Mortgage Subsidy and Down Payment Assistance

1.0 PURPOSE

1.1 The purpose of this policy is to assist eligible employees to purchase a first principal residence in the Lower Mainland, recognizing the high cost of housing in the region surrounding the University.

1.2 This policy is effective September 1, 2017.

2.0 SCOPE

2.1 This policy applies to new SFUFA bargaining unit members appointed in continuing positions and the subsidy may also be extended to senior staff appointments, at the Executive Director level and above, with the approval of the appropriate Vice-President or the President.

POLICY

3.0 MORTGAGE ASSISTANCE OPTIONS

3.1 Eligible employees may choose either Option A Mortgage Subsidy or Option B Down Payment Assistance as outlined below.

Option A: Mortgage Subsidy

3.2 A mortgage subsidy up to the maximum value identified in Appendix A will be paid in installments for five years to eligible employees.

3.3 A fixed mortgage must be arranged through the University’s mortgage carrier, Group Mortgage Plan, a division of CIBC. Subsidies are not available for mortgages obtained through the CIBC branch network.

3.4 The mortgage subsidy can either reduce the amount of the regular monthly, semi-monthly, bi-weekly or weekly combined principal and interest payments; or effect a faster reduction in the principal and amortization period if the regular payment is maintained.

3.5 If an employee ceases employment with the University, the mortgage subsidy will end as of the first mortgage payment after the termination date.
3.6 If the employee leaves the University less than five years after the initial payment of the subsidy all mortgage subsidy funds distributed to the employee must be repaid.

3.7 The mortgage subsidy will be suspended during any unpaid leave of absence.

Option B: Down Payment Assistance

3.8 A lump sum for down payment assistance up to the maximum value identified in Appendix B will be paid to eligible employees.

3.9 Down Payment Assistance will be in the form of a forgivable loan between the University and the eligible employee if the employee remains at SFU for at least 5 years upon receipt of the down payment assistance.

3.10 An amount of the loan will be forgiven each year for a period of 5 years as outlined in Appendix B.

3.11 If the employee leaves the University less than five years after the initial payment of the down payment assistance all loan proceeds must be repaid.

4.0 ELIGIBILITY

4.2 To be eligible for the down payment assistance or the subsidy, the application must take place at the time of initial purchase of a home, which must be the employee's first principal residence in the Lower Mainland and purchased up to six months prior to or up to ten years after the initial appointment date.

4.3 Normally, the subsidy will be available up to one month prior to the start date of the appointment.

4.4 A member may be approved for the mortgage subsidy up to ten years following the start date of the appointment.

4.5 Applicants must meet all normal equity requirements set by the lender and Canada Mortgage and Housing Corporation.

5.0 POLICY REVIEW

5.1 This Policy will be reviewed, at a minimum, every three years.

6.0 AUTHORITY

6.1 This policy is administered under the authority of the Vice-President, Academic and Provost.

7.0 INTERPRETATION

7.1 Questions of interpretation and application of this policy shall be referred to the Vice-President, Academic and Provost, whose decision will be final.
Appendix A
Table 1: Dollar Value of Mortgage Subsidy

Effective September 1, 2017

<table>
<thead>
<tr>
<th># of Years Subsidy Supplied</th>
<th>Maximum Value/Year $ CND</th>
<th>Maximum Total $CND</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>$10,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Appendix B
Table 2: Down Payment Assistance Loan

Effective September 1, 2017

<table>
<thead>
<tr>
<th>Down Payment Assistance Loan</th>
<th>Amount Forgiven/Year $ CND</th>
<th>Number of Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>$10,000</td>
<td>5</td>
</tr>
</tbody>
</table>