

Member Heads Up



December 6, 2017

Heads Up	Buyers should apply for mortgage approval before Guideline B-20 comes into effect on January 1, 2018
Details	<p>The Office of the Superintendent of Financial Institutions Canada's (OSFI) <i>Guideline B-20 Residential Mortgage Underwriting Practices and Procedures</i> will take effect January 1, 2018.</p> <p>All builders and developers should ensure that buyers who signed a purchase and sales contract apply for mortgage approval prior to January 1, 2018 when the new Guideline comes into effect.</p>
Background	<p>On October 17, 2017, OSFI revised <i>Guideline B-20 – Residential Mortgage Underwriting Practices and Procedures</i> which includes a stress test that requires the minimum qualifying rate for uninsured mortgages to be the greater of the five-year benchmark rate published by the Bank of Canada or the contractual mortgage rate plus 2%.</p> <p>Click here for an overview of the revised Guideline.</p>
More Information	<p>Final Revised Guideline B-20: Residential Mortgage Underwriting Practices and Procedures</p>
Contact	Office of the Superintendent of Financial Institutions Canada (OSFI): 1-800-385-8647