicant may apply to the bank for a pre-approved mortgage.
- 12.2 An applicant shall be required to meet the bank's mortgage lending requirements including but not limited to confirmation of an acceptable credit and employment history and their ability to afford the monthly mortgage payments and other associated housing costs and charges.
- 12.3 An applicant will be required to provide to the bank:
 - a) Details on employment history including a letter from the employer confirming the length of their employment (ideally employed with his/her current employer for a minimum of 2 years); and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest



cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied; this means determining the amount of income the First Nation member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income.

- c) Where an applicants' household includes a non First Nation member applicant whose income is being used to qualify for a mortgage loan, that non First Nation member should seek independent legal advice regarding their right to claim in the event of a break-up of the household. The non First Nation member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights; and
- d) Confirmation of an acceptable credit history; and
- e) A copy of a current driver's license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
- f) Confirmation of debts and liabilities.

12.4 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending requirements and the following shall apply:

- a) Where the bank confirms that the applicant meets the lending requirements the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions, they shall proceed with contracting and related construction work as required by the First Nation and the bank; or
- b) Where the applicant does not meet the bank's lending requirements the application shall be considered declined and no further action shall be taken by the First Nation.

12.5 Where the bank approves the application the bank shall provide the First Nation with confirmation of such approval within 10 working days.

13.0 Building Lot Requirements & Certificate of Possession

13.1 Building Lot Requirements

The unit shall be constructed on an approved serviced building lot (e.g. water, hydro, road access, septic) in accordance with zoning requirements as set out within the Beausoleil First Nation Land Use Plan, and where fire insurance is available, unless otherwise approved by Beausoleil First Nation.

13.2 Certificate of Possession (CP)

- 13.2.1 Where the applicant holds a CP on a building lot, a title search shall be conducted by the First Nation to confirm that the lot is



- unencumbered and has been surveyed and registered under the Canada Lands Survey System. Where the property is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor. On confirmation that the lot is unencumbered and on receipt of the survey the applicant shall transfer possession of the lot to Beausoleil First Nation. The applicant shall pay any costs associated with the transfer of the CP; the transfer shall be completed prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. The First Nation shall hold the CP until the applicant's bank loan is paid in full.
- 13.2.2 Where the lot is owned by the First Nation the housing manager shall confirm with the lands department that a land title search has been completed with AANDC to verify there are no encumbrances. Where there are no encumbrances, a survey and lot allocation shall be requested (where required) and where the lot is acceptable for construction the lands department shall recommend to Council that the lot be made available/sold to the applicant for construction. As a condition of Council issuing a First Nation Council Resolution to guarantee the loan, Council shall be provided with evidence that the Certificate of Possession is held by the First Nation. The First Nation shall hold the CP until the applicant's bank loan is paid in full.
- 13.2.3 Where a CP on a building lot is held by another Beausoleil First Nation member and that First Nation member agrees to sell the lot to the applicant, a title search shall be completed with AANDC to verify that there are no encumbrances and the First Nation member shall provide documentation to confirm that the lot has been surveyed and registered under the Canada Lands Survey System. Where the property is not surveyed either the applicant or the vendor shall arrange and pay for a survey by a Canada Lands surveyor. On confirmation that the lot is unencumbered and on receipt of the survey, a sale agreement satisfactory to the First Nation to transfer the CP for the lot to Beausoleil First Nation shall be prepared. The applicant shall pay the purchase price of the lot and any costs associated with the preparation and execution of the sale agreement and the transfer of the CP. The transfer shall be completed prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. The First Nation shall hold the CP until the applicant's bank loan is paid in full.



14.0 Unit Construction – Site Plan, House Plan, Building Permit, Construction Contract

14.1 Stick Built Home - House Plans

14.1.1 Where the applicant will construct a stick-built home (constructed on the building site piece by piece) the applicant shall obtain three sets of engineered drawings of the house plan for the unit. An engineered drawing is a technical drawing that defines the requirements for engineered items such as building structure and mechanical systems; the drawing must be stamped by an engineering professional. The applicant shall retain one copy and provide one copy to the housing manager and one copy to the bank. The following shall apply:

- a) Engineered plans must be approved by the appropriate agency (i.e. Health Canada for septic systems); or
- b) A plan from a local hardware store may be accepted provided it has been stamped by an engineering professional.

14.1.2 The housing manager shall arrange for Ogemawahj Tribal Council (OTC) to review the house plans to ensure they meet, at a minimum, the current version of the National Building Code. OTC shall confirm the results of their review to the housing manager and the housing manager shall advise the applicant and the bank of any modifications required as a result of the OTC review. The applicant shall ensure that all such modifications shall be incorporated into the final house plan that is submitted to the housing manager and the bank with the final quotation for construction.

14.2 Modular or Manufactured Home

Where the applicant will purchase a modular or manufactured home the following shall apply:

14.2.1 Modular Home

A modular or pre-fab unit is defined as a factory-built unit constructed of pre-made parts and/or unit modules; the parts/modules are transported to the building site and are assembled and anchored on a full slab or pad concrete foundation. The modular home must conform to the building codes as outlined in this policy.

14.2.2 Manufactured Home

A manufactured home is defined as a factory-built unit that is mounted on a permanent steel chassis and transported to the building site where the wheels are removed, the chassis remains and the unit is assembled and anchored to a full slab or pad concrete foundation.

14.2.3 Blueprint/Specification Review



- a) The applicant shall obtain three sets of blueprints and specifications for the unit from the manufacturer and, two sets of specifications for site preparation, foundation and anchoring of the unit. They shall retain one copy and provide one copy to the First Nation and one copy to the bank.
- b) The housing manager shall arrange for OTC to review the blueprints and specifications to ensure they meet, at a minimum, current Canadian Standards Association (CSA) standards and the current version of the National Building Code and confirm the results to the housing manager. The housing manager shall advise the applicant and the bank of any modifications required as a result of the review. The applicant shall ensure that all such modifications shall be incorporated into the final house plan that is submitted to the housing manager and the bank with the final quotation.

14.3 Site Plan

The applicant shall provide a site plan for the construction project to the housing manager and the bank to confirm that the project conforms to Beausoleil First Nation land use policies and regulations.

14.4 Building Permit

The applicant shall apply to and receive a building permit from the Lands Department prior to construction start.

14.5 Construction/Manufacturer's Contract

14.5.1 The applicant shall obtain a fixed price contract quotation to complete the unit (without entering into a contract obligation) from general contractor(s) for new construction or, the manufacturer's quotation for a modular or manufactured home including site preparation, foundation and anchoring of the unit. The contract quotation shall include all of the following:

- a) The general contractor's/manufacturer's current Workplace Safety and Insurance Board coverage; and
- b) The general contractor's/manufacturer's current general liability and comprehensive liability insurance coverage of \$1.5 million and must indemnify Beausoleil First Nation; and
- c) Confirmation that the contract includes installation of all utility services (water, hydro) from the unit to the lot line, waste services/septic, plus road access. Beausoleil First Nation may provide water hook-up, where applicable. Waste services shall be approved by the First Nation and the bank and shall meet all applicable codes and regulations; and



- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
 - e) Confirmation that the contractor shall be able to cover construction costs prior to bank loan advances (e.g. bridge financing) as advances prior to construction are prohibited and, for modular/mobile homes, the contractor is not paid until the home is installed and inspected; and
 - f) For a modular or manufactured home the contract shall confirm that the unit shall be installed by the same builder/manufacturer that sold the home to the applicant.
- 14.5.2 The applicant shall obtain three copies of the final contractors fixed price quotation and contract or the manufacturer's sale agreement and contract; the applicant shall retain one copy and shall submit one copy to the bank and one copy to the housing manager.
- 14.5.3 The total project costs, less any downpayment, shall be equal to or less than the approved bank loan amount. Where the project costs exceed the bank loan amount, the applicant shall demonstrate that they have the additional funds on hand to pay this amount prior to the first bank loan advance.
- 14.5.4 Fees for hydro hook-ups are the responsibility of the applicant.

15.0 Insurance

15.1 Beausoleil First Nation to be provided with copies of all Insurance

15.2 CMHC Mortgage Insurance

An applicant shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount and can be included in the mortgage amount).

15.3 Life Insurance

Prior to the first loan advance an applicant shall provide the First Nation and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.



15.4 Construction Insurance

Prior to the first loan advance an applicant shall provide the First Nation and the bank with written confirmation that construction insurance has been obtained as required by the bank and shall be carried until the unit is 100% complete.

15.5 Building/Fire Insurance (Protection Against Property Damage)

Prior to the final loan advance an applicant shall provide the First Nation and the bank with written confirmation that building insurance (protection against property damage from risks such as fire, flood) has been obtained as required by the bank.

16.0 First Nation Council Resolution & Bank Mortgage Loan Agreement

16.1 First Nation Council Resolution

16.1.1 The housing manager shall request that Council execute a First Nation Council Resolution (FNCR) for the market based housing loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation; and
- b) The final contractors fixed price quotation; and
- c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- d) Confirmation that the Certificate of Possession for the property has been transferred to the First Nation.

16.1.2 The housing manager shall provide confirmation to the bank that the FNCR has been issued.

16.1.3 Where the bank loan is obtained through the FNMHF, the First Nation shall request that the FNMHF issue a Credit Enhancement Certificate to confirm its backing of the bank loan.

16.2 Bank Mortgage Loan Agreement

The applicant shall arrange to meet with the bank and sign the final mortgage loan agreement. The bank shall provide a copy of the agreement to the First Nation.

17.0 Construction & Inspections

17.1 On receipt of final approval from the First Nation and the bank the applicant shall proceed with unit construction. The applicant shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:



- a) Ogemawahj Tribal Council (OTC) or certified Inspector at own cost and with prior approval from Beausoleil First Nation, or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. OTC shall have the inspection signed off by an authorized representative of the First Nation and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion. Where Health Canada carries out an inspection on a septic system, an installation certificate is to be obtained and a copy is to be provided to the housing manager; and
 - b) Inspections of all building construction, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
 - c) Inspections shall be performed in accordance with the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 17.2 The applicant shall be responsible to cover fees/costs related Ogemawahj Tribal Council OTC or certified inspector at own cost and with prior approval from Beausoleil First Nation and other inspections (where required) and for hydro hook-up.
- 17.3 The applicant shall ensure that construction shall be completed within the deadlines imposed by the bank and the First Nation and no later than 18 months from approval unless the applicant receives written approval from the bank and the housing manager for additional time to complete the work. Failure to complete the unit within the agreed upon period may result in cancellation of the bank mortgage loan agreement.

18.0 Loan Advances & Holdback

18.1 Loan Advances

- 18.1.1 The bank is responsible for controlling the loan advances and disbursement of funds.
- 18.1.2 An applicant's downpayment (and Beausoleil grant where available) and any project costs that are over and above the guaranteed loan amount, shall be paid to the bank prior to the first loan advance.



- 18.1.3 The bank may require minimum time periods within which the first and final advance shall be made (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
- 18.1.4 The maximum number of progress loan advances is six (6), subject to the bank requirements. As part of the request for the advance from the bank the applicant shall obtain and submit to the housing manager and the bank:
- a) Photographs to confirm progress of construction on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Photographs of the septic system installation, percolation tests and final installation certification from Health Canada in order to receive the related loan advance.
- 18.1.5 For modular or manufactured homes the loan funds, less holdback, shall not be released until the unit is in place (anchored to the foundation) and has been inspected.

18.2 Holdback

The First Nation and the bank shall require a holdback of 10% of the total contract cost to be paid no earlier than 30 days after completion and only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

19.0 Occupancy Permit & Loan Administration

19.1 Occupancy Permit/Final Inspection

After the final advance has been issued by the bank the applicant (homeowner) shall apply for an occupancy permit from the housing manager. On receipt of the occupancy permit the homeowner may take occupancy of the unit.

19.2 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to Section VII and onward contained within this housing policy.

Interest Adjustment Date (IAD) – Loan Closed



SECTION IV – PURCHASE OF AN EXISTING UNIT – ELIGIBILITY TO OCCUPANCY

Purchase of an existing unit is defined as the purchase of an existing unit from Beausoleil First Nation or a Beausoleil First Nation member; the existing unit shall be located within Beausoleil First Nation. Renovations can be included as part of the purchase price provided that the total project cost (minus downpayment) does not exceed the maximum loan amount. The eligible First Nation member shall occupy the home as their primary residence.

20.0 Maximum Loan Guarantee & Amortization Period

20.1 Maximum Loan Guarantee

20.1.1 The maximum loan guarantee shall be either:

- a) \$250,000.00 for a loan obtained through the FNMHF Credit Enhancement Facility; or
 - b) \$150,000.00 for a Section 10 loan (Ministerial Loan Guarantee).
- 20.1.2 Where the applicant wishes to purchase a home where costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any bank loan funds are advanced.
- 20.1.3 The First Nation shall guarantee only one market based loan at a time, per First Nation member. A First Nation member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

20.2 Maximum Amortization Period

The maximum amortization period shall be 25 years.

21.0 Eligibility

21.1 An applicant shall be a registered member of Beausoleil First Nation.

21.2 An applicant shall be 19 years of age or older.

21.3 An applicant shall complete an application for market-based housing (refer to Appendix B).

21.4 An applicant shall authorize a Beausoleil First Nation credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the First Nation. Where the applicant is more than 30 days in arrears on any account with the First Nation



the applicant shall not be eligible for a market based housing loan until they provide the housing department with written confirmation that the arrears/outstanding account(s) has been paid in full.

- 21.5 The unit being purchased shall be located within Beausoleil First Nation where fire insurance is available.

22.0 Application & Conditional Letter of Support

22.1 Submitting an Application

- 22.1.1 A First Nation member interested in applying for this program shall submit an application for market based housing to the housing department (refer to Appendix B).
- 22.1.2 A completed application shall be submitted in a sealed envelope addressed "To the attention of the Housing Manager" in care of the Beausoleil Housing Department. The applicant's name and current mailing address shall be included on the envelope.
- 22.1.3 An application is to be submitted by mail or by hand to the Beausoleil First Nation administrative office reception desk.
- 22.1.4 Where an application is submitted by hand to the Beausoleil administrative office, the receptionist shall provide the individual submitting the application with a written receipt confirming the date the application was received by Beausoleil First Nation.
- 22.1.5 Where an application is received through the mail, the housing department shall telephone the applicant at the number provided in the application to confirm receipt of the application.
- 22.1.6 The housing manager shall maintain the application in a secure location with access only by authorized representatives of Beausoleil First Nation.

22.2 Receipt and Review of an Application

- 22.2.1 Within 10 days of receipt of the application the housing manager shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy; and
 - c) Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing manager shall notify the applicant in writing and/or by phone.
- 22.2.2 Where the application is complete and an applicant meets the eligibility requirements the housing manager shall contact the applicant by phone to confirm eligibility and mutually agree upon a



date and time for an in-person meeting. During the meeting the housing manager shall discuss the roles and responsibilities of the First Nation and the applicant with respect to the delivery and administration of a market based housing loan.

22.2.3 The housing manager shall keep a written record of the application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.

22.3 Conditional Letter of Support

22.3.1 Where the applicant meets all of the eligibility requirements, the housing manager shall submit the application and related details (e.g. credit check, unit identification) and request approval of a conditional letter of support from Council (refer to Appendix C). The conditional letter of support shall confirm that Beausoleil First Nation is prepared to guarantee the First Nation member's mortgage loan provided that the First Nation member meets the bank's mortgage lending requirements.

22.3.2 On receipt of the approved letter of support from Council, the housing department shall forward the letter of support to the applicant's bank and shall confirm to the applicant by phone that this has been done so that they can proceed to apply for a pre-approved mortgage.

23.0 Downpayment & Beausoleil Grant Program

23.1 An applicant shall provide a downpayment equal to a minimum of 5% of the mortgage loan amount. The downpayment shall be paid to the bank before the first loan advance.

23.2 Subject to approval, a forgivable grant of up to 5% of the purchase price/renovations to a maximum of \$12,500 may be available from Beausoleil First Nation for a qualifying First Nation member. Where the grant is made available, the grant shall be paid directly to the bank.

23.3 The grant is available only once per qualifying First Nation member, per lifetime.

23.4 In order to be eligible to receive the grant an applicant shall have met all of the eligibility requirements for the market based loan and be in good standing (not have any outstanding payments/debts and not be in violation of any agreements) with Beausoleil First Nation.



- 23.5 Where two Beausoleil First Nation First Nation members apply jointly for a mortgage loan, stacking of the grant is prohibited. In such cases the maximum grant would be up to 5% of the mortgage loan (i.e. 5% in total, not 5% per member).
- 23.6 Where the 5% downpayment requirement of the mortgage loan exceeds any available grant (i.e. where purchase price/renovations are greater than the maximum loan guarantee amount) the applicant shall demonstrate that they are able to obtain the additional downpayment amount from their own sources. This additional amount shall be paid by the applicant to the bank before the grant program funds are paid to the bank.
- 23.7 The grant shall be forgivable over a five (5) year period beginning the date of occupancy. For every full year the homeowner owns and occupies the home, one year of the grant period shall be earned.
- 23.8 If the homeowner sells the home or, is in default of the bank mortgage loan agreement before the end of the five year period, any remaining unearned portion of the grant shall be repaid to the First Nation (i.e. if the homeowner sells or defaults after 3 years, the remaining 2 year portion or 2/5 of the grant will be due and payable to the First Nation).

24.0 Pre-Approved Mortgage - Applicant Responsibilities

- 24.1 On receipt of the conditional letter of support approved by Council, an applicant may apply to the bank for a pre-approved mortgage.
- 24.2 An applicant shall be required to meet the bank's mortgage lending requirements including but not limited to confirmation of an acceptable credit and employment history and their ability to afford the monthly mortgage payments and other associated housing costs and charges.
- 24.3 An applicant will be required to provide to the bank:
- a) Details on employment history including a letter from the employer confirming the length of their employment (ideally employed with his/her current employer for a minimum of 2 years); and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan).



A 'gross-up' factor on income earned on-reserve shall be applied; this means determining the amount of income the First Nation member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income.

- c) Where an applicants' household includes a non First Nation member applicant whose income is being used to qualify for a mortgage loan, that non First Nation member should seek independent legal advice regarding their right to claim in the event of a break-up of the household. The non First Nation member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights; and
- d) Confirmation of an acceptable credit history; and
- e) A copy of a current driver's license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
- f) Confirmation of debts and liabilities.

24.4 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending requirements and the following shall apply:

- a) Where the bank confirms that the applicant meets the lending requirements the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions, they shall proceed with purchase and, where renovations are included, contracting and related construction work as required by the First Nation and the bank; or
- b) Where the applicant does not meet the bank's lending requirements the application shall be considered declined and no further action shall be taken by the First Nation.

24.5 Where the bank approves the application the bank shall provide the First Nation with confirmation of such approval within 10 working days.

25.0 Unit Inspection & Appraisal & Septic/Water Certificates

25.1 Unit Inspection

25.1.1 The applicant shall arrange and pay the cost of an inspection of the unit by Ogemawahj Tribal Council (OTC) or certified inspector at own cost and with prior approval from Beausoleil First Nation to confirm any deficiencies that may negatively impact the value of the unit. OTC shall have the inspection signed off by an authorized representative of the First Nation the inspection is required for either a private sale or where the First Nation is the vendor. The inspection shall confirm, at a minimum, any deficiencies that affect



the integrity and/or safe operation of the following areas and shall include an estimate of costs to repair/replace same:

- a) Building structure (e.g. foundation, exterior walls, roof structure); and
 - b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).
- 25.1.2 The applicant shall provide a copy of the inspection report to the housing manager and the bank. Where the inspection report confirms deficiencies the applicant shall advise the vendor to either:
- a) Deduct the cost to repair/replace the deficiencies from the sale price. The applicant can incorporate the cost to repair the deficiencies (after sale) into the bank loan provided that the costs do not exceed the maximum loan amount; or
 - b) Correct the deficiencies to the satisfaction of the OTC inspector as a condition of sale.

25.2 Appraisal

- 25.2.1 The applicant shall arrange for and pay the cost of an appraisal to estimate the current market value of the unit and property. The appraisal shall be completed by an independent qualified real estate appraiser. The appraisal is required for either a private sale or where the First Nation is the vendor. The applicant shall provide a copy of the appraisal report to the housing manager and the bank. Where the appraisal confirms that the sale price is not within current market value the housing manager shall advise the applicant of the maximum purchase price that will be guaranteed by the First Nation. Costs will be the responsibility of the First Nation member.

25.3 Septic and Water Certificates

- 25.3.1 The applicant shall obtain from the vendor the permit/Health Canada certification for installation of the septic/sewage system. Where the permit is not available the applicant shall obtain from the vendor a current inspection report of the system, by a qualified inspector, to confirm compliance with the National Building Code related to septic systems.
- 25.3.2 Where water to the unit is provided by a well the applicant shall obtain from the vendor a current certificate of water potability with



results meeting the Ontario Drinking Water Standards. The applicant shall also obtain a copy of the well record from the vendor or the Ministry of the Environment to confirm the location of the well, date of well drilling, depth and diameter, static water level, pumping water level (shallow or deep well), recommended pumping rate (should be greater than 14 litres per minute), and the recommended pump setting.

26.0 Certificate of Possession & Purchase and Sale Agreement

26.1 Certificate of Possession (CP)

26.1.1 Where the Certificate of Possession (CP) to the property is held by a First Nation member, a title search shall be conducted by the First Nation to confirm that the property is unencumbered and has been surveyed and registered under the Canada Lands Survey System and to confirm the location of the unit and all structures on the property. Where the property is not surveyed the applicant or the vendor shall arrange and pay for a survey by a Canada Lands surveyor. The transfer of the CP shall be completed prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan. The First Nation shall hold the CP until the applicant's bank loan is paid in full.

26.1.2 Where the property is owned by the Beausoleil First Nation the housing manager shall complete a land title search with AANDC to verify there are no encumbrances. Where AANDC confirms there are no encumbrances, the housing manager will recommend to Council that the property/unit be made available to the applicant for purchase. As a condition of Council issuing a First Nation Council Resolution to guarantee the loan, Council shall be provided with evidence that the Certificate of Possession is held by the First Nation. The First Nation shall hold the CP until the applicant's bank loan is paid in full.

26.2 Final Purchase and Sale Agreement

26.2.1 Where the CP to the property is held by a First Nation member (the vendor) on confirmation that the lot is unencumbered and on receipt of the survey, the applicant shall finalize the purchase and sale agreement with the vendor in consideration of the findings of the OTC inspection, the appraisal and direction provided by the housing manager and the bank. The applicant shall be responsible to pay the purchase price of the property/unit and any costs



associated with the preparation and execution of the sale agreement and the transfer of the CP.

- 26.2.2 The applicant shall provide the bank the final purchase and sale agreement which shall include the legal description and civic address/ location of the property within Beausoleil First Nation.

27.0 Renovation Plan

27.1 Renovation Plan Review

Where the purchase includes renovations to be completed after purchase, the applicant shall submit a renovation plan and budget to the housing manager. The renovations can be included in the mortgage loan provided that the maximum loan amount is not exceeded. The housing manager shall arrange for Ogemawahj Tribal Council (OTC) or certified inspector at own cost and with prior approval from Beausoleil First Nation to review the renovation plan and confirm to the housing manager all of the following:

- 27.1.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:
- a) Building structure (e.g. foundation, exterior walls, roof structure); and
 - b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).
- 27.1.2 Whether the scope of the renovations requires the work to be completed by a general contractor.
- 27.1.3 That the renovation plan meets, at a minimum, the current version of the National Building Code.
- 27.1.4 The housing manager shall advise the applicant and the bank of any modifications required as a result of the review. The applicant shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing manager and the bank with the final quotation for renovations.
- 27.1.5 Any renovation work carried out prior to bank loan approval shall not be eligible.

27.2 Building Permit

Where required to do so the applicant shall apply to the Lands Department for a building permit.



27.3 Renovations Completed by the Applicant

Where the housing manager has confirmed that aspects of the renovations can be completed by the applicant, the applicant shall obtain final quotes for building supplies/materials from a recognized or local building supplier and provide these to the housing manager and the bank. The applicant shall not be paid for their labour.

27.4 Renovations Completed by a Contractor

Where the housing manager has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant shall obtain a fixed price contract quotation from a contractor/general contractor to complete the renovations. The contract quotation shall include all of the following:

- a) The contractor/general contractor's current Workplace Safety and Insurance Board coverage. The contractor/general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million must indemnify Beausoleil First Nation; and
- b) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations to water and waste services shall be approved by the First Nation and the bank and must meet all applicable codes and regulations; and
- c) Agreement that all work shall be in accordance with, at a minimum, the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- d) Confirmation that the contractor/general contractor shall be able to cover renovation costs prior to loan advances (e.g. bridge financing) as advances prior to renovations are prohibited.

27.5 Final Renovation Agreement

The applicant shall submit the final renovation agreement or, where the applicant is completing renovations shall submit quotes for building supplies as approved by the housing manager, to the First Nation and to the bank.

28.0 Insurance

28.1 Beausoleil First Nation to be provided with copies of all Insurance

28.2 CMHC Mortgage Insurance



An applicant shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount and can be included in the mortgage amount).

28.3 Life Insurance

Prior to the first loan advance an applicant shall provide the First Nation and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

28.4 Building/Fire Insurance (Protection Against Property Damage)

Prior to the final loan advance, or where the applicant is completing renovations prior to occupancy, an applicant shall provide the First Nation and the bank with written confirmation that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained as required by the bank.

29.0 First Nation Council Resolution & Bank Mortgage Loan Agreement

29.1 First Nation Council Resolution

29.1.1 The housing manager shall request that Council execute a First Nation Council Resolution (FNCR) for the market based housing loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required documents (final purchase and sale agreement, inspection, appraisal, water and sewer certificates, renovation estimate, etc.); and
- b) Where renovations are included and a general contractor is completing the renovations, the final contractors fixed price quotation or, where the applicant is completing the renovations, the building material estimates; and
- c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- d) Confirmation that the Certificate of Possession for the property has been transferred to the First Nation.

29.1.2 The housing manager shall provide confirmation to the bank that the FNCR has been issued.

29.1.3 Where the bank loan is obtained through the FNMHF, the First Nation shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.



29.2 Bank Mortgage Loan Agreement

The applicant shall arrange to meet with the bank and sign the final mortgage loan agreement. The bank shall provide a copy of the agreement to the First Nation.

30.0 Inspections & Completing Renovations

30.1 Inspections

30.1.1 Where renovations are included in the project, after the CP has been transferred to the First Nation and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:

- a) Ogemawahj Tribal Council (OTC), or certified inspector at own cost and with prior approval from Beausoleil First Nation (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. OTC shall have the inspection signed off by an authorized representative of the First Nation and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
- b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
- c) Inspections shall be performed in accordance with the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.

30.2 Completing Renovations

The applicant shall ensure that renovations shall be completed within the deadlines imposed by the bank and the First Nation and no later than 12 months from approval unless the applicant receives written approval from the bank and the housing manager for additional time to complete the work. Failure to complete the unit within the agreed upon period may result in cancellation of the bank mortgage loan agreement.

31.0 Loan Advances & Holdback

31.1 Loan Advances



- 31.1.1 The bank is responsible for controlling the loan advances and disbursement of funds.
- 31.1.2 An applicant's downpayment (and Beausoleil grant where available) and any project costs that are over and above the guaranteed loan amount, shall be paid to the bank prior to the first loan advance.
- 31.1.3 The bank may require minimum time periods within which the first and final advance shall be made (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
- 31.1.4 Where no renovation work is included in the purchase the bank shall issue one (1) loan advance on completion of the sale prior to the possession date. For a private sale (where the vendor is not the band) the bank shall not release funds until the First Nation confirms that the CP has been transferred to the First Nation.
- 31.1.5 Where there are renovations included in the project, the bank shall issue a maximum of three (3) loan advances, subject to the bank requirements.
- 31.1.6 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the OTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).
- 31.1.7 Where a contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the OTC inspection report and photographs of:
 - a) The progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.

31.2 Holdback

Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 30 days after completion and only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.



32.0 Possession Date & Loan Administration

32.1 Possession Date

The possession date for the unit shall be the date that the loan proceeds for purchase of the unit are paid by the bank.

32.2 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to Section VII and onward contained within this housing policy.



SECTION V – RENOVATIONS – ELIGIBILITY TO COMPLETION OF RENOVATIONS

Renovations refer to any improvements and modifications to an existing home that does not increase the livable area. The home must be located within Beausoleil First Nation.

33.0 Maximum Loan Guarantee and Amortization Period

33.1 Maximum Loan Guarantee

33.1.1 The maximum loan guarantee shall be either:

- a) \$75,000.00, with a minimum of \$5,000.00, for a loan obtained through the FNMHF Credit Enhancement Facility; or
- b) \$150,000.00 for a Section 10 loan (Ministerial Loan Guarantee) with a minimum loan of \$25,000.00.

33.1.2 Where the renovation costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any bank loan funds are advanced.

33.1.3 The First Nation shall guarantee only one market based loan at a time, per First Nation member. A First Nation member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

33.2 Maximum Amortization Period

The maximum amortization period shall be based on the loan amount, as follows:

- a) Up to 5 years for a loan between \$5,000 and \$25,000; or
- b) Up to 10 years for a loan between \$25,001 and \$50,000; or
- c) Up to 15 years for a loan between \$50,001 and \$75,000; or
- d) Up to 25 years for a loan between \$75,001 and \$150,000.

34.0 Eligibility

34.1 An applicant shall be a registered member of Beausoleil First Nation.

34.2 An applicant shall be 19 years of age or older.

34.3 An applicant shall complete an application for market-based housing (refer to Appendix B).

34.4 An applicant shall provide confirmation that they hold the Certificate of Possession (CP) on the unit/property. As a requirement of loan approval, the



applicant shall transfer the CP to the First Nation and the First Nation shall hold the CP until the bank loan is paid in full.

- 34.5 An applicant shall authorize a Beausoleil First Nation credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the First Nation. Where the applicant is more than 30 days in arrears on any account with the applicant shall not be eligible for a market based housing loan until they provide the housing department with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 34.6 The unit being renovated shall be located within Beausoleil First Nation and where fire insurance is available.

35.0 Application & Conditional Letter of Support

35.1 Submitting an Application

- 35.1.1 A First Nation member interested in applying for this program shall submit an application for market based housing to the housing department (refer to Appendix B).
- 35.1.2 A completed application shall be submitted in a sealed envelope addressed "To the attention of the Housing Manager" in care of the Beausoleil Housing Department. The applicant's name and current mailing address shall be included on the envelope.
- 35.1.3 An application is to be submitted by mail or by hand to the Beausoleil First Nation administrative office reception desk.
- 35.1.4 Where an application is submitted by hand to the Beausoleil administrative office, the receptionist shall provide the individual submitting the application with a written receipt confirming the date the application was received by Beausoleil First Nation.
- 35.1.5 Where an application is received through the mail, the housing department shall telephone the applicant at the number provided in the application to confirm receipt of the application.
- 35.1.6 The housing manager shall maintain the application in a secure location with access only by authorized representatives of Beausoleil First Nation.

35.2 Receipt and Review of an Application

- 35.2.1 Within 10 days of receipt of the application the housing manager shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and



- b) Confirm eligibility according to the housing policy; and
 - c) Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing manager shall notify the applicant in writing and/or by phone.
- 35.2.2 Where the application is complete and an applicant meets the eligibility requirements the housing manager shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. During the meeting the housing manager shall discuss the roles and responsibilities of the First Nation and the applicant with respect to the delivery and administration of a market based housing loan.
- 35.2.3 The housing manager shall keep a written record of the application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.

35.3 Conditional Letter of Support

- 35.3.1 Where the applicant meets all of the eligibility requirements, the housing manager shall submit the application and related details (e.g. credit check, unit identification) and request approval of a conditional letter of support from Council (refer to Appendix C). The conditional letter of support shall confirm that Beausoleil First Nation is prepared to guarantee the First Nation member's mortgage loan provided that the First Nation member meets the bank's mortgage lending requirements.
- 35.3.2 On receipt of the approved letter of support from Council, the housing department shall forward the letter of support to the applicant's bank and shall confirm to the applicant by phone that this has been done so that they can proceed to apply for a pre-approved mortgage.

36.0 Pre-Approved Mortgage - Applicant Responsibilities

- 36.1 On receipt of the conditional letter of support approved by Council, an applicant may apply to the bank for a pre-approved mortgage.
- 36.2 An applicant shall be required to meet the bank's mortgage lending requirements including but not limited to confirmation of an acceptable credit and employment history and their ability to afford the monthly mortgage payments and other associated housing costs and charges.
- 36.3 An applicant will be required to provide to the bank:
- a) Details on employment history including a letter from the employer confirming



the length of their employment (ideally employed with his/her current employer for a minimum of 2 years); and

- b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied; this means determining the amount of income the First Nation member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income.
- c) Where an applicants' household includes a non First Nation member applicant whose income is being used to qualify for a mortgage loan, that non First Nation member should seek independent legal advice regarding their right to claim in the event of a break-up of the household. The non First Nation member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights; and
- d) Confirmation of an acceptable credit history; and
- e) A copy of a current driver's license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
- f) Confirmation of debts and liabilities.

36.4 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending requirements and the following shall apply:

- a) Where the bank confirms that the applicant meets the lending requirements the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions, they shall proceed with contracting and related renovation work as required by the First Nation and the bank; or
- b) Where the applicant does not meet the bank's lending requirements the application shall be considered declined and no further action shall be taken by the First Nation.

36.5 Where the bank approves the application the bank shall provide the First Nation with confirmation of such approval within 10 working days.

37.0 Certificate of Possession

37.1 A title search shall be conducted by the First Nation to confirm that the property is unencumbered and has been surveyed and registered under the Canada Lands



Survey System and to confirm the location of the unit and all structures on the property. Where the property is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor.

37.2 The CP shall be transferred to the First Nation prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan.

37.3 The First Nation shall hold the CP until the applicant's bank loan is paid in full.

38.0 Renovation Plan

38.1 Renovation Plan Review

The applicant shall submit a renovation plan and budget to the housing manager and the bank. The housing manager shall arrange for Ogemawahj Tribal Council (OTC) to review the renovation plan and confirm to the housing manager all of the following:

38.1.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:

- a) Building structure (e.g. foundation, exterior walls, roof structure); and
- b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
- c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
- d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

38.1.2 Whether the scope of the renovations requires the work to be completed by a general contractor.

38.1.3 That the renovation plan meets, at a minimum, the current version of the National Building Code.

38.1.4 The housing manager shall advise the applicant and the bank of any modifications required as a result of the review. The applicant shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing manager and the bank with the final quotation for renovations.

38.1.5 Any renovation work carried out prior to bank loan approval shall not be eligible.

38.2 Building Permit

Where required to do so the applicant shall apply to the Lands Department for a building permit.



38.3 Renovations Completed by the Applicant

Where the housing manager has confirmed that aspects of the renovations can be completed by the applicant, the applicant shall obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing manager and the bank. The applicant shall not be paid for their labour.

38.4 Renovations Completed by a Contractor

Where the housing manager has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant shall obtain a fixed price contract quotation from a contractor/general contractor to complete the renovations. The contract quotation shall include all of the following:

- a) The contractor/general contractor's current Workplace Safety and Insurance Board coverage; and
- b) The contractor/general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- c) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations to water and waste services shall be approved by the First Nation and the bank and must meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- e) Confirmation that the contractor/general contractor shall be able to cover renovation costs prior to loan advances (e.g. bridge financing) as advances prior to renovations are prohibited.

38.5 Final Renovation Agreement

The applicant shall submit the final renovation agreement or, where the applicant is completing renovations shall submit quotes for building supplies as approved by the housing manager, to the First Nation and to the bank.

39.0 Insurance

39.1 Beausoleil First Nation to be provided with copies of all Insurance

39.2 Life Insurance

Prior to the first loan advance an applicant shall provide the First Nation and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be



obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

- 39.3 Building/Fire Insurance (Protection Against Property Damage)
Prior to the first bank loan advance an applicant shall provide the First Nation and the bank with written confirmation that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained as required by the bank, prior to occupancy.

40.0 First Nation Council Resolution & Bank Mortgage Loan Agreement

40.1 First Nation Council Resolution

- 40.1.1 The housing manager shall request that Council execute a First Nation Council Resolution (FNCR) for the market based housing loan guarantee subject to receipt of the following:
- a) The bank's confirmation regarding receipt of all required documents (renovation estimate, etc.); and
 - b) Where a general contractor/contractor is completing the renovations, the final contractors fixed price quotation or, where the applicant is completing the renovations, the building material estimates; and
 - c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
 - d) Confirmation that the Certificate of Possession for the property has been transferred to the First Nation.
- 40.1.2 The housing manager shall provide confirmation to the bank that the FNCR has been issued.
- 40.1.3 Where the bank loan is obtained through the FNMHF, the First Nation shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

40.2 Bank Mortgage Loan Agreement

The applicant shall arrange to meet with the bank and sign the final mortgage loan agreement. The bank shall provide a copy of the agreement to the First Nation.

41.0 Inspections & Completing Renovations

41.1 Inspections

- 41.1.1 After the CP has been transferred to the First Nation and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for



progress and compliance inspections in a timely manner, as follows:

- a) Ogemawahj Tribal Council (OTC), or certified Inspector at own cost and with prior approval from Beausoleil First Nation or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. OTC shall have the inspection signed off by an authorized representative of the First Nation and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
- b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
- c) Inspections shall be performed in accordance with the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.

41.2 Completing Renovations

The applicant shall ensure that renovations shall be completed within the deadlines imposed by the bank and the First Nation and no later than 12 months from approval unless the applicant receives written approval from the bank and the housing manager for additional time to complete the work. Failure to complete the unit within the agreed upon period may result in cancellation of the bank mortgage loan agreement.

42.0 Loan Advances & Holdback

42.1 Loan Advances

- 42.1.1 The bank is responsible for controlling the loan advances and disbursement of funds.
- 42.1.2 Any additional project costs that are over and above the guaranteed loan amount shall be paid by the homeowner to the bank prior to the first loan advance.
- 42.1.3 The bank may require minimum time periods within which the first and final advance shall be made (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).



- 42.1.4 The maximum number of loan advances is six (6) subject to the bank requirements. The bank may advance funds on submission of invoices by the homeowner, subject to approval by the bank.
- 42.1.5 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the OTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).
- 42.1.6 Where a contractor/general contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the OTC inspection report and photographs of:
- a) The progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.

42.2 Holdback

Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 30 days after completion and only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

43.0 Loan Administration

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to Section VII and onward contained within this housing policy.



SECTION VI – REFINANCE OF AN EXISTING HOME

Refinance refers to the transfer of an existing mortgaged property located within Beausoleil First Nation into the market based housing program. In order to qualify for refinancing of an existing home, an additional loan for renovation must be included into the refinanced mortgage (subject to minimum/maximum mortgage loan amounts).

44.0 Maximum Loan Guarantee & Amortization Period

44.1 Maximum Loan Guarantee

44.1.1 The maximum loan guarantee shall be either:

- a) \$250,000.00 for a loan obtained through the FNMHF Credit Enhancement Facility. Renovations must be a minimum of \$5,000 and cannot exceed \$75,000; or
- b) \$150,000.00 for a Section 10 loan (Ministerial Loan Guarantee) with a minimum loan of \$25,000.00.

44.1.2 Any penalties for early discharge of the existing mortgage loan shall be the responsibility of the applicant; such penalties shall not be included in the refinance amount.

44.1.3 Where the refinancing costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any mortgage loan funds are advanced.

44.1.4 The First Nation shall guarantee only one market based loan at a time, per First Nation member. A First Nation member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

44.2 Maximum Amortization Period

The maximum amortization period shall be 25 years.

45.0 Eligibility

45.1 An applicant shall be a registered member of Beausoleil First Nation.

45.2 An applicant shall be 19 years of age or older.

45.3 An applicant shall complete an application for market-based housing (refer to Appendix B).



- 45.4 An applicant shall provide confirmation that they hold the Certificate of Possession (CP) for the unit/property. The applicant shall transfer the CP to the First Nation prior to the first loan advance and the First Nation shall hold the CP until the bank loan is paid in full.
- 45.5 An applicant shall authorize a Beausoleil First Nation credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the First Nation. Where the applicant is more than 30 days in arrears on any account with the First Nation the applicant shall not be eligible for a market based housing loan until they provide the housing department with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 45.6 The unit being refinanced shall be located within Beausoleil First Nation and where fire insurance is available.

46.0 Application & Conditional Letter of Support

- 46.1 Submitting an Application
- 46.1.1 A First Nation member interested in applying for this program shall submit an application for market based housing to the housing department (refer to Appendix B).
- 46.1.2 A completed application shall be submitted in a sealed envelope addressed "To the attention of the Housing Manager" in care of the Beausoleil Housing Department. The applicant's name and current mailing address shall be included on the envelope.
- 46.1.3 An application is to be submitted by mail or by hand to the Beausoleil First Nation administrative office reception desk.
- 46.1.4 Where an application is submitted by hand to the Beausoleil administrative office, the receptionist shall provide the individual submitting the application with a written receipt confirming the date the application was received by Beausoleil First Nation.
- 46.1.5 Where an application is received through the mail, the housing department shall telephone the applicant at the number provided in the application to confirm receipt of the application.
- 46.1.6 The housing manager shall maintain the application in a secure location with access only by authorized representatives of Beausoleil First Nation.
- 46.2 Receipt and Review of an Application
- 46.2.1 Within 10 days of receipt of the application the housing manager shall review the application to:



- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy; and
 - c) Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing manager shall notify the applicant in writing and/or by phone.
- 46.2.2 Where the application is complete and an applicant meets the eligibility requirements the housing manager shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. During the meeting the housing manager shall discuss the roles and responsibilities of the First Nation and the applicant with respect to the delivery and administration of a market based housing loan.
- 46.2.3 The housing manager shall keep a written record of the application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.

46.3 Conditional Letter of Support

- 46.3.1 Where the applicant meets all of the eligibility requirements, the housing manager shall submit the application and related details (e.g. credit check, unit identification) and request approval of a conditional letter of support from Council (refer to Appendix C). The conditional letter of support shall confirm that Beausoleil First Nation is prepared to guarantee the First Nation member's mortgage loan provided that the First Nation member meets the bank's mortgage lending requirements.
- 46.3.2 On receipt of the approved letter of support from Council, the housing department shall forward the letter of support to the applicant's bank and shall confirm to the applicant by phone that this has been done so that they can proceed to apply for a pre-approved mortgage.

47.0 Pre-Approved Mortgage - Applicant Responsibilities

- 47.1 On receipt of the conditional letter of support approved by Council, an applicant may apply to the bank for a pre-approved mortgage.
- 47.2 An applicant shall be required to meet the bank's mortgage lending requirements including but not limited to confirmation of an acceptable credit and employment history and their ability to afford the monthly mortgage payments and other associated housing costs and charges.



- 47.3 An applicant will be required to provide to the bank:
- a) Details on employment history including a letter from the employer confirming the length of their employment (ideally employed with his/her current employer for a minimum of 2 years); and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied; this means determining the amount of income the First Nation member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income.
 - c) Where an applicants' household includes a non-First Nation member applicant whose income is being used to qualify for a mortgage loan, that non-First Nation member should seek independent legal advice regarding their right to claim in the event of a break-up of the household. The non-First Nation member applicant must sign a declaration that they fully understand the ramifications as it applies to home ownership on reserve and their rights; and
 - d) Confirmation of an acceptable credit history; and
 - e) A copy of a current driver's license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
 - f) Confirmation of debts and liabilities.
- 47.4 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending requirements and the following shall apply:
- a) Where the bank confirms that the applicant meets the lending requirements the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions, they shall proceed with refinance and renovations as required by the First Nation and the bank; or
 - b) Where the applicant does not meet the bank's lending requirements the application shall be considered declined and no further action shall be taken by the First Nation.
- 47.5 Where the bank approves the application the bank shall provide the First Nation with confirmation of such approval within 10 working days.

48.0 Certificate of Possession



- 48.1 A title search shall be conducted by the First Nation to confirm that a title search has been completed with AANDC to verify there are no encumbrances and that the property has been surveyed and registered under the Canada Lands Survey System and to confirm the location of the unit and all structures on the property. Where the property is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor.
- 48.2 The CP shall be transferred to the First Nation prior to and as a condition of Council issuing a First Nation Council Resolution to guarantee the loan.
- 48.3 The First Nation shall hold the CP until the applicant's bank loan is paid in full.

49.0 Existing Mortgage - Payout Statement & Payout Penalties

- 49.1 Payout Statement
An applicant shall provide a payout statement for the existing loan with per diem calculations (the pro-rated amount of interest that would be due to be paid to the bank for the remaining repayment period).
- 49.2 Payout Penalties
An applicant shall demonstrate that they are able to pay in full any penalties for early discharge of the existing mortgage loan; such penalties shall not be included in the refinance amount.

50.0 Appraisal

- 50.1 The homeowner shall arrange for and pay the cost of an appraisal by an independent qualified real estate appraiser. The homeowner shall provide the appraiser with the renovation plan and the appraiser shall provide both an "as is" and "as improved" value. The homeowner shall provide a copy of the appraisal report to the housing manager and the bank.
- 50.2 Where the appraisal confirms that the value is below the proposed refinance amount, the housing manager shall advise the homeowner and the bank of the maximum refinance amount that will be guaranteed by the First Nation.

51.0 Renovation Plan

- 51.1 Renovation Plan Review



The applicant shall submit a renovation plan and budget to the housing manager. The housing manager shall arrange for Ogemawahj Tribal Council (OTC) to review the renovation plan and confirm to the housing manager all of the following:

51.1.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:

- a) Building structure (e.g. foundation, exterior walls, roof structure); and
- b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
- c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
- d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

51.1.2 Whether the scope of the renovations requires the work to be completed by a general contractor.

51.1.3 That the renovation plan meets, at a minimum, the current version of the National Building Code.

51.1.4 The housing manager shall advise the applicant and the bank of any modifications required as a result of the review. The applicant shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing manager and the bank with the final quotation for renovations.

51.1.5 Any renovation work carried out prior to bank loan approval shall not be eligible.

51.2 Building Permit

Where required to do so the applicant shall apply to the Lands Department for a building permit.

51.3 Renovations Completed by the Applicant

Where the housing manager has confirmed that aspects of the renovations can be completed by the applicant, the applicant shall obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing manager and the bank. The applicant shall not be paid for their labour.

51.4 Renovations Completed by a Contractor

Where the housing manager has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant shall obtain a fixed price contract quotation from a contractor/general contractor to complete the renovations. The contract quotation shall include all of the following:



- a) The contractor/general contractor's current Workplace Safety and Insurance Board coverage; and
- b) The contractor/general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million and must indemnify Beausoleil First Nation; and
- c) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations to water and waste services shall be approved by the First Nation and the bank and must meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the National Building Code Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- e) Confirmation that the contractor/general contractor shall be able to cover renovation costs prior to loan advances (e.g. bridge financing) as advances prior to renovations are prohibited.

51.5 Final Renovation Agreement

The applicant shall submit the final renovation agreement or, where the applicant is completing renovations shall submit quotes for building supplies as approved by the housing manager, to the First Nation and to the bank.

52.0 Insurance

52.1 Beausoleil First Nation to be provided with copies of all Insurance

52.2 CMHC Mortgage Insurance

An applicant shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount and can be included in the mortgage amount).

52.3 Life Insurance

Prior to the first loan advance an applicant shall provide the First Nation and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

52.4 Building/Fire Insurance (Protection Against Property Damage)

Prior to the first bank loan advance an applicant shall provide the First Nation and the bank with written confirmation that building insurance (protection against



property damage from risks such as fire, flood, etc.) has been obtained as required by the bank, prior to occupancy.

53.0 First Nation Council Resolution & Bank Mortgage Loan Agreement

53.1 First Nation Council Resolution

- 53.1.1 The housing manager shall request that Council execute a First Nation Council Resolution (FNCR) for the market based housing loan guarantee subject to receipt of the following:
- a) The bank's confirmation regarding receipt of all required documents (appraisal, renovation estimate, etc.); and
 - b) Where a general contractor is completing the renovations, the final contractors fixed price quotation or, where the applicant is completing the renovations, the building material estimates; and
 - c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
 - d) Confirmation that the Certificate of Possession for the property has been transferred to the First Nation.

53.1.2 The housing manager shall provide confirmation to the bank that the FNCR has been issued and shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

53.2 Existing Mortgage with a Ministerial Loan Guarantee

Where the existing mortgage has a ministerial loan guaranteed by Beausoleil First Nation, the First Nation shall issue a FNCR rescinding the existing guarantee (to ensure that there are not two guarantees on the same loan/property).

53.3 Bank Mortgage Loan Agreement

The applicant shall arrange to meet with the bank and sign the final mortgage loan agreement. The bank shall provide a copy of the agreement to the First Nation.

54.0 Inspections & Completing Renovations

54.1 Inspections

- 54.1.1 After the CP has been transferred to the First Nation and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:



- a) Ogemawahj Tribal Council (OTC), or certified Inspector at own cost and with prior approval from Beausoleil First Nation or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. OTC shall have the inspection signed off by an authorized representative of the First Nation and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
- b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
- c) Inspections shall be performed in accordance with the current version of the National Building Code, Beausoleil First Nation construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.

54.2 Completing Renovations

The applicant shall ensure that renovations shall be completed within the deadlines imposed by the bank and the First Nation and no later than 12 months from approval unless the applicant receives written approval from the bank and the housing manager for additional time to complete the work. Failure to complete the unit within the agreed upon period may result in cancellation of the bank mortgage loan agreement.

55.0 Loan Advances & Holdback

55.1 Loan Advances

- 55.1.1 The bank is responsible for controlling the loan advances and disbursement of funds.
- 55.1.2 Any additional project costs that are over and above the guaranteed loan amount shall be paid by the homeowner to the bank prior to the first loan advance.
- 55.1.3 The bank may require minimum time periods within which the first and final advance shall be made (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
- 55.1.4 The maximum number of loan advances is six (6) subject to the bank requirements. The bank may advance funds on submission of invoices by the homeowner, subject to approval by the bank.



55.1.5 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the OTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).

55.1.6 Where a contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the OTC inspection report and photographs of:

- a) The progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
- b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.

55.2 Holdback

Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 30 days after completion and only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

56.0 Loan Administration

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to Section VII and onward contained within this housing policy.



SECTION VII – LOAN ADMINISTRATION (AFTER LOAN HAS BEEN FULLY ADVANCED)

57.0 Insurance – Annual Renewal (Building and Life Insurance)

- 57.1 The homeowner shall maintain building insurance (fire and other damage) and life insurance coverage in an amount exceeding the outstanding loan balance until the bank loan/mortgage has been paid in full with the bank named as first loss payee.
- 57.2 The homeowner shall provide the housing manager and the bank, on an annual basis, a copy of the insurance certificate to confirm building insurance and life insurance is in place including confirmation of the dollar limit of coverage and the limits of coverage.
- 57.3 Where the homeowner fails to provide confirmation of such insurance coverage the housing department shall provide a written notice to the homeowner requiring them to confirm to the First Nation that building and property insurance coverage is in place, within 15 days of the notice. The housing manager shall also follow up by phone with the homeowner to confirm the requirements for annual verification of insurance coverage.
- 57.4 Where the homeowner does not provide the required confirmation and the First Nation confirms that the insurance is not in place, the housing manager shall submit a written request to Council to pay the premium(s) on the homeowner's behalf, on a one-time basis.
- 57.5 On approval from Council the housing manager shall arrange payment of the annual premium(s) only in an amount required to cover the outstanding loan balance and/or to retain coverage with the homeowner's existing insurance provider. The housing manager shall issue a written notice to the homeowner within 5 working days of payment being made by the First Nation and shall demand repayment of the insurance premium(s). The notice shall confirm the requirement for the homeowner to repay these costs in full or to enter into a repayment agreement with the First Nation, as confirmed within the First Nation's administration policy, within 30 days of the notice. The housing manager shall also follow up by phone. Where the homeowner fails to repay these costs in full or where a homeowner enters into a repayment agreement and fails to honour the agreement the First Nation shall proceed with foreclosure/eviction as confirmed within this housing policy.
- 57.6 Where there is a second instance where the homeowner fails to provide confirmation of the required insurance coverage, the First Nation shall not pay the



premiums on behalf of the homeowner and shall proceed with foreclosure/ eviction as confirmed within this housing policy.

58.0 Access to the Unit & Use of the Residential Property

58.1 Access to the Unit

The homeowner is responsible to ensure reasonable road access to the unit is available at all times for provision of First Nation services (e.g. garbage removal, snow plowing) and for emergency vehicles.

58.2 Use of the Residential Property

58.2.1 A homeowner wishing to operate a home-based business from the unit must first receive written approval from Council to do so.

58.2.2 The homeowner shall submit a written request to the housing manager which details the activities of the business and potential impact on the unit (e.g. increase in use of services) and property (e.g. signage, work areas, equipment storage) and surrounding area (e.g. increased traffic, parking, noise and disturbance to neighboring properties). Submission of a request does not automatically mean approval – each request shall be considered and approved/denied based on what is in the best interest of the First Nation and the homeowner.

58.2.3 Where Council approves the request for a home-based business the homeowner shall first provide written confirmation that the homeowner has advised their insurance provider of the change in use of the unit/property to include a home based business.

58.2.4 Council may refuse to approve the request to use the unit as a home based business, or after having provided approval, may withdraw such approval at its discretion.

59.0 Breach/Default on the Bank Mortgage Loan Agreement

Where the homeowner has committed a breach of the bank mortgage loan agreement the following shall apply:

59.1 Breach/Default on the Bank Mortgage Loan Agreement

Where the homeowner has committed a breach of the bank loan (i.e. default on the loan payment) the bank shall contact the housing manager. The housing manager shall contact the homeowner by phone immediately on receipt of the bank notification and discuss the default with the homeowner to attempt to resolve the issue. Where the homeowner does not resolve the breach to the satisfaction of the



bank, the housing manager shall proceed with written notification to confirm the consequences of failing to resolve the breach/default, as outlined within this policy.

59.2 Notification Process

59.2.1 First Notice - A first notice shall be sent to the homeowner within 10 working days of the housing manager receiving confirming from the bank of a breach of the loan agreement and the conditions under which the breach shall be resolved. The notice shall advise the homeowner to:

- a) Resolve the breach according to the terms and timeframes confirmed in the first notice; or
- b) Meet with the housing manager with 10 working days of receipt of the notice to discuss resolution of the breach.

59.2.2 Second Notice – If after 10 working days of the first notice being issued, the homeowner has neither resolved the breach nor contacted the housing manager, a second notice shall be sent. The notice shall confirm the details of the breach, the conditions under which the breach shall be resolved and the deadline to resolve the breach to the satisfaction of the housing manager. The housing manager shall make at least two efforts to contact the homeowner by telephone to resolve the breach.

59.2.3 Third and Final Notice - 10 day notice for foreclosure. If the homeowner fails to resolve the breach within the timeframe noted in the second notice, a 10-day notice of foreclosure shall be issued to the homeowner. The final notice shall be delivered either:

- a) By hand to an adult person living in the property; or
- b) By posting the notice on the front door of the property with a third-party as witness to the delivery of the notice.

59.3 Foreclosure Action

Where the homeowner does not resolve the breach to the satisfaction of the housing manager within the timeframes identified in the third and final notice, the housing manager shall request sign-off of a foreclosure/eviction request. As part of the request the housing manager shall demonstrate that the policy was applied and due diligence was conducted. Where the Manager signs off on the request, the housing manager shall request a meeting with Council to review the breach and request that foreclosure action be taken as outlined within this policy.



60.0 Foreclosure/Eviction

- 60.1 On receipt of a motion from Council following a duly convened Council meeting, the housing manager shall issue a 30 day notice to terminate occupancy against the defaulting homeowner to seize the property and remove the homeowner from the unit.
- 60.2 The written notice to terminate occupancy shall be issued by the First Nation to the homeowner 30 working days before the date that occupancy shall be terminated, as confirmed in the termination notice, by either:
- a) Handing the notice directly to the homeowner; or
 - b) Securely attaching the notice to the door of the homeowner unit with a third-party as witness to the delivery of the notice. A notice attached to the door is presumed to have been legally served on the third day after it is attached; or
 - c) Handing the notice to an adult who lives in the unit.
- 60.3 If the homeowner does not vacate the unit at the required date defined in the termination of occupancy notice, the First Nation may:
- a) Obtain the services of a solicitor to prepare a “Notice to Quit” and to have this notice delivered by a security company; and
 - b) Arrange for the locks to be changed and the homeowner’s possessions to be removed from the premises.
- 60.4 Where the First Nation proceeds with foreclosure/eviction action, the First Nation shall retain the Certificate of Possession. Neither the former homeowner, nor their heirs nor their estate shall have any claim to Certificate of Possession that was transferred to Beausoleil First Nation.
- 60.5 Where a homeowner defaults on their bank mortgage loan agreement and causes a loss to the First Nation, the homeowner shall not be eligible to receive housing assistance from the First Nation until the loss is repaid in full.
- 60.6 Where the former homeowner has left personal property in the unit/on the property, the following shall apply:
- a) The housing manager shall remove the former homeowner’s personal property and place it in storage for 30 days and shall keep an inventory (written or photographic) of the property. The housing manager shall invoice the former homeowner for the cost of removal of their possessions and other related charges as noted below.
 - b) The housing manager shall post a notice on the front door of the unit to notify the former homeowner that the property is in storage and shall provide contact information for the homeowner to reimburse the First Nation for costs related to removal/storage of same and to retrieve their belongings.



- 60.7 Where the homeowner does not contact the housing manager to reclaim the personal property within the 30 day period, the housing manager may dispose of the property in such a manner as may be determined by the First Nation. The housing manager shall maintain the inventory and details of the disposal of the property for 2 years following the date of disposal.
- 60.8 Notwithstanding the above, the housing manager may dispose of the personal property if the housing manager believes that:
- a) The property has a total value of less than \$500; or
 - b) The cost of removing, storing and selling the property would be more than the proceeds of its sale; or
 - c) The storage of the property would be unsanitary or unsafe.
- 60.9 Where the First Nation incurs expenses as a result of action taken above, including but not limited to repairs and the cost of the removal of the personal property, the housing manager shall note these costs on the former homeowner's file and cost recovery shall be pursued by the housing manager.
- 60.10 Where the First Nation proceeds with foreclosure/eviction action the shall consider action to deal with the reacquired homeowner unit which can include:
- a) Where an alternate eligible applicant is identified, contact the bank to confirm whether the new applicant is eligible to qualify for a bank loan and to assume the outstanding loan balance; or
 - b) Where either the bank declines to allow a mortgage assumption or, there is no eligible applicant that can assume the outstanding loan balance, the following shall apply:
 - i. Where the loan was made through the First Nations Market Housing Fund (the Fund), contact the Fund to confirm whether alternate loan repayment arrangements may be authorized; or
 - ii. The First Nation shall pay the outstanding mortgage loan balance plus any penalties to the bank and retain the Certificate of Possession in the name of the First Nation (refer to the section on reacquired units within this policy for options on dealing with reacquired units).

61.0 Reacquired Homeowner Unit

Where the First Nation reacquires a unit they reserve the right to either:

- a) Sell the unit and property to an eligible homeowner applicant (the First Nation shall be the lender); or
- b) Operate the unit as a rental unit; or
- c) Operate the unit as a non-residential unit (e.g. First Nation administrative office).



61.1 Sell the Unit to an Eligible Homeowner Applicant

61.1.1 Eligibility Criteria

Where the unit shall be sold by the First Nation to an eligible homeowner applicant, the following eligibility criteria shall apply:

- a) The applicant shall be a registered member of Beausoleil First Nation; and
- b) The applicant shall be 19 years of age or older; and
- c) The applicant shall be required to meet Beausoleil First Nation lending criteria which shall include an acceptable credit rating on reserve, confirmation of their annual household income and their ability to afford the monthly loan payments and other associated housing costs and charges; and
- d) An applicant with arrears and/or outstanding accounts (money owing) to the First Nation shall not be considered until outstanding accounts are paid in full.

61.1.2 Application Process

The eligible applicant shall complete an application including written confirmation of their annual household income, confirmation of their ability to afford monthly loan payments and related housing charges and the applicant shall provide verification of a good credit history.

61.1.3 Sale Price

The sale price shall be the greater of:

- a) The remaining book value of the bank mortgage loan at the time of the new interest adjustment date, plus repair costs required to bring the unit to minimum property standards, plus legal fees and all other closing costs, less any downpayment; or
- b) Current value as determined by a qualified real estate appraiser, plus legal fees and all other closing costs.

61.1.4 Amortization Period

The amortization period for the loan shall be the lesser of:

- a) The remaining amortization period on the original mortgage loan; or
- b) The remaining useful life of the property, as determined by a qualified real estate appraiser.

61.1.5 Loan Payment

The monthly loan payment shall be determined by the housing manager based on the sale price and amortization period of the unit.

61.2 Operate the Unit as a Rental Unit

Where the unit shall be operated as a rental unit, the eligibility criteria, application process, rental agreement, and the housing policy for the Beausoleil First Nation Rental Housing Program shall apply.



61.3 Operate the Unit as a Non-Residential Unit

Where the unit shall be operated as a non-residential unit, the First Nation shall operate and manage the unit in accordance with related Beausoleil First Nation practices.

62.0 Sale of the Unit by the Homeowner

The homeowner has the right to sell the unit under the following conditions:

- a) The purchaser shall be a member of Beausoleil First Nation; and
- b) The homeowner shall notify the housing manager, in writing, that they intend to sell the unit; and
- c) On sale of the unit, the homeowner is responsible to pay the outstanding bank mortgage loan balance in full, along with all related sale and closing costs at the date of closing of the sale.

63.0 Payment in Full of the Bank Mortgage Loan & Certificate of Possession

When the bank provides written confirmation to the housing manager that homeowner has repaid the bank mortgage loan in full, the First Nation shall issue a Certificate of Possession transferring the unit and property to the homeowner.

63.1 Eligibility for a Certificate of Possession (CP)

In all cases the following requirements shall be met in order for the First Nation to issue a CP:

- a) The homeowner shall submit a written notice to the First Nation to request that the CP be issued to them in their name; and
- b) The homeowner being issued the CP must be a member of the Beausoleil First Nation and entitled to hold a CP on Beausoleil First Nation.

63.2 Issuing the Certificate of Possession

After the housing manager receives the homeowners' written request to issue a Certificate of Possession (CP) for the unit and the land, the First Nation shall issue the CP provided that the homeowner:

- a) Provides written confirmation from the bank that the bank loan has been repaid in full; and
- b) That the First Nation's lands department has confirmed that there are no liens or encumbrances attached to the property; and
- c) Has complied with all of his or her obligations under the bank's mortgage loan agreement; and
- d) Has no arrears on other accounts with the First Nation.



63.3 First Nation Council Resolution (FNCR)

The Certificate of Possession shall be confirmed through a FNCR no later than 90 days after receipt of the request and confirmation that all conditions have been met.

63.4 Responsibilities of the First Nation and the Homeowner

After the First Nation has passed the FNCR and a Certificate of Possession for the unit and the land has been issued:

- a) The First Nation shall have no further interest in the unit and land; and
- b) The homeowner shall continue to be responsible for all costs associated with the unit and the land including but not limited to maintenance, repairs and insurance.

64.0 Marital Breakdown

All matrimonial laws in effect at Beausoleil First Nation

65.0 Death of a Homeowner

To be developed



Title: BEAUSOLEIL FIRST NATION MARKET BASED HOUSING POLICY

Date Approved: December 15, 2015

Motion: 15-1215.11

APPENDIX B – APPLICATION FOR A MARKET BASED HOUSING LOAN & OVERVIEW



APPENDIX C – CONDITIONAL LETTER OF SUPPORT

**CONDITIONAL LETTER OF SUPPORT
Market Based Housing Loan**

Date:

To: Financial Institution

From: Beausoleil First Nation
11 O’Gemma Miikaan
Christian Island, ON L9M 0A9

Re: **Conditional Letter of Support for a Market Based Housing Loan**

Applicant Name:		Beausoleil First Nation Number	
Applicant Name:		Beausoleil First Nation Number	
Mailing Address:			
Phone Number	(H)	(W)	(C)

Please accept this letter as our conditional support for ____ (applicant) _____ with your financial institution for *new construction/renovations/refinance*. We hereby confirm that the above named applicant(s) have been granted use of Beausoleil First Nation reserve lands and the applicant has met our internal qualifications and is eligible to apply for a pre-approved mortgage.

This conditional letter of support is not to be construed as a final guarantee, but only serves to inform you that Beausoleil First Nation has reviewed the application and is in a position to guarantee this loan, provided the applicant meets your minimum mortgage requirements which will include a satisfactory credit history, job tenure, acceptable TDS ratio and income requirements. If the applicant meets your mortgage requirements, along with the other mandatory requirements such as life and fire insurance, a First Nations Council Resolution, CMHC Certificate of insurance, and, where applicable, a Credit Enhancement Certificate from the First Nations Market Housing Fund will be issued to your financial institution guaranteeing the mortgage.

Sincerely,

Chief and Council
Beausoleil First Nation