

GOVT PROGRAMS TO HELP YOU BECOME A HOMEOWNER

MUNICIPAL GOVERNMENT ASSISTANCE

Down payment assistance: Some municipalities provide down payment assistance to buyers with limited resources. For example, Simcoe County will provide a 10% down payment assistance in the form of a forgivable loan. And Duferin County will provide you with an interest free down payment assistance loan/second mortgage to help purchase a home. There are no monthly mortgage payments for the second mortgage. Repayment of the second mortgage is required when the property is sold. Make sure to check out the municipalities which interest you.

Land Transfer Tax rebate (Toronto): In the City of Toronto, if you are a first-time purchaser of a newly constructed or re-sale residential property there is an available rebate of up to \$4,475.

ONTARIO GOVERNMENT ASSISTANCE

Land Transfer Tax rebate: When you buy land or an interest in land in Ontario, you pay land transfer tax. First-time homebuyers of an eligible home may be entitled to a refund of all or part of the tax.

FEDERAL GOVERNMENT ASSISTANCE

Home Buyer's Plan (HBP): With this program, you may withdraw up to \$35,000 tax-free from your registered retirement savings plans (RRSP) to put towards the purchase of your home. It is intended for first-time home buyers, but you can also qualify if it has been at least four years since you last owned a home. With this plan you are essentially lending yourself money from your RRSP. You must pay it back in installments over the next 15 years, or face the tax consequences. So, if both you and your partner are purchasing a home for the first time, you can each access \$35,000, for a total of \$70,000.

CMHC SHARED EQUITY PROGRAM

The Canada Mortgage and Housing Corporation (CMHC) will provide 5% of the cost of an existing home, or 10% of a new home for first-time buyers with the minimum 5% down for an insured mortgage. With the maximum allowable household income of \$120,000, the top purchase price would be approximately \$505,000 with 5% down, and about \$565,000 for a 15% downpayment. You are required to pay the incentive back after 25 years or when you sell the home based on the property's fair market value, whether it has increased or decreased in value.

ENERGY EFFICIENT HOUSING

These rebates are available to all home buyers and kick in when the mortgage you have is insured by any of CMHC, Genworth, or Canada Guaranty. High ratio mortgages are typically insured, as are some other types. This rebate provides a refund of up to 25% of the mortgage default insurance premium you paid.

FIRST TIME HOME BUYER TAX CREDIT (HBTC) A \$5,000 non-refundable tax credit intended to support first-time buyers with the many additional costs associated with purchasing a home, including legal fees, HST on newly constructed homes, disbursements and land transfer taxes. This translates to about \$750 in tax savings.

GST/HST NEW HOUSING REBATE First-time home buyers residing in provinces that have combined provincial and federal sales tax, which includes Ontario, are eligible for an HST tax rebate through the federal government. Guidelines vary, so it's best to check out Service Canada's website. Buyers of investment properties in Ontario are eligible for the Residential Rental Rebate.



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