# Mortgage Subsidy and Down Payment Assistance FAQs

**Policy A 21.07**

Last updated: January 11, 2021

## If I am not currently receiving this subsidy, how do I apply?

To apply for the subsidy, please review the Policy for eligibility criteria and see [http://www.sfu.ca/faculty-relations/benefits-services/mortgage-subsidy.html](http://www.sfu.ca/faculty-relations/benefits-services/mortgage-subsidy.html) to download the application form.

## Effective September 1, 2017: New addition to the Mortgage Subsidy Policy is an option to receive Down Payment Assistance

An option has been added for eligible employees to select down payment assistance instead of a mortgage subsidy. The down payment assistance will be $50,000 in the form of a forgivable loan between the University and the eligible employee. The University would forgive $10,000 each year over a period a 5 years. Please refer to policy for details regarding eligibility and administration of this program.

## Effective January 1, 2017: Changes to the Mortgage Subsidy Policy

The number of years to apply to the program was raised from 7 years to 10 years from the start date of the initial SFU appointment.

The value of the subsidy was raised from $7,500/year ($37,500 over 5 years) to $10,000/year ($50,000 over 5 years).

## Is the Down Payment Assistance a Taxable Benefit?

Yes. The full amount of the Down Payment Assistance would be considered a taxable benefit. The value of the taxable benefit would be 10K per year over a 5 year period. In addition there would be a taxable benefit on the interest that would normally be paid on such a loan. This would be based on the current CRA prescribed rate of 1%.

## Is the Mortgage Interest Subsidy a Taxable Benefit?

Yes. The taxable benefit would be the difference between the CRA prescribed rate and the interest rate that the employee will pay when factoring in the subsidy portion paid by SFU. The CRA prescribed rate is 1%, therefore if our subsidy amount results in the employee paying less than 1% in interest, then that portion is a taxable benefit.

## If I am currently receiving a mortgage subsidy am I eligible for the new rate?

Yes. If you currently are receiving the subsidy, you are eligible to receive the new rate.

## Will everyone who is eligible for the new rate receive the increase?

Yes. Everyone will be eligible to receive the new rate.

## What do I have to do to receive the new subsidy rate?

Nothing. The new rate will be applied to your existing monthly/bi-monthly mortgage payments automatically.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
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<tbody>
<tr>
<td><strong>When will I start to receive the new rate?</strong></td>
<td>The new rate for Mortgage Subsidy will be applied as of January 1st, 2017.</td>
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<tr>
<td><strong>Will receiving the new rate extend the number of years for which I receive the subsidy?</strong></td>
<td>No. If you receive the new rate, it will be applied to your monthly/bi-monthly mortgage payments for the remainder of your existing 5-year subsidy term.</td>
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<td><strong>If I have already worked at the University for a number of years (e.g., 5 years) may I apply under the new 10 year application rule?</strong></td>
<td>Yes. If you are an existing eligible employee, you may apply for up to 10 years following the start date of your initial continuing position.</td>
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<td><strong>Is it possible to get an extension on the number of years I am eligible to apply to the program?</strong></td>
<td>Unfortunately, no. If you have are currently working at SFU and 10 years have passed since your initial continuing start date, you are no longer eligible to apply for the program.</td>
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<td><strong>How will the retroactive payments for the subsidy be dispersed?</strong></td>
<td>The rate will be applied to your monthly/bi-monthly payments and back-dated to January 1st, 2017. The difference which was paid by the employee between the old and new mortgage payment will be refunded to the employee.</td>
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<td><strong>Will this subsidy affect my mortgage’s pre-payment privileges?</strong></td>
<td>No. For those employees who already have a subsidized mortgage, there will be no impact.</td>
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<td><strong>What happens if I leave the University less than five years after the initial payment of the Mortgage Subsidy?</strong></td>
<td>If an employee ceases employment with the University within five years of initial payment of Mortgage Subsidy, all mortgage subsidy funds received will need to be repaid to the University. The mortgage subsidy will end as of the first mortgage payment after the termination date.</td>
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<tr>
<td><strong>What happens if I leave the University less than five years after initial payment of Down Payment Assistance?</strong></td>
<td>If an employee ceases employment with the University within five years of receiving Down Payment Assistance, the entire amount of the forgivable loan will need to be repaid to the University.</td>
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</tbody>
</table>
| **How do I better understand how this will impact my mortgage?**        | If you have specific questions about your mortgage subsidy or down payment assistance, please contact:  
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