

Energy Efficient Housing: Mortgage Insurance Refund Program



What is Mortgage Insurance?

- The Government of Canada, through the office of the Superintendent of Financial Institutions (OSFI) requires mortgages with a down payment of less than 20% to carry mortgage default insurance.
- Mortgage default insurance is provided by 3 companies:
 - Canada Guaranty
 - CMHC (a Canadian Crown Corporation)
 - Sagen (formerly Genworth Canada)

How does Mortgage Insurance Work?

- If you buy a home under \$1,000,000 (or under \$1,500,000 after December 15, 2024), and have a down payment of less than 20%, mortgage insurance is required.
- The mortgage insurance premium you pay is directly related to your loan-to-value ratio and ranges from 0.6% – 4% of the total loan amount. For example, if you purchase a \$1,000,000 home, with a \$950,000 mortgage, your mortgage insurance premium would be \$38,000 (or 4% of the loan value).
- Your mortgage insurance premium may also be added directly to your mortgage and amortized over its length.

Take advantage of this program and enjoy a 25% refund on your insurance premium. For example, on a \$40,000 premium, that's a \$10,000 refund – directly to the mortgage holder!

CONTACT US TODAY

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In Canada, homeowners may be eligible for a **refund of up to 25% on their mortgage insurance premium** if they purchase, build or improve an energy efficient home.

PROGRAM DETAILS:

- Your home must meet at least one of the following criteria:

- 1 Energy Rating:** Have an energy rating that is at least 20% lower than that of a typical new house.
- 2 Greenhouse Gas Emissions:** Be in the top 15th percentile of housing stock for the lowest greenhouse gas emissions (tonnes/year).
- 3 Energy Efficiency Certification:** Have received an energy-efficient certificate from your builder at the time of purchase (e.g., ENERGY STAR, R-2000, LEED, etc.).
- 4 Energy Efficient Upgrades:** Have spent a minimum of \$20,000 on eligible energy-efficient upgrades¹ (e.g., solar, insulation, HVAC, etc.).

- Your application must include a copy of your EnerGuide Label, EnerGuide Renovation Upgrade Report, and/or builder certification label, showing that at least one of the minimum criteria has been met. EnerGuide reports will be provided by your service organization upon completion of an energy assessment.
- Your application must be submitted to your mortgage default insurance provider within 24 months of the closing date of your mortgage. Supporting documentation cannot be more than 5 years old.
- Applications with supporting documentation will be processed within approximately 30 business days and paid directly to the mortgage holder by their mortgage default insurance provider.

Our team will work with you to complete your energy assessment and assist with all requirements and application processing to help you obtain your refund!

This document is intended for informational purposes only and not considered to be legal or professional advice.

For specific details, please consult your mortgage insurer's website.

¹Only applicable to CMHC insured mortgages.

