

First-Time Home Buyer Incentive

This government program will add to your down payment, in order to lower your monthly payments.



What is the the First-Time Home Buyer Incentive?

It's a program offered by the Canadian Government to help first-time home buyers get into their first real-estate investment with an interest-free loan. They'll top up your down payment by 5% on most homes or 10% on new builds (for a shared-equity mortgage). The loan isn't due until you sell the house or within a 25-year window.

How it helps you:

The larger down payment lowers your monthly payments, thereby lowering your overall mortgage costs. There is no interest or regular payments for the top-up, and it may be repaid at any time without pre-payment penalties. When repaying the loan, the current value of the house is calculated (for both 5% or 10%), meaning the buyer is partially protected if the market drops.

Who is this incentive for?

- First-time home buyers, as outlined by the program requirements
- Household incomes must be less than \$120,000 (increases to less than \$150,000 if you live in Toronto, Vancouver or Victoria)
- Your original downpayment must be at least 5%, but not more than 20%
- Your mortgage must be eligible for mortgage insurance (applies to your original down payment, not the incentive portion)

How much house can I afford?

Depending on where you live, the maximum purchase price with this program is typically 4x your annual household income (to a max of \$120K). So, the theoretical maximum mortgage under this program is currently \$480,000. Keep in mind that you may qualify for more without the program. Usually, that maximum is 6x your annual household income.

How do I apply?

Contact me to take advantage of this incentive. There are several required documents that I can help walk you through and submit on your behalf.

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