

ATIKAMEKSHENG ANISHNAWBEK
MARKET BASED HOUSING PROGRAM POLICY



January 2013

X 
Chief Steven Miller

X 
Jeanne Naponse
Director of Operations /as per Craig Nootchtai

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Policy Title: **Atikameksheng Anishnawbek Market Based Housing Program Policy**

Policy #:

Previous Date Reviewed:

Date Approved:

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1 Background and Purpose of the Policy

The Market Based Housing Program for Atikameksheng Anishnawbek is designed to provide an affordable loan to qualified Atikameksheng Anishnawbek members or any legal entities of Atikameksheng Anishnawbek (e.g. Economic Development Corporation, Housing Authority) who wish to construct, purchase, renovate or refinance a home located within Atikameksheng Anishnawbek reserve lands. The market based program policy will ensure that such assistance is made available to band members in a fair and equitable manner and will benefit the community as a whole.

The following loan options are offered by Atikameksheng Anishnawbek through the market based housing program:

a) New Construction – Owner Occupied and for Rental Purposes

- Owner Occupied - An eligible band member interested in constructing a home which they will occupy, including a multi-generational unit, may receive approval from Atikameksheng Anishnawbek to apply to a bank for a mortgage loan of up to \$200,000.00 to build a home within Atikameksheng Anishnawbek reserve lands. Where the home will be an owner-occupied multi-generational unit (i.e. with a granny flat) the mortgage loan can be up to \$250,000.00. The band member shall pay a cash downpayment of 5% of the loan amount plus a 1% administrative fee prior to the first bank loan advance.
- For Rental Purposes - An eligible band member interested in constructing a unit for rental purposes may receive approval for a loan of up to \$150,000.00, per unit, to build a home within Atikameksheng Anishnawbek reserve lands. The band member shall pay a cash downpayment of 5% of the loan amount (where there is no CMHC mortgage insurance) or 20% (where CMHC mortgage insurance is in place) plus a 1% administrative fee prior to the first bank loan advance.

The Certificate of Possession shall be transferred to Atikameksheng Anishnawbek prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. Atikameksheng Anishnawbek shall hold the Certificate of Possession for the unit and property until the band member's mortgage loan is paid in full.

Date Approved:

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Approval Initials:

- b) **Purchase of an Existing Unit - Owner Occupied and for Rental Purposes**
- Owner Occupied - An eligible band member interested in purchasing an existing home which they will occupy may receive approval from Atikameksheng Anishnawbek to apply to a bank for a loan of up to \$200,000.00 to purchase a home within Atikameksheng Anishnawbek reserve lands. The band member shall pay a cash downpayment of 5% of the loan amount plus a 1% administrative fee. Renovations can be included as part of the purchase price provided that the total project cost (minus downpayment) does not exceed the maximum loan amount.
 - For Rental Purposes - An eligible band member interested in purchasing an existing home for rental purposes may receive approval from Atikameksheng Anishnawbek to apply to a bank for a loan of up to \$150,000.00 to purchase a home within Atikameksheng Anishnawbek reserve lands. The band member shall pay a cash downpayment of 5% of the loan amount (where there is no CMHC mortgage insurance) or 20% (where CMHC mortgage insurance is in place) plus a 1% administrative fee prior to the first bank loan advance. Renovations can be included as part of the purchase price provided that the total project cost (minus downpayment) does not exceed the maximum loan amount.
- The Certificate of Possession shall be transferred to Atikameksheng Anishnawbek prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. Atikameksheng Anishnawbek shall hold the Certificate of Possession for the unit and property until the band member's mortgage loan is paid in full.
- c) **Renovation** – An eligible band member who has a Certificate of Possession (CP) on a property located within Atikameksheng Anishnawbek reserve lands and who is interested in carrying out renovations to the unit on that property may receive approval from the band to apply to a bank for a loan of up to \$50,000, with a minimum loan amount of \$5,000.00. The band member shall pay, in cash, an administrative fee equal to 1% of the loan amount prior to the first bank loan advance. The Certificate of Possession shall be transferred to Atikameksheng Anishnawbek prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. Atikameksheng Anishnawbek shall hold the Certificate of Possession for the unit and property until the band member's mortgage loan is paid in full.
- d) **Refinance** – An eligible band member who has a Certificate of Possession (CP) on a property located within Atikameksheng Anishnawbek lands and who is interested in obtaining a new loan to pay out an existing loan for a unit on that property (refinance) may receive approval from the band to apply to a bank for a loan of up to \$200,000.00. As part of the \$200,000.00 the band member may include up to \$50,000.00 for renovations (renovation costs must be a minimum of \$10,000.00). A

downpayment may not be required; this shall be determined by the value of the home and the outstanding mortgage balance. Any penalties for early discharge of the existing mortgage shall be the responsibility of the homeowner; such penalties shall not be included in the refinance amount. The band member shall pay, in cash, an administrative fee equal to 1% of the increased dollar value of the mortgage loan amount prior to the first bank loan advance. The Certificate of Possession shall be transferred to Atikameksheng Anishnawbek prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. Atikameksheng Anishnawbek shall hold the Certificate of Possession for the unit and property until the band member's mortgage loan is paid in full.

Atikameksheng Anishnawbek, through the housing coordinator, shall work with the band member to confirm their eligibility for a market based housing loan and, when approved, will assist them in making a loan application to the bank.

An eligible band member interested in applying for a market based mortgage loan through the First Nations Market Housing Fund (the Fund) Credit Enhancement Facility must apply to a bank approved by the band and must pay the cost of mortgage loan insurance through Canada Mortgage and Housing Corporation (CMHC). If the homeowner defaults on the mortgage loan the bank shall request full payment from CMHC under the mortgage loan insurance, CMHC shall reimburse the bank in full then request 70% of the outstanding balance of the mortgage loan from the Atikameksheng Anishnawbek (the band). If the band is unable to pay the requested amount, CMHC shall submit a claim under the Credit Enhancement Certificate from the Fund.

An eligible band member interested in applying for a market based mortgage loan through a bank other than those approved by the band shall apply for a loan through the Section 10 program. The homeowner's mortgage loan is guaranteed by the band through a Ministerial Loan Guarantee with Aboriginal Affairs and Northern Development Canada (AANDC). If the band member does not repay the loan as agreed, the outstanding balance is paid out to the bank through the ministerial guarantee by AANDC who shall then require repayment from the band.

The band member shall meet the bank's mortgage loan eligibility requirements and shall have full responsibility for all aspects of unit construction, purchase, renovation and/or refinance. They shall make payments to the bank to repay the mortgage loan and shall be responsible for maintenance, repairs, insurance and all other costs associated with the home.

As a condition of loan approval, the band shall hold the Certificate of Possession (CP) for the unit and property until the band member's bank loan is paid in full. Where a band member defaults on the mortgage the band member shall forfeit any downpayment (equity contribution) and the band shall retain the CP. Neither the former homeowner, nor their heirs nor their estate shall have any claim to CP that was transferred to the band.

The band shall guarantee only one market based loan at a time per band member for new construction, purchase of an existing or refinancing of a loan (a renovation loan is exempt from this requirement). A band member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank and after the Certificate of Possession for that unit is transferred to another registered member of Atikameksheng Anishnawbek. A renovation loan is exempt from the requirement to transfer the Certificate of Possession to another member.

Chief and Council has reviewed the administration of housing services and have approved this market based housing program policy to guide the delivery and administration of market based housing to the community.

2 Mission Statement

To generate and maintain housing stock appropriate to meet the needs of Atikameksheng Anishnawbek membership. The well being of the community is enhanced through safe, secure and affordable housing.

3 Housing Goals

- 3.1 The goals of the Atikameksheng Anishnawbek market based housing program are to:
 - a) Address the need and demand for adequate housing by allocating housing assistance in an equitable manner; and
 - b) Share the responsibility for market based housing between Atikameksheng Anishnawbek and the homeowner; and
 - c) To promote individual responsibility for housing.
- 3.2 Priorities within these housing goals are established by Council.

4 Definitions

- **“AANDC”** means Aboriginal Affairs and Northern Development Canada, formerly known as Indian and Northern Affairs Canada (INAC).
- **“Appeal”** means an option for applicants or homeowners who wish to appeal any decision made under this housing policy. The appeal process provides for a review of information and verification that decisions made were in compliance with the housing policy and community housing goals and priorities.
- **“Appeals and Redress Committee”** means the committee which shall hear an appeal of a market based housing program decision as submitted by an applicant/homeowner according to the terms and conditions of this housing policy.
- **“Applicant” or “applicants”** means the person(s) applying for assistance through this program.
- **“Arrears”** means payments owed by the applicant/homeowner to Atikameksheng Anishnawbek that are late or overdue.
- **“Atikameksheng Anishnawbek”** means Atikameksheng Anishnawbek or Whitefish Lake First Nation.
- **“Atikameksheng Anishnawbek Reserve”** means the Atikameksheng Anishnawbek reserve lands.
- **“Band” or “the band”** means Atikameksheng Anishnawbek.
- **“Band member” or “member”** means an individual who is a registered status Indian in accordance with the Indian Act and a member of Atikameksheng Anishnawbek.
- **“Bank” or “the bank”** means the lending/financial institution that shall provide the mortgage loan to the band member.
- **“Bank mortgage loan” or “bank loan”** means the loan provided by the bank, and guaranteed by Atikameksheng Anishnawbek for the construction, purchase, renovation or refinancing of a home on Atikameksheng Anishnawbek reserve lands.
- **“CMHC”** means Canada Mortgage & Housing Corporation.
- **“CMHC mortgage insurance”** is a mortgage loan insurance premium calculated as a percentage of the mortgage loan amount.
- **“Community” or “the community”** means Atikameksheng Anishnawbek.
- **“Council”** means the Atikameksheng Anishnawbek Chief and Council.
- **“Due diligence”** means to take reasonable care to confirm all of the facts and investigate all relevant aspects of an action before moving forward (e.g. foreclosure/eviction).
- **“Engineered drawing”** means a technical drawing that defines the requirements for engineered items in the home such as building structure and mechanical systems. The drawing must be stamped as approved by an engineering professional.

- **“General contractor”** means a qualified project manager who is responsible for all the aspects of a home building/renovation project including, but not limited to, preparation of the building site, hiring subcontractors, providing temporary utilities on site, disposing or recycling of construction waste, monitoring schedules and cash flows, maintaining accurate financial records and scheduling trades and material deliveries.
- **“FNMHF”** means the First Nations Market Housing Fund.
- **“Foreclosure”** means the legal process taken by the band to terminate the homeowner’s right to own and occupy the housing unit, usually due to default.
- **“Health and safety standards”** means the minimum requirements for housing that are related to public health as defined in the Ontario Public Health Standards and safety and structural efficiency as defined in the Ontario Building Code.
- **“Homeowner”** means the band member who has received assistance through the market based housing program.
- **“Housing Committee”** means an ad hoc committee set up by Chief and Council to provide advice on specific Atikameksheng Anishnawbek housing delivery and administration activities.
- **“Housing Coordinator”** means the band administrative body/unit responsible for delivery and administration of Atikameksheng Anishnawbek housing programs and services as outlined within this housing policy.
- **“Loan payment” or “mortgage loan payment”** means the amount paid or required to be paid by a homeowner to the bank to repay the bank mortgage loan.
- **“Mortgage Loan Guarantee Agreement”** means the signed agreement between the homeowner and Atikameksheng Anishnawbek which confirms the terms and conditions of the market based mortgage loan guaranteed by Atikameksheng Anishnawbek.
- **“Ministerial Loan Guarantee”** means a guarantee provided by Atikameksheng Anishnawbek which is used as security for a bank mortgage.
- **“Multi-generational”** means where the owner occupied unit is being constructed to accommodate at least two (2) adult generations (i.e. construction of a granny flat or other specialized components to accommodate at least 2 adult generations living together in the unit).
- **“Qualified contractor”** means a person or firm that meets the contractor qualifications as described within this housing policy.
- **“Qualifying member”** and **“qualifying applicant”** means a band member or applicant who meets the eligibility criteria for housing assistance under this housing policy.
- **“Rental unit” or “for rental purposes”** means a unit and property offered for rent by the legal owner to a tenant under the terms and conditions of a legal agreement that entitles the tenant to exclusive possession and enjoyment of that unit in exchange for meeting the terms and conditions of the agreement.

- **“Right of first refusal”** refers to a clause in the mortgage loan guarantee agreement that requires the homeowner to notify Atikameksheng Anishnawbek if they intend to sell the unit so that Atikameksheng Anishnawbek can consider whether it wishes to purchase the unit.
- **“Site plan”** means a written plan of the proposed construction project including property lines, distance from the proposed structure to the property line (setbacks), slopes, total footage of the unit, floor area, easements, grading, roads and driveways, topographic features such as streams, trees, etc.
- **“TDS ratio” or “total debt service” ratio** means a percentage of the applicant’s gross annual income (before taxes and deductions) required to cover the monthly bank mortgage loan payment and other debts, such as car payments.
- **“Unit”** means the unit owned by the homeowner.
- **“Working days”** means business days between and including Monday to Friday and excluding public holidays and weekend (i.e. Monday to Thursday is four working days).

5 Policy Administration

- 5.1 This policy applies to:
 - a) All existing and future market based housing units located within Atikameksheng Anishnawbek reserve lands; and
 - b) All individuals who have made or will make an application for market based housing within Atikameksheng Anishnawbek reserve lands; and
 - c) All individuals currently occupying a market based housing unit.
- 5.2 The housing coordinator is responsible for the day-to-day administration and enforcement of all housing programs and services.

6 Amendments to the Housing Policy

- 6.1 Where amendments to this housing policy are required the housing coordinator shall present proposed amendments to this housing policy to Council for approval.
- 6.2 Proposed amendments shall be posted publicly at the administration office for 30 days and included in the community newsletter to allow for community input.
- 6.3 Council may consult with the housing coordinator and/or band members to discuss the nature of any proposed amendments.

- 6.4 Where the Council approves the policy amendment this shall be noted in the Council meeting minutes. Amendments take effect the date they are approved by Council. The decision of Council shall be final.
- 6.5 Where the policy amendment is approved the housing coordinator shall note the amendment on a policy amendment list in the format noted below; the policy amendment list shall precede the table of contents. Amendments are numbered consecutively by date of approval by Council until such a time that a new issue of the policy is released which contains all of the amendments listed. The reissued policy shall be identified by date and each reissue cancels and replaces all previous issues.
- 6.6 Policy Amendment List

Amendment Number	Approval Date	Description

7 Roles and Responsibilities

- 7.1 Band Members
 - 7.1.1 As members of Atikameksheng Anishnawbek each person is encouraged to contribute their views on existing and future housing programs and services.
 - 7.1.2 Band members are encouraged to support implementation and enforcement of the housing policy approved by Chief and Council.

7.2 Chief and Council

7.2.1 As elected officials, Chief and Council are the decision-making body of the community and shall have the final decision-making authority for all housing program and services.

7.2.2 Council is responsible to:

- a) Approve strategic plans and all budgets related to the delivery and administration of housing programs and services; and
- b) Ensure all housing programs and services are provided; and
- c) Approve all housing policies and related regulations. When considering new policies or changes to existing policies, Chief and Council shall provide an opportunity for the membership to share their views on such policies; and
- d) Approve all applications for market based housing; and
- e) Support housing policy enforcement.

7.3 Housing Committee

7.3.1 The housing committee shall be an ad hoc committee (set up to carry out a particular task) appointed by Council and be comprised of 6 band members (2 youth aged 18 – 29, 2 adults aged 30-49 and 2 seniors/Elders 50 years of age and older) and 2 portfolio Council members. The Council member that holds the housing portfolio shall act as the Chairperson.

7.3.2 The housing committee shall not be involved in the day-to-day delivery or administration of housing programs and services.

7.4 Housing Coordinator

The key responsibilities of the housing coordinator are to:

- a) Administer the market based housing program by applying the program policies; and
- b) Review all applications for market based housing to ensure completeness and eligibility; and
- c) Monitor the effectiveness of housing policies and programs; and
- d) Recommend changes in policy as needed and review housing goals and priorities annually; and
- e) Prepare annual and other reports as required to Council on the activities of the housing coordinator; and
- f) Prepare annual budget requests for the approval of Council; and
- g) Plan and carry out community meetings on housing programs or services; and

- h) Provide information and counselling for homeowners who require assistance in making the mortgage loan application to the bank and in understanding and assuming their housing responsibilities.

7.5 Appeals and Redress Committee

The Appeals and Redress Committee is an independent body comprised of AA members that is at arms length from Council and the housing coordinator. The committee shall hear appeals of a rental housing program decision as submitted by an applicant/tenant according to the terms and conditions of this housing policy.

7.6 Homeowner (Band Member Approved for a Market Based Housing Loan)

The key responsibilities of the homeowner are to:

- 7.6.1 Meet the conditions of their bank mortgage loan agreement including making regular payments; and
- 7.6.2 Abide by all Atikameksheng Anishnawbek laws, codes, by-laws and this housing policy; and
- 7.6.3 Carry out their responsibilities as homeowners in Atikameksheng Anishnawbek which include, but are not limited to, completing and paying the full cost of all required maintenance and repairs, paying utility and service costs, keeping the property free of health and safety hazards and, providing property and other insurance as required by the bank and Atikameksheng Anishnawbek; and
- 7.6.4 Provide the housing coordinator with current contact information for emergency purposes; and
- 7.6.5 Not interfere with or unreasonably disturb a neighbouring occupant and not jeopardize the health or safety or lawful right of a neighbouring occupant or the band.

8 Appeals

8.1 Grounds for an Appeal

An applicant/homeowner may appeal a decision made under this housing policy where the appeal falls under one or more of the following categories:

- a) The policy was not applied which impacted the outcome of the decision being appealed; and/or
- b) There was a lack of procedural fairness which impacted the decision being appealed (i.e. any procedural error, improper investigation, or discrimination);

and/or

- c) New information has come to light rendering the original decision unreasonable in light of the new information presented; and/or
- d) The policy is unreasonable (i.e. the policy cannot be rationally supported or there is a defect in the policy which is immediate and obvious).

8.2 Submitting the Appeal

- 8.2.1 An applicant/homeowner who wishes to appeal a decision made under this housing policy shall submit their appeal in writing to the housing coordinator within five (5) working days of having been advised of the decision which they are appealing.
- 8.2.2 The applicant/homeowner shall submit a notice of appeal (refer to Appendix A for a copy of the notice). The notice of appeal form is available from the housing coordinator.
- 8.2.3 The housing coordinator shall acknowledge receipt of the appeal to the applicant/tenant, by telephone to the number provided in the notice of appeal and in writing, within five (5) working days of receipt of the appeal and shall confirm to the applicant/tenant the date of the appeal review.

8.3 Reviewing the Appeal

- 8.3.1 The Appeals and Redress Committee shall review the appeal within ten (10) working days of receipt of the appeal.
- 8.3.2 Five (5) working days before the committee meeting to hear the appeal, the housing coordinator shall present the appeal documentation to the Committee and shall confirm the related housing policies and the processes that were followed regarding the decision that is being appealed.
- 8.3.3 During the committee meeting and where asked to do so, a verbal presentation may be made by the housing coordinator and/or the applicant/homeowner; such individuals shall only be allowed in the meeting for the time needed to make the presentation.
- 8.3.4 In considering the appeal the committee shall decide whether the decision being appealed was made according to the housing policy, without bias or favoritism and without error in interpretation of the housing policy or community bylaws.

8.4 Appeal Decision

- 8.4.1 On completion of the review of the appeal, the committee shall provide

- confirmation of their decision to the housing coordinator within two (2) working days to confirm either:
- a) The decision being appealed has been revised in favour of the applicant/homeowner; or
 - b) The housing policy was followed and there are no reasonable grounds for an appeal.
- 8.4.2 The housing coordinator shall provide written confirmation to the applicant/homeowner to confirm the committee's decision regarding the appeal within four (4) working days of the appeal meeting.
- 8.4.3 The housing coordinator shall take action as advised by the committee regarding the appeal.
- 8.4.4 Where the committee has confirmed that the decision being appealed has been revised in favour of the applicant/homeowner and where the appeal is based on the grounds that the policy is unreasonable, the committee shall direct the housing coordinator to make an amendment to the housing policy in the matter of the decision being appealed.
- 8.4.5 The decision of the committee shall be final and no other appeal shall be heard.

9 New Construction – Eligibility to Occupancy

New construction is defined as the construction of a new stick-built or modular/ manufactured home on Atikameksheng Anishnawbek reserve lands. The eligible band member shall occupy the home as their primary residence (owner occupied) or, build the unit for rental purposes. An owner occupied unit can also be constructed as multi-generational (i.e. construction of a granny flat or other specialized components to accommodate at least 2 adult generations living together in the unit).

- 9.1 Maximum Loan Guarantee Amount
- 9.1.1 For an owner occupied unit, the maximum loan guarantee shall be \$200,000.00 and for an owner occupied multi-generational unit the maximum loan guarantee amount shall be \$250,000.00.
 - 9.1.2 For a unit built for rental purposes, the maximum loan guarantee amount shall be \$150,000.00, per unit.
 - 9.1.3 Where the applicant wishes to construct a home where costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any bank

- loan funds are advanced.
- 9.1.4 One-time financial assistance for an owner-occupied unit may be available to qualifying band members in the form of a grant provided by the band.
- 9.1.5 The band shall guarantee only one market based loan for new construction at a time, per band member. A band member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank and after the Certificate of Possession for that unit is transferred to another registered member of Atikameksheng Anishnawbek. A renovation loan is exempt from the requirement to transfer the CP to another member.
- 9.2 Maximum Amortization Period
The maximum amortization period shall be 25 years.
- 9.3 Expression of Interest
- 9.3.1 A band member interested in applying for this program shall submit a letter of interest to the housing coordinator. The letter of interest, which must be signed and dated, shall include the following:
- a) The band member's full name; and
 - b) The band member's full mailing address; and
 - c) The band member's telephone contact information; and
 - d) The band member's Atikameksheng Anishnawbek band registry number; and
 - e) Confirmation of the type of market based housing loan being applied for (e.g. new construction owner occupied/rental, purchase of existing owner occupied/rental, renovation or refinancing).
- 9.3.2 Within 30 days of receipt of the letter of interest the housing coordinator shall forward an orientation package to the band member confirming the eligibility requirements and include an application which must be completed and returned to the housing coordinator in order to be considered for assistance under this program.
- 9.3.3 The housing coordinator shall maintain an historical record of the letters of interest submitted by band members.
- 9.3.4 After December 31st of each year, and within 60 days, the housing coordinator shall dispose of all letters of interest being held in a secure manner (i.e. shredding).

9.4 Eligibility

- 9.4.1 An applicant shall be a registered member of Atikameksheng Anishnawbek.
- 9.4.2 An applicant shall be 18 years of age or older.
- 9.4.3 An applicant shall complete an application for market-based housing (refer to Appendix B).
- 9.4.4 An applicant shall demonstrate that they have a land allotment for construction of the unit (i.e. from the band or, an option to purchase from another member that holds a Certificate of Possession or, that they hold an existing Certificate of Possession).
- 9.4.5 An applicant shall authorize an on-reserve credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the band. Where the applicant is more than 30 days in arrears on any account with the band the applicant shall not be eligible for a market based housing loan until they provide the housing coordinator with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 9.4.6 An applicant shall demonstrate that they have the funds required to make the minimum downpayment (cash equity) and administration fee payment.
- 9.4.7 An applicant shall be required to meet the bank's mortgage lending criteria which shall include confirmation of an acceptable financial history, their ability to afford the monthly mortgage payments and other associated housing costs and charges and shall provide to the bank:
 - a) Details on employment history including a letter from the employer confirming the length of their employment; an applicant shall have been employed with his/her current employer for a minimum of 2 years; and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied (i.e. determining the amount of income the band member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income); and

- c) Confirmation of an acceptable credit history; and
- d) A copy of a current drivers license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
- e) Status card for each applicant (where applicable); and
- f) Confirmation of assets and liabilities; and
- g) A copy of the applicant's last will and testament confirming how the applicant wishes to dispose of the property upon his/her death.

9.5 Receipt of the Application

- 9.5.1 The application shall be received at the band administration office and entered into the central registry system by date received. The application shall be passed to the housing coordinator.
- 9.5.2 Where the applicant is requesting a parcel of land for construction, the band administration office shall also provide a copy of the application to the lands department (to identify a building lot and prepare an application for land for approval by Council).

9.6 Application Assessment

- 9.6.1 Within 30 days of receipt of the application the housing coordinator shall review the application to:
 - a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy.
- 9.6.2 Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing coordinator shall notify the applicant in writing and/or by phone within 5 working days of the application review. At the applicant's request, the housing coordinator shall provide assistance to the applicant to strengthen the application for submission at a later date.
- 9.6.3 Where the application is complete and an applicant meets the eligibility requirements the housing coordinator shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. The purpose of the meeting shall be to discuss the roles and responsibilities of the band and the applicant with respect to the delivery and administration of a market based housing loan and to discuss lot identification, confirmation of the process to obtain a bank loan, construction and contract process, etc.
- 9.6.4 On completion of the in-person meeting the housing coordinator shall

- issue a conditional letter of support to the bank for the applicant (refer to Appendix C) and shall, at the applicant's request, assist them in making the loan application to the bank.
- 9.6.5 The housing coordinator shall keep a written record of its application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.
- 9.6.6 The housing coordinator shall maintain the applicant file in a secure location (i.e. central registry) with access only by authorized representatives of the band.
- 9.7 Lot Identification & Certificate of Possession
- 9.7.1 The unit shall be constructed on an approved serviced building lot (water, hydro and gas) in accordance with zoning requirements as set out within the Atikameksheng Anishnawbek Land Use Plan, and where fire insurance is available.
- 9.7.2 The lands department may assist the applicant to identify an eligible building lot.
- 9.7.3 Where the applicant holds a CP on a preferred building lot a title search shall be conducted by the band to confirm that the lot is unencumbered and has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor. On confirmation that the lot is unencumbered and on receipt of the survey the applicant shall transfer possession of the lot to Atikameksheng Anishnawbek. The applicant shall pay any costs associated with the transfer of the CP; the transfer shall be completed prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. The band shall hold the CP until the applicant's bank loan is paid in full.
- 9.7.4 Where a CP on a preferred lot is held by another Atikameksheng Anishnawbek member and that band member agrees to sell the lot to the applicant, a title search shall be conducted by the band to confirm that the lot is unencumbered and has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor. On confirmation that the lot is unencumbered and on receipt of the survey, a sale agreement satisfactory to the band to transfer possession of the lot to Atikameksheng Anishnawbek shall be prepared. The applicant shall pay the purchase price of the lot and any costs associated with the preparation and execution of the sale agreement and the transfer of the

- CP. The transfer shall be completed prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. The band shall hold the CP until the applicant's bank loan is paid in full.
- 9.7.5 Where the lot is owned by the band the housing coordinator shall complete a land title search with AANDC to verify there are no encumbrances. Where AANDC confirms there are no encumbrances, a survey and lot allocation shall be requested and where the lot is acceptable for construction the lands department shall recommend to Council that the lot be made available to the applicant for unit construction. As a condition of Council issuing a Band Council Resolution to guarantee the loan, Council shall be provided with evidence that the Certificate of Possession is held by the band. The band shall hold the CP until the applicant's bank loan is paid in full.
- 9.8 Downpayment and Administration Fee
- 9.8.1 For an owner occupied unit, an applicant shall provide a cash downpayment equal to a minimum of 5% of the mortgage loan amount. The downpayment shall be paid by the applicant to the bank before the first loan advance.
- 9.8.2 For a unit built for rental purposes, an applicant shall provide a cash downpayment equal to a minimum of either 5% of the loan amount (where there is no CMHC mortgage insurance) or 20% (where CMHC mortgage insurance is in place).
- 9.8.3 An applicant shall pay an administration fee of 1% of the bank loan amount, payable to Atikameksheng Anishnawbek in cash, before the first loan advance.
- 9.9 Insurance
- 9.9.1 CMHC Mortgage Insurance
An applicant shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount).
- 9.9.2 Life Insurance
Prior to the first loan advance an applicant shall provide the band and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.
- 9.9.3 Construction Insurance

Prior to the first loan advance an applicant shall provide the band and the bank with written confirmation that construction insurance has been obtained as required by the bank and shall be carried until the unit is 100% complete.

9.9.4 Building Insurance

Prior to the final loan advance an applicant shall provide the band and the bank with written confirmation that building insurance (protection against property damage from risks such as fire, flood, etc) has been obtained as required by the bank.

9.10 Bank Loan Approval

9.10.1 On receipt of the band's conditional letter of support as noted within this policy an applicant is responsible to contact the bank to arrange an appointment to complete the mortgage loan application according to the requirements of the bank and this housing policy.

9.10.2 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending criteria and the following shall apply:

- a) Where the bank confirms that the applicant meets the lending criteria the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions, they shall proceed with contracting and related construction work as required by the band and the bank; or
- b) Where the applicant does not meet the bank's lending criteria, at the applicant's request, the housing coordinator may assist the applicant to determine information required for further assessment by the bank. If, after a secondary assessment, the applicant is unable to meet the bank's lending criteria, the application shall be considered declined and no further action shall be taken by the band.

9.10.3 Where the bank approves the application the bank shall provide the applicant with the required loan documentation. The applicant shall provide a copy of the loan agreement to the housing coordinator within 10 working days of receiving the bank's loan approval.

9.11 Stick Built Home House Plans

9.11.1 Where the applicant shall construct a stick-built home (constructed on the building site piece by piece) the applicant shall obtain three sets of engineered drawings of the house plan for the unit and shall retain one copy and provide one copy to the housing coordinator and one copy to the bank. An engineered drawing is a technical drawing that defines the

requirements for engineered items such as building structure and mechanical systems; the drawing must be stamped by an engineering professional. The following shall apply:

- a) Engineered plans must be provided; or
- b) A plan from a local hardware store may be accepted provided it has been stamped by an engineering professional.

9.11.2 The housing coordinator shall arrange for North Shore Tribal Council (NSTC) Technical Services to review the house plans to ensure they meet, at a minimum, the current version of the Ontario Building Code. NSTC shall confirm the results of their review to the housing coordinator and the housing coordinator shall advise the applicant of any modifications required as a result of the NSTC review. The applicant shall ensure that all such modifications shall be incorporated into the final house plan that is submitted to the housing coordinator with the final quotation for construction.

9.12 Modular or Manufactured Home

Where the applicant shall purchase a modular or manufactured home the following shall apply:

9.12.1 Modular Home

A modular or pre-fab unit is defined as a factory-built unit constructed of pre-made parts and/or unit modules; the parts/modules are transported to the building site and are assembled and anchored on a full slab or pad concrete foundation. The modular home must conform to the building codes as outlined in this policy.

9.12.2 Manufactured Home

A manufactured home is defined as a factory-built unit that is mounted on a permanent steel chassis and transported to the building site where the wheels are removed, the chassis remains and the unit is assembled and anchored to a full slab or pad concrete foundation.

9.12.3 Blueprint/Specification Review

- a) The applicant shall obtain three sets of blueprints and specifications for the unit from the manufacturer and, three sets of specifications for site preparation, foundation and anchoring of the unit and shall retain one copy and provide one copy of each to the housing coordinator and to the bank.
- b) The housing coordinator shall arrange for North Shore Tribal Council (NSTC) Technical Services to review the blueprints and specifications to ensure they meet, at a minimum, the current version

of the Ontario Building Code and confirm the results to the housing coordinator. The housing coordinator shall advise the applicant of any modifications required as a result of the review. The applicant shall ensure that all such modifications shall be incorporated into the final house plan that is submitted to the housing coordinator with the final quotation.

9.13 Site Plan

The applicant shall provide a site plan for the construction project to the housing coordinator and the bank to confirm that the project conforms to Atikameksheng Anishnawbek land use policies and regulations.

9.14 Construction Permit

9.14.1 The applicant shall apply to the housing coordinator for a housing construction/building permit.

9.14.2 The housing coordinator shall issue a building permit within the guidelines of the First Nation Sustainable Development Standards.

9.15 Construction/Manufacturer's Contract

9.15.1 The applicant shall obtain a fixed price contract quotation to complete the unit (without entering into a contract obligation) from a general contractor for new construction or, the manufacturer's quotation for a modular or manufactured home including site preparation, foundation and anchoring of the unit. The contract quotation shall include all of the following:

- a) The general contractor's current Workplace Safety and Insurance Board coverage; and
- b) The general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- c) Confirmation that the contract includes installation of all utility services (water, hydro, gas) from the unit to the lot line, waste services/septic, plus road access. Waste services shall be approved by the band and the bank and shall meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and

- e) Confirmation that the contractor shall be able to cover construction costs prior to bank loan advances (i.e. bridge financing) as advances prior to construction are prohibited; and
 - f) For a modular or manufactured home the contract shall confirm that the unit shall be installed by the same builder/manufacturer that sold the home to the applicant.
- 9.15.2 The applicant shall submit the final contractors fixed price quotation and contract or, the manufacturer's sale agreement and contract to the band and the bank. The total project costs, less any downpayment, shall be equal to or less than the approved bank loan amount. Where the project costs exceed the bank loan amount, the applicant shall demonstrate that they have the additional funds on hand to pay this amount prior to the first advance.
- 9.15.3 Fees for hydro and gas hook-ups are the responsibility of the applicant.

9.16 Mortgage Loan Guarantee Agreement

The applicant shall execute a Mortgage Loan Guarantee Agreement - Terms of the Mortgage Loan Guaranteed by Atikameksheng Anishnawbek.

9.17 Band Council Resolution and FNMHF Credit Enhancement Certificate

- 9.17.1 The bank shall confirm to the band that all required loan documentation (e.g. loan agreement, security documentation, CMHC mortgage insurance, homeowner insurance requirements) has been received and is in order.
- 9.17.2 The housing coordinator shall request that Council execute a Band Council Resolution (BCR) for the Market Based Housing Loan Guarantee (refer to Appendix D) subject to receipt of the following:
- a) The bank's confirmation regarding receipt of all required loan documentation as noted above; and
 - b) The final contractors fixed price quotation; and
 - c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
 - d) Confirmation that the Certificate of Possession for the property has been transferred to the Band.
- 9.17.3 The housing coordinator shall provide confirmation to the bank that the BCR has been issued.
- 9.17.4 Where the bank loan is obtained through the FNMHF, the band shall

request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

9.18 Construction and Inspections

- 9.18.1 The unit shall be constructed on a serviced lot (water, hydro and gas) within Atikameksheng Anishnawbek reserve lands.
- 9.18.2 The housing coordinator and lands department may assist the applicant to identify an eligible building lot.
- 9.18.3 On receipt of final approval from the band and the bank the applicant shall proceed with unit construction.
- 9.18.4 The applicant shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:
 - a) North Shore Tribal Council (NSTC) Technical Services, or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. NSTC shall have the inspection signed off by an authorized representative of the band and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
 - b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
 - c) Inspections shall be performed in accordance with the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 9.18.5 The applicant shall be responsible to cover fees/costs related to hydro and gas hook-up.
- 9.18.6 The applicant shall ensure that construction shall be completed no later than 24 months from approval unless the applicant receives written approval from the housing coordinator for additional time to complete the work. Failure to complete the unit within the agreed upon period may result in cancellation of the bank loan agreement.

9.19 Loan Advances and Holdback

- 9.19.1 An applicant's downpayment, housing subsidy (where available) and any additional project costs that are over and above the guaranteed loan amount, shall be paid to the bank prior to the first loan advance.
- 9.19.2 The maximum number of progress loan advances is six (6). As part of the request for the advance from the bank the applicant shall obtain and submit to the housing coordinator and the bank:
 - a) Photographs to confirm progress of construction on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Photographs of the septic system installation, percolation tests and final installation certification from Health Canada in order to receive the related loan advance.
- 9.19.3 For modular or manufactured homes the loan funds, less holdback, shall not be released until the unit is in place (anchored to the foundation) and has been inspected.
- 9.19.4 The bank and the bank shall require a holdback of 10% of the total contract cost to be paid no earlier than 45 days after completion and only after they have received written confirmation of the following:
 - a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
 - b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

9.20 Occupancy Permit

- 9.20.1 After the final advance has been issued by the bank the applicant (homeowner) shall apply for an occupancy permit from the housing coordinator.
- 9.20.2 On receipt of the occupancy permit the homeowner may take occupancy of the unit or, in the case of a unit built for rental purposes, the homeowner may enter into a rental tenancy agreement with a tenant.

9.21 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of

agreement/default policies, and sale of the unit) please refer to section 13 and onward contained within this housing policy.

10 Purchase of an Existing Unit – Eligibility to Occupancy/Completion of Renovations

Purchase of an existing unit is defined as the purchase of an existing unit from Atikameksheng Anishnawbek or an Atikameksheng Anishnawbek member; the existing unit shall be located within Atikameksheng Anishnawbek reserve lands. The eligible band member shall occupy the home as their primary residence (owner occupied) or shall purchase the unit for rental purposes. Renovations can be included as part of the purchase price provided that the total project cost (minus downpayment) does not exceed the maximum loan amount.

10.1 Maximum Loan Guarantee Amount

- 10.1.1 For an owner-occupied unit the maximum loan guarantee amount shall be \$200,000.00.
- 10.1.2 For a unit built for rental purposes the maximum loan guarantee amount shall be \$150,000.00, per unit.
- 10.1.3 Where the applicant wishes to purchase a home where costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any bank loan funds are advanced.
- 10.1.4 The band shall guarantee only one market based loan at a time per band member for purchase of an existing unit. A band member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank and after the Certificate of Possession for that unit is transferred to another registered member of Atikameksheng Anishnawbek. A renovation loan is exempt from the requirement to transfer the CP to another member.

10.2 Maximum Amortization Period

The maximum amortization period shall be 25 years.

10.3 Expression of Interest

- 10.3.1 A band member interested in applying for this program shall submit a letter of interest to the housing coordinator. The letter of interest, which must be signed and dated, shall include the following:

- a) The band member's full name; and
 - b) The band member's full mailing address; and
 - c) The band member's telephone contact information; and
 - d) The band member's Atikameksheng Anishnawbek band registry number; and
 - e) Confirmation of the type of market based housing loan being applied for (e.g. new construction owner occupied/rental, purchase of existing owner occupied/rental, renovation or refinancing).
- 10.3.2 Within 30 days of receipt of the letter of interest the housing coordinator shall forward an orientation package to the band member confirming the eligibility requirements and include an application which must be completed and returned to the housing coordinator in order to be considered for assistance under this program.
- 10.3.3 The housing coordinator shall maintain an historical record of the letters of interest submitted by band members.
- 10.3.4 After December 31st of each year, and within 60 days, the housing coordinator shall dispose of all letters of interest being held in a secure manner (i.e. shredding).
- 10.4 Eligibility
- 10.4.1 An applicant shall be a registered member of Atikameksheng Anishnawbek.
- 10.4.2 An applicant shall be 18 years of age or older.
- 10.4.3 An applicant shall complete an application for market-based housing (refer to Appendix B).
- 10.4.4 An applicant shall authorize an on-reserve credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the band. Where the applicant is more than 30 days in arrears on any account with the band the applicant shall not be eligible for a market based housing loan until they provide the housing coordinator with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 10.4.5 An applicant shall demonstrate that they have the funds required to make the minimum downpayment (cash equity) and administration fee payment.
- 10.4.6 An applicant shall be required to meet the bank's mortgage lending criteria which shall include confirmation of an acceptable financial history, their ability to afford the monthly mortgage payments and other associated housing costs and charges and shall provide to the bank:

- a) Details on employment history including a letter from the employer confirming the length of their employment; an applicant shall have been employed with his/her current employer for a minimum of 2 years; and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied (i.e. determining the amount of income the band member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income); and
 - c) Confirmation of an acceptable credit history; and
 - d) A copy of a current drivers license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
 - e) Status card for each applicant (where applicable); and
 - f) Confirmation of assets and liabilities; and
 - g) A copy of the applicant's last will and testament confirming how the applicant wishes to dispose of the property upon his/her death.
- 10.4.7 The unit shall be located within Atikameksheng Anishnawbek reserve lands and where fire insurance is available.

10.5 Application Assessment

- 10.5.1 Within 30 days of receipt of the application, the housing coordinator shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy.
- 10.5.2 Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing coordinator shall notify the applicant in writing and/or by phone within 5 working days of the application review. At the applicant's request, the housing coordinator will provide assistance to the applicant to strengthen the application for submission at a later date.
- 10.5.3 Where the application is complete and an applicant meets the eligibility

- requirements, the housing coordinator shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. The purpose of the meeting shall be to discuss the roles and responsibilities of the band and the applicant with respect to the delivery and administration of a market based housing loan and to discuss the process to obtain a bank loan, the purchase and sale process, etc.
- 10.5.4 On completion of the in-person meeting with the applicant the housing coordinator shall issue a conditional letter of support to the bank for the applicant (refer to Appendix C) and shall, at the applicant's request, assist them in making the loan application to the bank.
- 10.5.5 The housing coordinator shall keep a written record of its application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.
- 10.5.6 The housing coordinator shall maintain the applicant file in a secure location (i.e. central registry) with access only by authorized representatives of the band.
- 10.6 Inspection and Appraisal of the Unit
- 10.6.1 The applicant shall provide the band with the purchase and sale agreement which shall include the legal description and civic address/ location of the property within Atikameksheng Anishnawbek reserve lands.
- 10.6.2 The applicant shall arrange and pay the cost of an inspection of the unit by North Shore Tribal Council (NSTC) Technical Services to confirm any deficiencies that may negatively impact the value of the unit. NSTC shall have the inspection signed off by an authorized representative of the band. The inspection is required for either a private sale or where the band is the vendor. The inspection shall confirm, at a minimum, any deficiencies that affect the integrity and/or safe operation of the following areas and shall include an estimate of costs to repair/replace same:
- a) Building structure (e.g. foundation, exterior walls, roof structure); and
 - b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - d) Occupant health and safety (e.g. uneven or damaged flooring,

- damaged hardware on doors, windows).
- e) The applicant shall provide a copy of the inspection report to the housing coordinator and the bank.
- 10.6.3 Where the inspection report confirms deficiencies the applicant shall advise the vendor to either:
- a) Deduct the cost to repair/replace the deficiencies from the sale price. The applicant can incorporate the cost to repair the deficiencies (after sale) into the bank loan provided that the costs do not exceed the maximum loan amount; or
 - b) Correct the deficiencies to the satisfaction of the NSTC inspector as a condition of sale.
- 10.6.4 The applicant shall arrange for and pay the cost of an appraisal to estimate the current market value of the unit and property. The appraisal shall be completed by an independent qualified real estate appraiser. The appraisal is required for either a private sale or where the band is the vendor. The applicant shall provide a copy of the appraisal report to the housing coordinator and the bank. Where the appraisal confirms that the sale price is not within current market value the housing coordinator shall advise the applicant of the maximum purchase price that will be guaranteed by the band.
- 10.6.5 The applicant shall obtain from the vendor the permit/Health Canada certification for installation of the septic/sewage system. Where the permit is not available the applicant shall obtain from the vendor a current inspection report of the system, by a qualified inspector, to confirm compliance with the Ontario Building Code related to septic systems.
- 10.6.6 Where water to the unit is provided by a well the applicant shall obtain from the vendor a current certificate of water potability with results meeting the Ontario Drinking Water Standards. The applicant shall also obtain a copy of the well record from the vendor or the Ministry of the Environment to confirm the location of the well, date of well drilling, depth and diameter, static water level, pumping water level (shallow or deep well), recommended pumping rate (should be greater than 14 litres per minute), and the recommended pump setting.
- 10.7 Certificate of Possession
- 10.7.1 Where the Certificate of Possession (CP) to the property is held by an Atikameksheng Anishnawbek member, a title search shall be conducted by the band to confirm that the property is unencumbered and has been

surveyed and registered under the Canada Lands Survey System and to confirm the location of the unit and all structures on the property. Where the lot is not surveyed the applicant shall arrange and pay for a survey by a Canada Lands surveyor. On confirmation that the lot is unencumbered and on receipt of the survey, a sale agreement that is satisfactory to the band to transfer possession of the property to Atikameksheng Anishnawbek shall be prepared. The applicant shall pay the purchase price of the property/unit and any costs associated with the preparation and execution of the sale agreement and the transfer of the CP. The transfer shall be completed prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. The band shall hold the CP until the applicant's bank loan is paid in full.

10.7.2 Where the property is owned by the band the housing coordinator shall complete a land title search with AANDC to verify there are no encumbrances. Where AANDC confirms there are no encumbrances, the housing coordinator will recommend to Council that the property/unit be made available to the applicant for purchase. As a condition of Council issuing a Band Council Resolution to guarantee the loan, Council shall be provided with evidence that the Certificate of Possession is held by the band. The band shall hold the CP until the applicant's bank loan is paid in full.

10.8 Downpayment and Administration Fee

10.8.1 For an owner occupied unit, an applicant shall provide a cash downpayment equal to a minimum of 5% of the mortgage loan amount. The downpayment shall be paid by the applicant to the bank before the first loan advance.

10.8.2 For a unit built for rental purposes, an applicant shall provide a cash downpayment equal to a minimum of either 5% of the loan amount (where there is no CMHC mortgage insurance) or 20% (where CMHC mortgage insurance is in place).

10.8.3 An applicant shall pay an administration fee of 1% of the bank loan amount, payable to Atikameksheng Anishnawbek in cash, before the first loan advance.

10.9 Insurance

10.9.1 CMHC Mortgage Insurance

An applicant shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount).

10.9.2 Life Insurance

Prior to the first loan advance an applicant shall provide the band and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker at the discretion of the applicant.

10.9.3 Building Insurance

Prior to the final loan advance an applicant shall provide the band and the bank with written confirmation of building insurance (protection against property damage from risks such as fire, flood, etc) has been obtained as required by the bank.

10.10 Final Purchase and Sale Agreement & Renovation Estimate

10.10.1 The applicant shall finalize the purchase and sale agreement with the vendor in consideration of the findings of the NSTC inspection, the appraisal and direction provided by the housing coordinator and the bank.

10.10.2 Where the applicant will include renovations to the unit, to be completed after purchase, the applicant shall submit a preliminary renovation plan and estimate of costs to the housing coordinator and the bank. The renovations can be included in the mortgage loan provided that the maximum loan amount is not exceeded.

10.11 Bank Loan Approval

10.11.1 On receipt of the band's conditional letter of support as noted in this policy the applicant is responsible to contact the bank to arrange an appointment to complete the mortgage loan application according to the requirements of the bank and this housing policy.

10.11.2 The bank shall complete an assessment to confirm whether the applicant meets the bank's lending criteria and the following shall apply:

- a) Where the bank confirms that the applicant meets the lending criteria the bank shall advise the applicant who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions they shall proceed with purchase of the unit and any renovation work as required by the band and the bank; or
- b) Where the applicant does not meet the bank's lending criteria, at the

applicant's request, the housing coordinator may assist the applicant to determine information required for further assessment by the bank. If, after a secondary assessment, the applicant is unable to meet the bank's lending criteria the application shall be considered declined and no further action shall be taken by the band.

10.11.3 Where the bank approves the application the bank shall provide the applicant with the required loan documentation. The applicant shall provide a copy of the loan agreement to the housing coordinator within 10 working days of receiving the bank's loan approval.

10.12 Renovation Plan Review

Where the project includes renovations to be completed after purchase the applicant shall have submitted a renovation plan and budget to the housing coordinator. The housing coordinator shall arrange for North Shore Tribal Council (NSTC) Technical Services to review the renovation plan and confirm to the housing coordinator all of the following:

10.12.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:

- a) Building structure (e.g. foundation, exterior walls, roof structure); and
- b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
- c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
- d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

10.12.2 Whether the scope of the renovations requires the work to be completed by a general contractor.

10.12.3 That the renovation plan meets, at a minimum, the current version of the Ontario Building Code. The housing coordinator shall advise the applicant of any modifications required as a result of the review. The applicant shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing coordinator with the final quotation for renovations.

10.12.4 Any renovation work carried out prior to bank loan approval shall not be eligible.

10.13 Construction Permit

10.13.1 Where required to do so the applicant shall apply to the housing

coordinator for a housing construction/renovation permit.

10.13.2 The housing coordinator shall issue a building permit within the guidelines of the First Nation Sustainable Development Standards.

10.14 Renovations Completed by the Applicant

10.14.1 Where the housing coordinator has confirmed that aspects of the renovations can be completed by the applicant, the applicant shall obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing coordinator and the bank.

10.14.2 The applicant shall not be paid for their labour.

10.15 Renovations Completed by a Contractor

Where the housing coordinator has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant shall obtain a fixed price contract quotation from a contractor to complete the renovations.

The contract quotation shall include all of the following:

- a) The contractor's current Workplace Safety and Insurance Board coverage; and
- b) The contractor's current general liability and comprehensive liability insurance coverage; and
- c) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations to water and waste services shall be approved by the band and the bank and must meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- e) Confirmation that the contractor shall be able to cover renovation costs prior to loan advances (i.e. bridge financing) as advances prior to renovations are prohibited.

10.16 Mortgage Loan Guarantee Agreement

The applicant shall execute a Mortgage Loan Guarantee Agreement - Terms of the Mortgage Loan Guaranteed by Atikameksheng Anishnawbek.

10.17 Band Council Resolution and FNMHF Credit Enhancement Certificate

- 10.17.1 The bank shall confirm to the housing coordinator that all required loan documentation (e.g. loan agreement, security documentation, CMHC mortgage insurance, homeowner insurance requirements) has been received and is in order.
- 10.17.2 The total project costs, less any downpayment, shall be equal to or less than the approved bank loan amount. Where the project costs exceed the bank loan amount, the applicant shall demonstrate that they have the additional funds on hand to pay this additional amount prior to the first advance.
- 10.17.3 The housing coordinator shall request that Council execute a Band Council Resolution (BCR) for the Market Based Housing Loan Guarantee (refer to Appendix D) subject to receipt of the following:
- a) The bank's confirmation regarding receipt of all required loan documentation as noted above; and
 - b) The final agreement of purchase and sale; and
 - c) Where renovations are included as part of the loan, the final contractors fixed price quotation or, where the homeowner is completing renovations the final quotes for building supplies/materials from a retail building supply store; and
 - d) Confirmation that the homeowner has met all conditions outlined in this housing policy; and
 - e) Confirmation that the Certificate of Possession for the property has been transferred to the Band.
- 10.17.4 The housing coordinator shall provide confirmation to the bank that the BCR has been issued.
- 10.17.5 Where the bank loan is obtained through the FNMHF the band shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

10.18 Renovations and Inspections

- 10.18.1 Where renovations are included in the project, after the CP has been transferred to the band and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:
- a) North Shore Tribal Council (NSTC) Technical Services, or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. NSTC shall have the inspection signed off by an authorized representative of the

band and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and

- b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical installations shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and
 - c) Inspections shall be performed in accordance with the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 10.18.2 The applicant shall ensure that renovation work shall be completed no later than 12 months from the start of work unless the applicant receives written approval from the housing coordinator for additional time to complete the work. Failure to complete the renovations within the agreed upon period may result in cancellation of the bank loan agreement.

10.19 Loan Advances and Holdback

- 10.19.1 The homeowner's downpayment and any additional project costs that are over and above the guaranteed loan amount shall be paid by the homeowner to the bank prior to the first loan advance.
- 10.19.2 Where no renovation work is included in the purchase the bank shall issue one (1) loan advance on completion of the sale prior to the possession date. For a private sale (where the vendor is not the band) the bank shall not release funds until the band confirms that the CP has been transferred to the band.
- 10.19.3 Where there are renovations included in the project, the bank shall issue three (3) loan advances.
- 10.19.4 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the NSTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).
- 10.19.5 Where a contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the NSTC inspection report and photographs of:
 - a) The progress of renovation work on the unit (photographs must

adequately demonstrate all aspects of the required stage of completion); and

- b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.

10.19.6 Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 45 days after completion and only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

10.20 Possession Date

The possession date for the unit shall be the date that the loan proceeds for purchase of the unit are paid by the bank.

10.21 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to section 13 and onward contained within this housing policy.

11 Renovations to an Existing Unit – Eligibility to Completion of Renovations

Renovation is defined as any improvement or modification to an existing home located within Atikameksheng Anishnawbek reserve lands.

11.1 Maximum/Minimum Loan Guarantee Amount

11.1.1 The maximum loan guarantee amount shall be \$50,000.00.

11.1.2 The minimum loan guarantee amount shall be \$5,000.00.

11.1.3 Where the renovation costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional

funds from their own sources. These funds shall be paid by the applicant to the bank before any mortgage loan funds are advanced.

11.1.4 The band shall guarantee only one market based loan at a time per band member. A band member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank.

11.2 Maximum Amortization Period

The maximum amortization period shall be 10 years.

11.3 Expression of Interest

11.3.1 A band member interested in applying for this program shall submit a letter of interest to the housing coordinator. The letter of interest, which must be signed and dated, shall include the following:

- a) The band member's full name; and
- b) The band member's full mailing address; and
- c) The band member's telephone contact information; and
- d) The band member's Atikameksheng Anishnawbek band registry number; and
- e) Confirmation of the type of market based housing loan being applied for (e.g. new construction owner occupied/rental, purchase of existing owner occupied/rental, renovation or refinancing).

11.3.2 Within 30 days of receipt of the letter of interest the housing coordinator shall forward an orientation package to the band member confirming the eligibility requirements and include an application which must be completed and returned to the housing coordinator in order to be considered for assistance under this program.

11.3.3 The housing coordinator shall maintain an historical record of the letters of interest submitted by band members.

11.3.4 After December 31st of each year, and within 60 days, the housing coordinator shall dispose of all letters of interest being held in a secure manner (i.e. shredding).

11.4 Eligibility

11.4.1 An applicant shall be a registered member of Atikameksheng Anishnawbek.

11.4.2 An applicant shall be 18 years of age or older.

11.4.3 An applicant shall complete an application for market-based housing

- (refer to Appendix B).
- 11.4.4 An applicant shall authorize an on-reserve credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the band. Where the applicant is more than 30 days in arrears on any account with the band the applicant shall not be eligible for a market based housing loan until the applicant provide the band with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 11.4.5 An applicant shall submit a preliminary renovation plan and estimate of costs for the renovation project.
- 11.4.6 An applicant shall demonstrate that they are able to provide the administration fee payment.
- 11.4.7 An applicant shall provide confirmation that they hold the Certificate of Possession (CP) on the unit/property. As a requirement of loan approval, the applicant shall transfer the CP to the band and the band shall hold the CP until the bank loan is paid in full.
- 11.4.8 An applicant shall be required to meet the bank's mortgage lending criteria which shall include confirmation of an acceptable financial history, their ability to afford the monthly mortgage payments and other associated housing costs and charges and shall provide to the bank:
- a) Details on employment history including a letter from the employer confirming the length of their employment; an applicant shall have been employed with his/her current employer for a minimum of 2 years; and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant's gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A 'gross-up' factor on income earned on-reserve shall be applied (i.e. determining the amount of income the band member would have to earn to have the same after-tax income at the tax rates normally applicable for off-reserve income); and
 - c) Confirmation of an acceptable credit history; and
 - d) A copy of a current drivers license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and

- e) Status card for each applicant (where applicable); and
 - f) Confirmation of assets and liabilities; and
 - g) A copy of the applicant's last will and testament confirming how the applicant wishes to dispose of the property upon his/her death.
- 11.4.9 The unit being renovated shall be located within Atikameksheng Anishnawbek reserve lands and where fire insurance is available.
- 11.5 Application Assessment
- 11.5.1 Within 30 days of receipt of the application the housing coordinator shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy.
- 11.5.2 Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing coordinator shall notify the applicant in writing and/or by phone within 5 working days of the application review. At the applicant's request, the housing coordinator will provide assistance to the applicant to strengthen the application for submission at a later date.
- 11.5.3 Where the application is complete and an applicant meets the eligibility requirements, the housing coordinator shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. The purpose of the meeting shall be to discuss the roles and responsibilities of the band and the applicant with respect to the delivery and administration of a market based housing loan confirm the process to obtain a bank loan, renovation contract process, etc.
- 11.5.4 On completion of the in-person meeting the housing coordinator shall issue a conditional letter of support to the bank for the applicant (refer to Appendix C) and shall, at the applicant's request, assist them in making the loan application to the bank.
- 11.5.5 The housing coordinator shall keep a written record of its application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.
- 11.5.6 The housing coordinator shall maintain the applicant file in a secure location (i.e. central registry) with access only by authorized representatives of the band.
- 11.6 Certificate of Possession
- 11.6.1 The housing coordinator shall complete a land title search with AANDC

- to verify there are no encumbrances. Where AANDC confirms there are no encumbrances the housing coordinator will recommend to Council that the Certificate of Possession (CP) be transferred to the band.
- 11.6.2 The applicant (the homeowner) shall transfer the CP to the band prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. The band shall hold the CP until the homeowner's bank loan is paid in full.
- 11.7 Downpayment and Administration Fee
- 11.7.1 No downpayment is required.
- 11.7.2 The homeowner shall pay an administration fee of 1% of the bank loan amount payable in cash to Atikameksheng Anishnawbek prior to the first loan advance.
- 11.8 Insurance
- 11.8.1 Prior to the first loan advance the homeowner shall provide the band and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the mortgage loan. Insurance may be obtained from the bank or from an independent insurance broker at the discretion of the applicant.
- 11.8.2 Prior to the first loan advance the homeowner shall provide the band and the bank with written confirmation that building insurance (protection against property damage from risks such as fire, flood, etc) has been obtained as required by the bank.
- 11.9 Bank Loan Approval
- 11.9.1 On receipt of the band's conditional letter of support as noted in this policy the homeowner is responsible to contact the bank to arrange an appointment to complete the mortgage loan application according to the requirements of the bank and this housing policy.
- 11.9.2 The bank shall complete an assessment to confirm whether the homeowner meets the bank's lending criteria and the following shall apply:
- a) Where the bank confirms that the homeowner meets the lending criteria the bank shall advise the homeowner who shall either approve or reject the bank's loan terms and conditions. Where the homeowner accepts the terms and conditions, they shall proceed with contracting and related renovation work as required by the band and the bank; or

- b) Where the homeowner does not meet the bank's lending criteria, at the applicant's request, the housing coordinator may assist the applicant to determine information required for further assessment by the bank. If, after a secondary assessment, the homeowner is unable to meet the bank's lending criteria the application shall be considered declined and no further action shall be taken by the bank.
- 11.9.3 Where the bank approves the application the bank shall provide the homeowner with the required loan documentation. The homeowner shall provide a copy of the loan agreement to the housing coordinator within 10 working days of receiving the bank's loan approval.
- 11.10 Renovation Plan Review
- The housing coordinator shall arrange for North Shore Tribal Council (NSTC) Technical Services to review the renovation plan and confirm to the housing coordinator all of the following:
- 11.10.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:
 - a) Building structure (e.g. foundation, exterior walls, roof structure); and
 - b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).
 - 11.10.2 Whether the scope of the renovations requires the work to be completed by a general contractor.
 - 11.10.3 That the renovation plan meets, at a minimum, the current version of the Ontario Building Code. The housing coordinator shall advise the homeowner of any modifications required as a result of the review. The homeowner shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing coordinator with the final quotation for renovations.
 - 11.10.4 Any renovation work carried out prior to bank loan approval shall not be eligible.
- 11.11 Construction Permit
- 11.11.1 Where required to do so the homeowner shall apply to the housing coordinator for a housing construction permit.

11.11.2 The housing coordinator shall issue a building permit within the guidelines of the First Nation Sustainable Development Standards.

11.12 Renovations Completed by the Homeowner

11.12.1 Where the housing coordinator has confirmed that aspects of the renovations can be completed by the homeowner, the homeowner shall obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing coordinator and the bank.

11.12.2 The homeowner shall not be paid for their labour.

11.13 Renovations Completed by a Contractor

Where the housing coordinator has confirmed that aspects of the renovations are to be completed by a general contractor or contractor, the homeowner shall obtain a fixed price contract quotation from the contractor to complete the renovations.

The contract quotation shall include all of the following:

- a) The contractor's current Workplace Safety and Insurance Board coverage; and
- b) The contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- c) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations work to water and waste services shall be approved by the band and the bank and must meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- e) Confirmation that the contractor shall be able to cover renovation costs prior to bank loan advances (i.e. bridge financing) as advances prior to renovations are prohibited.

11.14 Mortgage Loan Guarantee Agreement

The applicant shall execute a Mortgage Loan Guarantee Agreement - Terms of the Mortgage Loan Guaranteed by Atikameksheng Anishnawbek.

11.15 Band Council Resolution and FNMHF Credit Enhancement Certificate

11.15.1 The bank shall confirm to the band that all required loan documentation (e.g. loan agreement, security documentation, insurance requirements)

has been received and is in order.

- 11.15.2 The total project costs, less any downpayment, shall be equal to or less than the approved bank loan amount. Where the project costs exceed the bank loan amount, the homeowner shall demonstrate that they have the additional funds on hand to pay this amount prior to the first advance.
- 11.15.3 The housing coordinator shall request that Council execute a Band Council Resolution (BCR) for the Market Based Housing Loan Guarantee (refer to Appendix D) subject to receipt of the following:
 - a) The bank's confirmation regarding receipt of all required loan documentation as noted above; and
 - b) The final contractors fixed price quotation or, where the homeowner is completing renovations the final quotes for building supplies/materials from a retail building supply store; and
 - c) Confirmation that the homeowner has met all conditions outlined in this housing policy; and
 - d) Confirmation that the Certificate of Possession for the property has been transferred to the Band.
- 11.15.4 The housing coordinator shall provide confirmation to the bank that the BCR has been issued.
- 11.15.5 Where the bank loan is obtained through the FNMHF, the band shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

11.16 Renovations and Inspections

- 11.16.1 After the Certificate of Possession has been transferred to the band and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:
 - a) North Shore Tribal Council (NSTC) Technical Services, or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. NSTC shall have the inspection signed off by an authorized representative of the band and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
 - b) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical repairs/installations shall be carried out by certified personnel at appropriate stages of construction/renovation to ensure compliance with standards of

- construction as referred to within this housing policy; and
 - c) Inspections shall be performed in accordance with the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 11.16.2 The homeowner shall ensure that renovation work shall be completed no later than 12 months from the start of work unless the homeowner receives written approval from the housing coordinator for additional time to complete the work. Failure to complete the renovations within the agreed upon period may result in cancellation of the bank loan agreement.

11.17 Loan Advances and Holdback

- 11.17.1 If a downpayment is made (at the homeowner's discretion), the downpayment and any additional project costs that are over and above the guaranteed loan amount shall be paid by the homeowner to the bank prior to the first loan advance.
- 11.17.2 The maximum number of progress loan advances is three.
- 11.17.3 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the NSTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).
- 11.17.4 Where a contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the NSTC inspection report and photographs of:
 - a) The progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.
- 11.17.5 Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 45 days after completion and only after they have received written confirmation of the following:
 - a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as

- confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

11.18 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to section 13 and onward contained within this housing policy.

12 Refinance of an Existing Unit – Eligibility to Completion of Refinancing and/or Renovations

Refinance is defined as obtaining a new loan to pay out an existing loan on a home located within Atikameksheng Anishnawbek reserve lands. Renovations can be included as part of the refinance loan provided that the total project cost does not exceed the maximum loan amount.

12.1 Maximum Loan Guarantee Amount

- 12.1.1 The maximum loan guarantee shall be \$200,000.00.
- 12.1.2 Where renovations are included, the renovation portion of the loan may be up to \$50,000 (renovation costs must be a minimum of \$10,000.00 in order to be included as part of the loan).
- 12.1.3 Any penalties for early discharge of the existing mortgage loan shall be the responsibility of the applicant; such penalties shall not be included in the refinance amount.
- 12.1.4 Where the refinancing costs exceed the maximum loan guarantee amount the applicant shall demonstrate that they are able to obtain the additional funds from their own sources. These funds shall be paid by the applicant to the bank before any mortgage loan funds are advanced.
- 12.1.5 The band shall guarantee only one market based loan at a time per band member to refinance an existing loan. A band member may apply for another market based loan only after the active market based loan has been paid in full as confirmed in writing by the bank and after the Certificate of Possession for that unit is transferred to another registered member of Atikameksheng Anishnawbek. A renovation loan is exempt

from the requirement to transfer the CP to another member.

12.2 Maximum Amortization Period

The maximum amortization period shall be 25 years.

12.3 Expression of Interest

12.3.1 A band member interested in applying for this program shall submit a letter of interest to the housing coordinator. The letter of interest, which must be signed and dated, shall include the following:

- a) The band member's full name; and
- b) The band member's full mailing address; and
- c) The band member's telephone contact information; and
- d) The band member's Atikameksheng Anishnawbek band registry number; and
- e) Confirmation of the type of market based housing loan being applied for

12.3.2 Within 30 days of receipt of the letter of interest the housing coordinator shall forward an orientation package to the band member confirming the eligibility requirements and include an application which must be completed and returned to the housing coordinator in order to be considered for assistance under this program.

12.3.3 The housing coordinator shall maintain an historical record of the letters of interest submitted by band members.

12.3.4 After December 31st of each year, and within 60 days, the housing coordinator shall dispose of all letters of interest being held in a secure manner (i.e. shredding).

12.4 Eligibility

12.4.1 An applicant shall be a registered member of Atikameksheng Anishnawbek.

12.4.2 An applicant shall be 18 years of age or older.

12.4.3 An applicant shall complete an application for market-based housing (refer to Appendix B).

12.4.4 An applicant shall authorize an on-reserve credit check and have a credit history which confirms that there are no arrears or outstanding payments on accounts (loans, housing payments or other services) with the band. Where the applicant is more than 30 days in arrears on any account with the band the applicant shall not be eligible for a market based housing

- loan until they provide the housing coordinator with written confirmation that the arrears/outstanding account(s) has been paid in full.
- 12.4.5 An applicant shall provide a payout statement for the existing loan with per diem calculations (the pro-rated amount of interest that would be due to be paid to the bank for the remaining repayment period).
- 12.4.6 Where the refinance project includes renovations, an applicant shall provide a renovation plan and estimated budget.
- 12.4.7 An applicant shall obtain and pay the cost of an appraisal by a qualified real estate appraiser to confirm the “as is” value of the unit (where no renovations are included). Where renovations are to be included the applicant shall provide the appraiser with the renovation plan and the appraiser shall provide both an “as is” and “as improved” value.
- 12.4.8 An applicant shall demonstrate that they are able to pay in full any penalties for early discharge of the existing mortgage loan; such penalties shall not be included in the refinance amount.
- 12.4.9 An applicant shall demonstrate that they are able to pay the administration fee payment.
- 12.4.10 An applicant shall provide confirmation that they hold the Certificate of Possession (CP) for the unit/property. The applicant shall transfer the CP to the band prior to the first loan advance and the band shall hold the CP until the bank loan is paid in full.
- 12.4.11 An applicant shall be required to meet the bank’s mortgage lending criteria which shall include confirmation of an acceptable financial history, their ability to afford the monthly mortgage payments and other associated housing costs and charges and shall provide to the bank:
- a) Details on employment history including a letter from the employer confirming the length of their employment; an applicant shall have been employed with his/her current employer for a minimum of 2 years; and
 - b) Confirmation of annual household income including copies of pay stubs and/or benefit cheque stubs (2 most recent) and/or Canada Revenue Agency personal income tax assessments for the previous 2 years). An applicant’s gross annual household income (income before taxes and deductions) shall meet the total debt service ratio of 40% or less (income divided by the principal and interest cost of repaying the bank loan plus other household debts such as a car loan). A ‘gross-up’ factor on income earned on-reserve shall be applied (i.e. determining the amount of income the band member would have to earn to have the same after-tax income at the tax rates

- normally applicable for off-reserve income); and
 - c) Confirmation of an acceptable credit history; and
 - d) A copy of a current drivers license or other government issued photo identification for each applicant; such identification must include the applicant's full name and date of birth; and
 - e) Status card for each applicant (where applicable); and
 - f) Confirmation of assets and liabilities; and
 - g) A copy of the applicant's last will and testament confirming how the applicant wishes to dispose of the property upon his/her death.
- 12.4.12 The unit shall be located within Atikameksheng Anishnawbek reserve lands and where fire insurance is available.

12.5 Application Assessment

- 12.5.1 Within 30 days of receipt of the application, the housing coordinator shall review the application to:
- a) Confirm the application is complete and includes all of the required information; and
 - b) Confirm eligibility according to the housing policy.
- 12.5.2 Where an application is incomplete and/or the applicant does not meet the eligibility requirements as set out in this policy, the housing coordinator shall notify the applicant in writing and/or by phone within 5 working days of the application review. At the applicant's request, the housing coordinator will provide assistance to the applicant to strengthen the application for submission at a later date.
- 12.5.3 Where the application is complete and an applicant meets the eligibility requirements, the housing coordinator shall contact the applicant by phone to confirm eligibility and mutually agree upon a date and time for an in-person meeting. The purpose of the meeting shall be to discuss the roles and responsibilities of the band and the applicant with respect to the delivery and administration of a market based housing loan confirm the process to obtain a bank loan, refinancing process, renovation contract (where applicable), etc.
- 12.5.4 On completion of the in-person meeting the housing coordinator shall issue a conditional letter of support to the bank for the applicant (refer to Appendix C) and shall, at the applicant's request, assist them in making the loan application to the bank.
- 12.5.5 The housing coordinator shall keep a written record of its application review and the reasons for acceptance or rejection based on eligibility and completeness of the application.

- 12.5.6 The housing coordinator shall maintain the applicant file in a secure location (i.e. central registry) with access only by authorized representatives of the band.
- 12.6 Appraisal of the Unit
- 12.6.1 The homeowner shall arrange for and pay the cost of an appraisal by an independent qualified real estate appraiser. Where no renovations are included in the project, the appraisal shall confirm the “as is” value of the unit. Where renovations are included, the homeowner shall provide the appraiser with the renovation plan and the appraiser shall also provide an “as improved” value. The homeowner shall provide a copy of the appraisal report to the housing coordinator and the bank.
- 12.6.2 Where the appraisal confirms that the value is below the proposed refinance amount, the housing coordinator shall advise the homeowner of the maximum refinance amount that will be guaranteed by the band.
- 12.7 Certificate of Possession
- 12.7.1 The housing coordinator shall complete a land title search with AANDC to verify there are no encumbrances. Where AANDC confirms there are no encumbrances, the housing coordinator will recommend to Council that the Certificate of Possession (CP) be transferred to the band.
- 12.7.2 The applicant (the homeowner) shall transfer the CP to the band prior to and as a condition of Council issuing a Band Council Resolution to guarantee the loan. The band shall hold the CP until the homeowner’s bank loan is paid in full.
- 12.8 Downpayment and Administration Fee
- 12.8.1 A downpayment may not be required; any downpayment shall be determined by the bank based on the value of the home and the outstanding mortgage balance. Where a downpayment is required, the downpayment shall be paid by the homeowner to the bank before the first loan advance.
- 12.8.2 The homeowner shall pay an administration fee of 1% of the increased dollar value of the bank loan amount, payable to Atikameksheng Anishnawbek in cash before the first loan advance.
- 12.9 Insurance
- 12.9.1 CMHC Mortgage Insurance

The homeowner shall obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the mortgage loan amount).

12.9.2 Life Insurance

Prior to the first loan advance the homeowner shall provide the band and the bank with written confirmation that life insurance has been obtained in an amount that is equal to or exceeding the amount of the bank loan. Insurance may be obtained from the bank or from an independent insurance broker at the discretion of the applicant.

12.9.3 Building Insurance

Prior to the final loan advance the homeowner shall provide the band and the bank with written confirmation of building insurance (protection against property damage from risks such as fire, flood, etc) has been obtained as required by the bank.

12.10 Bank Loan Approval

12.10.1 On receipt of the band's conditional letter of support as noted in this policy the homeowner is responsible to contact the bank to arrange an appointment to complete the mortgage loan application according to the requirements of the bank and this housing policy.

12.10.2 The bank shall complete an assessment to confirm whether the homeowner meets the bank's lending criteria and the following shall apply:

- a) Where the bank confirms that the homeowner meets the lending criteria the bank shall advise the homeowner who shall either approve or reject the bank's loan terms and conditions. Where the applicant accepts the terms and conditions they shall proceed with contracting and related renovation work as required by the band and the bank; or
- b) Where the homeowner does not meet the bank's lending criteria, at the homeowner's request, the housing coordinator may assist the homeowner to determine information required for further assessment by the bank. If, after a secondary assessment, the homeowner is unable to meet the bank's lending criteria, the application shall be considered declined and no further action shall be taken by the band.

12.10.3 Where the bank approves the application the bank shall provide the homeowner with the required loan documentation. The homeowner shall provide a copy of the loan agreement to the housing coordinator within 10 working days of receiving the bank's loan approval.

12.11 Renovation Plan Review

Where the project includes renovations the homeowner shall have submitted a renovation plan and budget to the housing coordinator. The housing coordinator shall arrange for North Shore Tribal Council (NSTC) Technical Services to review the renovation plan and confirm to the housing coordinator all of the following:

- 12.11.1 Which aspects of the renovation shall be completed by a qualified contractor or equivalent; such items may include work to repair/replace:
- a) Building structure (e.g. foundation, exterior walls, roof structure); and
 - b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

12.11.2 Whether the scope of the renovations requires the work to be completed by a general contractor.

12.11.3 That the renovation plan meets, at a minimum, the current version of the Ontario Building Code. The housing coordinator shall advise the applicant of any modifications required as a result of the review. The homeowner shall ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing coordinator with the final quotation for renovations.

12.11.4 Any renovation work carried out prior to bank loan approval shall not be eligible.

12.12 Construction Permit

12.12.1 Where required to do so the homeowner shall apply to the housing coordinator for a housing construction permit.

12.12.2 The housing coordinator shall issue a building permit within the guidelines of the First Nation Sustainable Development Standards.

12.13 Renovations Completed by the Homeowner

12.13.1 Where the housing coordinator has confirmed that aspects of the renovations can be completed by the homeowner, the homeowner shall obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing coordinator and the bank.

12.13.2 The homeowner shall not be paid for their labour.

12.14 Renovations Completed by a Contractor

Where the housing coordinator has confirmed that aspects of the renovations are to be completed by a general contractor or a contractor the homeowner shall obtain a fixed price contract quotation from the contractor to complete the renovations. The contract quotation shall include all of the following:

- a) The contractor's current Workplace Safety and Insurance Board coverage; and
- b) The contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million
- c) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) these costs shall be included. Renovations to water and waste services shall be approved by the band and the bank and must meet all applicable codes and regulations; and
- d) Agreement that all work shall be in accordance with, at a minimum, the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- e) Confirmation that the contractor shall be able to cover renovation costs prior to bank loan advances (i.e. bridge financing) as advances prior to renovation are prohibited.

12.15 Mortgage Loan Guarantee Agreement

The applicant shall execute a Mortgage Loan Guarantee Agreement - Terms of the Mortgage Loan Guaranteed by Atikameksheng Anishnawbek.

12.16 Band Council Resolution and FNMHF Credit Enhancement Certificate

- 12.16.1 The bank shall confirm to the band that all required loan documentation (e.g. loan agreement, security documentation, CMHC mortgage insurance, homeowner insurance requirements) has been received and is in order.
- 12.16.2 The total project costs, less any downpayment, shall be equal to or less than the approved bank loan amount. Where the project costs exceed the bank loan amount, the homeowner shall demonstrate that they have the additional funds on hand to pay this amount prior to the first advance.
- 12.16.3 The housing coordinator shall request that Council execute a Band

Council Resolution (BCR) for the Market Based Housing Loan Guarantee (refer to Appendix D) subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation as noted above; and
- b) Where renovations are included as part of the loan, the final contractors fixed price quotation or, where the homeowner is completing renovations the final quotes for building supplies/materials from a retail building supply store; and
- c) Confirmation that the homeowner has met all conditions outlined in this housing policy; and
- d) Confirmation that the Certificate of Possession for the property has been transferred to the Band.

12.16.4 The housing coordinator shall provide confirmation to the bank that the BCR has been issued.

12.16.5 Where the homeowner's existing mortgage loan has been secured by an Atikameksheng Anishnawbek Ministerial Loan Guarantee (MLG), the band shall issue a second BCR rescinding the original MLG so that there are not two guarantees on the same loan.

12.16.6 Where the bank loan is obtained through the FNMHF, the band shall request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan.

12.17 Renovations and Inspections

12.17.1 Where renovations are included in the loan, after the CP has been transferred to the band and the bank loan has been approved, the homeowner shall proceed with the renovations and shall be responsible to arrange and pay for progress and compliance inspections in a timely manner, as follows:

- a) North Shore Tribal Council (NSTC) Technical Services, or the authority having jurisdiction (i.e. Health Canada for septic systems), is to carry out all progress and compliance inspections. NSTC shall have the inspection signed off by an authorized representative of the band and shall provide the applicant with a written inspection report and photographs to demonstrate all aspects of the required stage of completion; and
- b) The maximum number of inspections are two (2); one at 50% complete and the final inspection; and
- c) Inspections of all building construction and renovation, water supply and plumbing, waste disposal, and electrical repairs/installations

shall be carried out by certified personnel at appropriate stages of construction to ensure compliance with standards of construction as referred to within this housing policy; and

- d) Inspections shall be performed in accordance with the current version of the Ontario Building Code, Atikameksheng Anishnawbek construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 12.17.2 The homeowner shall ensure that renovation work shall be completed no later than 12 months from the start of work unless the homeowner receives written approval from the housing coordinator for additional time to complete the work. Failure to complete the renovations within the agreed upon period may result in cancellation of the bank loan agreement.

12.18 Loan Advances and Holdback

- 12.18.1 Any downpayment required by the bank and any additional project costs that are over and above the guaranteed loan amount shall be paid by the homeowner to the bank prior to the first loan advance.
- 12.18.2 The maximum number of progress loan advances is three.
- 12.18.3 Where the homeowner is completing the renovations, as part of the request for the loan advance they shall submit invoices for renovation supplies/materials, the NSTC inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).
- 12.18.4 Where a contractor is completing the renovations, as part of the request for the loan advance, the homeowner shall submit the NSTC inspection report and photographs of:
 - a) The progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where the renovation work includes well and septic repairs/installation photographs are required in addition to well log and percolation tests, in order to receive the related loan advance.
- 12.18.5 Where renovation work is completed by a general contractor, the bank shall require a holdback of 10% of the total renovation contract to be paid no earlier than 45 days after completion and only after they have received written confirmation of the following:
 - a) That the unit is 100% complete and any/all deficiencies have been

corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and

- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

12.19 Loan Administration (After Mortgage Loan Has Been Fully Advanced)

For details on loan administration activities that will take place after the mortgage loan has been fully advanced (e.g. annual insurance renewal, breach of agreement/default policies, and sale of the unit) please refer to section 13 and onward contained within this housing policy.

13 Insurance – Annual Renewal

13.1 The homeowner shall maintain building insurance (fire and other damage) and life insurance coverage in an amount exceeding the outstanding loan balance until the bank loan/mortgage has been paid in full.

13.2 The homeowner shall provide the housing coordinator and the bank, on an annual basis, a copy of the insurance certificate to confirm building insurance and life insurance is in place including confirmation of the dollar limit of coverage and the limits of coverage.

13.3 Where the homeowner fails to provide confirmation of such insurance coverage the band shall provide a written notice to the homeowner requiring them to confirm to the band that building and property insurance coverage is in place, within 15 days of the notice. The housing coordinator shall also follow up by phone with the homeowner to confirm the requirements for annual verification of insurance coverage.

13.4 Where the homeowner does not provide the required confirmation and the band confirms that the insurance is not in place, the housing coordinator shall submit a written request to Council to pay the premium(s) on the homeowner's behalf, on a one-time basis.

13.5 On approval from Council the housing coordinator shall arrange payment of the annual premium(s) only in an amount required to cover the outstanding loan

balance and/or to retain coverage with the homeowner's existing insurance provider. The bank or the band shall be named as first loss payee. The housing coordinator shall issue a written notice to the homeowner within 5 working days of payment being made by the band and shall demand repayment of the insurance premium(s) plus an administration fee equal to 5% of the cost of the premiums paid by the band. The notice shall confirm the requirement for the homeowner to repay these costs in full or to enter into a repayment agreement with the band, as confirmed within the band's administration policy, within 30 days of the notice. The housing coordinator shall also follow up by phone. Where the homeowner fails to repay these costs in full or where a homeowner enters into a repayment agreement and fails to honour the agreement the band shall proceed with foreclosure/eviction as confirmed within this housing policy.

13.6 Where there is a second instance where the homeowner fails to provide confirmation of the required insurance coverage, the band shall not pay the premiums on behalf of the homeowner and shall proceed with foreclosure/eviction as confirmed within this housing policy.

14 Access to the Unit

The homeowner is responsible to ensure reasonable road access to the unit is available at all times for provision of band services (e.g. garbage removal, snow plowing) and for emergency vehicles.

15 Use of the Residential Property

- 15.1 A homeowner wishing to operate a home-based business from the unit may not do so unless they have received written approval from Council to do so.
- 15.2 The homeowner shall submit a written request to the housing coordinator which details the activities of the business and potential impact on the unit (e.g. increase in use of services) and property (e.g. signage, work areas, equipment storage) and surrounding area (e.g. increased traffic, parking, noise and disturbance to neighbouring properties). Submission of a request does not automatically mean approval – each request shall be considered and approved/denied based on what is in the best interest of the band and the homeowner.
- 15.3 Where Council approves the request for a home-based business the homeowner shall first provide written confirmation that the homeowner has advised their

insurance provider of the change in use of the unit/property to include a home based business.

- 15.4 Council may refuse to approve the request to use the unit as a home based business, or after having provided approval, may withdraw such approval at its discretion.

16 Breach/Default on the Bank Loan Agreement

Where the homeowner has committed a breach of the bank loan agreement the following shall apply:

16.1 Breach/Default on the Bank Loan Agreement

Where the homeowner has committed a breach of the bank loan (i.e. default on the loan payment) the bank shall contact the housing coordinator. The housing coordinator shall contact the homeowner by phone immediately on receipt of the bank notification and discuss the default with the homeowner to attempt to resolve the issue. Where the homeowner does not resolve the breach to the satisfaction of the bank, the housing coordinator shall proceed with written notification to confirm the consequences of failing to resolve the breach/default, as outlined within this policy.

16.2 Notification Process

- 16.2.1 First notice - A first notice shall be sent to the homeowner within 10 working days of the housing coordinator confirming a breach of the loan agreement and the conditions under which the breach shall be resolved. The notice shall advise the homeowner to:
- a) Resolve the breach according to the terms and timeframes confirmed in the first notice; or
 - b) Meet with the housing coordinator with 10 working days of receipt of the notice to discuss resolution of the breach.

- 16.2.2 Second notice – If after 10 working days of the first notice being issued, the homeowner has neither resolved the breach nor contacted the housing coordinator, a second notice shall be sent. The notice shall confirm the details of the breach, the conditions under which the breach shall be resolved and the deadline to resolve the breach to the satisfaction of the housing coordinator. The housing coordinator shall make at least two efforts to contact the homeowner by telephone to resolve the breach.

- 16.2.3 Third and final notice - 10 day notice for foreclosure. If the homeowner fails to resolve the breach within the timeframe noted in the second notice, a 10-day notice of foreclosure shall be issued to the homeowner. The final notice shall be delivered either:
- a) By hand to an adult person living in the property; or
 - b) By posting the notice on the front door of the property with a third-party as witness to the delivery of the notice.

16.3 Foreclosure Action

Where the homeowner does not resolve the breach to the satisfaction of the housing coordinator within the timeframes identified in the third and final notice, the housing coordinator shall request sign-off of a foreclosure/eviction request by the Director of Operations and the Public Works Manager. As part of the request the housing coordinator shall demonstrate that the policy was applied and due diligence was conducted. Where the Director of Operations and the Public Works Manager have signed off on the request, the housing coordinator shall request a meeting with Council to review the breach and request that foreclosure action be taken as outlined within this policy.

17 Foreclosure/Eviction

- 17.1 Where the homeowner has failed to resolve the breach/default on the bank loan agreement or the mortgage loan guarantee agreement, the housing coordinator shall request a meeting with Council to review the breach, to confirm the action that was taken to ensure due diligence and, shall request approval from Council to begin foreclosure/eviction proceedings.
- 17.2 On receipt of approval from Council the housing coordinator shall issue a 30 day notice to terminate occupancy against the defaulting homeowner to seize the property and remove the homeowner from the unit.
- 17.3 The written notice to terminate occupancy shall be issued by the band to the homeowner 30 working days before the date that occupancy shall be terminated, as confirmed in the termination notice, by either:
- a) Handing the notice directly to the homeowner; or
 - b) Securely attaching the notice to the door of the homeowner unit with a third-party as witness to the delivery of the notice. A notice attached to the door is presumed to have been legally served on the third day after it is attached; or
 - c) Handing the notice to an adult who lives in the unit.

- 17.4 If the homeowner does not vacate the unit at the required date defined in the termination of occupancy notice, the band may:
- a) Obtain the services of a solicitor to prepare a “Notice to Quit” and to have this notice delivered by a security company; and
 - b) Arrange for the locks to be changed and the homeowner’s possessions to be removed from the premises.
- 17.5 Where the band proceeds with foreclosure/eviction action, the band shall retain the Certificate of Possession. Neither the former homeowner, nor their heirs nor their estate shall have any claim to Certificate of Possession that was transferred to Atikameksheng Anishnawbek.
- 17.6 Where a homeowner defaults on their bank loan agreement and causes a loss to the band, the homeowner shall not be eligible to receive housing assistance from the band until the loss is repaid in full.
- 17.7 Where the band proceeds with foreclosure/eviction action the housing coordinator shall consider action to deal with the reacquired homeowner unit which can include:
- 17.7.1 Where an alternate eligible applicant is identified, contact the bank to confirm whether the new applicant is eligible to qualify for a bank loan and to assume the outstanding loan balance.
 - 17.7.2 Where either the bank declines to allow a mortgage assumption or, there is no eligible applicant that can assume the outstanding loan balance, the housing coordinator shall either:
 - a) Where the loan was made through the First Nations Market Housing Fund (the Fund), contact the Fund to confirm whether alternate loan repayment arrangements may be authorized; or
 - b) Pay the outstanding mortgage loan balance, plus any penalties, to the bank and retain the Certificate of Possession in the name of the band (refer to the section on reacquired units within this policy for options on dealing with reacquired units).
- 17.8 Where the former homeowner has left personal property in the unit/on the property, the following shall apply:
- 17.8.1 The housing coordinator shall remove the former homeowner’s personal property and place it in storage for 60 days and shall keep an inventory (written or photographic) of the property. The housing coordinator shall

- invoice the former homeowner for the cost of removal of their possessions and other related charges as noted below.
- 17.8.2 The housing coordinator shall post a notice on the front door of the unit to notify the former homeowner that the property is in storage and shall provide contact information for the homeowner to reimburse the band for costs related to removal/storage of same and to retrieve their belongings.
- 17.8.3 Where the homeowner does not contact the housing coordinator to reclaim the personal property within the 60 day period, the housing coordinator may dispose of the property in such a manner as may be determined by the band. The housing coordinator shall maintain the inventory and details of the disposal of the property for 2 years following the date of disposal.
- 17.8.4 Notwithstanding the above, the housing coordinator may dispose of the personal property if the housing coordinator believes that:
- a) The property has a total value of less than \$500; or
 - b) The cost of removing, storing and selling the property would be more than the proceeds of its sale; or
 - c) The storage of the property would be unsanitary or unsafe.
- 17.8.5 Where the housing coordinator incurs expenses as a result of action taken above, including but not limited to repairs and the cost of the removal of the personal property, the housing coordinator shall note these costs on the former homeowner's file and cost recovery shall be pursued by the housing coordinator.

18 Reacquired Homeowner Unit

Where the band reacquires a unit they reserve the right to either:

- a) Sell the unit and property to an eligible homeowner applicant (the band shall be the lender); or
- b) Operate the unit as a rental unit; or
- c) Operate the unit as a non-residential unit (e.g. band administrative office).

18.1 Sale of the Unit to an Eligible Homeowner Applicant

18.1.1 Eligibility Criteria

Where the unit shall be sold by the band to an eligible homeowner applicant, the following eligibility criteria shall apply:

- a) The applicant shall be a registered member of Atikameksheng Anishnawbek; and

- b) The applicant shall be 18 years of age or older; and
- c) The applicant shall be required to meet Atikameksheng Anishnawbek lending criteria which shall include an acceptable credit rating on reserve, confirmation of their annual household income, their ability to afford the monthly loan payments and other associated housing costs and charges; and
- d) An applicant with arrears and/or outstanding accounts (money owing) to the band shall not be considered until outstanding accounts are paid in full.

18.1.2 Application Process

The applicant shall complete an application including written confirmation of their annual household income, confirmation of their ability to afford monthly loan payments and related housing charges and the applicant shall provide verification of a good credit history.

18.1.3 Sale Price

The sale price shall be the greater of:

- a) The remaining book value at the time of the new interest adjustment date, plus repair costs required to bring the unit to minimum property standards, plus legal fees and all other closing costs, less any downpayment; or
- b) Current value as determined by a qualified real estate appraiser, plus legal fees and all other closing costs.

18.1.4 Amortization Period

The amortization period for the loan shall be the lesser of:

- a) The remaining amortization period on the original mortgage loan; or
- b) The remaining useful life of the property, as determined by a qualified real estate appraiser.

18.1.5 Mortgage Loan Guarantee Agreement

The eligible homeowner applicant shall be required to execute and abide by the terms of the Atikameksheng Anishnawbek Mortgage Loan Guarantee Agreement.

18.1.6 Loan Payment

The monthly loan payment shall be determined by the housing coordinator based on the sale price and amortization period of the unit.

18.2 Operate the Unit as a Rental Unit

Where the unit shall be operated as a rental unit, the eligibility criteria, application process, rental agreement, and the housing policy for the Atikameksheng Anishnawbek Rental Housing Program shall apply.

19 Sale of the Unit by the Homeowner

The homeowner has the right to sell the unit under the following conditions:

- 19.1 The purchaser shall be a member of Atikameksheng Anishnawbek.
- 19.2 The homeowner shall notify the housing coordinator, in writing, that they intend to sell the unit. For units constructed or purchased after January 1, 2013 and where the homeowner has entered into a mortgage loan guarantee agreement with the band, the band shall consider whether they wish to exercise the right of first refusal to purchase the unit.
- 19.3 On sale of the unit, the homeowner is responsible to pay the outstanding bank mortgage/loan balance in full, along with all related sale and closing costs at the date of closing of the sale.

20 Right of First Refusal

- 20.1 The Atikameksheng Anishnawbek Mortgage Loan Guarantee Agreement includes a right of first refusal clause. This clause requires the homeowner to notify the band if they intend to sell the unit so that the band can consider whether it wishes to purchase the unit.
- 20.2 The band shall consider exercising the right of first refusal where the band wishes to acquire the unit to retain within its housing portfolio.
- 20.3 Where the band wishes to exercise the right of first refusal, they shall obtain an 'as is' value estimate completed by an accredited appraiser. The purchase price to be paid by the band to the homeowner shall be the same price as offered by a bona fide third party purchaser provided that the appraisal supports this price. The sale price shall not exceed the 'as is' appraised value by more than 10%. Where the bona fide third party offer exceeds the appraised value by more than 10%, the band may not exercise the right of first refusal.
- 20.4 Where the band chooses to exercise the right of first refusal, this shall be done within 30 days of receipt of the bona fide offer provided to the band from the

homeowner. The housing coordinator shall notify the lands department that the band is exercising the right of first refusal.

20.5 The homeowner is responsible to pay the outstanding bank mortgage/loan balance in full, plus all related legal and closing costs at the date of closing of the sale.

20.6 Where the homeowner entered into a listing agreement with a real estate agent, and where the band exercises the right of first refusal, the band member is responsible to pay the fee/commission due the agent from their profit on sale. The band shall not pay these costs.

21 Payment in Full of the Bank Loan Agreement

When the bank provides written confirmation to the housing coordinator that homeowner has repaid the loan in full, the band shall issue a Certificate of Possession transferring the unit and property to the homeowner.

22 Issuing the Certificate of Possession

22.1 Eligibility for a Certificate of Possession

In all cases the following requirements shall be met in order for the band to issue a Certificate of Possession (CP):

- a) The homeowner shall submit a written notice to the band to request that the CP be issued to them in their name; and
- b) The homeowner being issued the CP must be a member of the Atikameksheng Anishnawbek and entitled to hold a CP on Atikameksheng Anishnawbek reserve lands; and
- c) The homeowner shall provide evidence that the land to which the CP applies has been surveyed and registered under the Canada Lands Survey System.

22.2 Issuing the Certificate of Possession

After the housing coordinator receives the homeowners' written request to issue a Certificate of Possession (CP) for the unit and the land, the band shall issue the CP provided that the homeowner:

- a) Provides written confirmation from the bank that the bank loan has been repaid in full; and
- b) That the band's lands department has confirmed that there are no liens or

- encumbrances attached to the property; and
- c) Has complied with all of his or her obligations under the bank's loan; and
- d) Has no arrears on other accounts with the band.

22.3 Band Council Resolution

The Certificate of Possession shall be confirmed through a Band Council Resolution no later than 90 days after receipt of the request and confirmation that all conditions have been met.

22.4 Responsibilities of the Band and the Homeowner

After the band has passed the BCR and a Certificate of Possession for the unit and the land has been issued:

- a) The band shall have no further interest in the unit and land; and
- b) The homeowner shall continue to be responsible for all costs associated with the unit and the land including but not limited to maintenance, repairs and insurance.

23 Marital Breakdown

Refer to the Family Homes on Reserves and Matrimonial Interests or Rights Act (Bill S-2) which is available at the band administration office. This act seeks to provide basic rights and protections to individuals on reserves during the relationship, in the event of a relationship breakdown, and on the death of a spouse or common-law partner regarding the family home and other matrimonial interests or rights. The proposed legislation sets out provisions for the enactment of First Nation laws respecting on-reserve matrimonial real property, as well as provisional federal rules to fill the legislative gap.

24 Death of a Homeowner

- 24.1 In the event that a homeowner listed on the loan agreement dies during the term of the loan agreement, the agreement automatically terminates and possession of the premises, excluding personal effects of the deceased tenant and his/her immediate family and dependants, reverts to the band within thirty (30) days from the date of the death unless:
- (a) There is a secondary or co-homeowner who signed the loan agreement that is willing to carry on/honour the bank loan requirements for the unit and property; or

(b) The deceased homeowner has a legally binding will and last testament that identifies an heir to the property and, the heir meets the requirements to assume/carry on with the bank loan requirements for the unit and property.

24.2 In the event of the death of a homeowner, should 24.1 (a) or (b) not apply, the housing coordinator shall provide 30 calendar days for the family to remove the belongings from the unit. The housing coordinator shall either:

- a) Contact the bank and confirm whether the loan can be assumed. If the loan can be assumed, the housing coordinator shall attempt to identify another qualified member to assume the mortgage for the unit; or
- b) The band shall retain follow the policy dealing with a reacquired unit as outlined within this policy.

APPENDIX A – NOTICE OF AN APPEAL

**Notice of an Appeal
Atikameksheng Anishnawbek Housing Programs and Services**

Page 1 of 2

To: Housing Coordinator
Atikameksheng Anishnawbek
25 Reserve Road
Naughton, ON P0M 2M0

From:

Name of applicant(s)/
homeowner(s): _____
Address: _____
Phone Number(s): _____
Date of decision being appealed: _____
Description of the decision being
appealed: _____

An individual applying for housing assistance or a homeowner occupying a unit may appeal a decision made under the housing policy. The appeal must be based one or more of the grounds for an appeal noted on page 2 of this form. If you have any additional documentation to support the appeal please note this in the space provided below and attach to this form. A copy of the housing policy on which the housing decision was based is available from the housing coordinator.

Important: An applicant/homeowner who wishes to appeal any decision shall submit their appeal in writing to the housing coordinator within five (5) working days of having been advised of the decision.

Date Approved:

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Approval Initials:

Notice of an Appeal
Atikameksheng Anishnawbek Housing Programs and Services

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Grounds for an Appeal:

I/we submit this appeal on the following grounds (please check one/all that apply):

- The housing policy was not applied which impacted the outcome of the decision being appealed; and/or
- There was a lack of procedural fairness which impacted the decision being appealed (i.e. any procedural error, improper investigation, or discrimination); and/or
- New information has come to light rendering the original decision unreasonable in light of the new information presented; and/or
- The policy is unreasonable (i.e. the housing policy cannot be rationally supported or there is a defect in the policy which is immediate and obvious).

Additional Information to support the appeal is included, as noted below, and is attached:

Delivery of the Notice to Appeal

I/we have delivered this notice to Atikameksheng Anishnawbek (please check one):

- In person to the housing coordinator; or
- By registered mail with the delivery date to be within five (5) working days after having been advised of the decision.

Applicant/Homeowner Signature

Date

Applicant/Homeowner Signature

Date

The housing coordinator shall confirm receipt within four working days of receipt of the appeal and shall confirm the anticipated date of review of the appeal.

Date Approved:

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Approval Initials:

APPENDIX B – APPLICATION FOR MARKET BASED HOUSING

APPENDIX C – Conditional Letter of Support – Market Based Housing Loan Guarantee

**Atikameksheng Anishnawbek
Conditional Letter of Support– Market Based Housing Loan Guarantee**

Date:

To: Bank/Credit Union

From: Atikameksheng Anishnawbek
25 Reserve Road
Naughton, ON P0M 2M0

Name: _____
Phone: _____ Email: _____

Atikameksheng Anishnawbek hereby confirms the applicant(s) noted below are members of Atikameksheng Anishnawbek, as follows:

Applicant Name _____ Atikameksheng Anishnawbek Member
Number: _____

Applicant Name _____ Atikameksheng Anishnawbek Member
Number: _____

Mailing Address: _____

Phone Number: (H) _____ (W) _____ (C) _____

Atikameksheng Anishnawbek hereby confirms that the above named applicant(s) have been granted use of Atikameksheng Anishnawbek reserve lands for the purpose of _____.

Chief and Council
Atikameksheng Anishnawbek

Date Approved:

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Approval Initials:

APPENDIX D – Band Council Resolution

Date Approved:

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Approval Initials: