



Broker Information Kit

TD Broker Services, the name you can trust!

We are a national lender that is dedicated to service excellence. Our competitively priced products are designed to help Brokers develop credit solutions that address our customers' unique borrowing needs.





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the name you
can trust.**

Our Value Proposition

The Toronto-Dominion Bank (TD) is one of the largest Real Estate Secured Lenders in Canada and we are committed to providing elevated advice, and accurate and fast service to our customers. With a wide range of competitively priced products and our industry leading service platforms, we are helping Brokers exceed our customers' home financing needs. We provide a team of dedicated, knowledgeable, and professional Regional and Inside Sales Managers who make it easy for Brokers to grow their business.



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1. TD Broker Support Contacts

1.1. TD Mortgage Solutions (TDMS)

Overview

TD Mortgage Solutions (TDMS) adjudicates and funds all deals received through the Broker Channel across Canada, except for Northwest Territories, Yukon and Nunavut. There are three support centres across the country. Deals are routed to a centre based on the property location, however, TD reserves the right to reroute deals, if required.

Support Centre Information

Support Centre	Hours and Phone
Toronto Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2144
Vancouver Centre	Hours: Monday to Friday from 8:30am to 5:00pm (PT) Phone: 1-855-522-2155
Montreal Centre	Hours: Monday to Friday from 8:30am to 5:00pm (ET) Phone: 1-855-522-2166

Who Do You Contact?	Services Available
TD Mortgage Solutions Website	<ul style="list-style-type: none">www.tdmortgagesolutions.comFor specific information on your deal (Approval status, conditions outstanding, Underwriter and Fulfillment Specialist contact information)General information (Broker Information Kit, TD Products, TD Forms, Rates)
TD Mortgage Solutions Fulfillment Specialist	<ul style="list-style-type: none">To discuss specific documentation questions related to your deal.
TD Mortgage Solutions Underwriter	<ul style="list-style-type: none">To discuss questions related to the adjudication of your deal.To discuss a new/potential deal.
TD Mortgage Solutions Manager	<ul style="list-style-type: none">Exception requests or escalations beyond your Underwriter
TD Regional Sales Manager or Inside Sales Manager	<ul style="list-style-type: none">To discuss a new/potential deal.Local market expertise assisting you in building your business.

Where do I send supporting documents and appraisals?

- Supporting documents are to be sent via email or fax to your dedicated Fulfillment Specialist showing on your deal on the [TDMS](#) website.
- Appraisals are to be sent by the approved Appraisal Mortgage Company (AMC) via email to the dedicated Underwriter showing on your deal on the [TDMS](#) website.
- All files are required to be complete 10 business days prior to the closing date to ensure a seamless transaction for our mutual customers.

1.2. TD Broker Services Compensation

- For questions related to Referral Fees:
 - Email td.brokers@td.com. Include the TD reference or deal number in the email.
 - Local: 416-983-3612 or Toll Free 1-888-233-1627
 - Fax: 416-943-8700 or Toll Free 1-833-943-8700
- Refer to [Referral Fee Program](#) for more information.
- TD will only discuss deal specific details with principal Brokers or directors or their designated delegates.

1.3. Multi-Unit Residential Mortgages (MUR)

- For questions related to MUR Mortgages:
 - Email: TD.CMGTRI@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-308-0778
 - Website: <http://www.tdcanadatrust.com/mur/index.jsp>

1.4. Commercial Mortgage Group

- For questions related to Commercial Mortgages:
 - Email: murinfo@td.com
 - Phone: 1-877-299-9058
 - Fax: 416-308-0778

1.5. Confirmation of Property Insurance Coverage

- Customers will need to provide confirmation that adequate property insurance coverage exists. TD will be endorsed as the loss payee as follows:

Properties in...	Address
British Columbia, Alberta, Saskatchewan and Manitoba	TD Canada Trust 500 Edmonton City Centre, 10205 - 101 st NW, Edmonton, AB, T5J 5E8
Rest of Canada	TD Canada Trust Creekside CAS, 4720 Tahoe Blvd, Bld#1, 3 rd Floor Mississauga, ON, L4W 5P2

1.6. Use of TD Logo — Written permission by TD is required

TD branded material (i.e., logos, trademarks, presentations, etc.) is the intellectual property of The Toronto-Dominion Bank and cannot be used as collateral on third party websites or other advertising platforms without prior written consent from TD.

If you have an advertising or brand request or have any questions about how we can support your business in this capacity, please do not hesitate to reach out to your dedicated Regional or Inside Sales Manager.

1.7. TD Protection Plans

- For questions related to TD Protection Plans for TD Mortgages and TD Home Equity FlexLines:
 - Email: TD.brokerprotectionsupport@td.com
 - Visit the [TD Protection Plans Broker Resource Centre](#) (also includes the Online Customer Referral Form link).

2. Referral Fee Programs

2.1. Broker Referral Fees

Overview

The fee structure is established based on volumes to be generated for TD and is effective January 10, 2022 and supersedes any prior versions which are no longer effective as of January 10, 2022.

TD Home Equity FlexLine Referral Fees

Component	Referral Fee
Revolving Portion <ul style="list-style-type: none"> ▪ The Plan Limit of the TD Home Equity FlexLine less the term portion balance on day 1 ▪ Paid at funding 	25 BPS
Term Portion <ul style="list-style-type: none"> ▪ Fixed Rate – 1 to 5 year closed ▪ Variable Rate – 3 and 5 year closed ▪ Paid at funding 	Refer to chart below
Drawdown <ul style="list-style-type: none"> ▪ Revolving portion – daily average balance up to day 90 ▪ Paid at day 90 	35 BPS

TD Mortgage and TD Home Equity FlexLine Term Portion Referral Fees

Term	Mortgage Referral Fee	Term Portion Referral Fee
6-month convertible closed	55 BPS	N/A
1-year closed – fixed rate	55 BPS	55 BPS
2-year closed – fixed rate	55 BPS	55 BPS
3-year closed – fixed rate	60 BPS	60 BPS
4-year closed – fixed rate	70 BPS	70 BPS
5-year closed – fixed rate	75 BPS	75 BPS
6-year closed – fixed rate	80 BPS	N/A
7-year closed – fixed rate	85 BPS	N/A
10-year closed – fixed rate	110 BPS	N/A
3-year closed – variable rate	N/A	60 BPS
5-year closed – variable rate	75 BPS	75 BPS

Notes:

- TD reserves the right to change the fee structure at any time
- Application fees cannot be charged to customers in situations where TD pays Referral Fees.
- There is no auto rate drop policy at TD. In order to have a new lower Broker rate apply, you must contact your Underwriter via email to request the lower Broker Rate. If your customer is also looking for additional discretionary pricing, you must go to your RSM or ISM for approval. Should the customer wish to change the term or product within the 120-day commitment period, the interest rate will be the applicable rate at the time of the requested change.

Broker Referral Fee Eligibility:

- **TD only pays on new money:**
 - In cases where a credit application is for a port of existing terms into a new mortgage (Port), then Referral Fees are only payable on new monies added to the amount being ported. Ports are not available for TD Home Equity FlexLines.
 - In cases where the Replacement Policy applies, Referral Fees will be based ONLY on the new money. If the replacement credit product funds within 120 days from date of maturity or at maturity,

then Referral Fees will be paid in full on the new account. Refer to the [Replacement Policy](#) section for more details, including eligibility and restrictions.

- Refer to the table below for TD Home Equity FlexLine new money calculations. For refinances of a TD Home Equity FlexLine on the same subject property, referral fees are only paid on the incremental increase of the Original Plan Limit of the new TD Home Equity FlexLine compared to the Current Plan Limit of the existing account (see table below for details).

TD Home Equity FlexLine New Money Calculation

Component	Purchase or Refinance (New Property)	Refinance (Existing Property)
Revolving Portion	New Plan Limit minus new Term Portion amount.	<p>New Plan Limit minus new Term Portion amount.</p> <p>If existing debt is a TD Home Equity FlexLine, then the existing Revolving Portion is deducted from the new Revolving Portion.</p> <p>If existing Revolving Portion > new Revolving Portion, the remainder is subtracted from the Term Portion.</p>
Term Portion	New Term Portion balance at funding less existing RESL debt (Term Portion and/or Mortgage principal balance). If existing RESL debt > new Term Portion, the remainder is subtracted from the Revolving Portion.	New Term Portion balance at funding less existing RESL debt (Term Portion and/or Mortgage principal balance). If existing RESL debt > new Term Portion, the remainder is subtracted from the Revolving Portion.
Drawdown	Average of daily balance at day 90 (sum of revolving principal balance at the end of each day divided by number of days since funding).	Average of daily balance at day 90 (sum of revolving principal balance at the end of each day divided by number of days since funding).

Broker Referral Fee Ineligibility:

- Referral Fees will not be paid on:
 - Anything listed as ineligible in the following section: [Eligible and Ineligible Products, Properties, Purpose and Programs](#)
 - Bridge Loans
 - Other real estate secured transactions where the applicant is an existing TD customer who has discussed financing with a TD Canada Trust branch 120 days (180 days for Quebec) prior to the date of the referral or purchase of the respective property.
- TD does not permit Brokers to conduct their own personal mortgage transactions. As such, these deals will not be approved, and Referral Fees will not be paid.

Special Offers:

- Limited duration special offers are made available from time to time. Details of these offers and the applicable Referral Fees are communicated via the Broker Rate Sheet.

General Referral Fee Information:

- Pay details are sent via secure email or fax every Friday afternoon.
- Direct deposits to accounts will occur within three to four business days from the advance date.
- TD will only discuss deal specific details with principal Brokers or directors or their designated delegates.

TD Broker Services Compensation Contact Information:

- Email td.brokers@td.com for any pay related questions – Include the TD reference or deal number in the email.
- Local: 416-983-3612 or Toll Free 1-888-233-1627
- Fax: 416-943-8700 or Toll Free 1-833-943-8700

2.2. TD Protection Plan Referral Fees

Overview

Referral Fees will be paid on all successful TD Mortgage Protection and TD Line of Credit Protection (this is the brand name for the creditor insurance for TD Home Equity FlexLine) qualified referrals for Life or Life and Critical Illness Insurance per eligible insured borrower, based on the insured amount of their TD Mortgage, or the insured balance of their TD Home Equity FlexLine. This referral fee program is subject to review annually.

TD Mortgage Protection

- Up to 20 BPS per insured borrower, to be paid in two installments:
 - First payment: 10 bps paid 90 days after effective date of coverage
 - Second payment: 10 bps paid 15 months after effective date of coverage

TD Line of Credit Protection

- Up to 20 BPS per insured borrower, to be paid in two installments:
 - First payment: 10 bps paid on average insured balance 90 days after effective date of coverage.
 - Second payment: 10 bps paid on average insured balance from 12th to 15th month from effective date of coverage.
 - A minimum of \$100 will be paid for the first payment. There is no minimum payment for the second payment.

Notes:

- TD only pays on qualified TD Mortgage Protection and TD Line of Credit Protection referrals.
- A qualified referral means:
 - TD has received a completed referral form from the Broker; and
 - The eligible borrower has completed a TD Mortgage Protection or TD Line of Credit Protection application which has been approved by TD Life for Life or Life and Critical Illness Insurance; and
 - The eligible borrower's coverage has been active for:
 - At least 90 days for the first payment; and
 - At least 15 months for the second payment.
- Due to regulatory constraints, a TD Protection Plan referral by a Broker operating under their Quebec license will not qualify for the Referral Fee for TD Protection Plans.

Broker Referral Fees are not applicable on:

- TD Protection Plan referrals where the eligible borrower has applied and is approved for Mortgage or Line of Credit Life or Life and Critical Illness Insurance, but:
 - Maintains their coverage for less than 90 days.
 - Maintains their coverage for less than 15 months (second payment only).

3. Lending to Customers

3.1. TD Know Your Customer (KYC) Guidelines

Overview

Anti-Money Laundering (AML) legislation requires TD know who the customer is and complete Know Your Customer (KYC)/AML information any time a new TD product is offered. As part of the credit application process, TD's minimum expectation is that all customers have their identity verified in a face-to-face meeting. Please inform the customer adequately in this regard. Identification information must be obtained and verified for each customer to establish:

- First and last Name
- Date of birth
- Full Residential Address (collect and record the following details):
 - Street Address (PO Box is not acceptable)
 - If an individual does not have a residential address, then a rural route (RR) number and the legal description of the property (e.g. North Quarter of SW4- 18-22) is acceptable
 - Names of Canadian Force Bases or Native Reservations
 - City, Town
 - Province
 - Postal Code (if applicable)
 - Country
- Nature of Principal Business or Occupation
- Employer name and full address (PO Box is not acceptable), and phone number
- ID must meet TD Standards as outlined in the **Identification** section below

3.2. Appropriate Product Assessment

Overview

TD must ensure that Brokers and Brokerages offer or sell products and services to customers are appropriate for the person based on their circumstances, including their financial needs. TD Broker Services will provide training based on the requirements outlined below.

An Appropriate Product Assessment must be offered to each customer prior to offering or selling a product or service. If a product or service is being offered or sold to more than one customer, a separate assessment is not required for each customer, provided one customer signs the form attesting that the information captured represents the needs and circumstances of all customers.

Mortgages and TD Home Equity FlexLines:

During your regular needs-based conversation, specific questions or topics must be discussed with the customer(s) to help ensure the appropriate TD Product is selected:

- Need or desire for ongoing access to credit, including ability to manage.
- Understanding of product features, and customer level of comfort and importance around rate types.
- Term length requirements, and future potential prepayment charges through home sale or refinance of existing product(s).

The Broker Commitment Letter package now contains a Appropriate Product Assessment form based on the product(s) selected and captures the key discussion points or parameters of the product(s) as well as the customer's decision to:

- Participate in a needs-based conversation with the Broker.
- Decline to participate in a needs-based conversation with the Broker.
- Agree or disagree with the Broker's recommendation.

Important Note: The Broker must have the customer re-sign a new Appropriate Product Assessment form if changes are made to the product or product parameters, including product type, rate type and term length.

Bridge Financing:

- Broker must confirm the purpose of the funds is to bridge the purchase and sale of a home prior to offering

a Bridge Loan. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on the current residence closes, the Bridge Loan is paid off with proceeds from the sale. If the purpose is not to bridge the purchase and sale of a home, then have the appropriate product assessment conversation for the recommended product.

- **Note:** All **qualified** Bridge Financing applications will be processed by a Broker Credit Assistant (BCA) and BCA will have the Appropriate Product Assessment Forms printed and signed by the customer during application (refer to Bridge Financing (via Broker Credit Assistant)).

3.3. Identification

Mortgagor/Guarantor Identification:

- Customer identity must be verified prior to releasing funds to the Mortgagor(s).
 - **Signing with solicitors or notaries:**
 - Solicitor/notary will contact the Mortgagor(s)/Guarantor(s) to ensure that they have the appropriate identification when signing the TD Mortgage or TD Home Equity FlexLine and Term Portion Amendment Agreement (if applicable).
 - Solicitor/notary may independently confirm that the address and telephone number used to contact the Mortgagor(s)/Guarantor(s) corresponds with the address and telephone number in the documentation provided by TD.
 - **Note:** Solicitor ID Form must be completed with the customer present.
 - **Signing with First Canadian Title (FCT) remote signor:**
 - FCT remote signor will contact the Mortgagor(s)/Guarantor(s) to ensure that they have the appropriate identification when signing the TD Mortgage or TD Home Equity FlexLine and Term Portion Amendment Agreement (if applicable).
 - FCT remote signor may independently confirm that the address and telephone number used to contact the Mortgagor(s)/Guarantor(s) corresponds with the address and telephone number in the documentation provided by TD.
- **Important:** Out of country signing is not permitted.

Identification Guidelines

- Each Mortgagor, Guarantor and, where applicable, Attorney under a Power of Attorney (POA) must present the broker with one original piece of AML Acceptable Photo Identification from the list below for examination. No other form of identification is acceptable - no exceptions.
- All identification must:
 - Be original
 - Be authentic (e.g. document must appear to be genuine and have the character of an original, credible, and reliable document)
 - Be current (e.g. not expired)
 - Be valid (The identification document or identification information must appear legitimate and not appear to have been altered)
 - Include a unique reference number or identifier
- KYC information **must** be reviewed, updated and confirmed **each time a credit application is submitted**.
- Each Mortgagor, Guarantor and, where applicable, Attorney under a POA is required to be physically present and the original identification documents must be viewed in person.

Important: The solicitor/notary/FCT remote signor will only accept one piece of government issued photo ID from the AML Acceptable Photo Identification list below. There are no exceptions. Brokers must confirm that the customer has the required identification available when meeting with the solicitor/notary or FCT remote signor to sign the credit documentation. Please set the expectations with your customer prior to proceeding with the approval.

AML Acceptable Photo Identification List

Select one from the following list:

Acceptable Photo Identification	Requirements
Driver's License (Canadian)	Expiry date: mandatory
▪ Quebec Driver's License (only if offered by the customer)	
Passport (Canadian)	Expiry date: mandatory

Passport / Passport Card (U.S.A.) <ul style="list-style-type: none"> Passport cards include Given Names and Surnames, Nationality, Gender, Place of Birth, Date of Issue and Date of Expiration, Passport Card Number 	Expiry date: mandatory
Passport (International – excluding U.S.A.)	Expiry date: mandatory
NEXUS Card	Expiry date: mandatory
Permanent Driver's License (U.S.A.)	Expiry date: required if available
Certificate of Indian Status (Canadian) <ul style="list-style-type: none"> Either a paper-laminate or plastic card. Upon renewal, cardholders are being transitioned to Secure Certificate of Indian Status (Canadian) Cards 	Expiry date: required if available
Secure Certificate of Indian Status (Canadian) <ul style="list-style-type: none"> Features include (but not limited to) several security improvements such as laser engraving and a window, appearing as a clear area in the card that allows a secondary photo image of the cardholder to be visible from both sides. 	Expiry date: required if available
Military Identification Card (Canadian) <ul style="list-style-type: none"> Issued by the Canadian Department of National Defence 	Expiry date: required if available
Permanent Resident Card (Canadian)	Expiry date: mandatory
Canadian Government Issued ID Card (Federal, Provincial, or Territorial) <ul style="list-style-type: none"> Examples include Enhanced ID Cards (BC, AB, MB), the SK Non-Driver Photo Card and Photo ID Cards (NB, NL) 	Expiry date: required if available
Canadian Citizenship or Naturalization Card/Certificate <ul style="list-style-type: none"> Must be issued prior to 2012 as they no longer produce a plastic wallet-sized citizenship certificate with photo 	Expiry date: required if available
Firearms License (Canadian) <ul style="list-style-type: none"> Two types of cards are acceptable: a POL (possession only) license or a PAL (possession and acquisition) license 	Expiry date: required if available
Health Card (BC, SK, NL, NB, YK, NU, NT, QC) <ul style="list-style-type: none"> QC health Card - Only if volunteered by the customer 	Expiry date: required if available

3.4. Customer Occupation

Overview

While there are existing fields within the Broker application system to complete for occupation, TD real estate secured lending products require additional occupation description information in order to meet regulatory requirements.

For each mortgagor/guarantor/attorney under Power of Attorney (POA), you are required to collect and record information that clearly describes what the mortgagor's/guarantor's occupation is, rather than using a general term. Occupation should describe the day to day activity the individual performs to earn an income. Be as descriptive as possible when collecting occupation information, describing the day to day activity the individual performs to earn an income. For example, in the case of a business management professional, the occupation recorded should reflect the area of work, such as "Strategic Plan/Intelligence Consultant" or "Hospital/Clinic Administrator". As another example, in the case of a medical/health professional, the occupation should reflect the nature of the work, such as "Nutrition and Diet Counsellor" or "Ophthalmologist".

The following occupation information should be included in the comments section along with any deal specific comments that would normally occupy this field. Please indicate the following for each mortgagor/guarantor/attorney under POA based on the tables provided below:

- Employment Status
- Occupation Category
- Occupation Description

Table 1 - Employment Status

Please confirm with the mortgagor(s) /guarantor(s)/attorney under POA the appropriate Employment Status from the list below and take the action as indicated in the Action Required column:

Employment Status	Action Required
Employed (Full-time, Part-time)	Record Employment Status as well as Occupation Category and Description as per the table in the Appendix
Unemployed	Only include the Employment Status
Retired	Only include the Employment Status
Student	Only include the Employment Status
Homemaker	Only include the Employment Status

Table 2 – Occupation Category and Occupation Description

For employed mortgagor(s) /guarantor(s)/attorney under POA please confirm both their Occupation Category and the appropriate corresponding Occupation Description as outlined in the **Occupation Category and Occupation Description** table in the Appendix.

3.5. SIN Information

In situations where customers have not provided their Social Insurance Number (e.g. customer does not have a valid SIN or has refused to provide one for privacy reasons), enter XXX-XXX-XXX on the credit application to ensure the credit bureau is flagged appropriately.

3.6. Enhanced Due Diligence (EDD)

Overview

Certain personal relationships are high risk and require EDD due to the potential for money laundering or terrorist financing activity. Some customer(s) are identified as High Risk such as but not limited to the following:

Politically Exposed Foreign Persons

- A Politically Exposed Foreign Person (PEFP) is an individual who holds or has ever held one of the following offices or positions in or on behalf of a foreign country, which may include:
 - Head of state or government;
 - Member of the executive council of government or member of legislature;
 - Deputy minister (or equivalent);
 - Ambassador or an ambassador’s attaché or counselor;
 - Military officer with the rank of a general or above;
 - President of a state-owned company or state-owned bank;
 - Head of a government agency;
 - Judge;
 - Leader or president of a political party represented in a legislature.

Politically Exposed Domestic Persons

- A politically exposed domestic person or PEDP is an individual who holds – or has held within the last five years – a specific office or position in or on behalf of the Canadian federal government, a Canadian provincial government, or a Canadian municipal government:
 - Governor General, lieutenant governor or head of government;
 - Member of the Senate or House of Commons or member of a legislature;
 - Deputy Minister or equivalent rank;
 - Ambassador, or attaché or counsellor of an ambassador;
 - Military officer with the rank of general or above;
 - President of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province;
 - Head of a government agency;
 - Judge of an appellate court in a province, the Federal Court of Appeal or the Supreme Court of Canada;
 - Leader or president of a political party in a legislature;
 - Mayor*.

* A mayor is the head of a city, town, village, or rural or metropolitan municipality, regardless of the size of the population. "Mayor" includes Reeves and extends to Aboriginal Band Council leaders.

Heads of International Organizations

- The head of an international organization or the head of an institution established by an international organization is an individual who holds – or has held within the last five (5) years – the position as either:
 - The head of an international organization established by the governments of states;
 - The head of an institution established by an international organization;
- The head of an international organization or the head of an institution established by an international organization refers to the primary person who leads that organization, for example a president or CEO;
- Examples of international organizations include:
 - European Space Agency
 - International Criminal Court
 - United Nations
 - World Health Organization

Family Members

- A customer is also considered a PEFP, PEDP, or HIO if they are a family member of an individual described above. In this context, a family member means one of the following:
 - mother or father
 - child (biological or adoptive)
 - spouse or common-law partner
 - spouse's or common-law partner's mother(s) or father(s)
 - brother, sister, half-brother or half-sister (that is, any other child of the individual's mother or father).

Close Associates

- A close associate is an individual who is widely and publicly known (or is known by TD Bank) to maintain a close relationship with the PEFP, PEDP or HIO and includes a person involved in substantive transactions with or on behalf of a PEFP, PEDP or HIO. Such persons would include for example:
 - A general partner of a partnership
 - A person with power of attorney or trading authority over a PEFP, PEDP or HIO 's account or holdings;
 - A person who has given power of attorney or trading authority over their account to a PEFP, PEDP or HIO;
 - A personal advisor to a PEFP, PEDP or HIO with influence on financial, military, legal or political matters;
 - A third party on an account that has been identified by the customer or the PEP;
 - Anyone operating an account for the benefit of a PEP; or
 - Any parties that hold joint products with a PEFP, PEDP or HIO or immediate family member of a PEFP, PEDP or HIO;
 - Any parties that are guarantors/guarantees with a PEP or HIO of a credit product;
 - A stepchild or a step sibling (if not legally adopted), could be considered a close associate.
- In the event that a PEFP is self-disclosed, the Broker must include a note in the Comment section of the application.
- **Important:** Do not, under any circumstances, ask whether the customer is a PEFP or disclose to the customer that the credit application is being reviewed under EDD.

Red Flags:

- A 'red flag' is an indicator that helps to identify potential fraud, money laundering or terrorist financing. Financial transactions or patterns of customer activity where there are reasonable grounds to suspect that it is related to attempted money laundering and/or terrorist activity financing offence should be noted.

Prohibited Customers:

- Financial institutions, including TD, are prohibited from opening Accounts for the following customer types:
 - Shell Banks;
 - Money Service Business (MSB)
 - Customers whose identity cannot be collected or verified within the prescribed timeline and in accordance with the TD's requirements; and
 - Sanctioned entities or individuals and customers engaging in sanctioned activities; Refer to the [Broadly Sanctioned Countries](#) policy
 - If a Broker comes across a customer on the prohibited list, add a note in the comments section of the application to advise the Underwriter.

3.7. Mortgage Fraud (Misrepresentation)

Overview

Mortgage fraud (misrepresentation) is when a customer intentionally provides inaccurate, incomplete, or false information to a lender in order to secure a mortgage that they might not otherwise be granted.

Authenticating Your Customer

- The identification provided by prospective customers at the time of the initial interaction will be used to validate who the customer is.
- We must practice diligence with all forms of identification.
- Careful review must be completed to ensure identification presented is authentic and valid.
- Refer to [Identification](#) for more information.

Misrepresentation on a credit application

It is important to remember that a red flag on a deal doesn't always mean the deal is fraudulent; however, it is information that requires further questioning or clarification. Generally, the more red flags you identify the more risk of fraud or misrepresentation, the more need there is to probe and question.

- Details of the application are vague or contradictory
- There is a large difference in value/size between the existing and new residence
- Large variances in income year over year
- New earnings substantially greater than previous
- Large income and low or negative net worth.
- High Ratio Private Sales
- Unreasonable income for the job title. Example: Pizza driver making \$65,000 a year.
- The income/employment does not make sense for the customer's age, years of service and education.
- The property that is being purchased is outside of the customer's present location of employment.

Mortgage Misrepresentation Red Flags at a Glance

The following information provides a guide to assist with additional due diligence activities. This does not represent an exhaustive list of due diligence options, which will vary depending on the uniqueness and number of concerns identified.

Red Flag	Why is it a red flag?	What should you do?
Customer requests a 'Rush Deal'.	<ul style="list-style-type: none"> ▪ By rushing the deal, the customer may be able to reduce our due diligence and the amount of information we request/confirm. 	<ul style="list-style-type: none"> ▪ Ask the customer probing questions. Why do they need the funds so quickly? ▪ Ensure all required due diligence is performed and all required documentation is collected and in order.
Credit Bureau Alerts: <ul style="list-style-type: none"> ▪ SIN not matching ▪ Employer does not match ▪ Identity theft comment ▪ Excessive credit granted and number of inquiries ▪ SIN associated with more than one name ▪ SIN associated with more than one address ▪ Verify consumer's identity ▪ SIN reported lost or stolen ▪ File name variation 	<ul style="list-style-type: none"> ▪ Could be a case of customer impersonation or identity theft. 	<ul style="list-style-type: none"> ▪ Verify that customer information on the credit bureau matches what is provided in the application. ▪ When an alert appears on a credit bureau report, the Underwriter will call the borrower to confirm the following information: <ul style="list-style-type: none"> ○ Date of birth ○ Current employer ○ Current address ○ Confirmation that the applicant has applied for a mortgage ○ The address of the subject property

<p>Unrealistic income amounts (e.g. 20-year-old IT Programmer earning \$200,000/year, Retail Store Clerk earning \$100,000/year).</p> <p>Letter of Employment or paystub appears to have different style, fonts or signature or appear to be cut and paste.</p>	<ul style="list-style-type: none"> ▪ Employment may not be legitimate, or income letter/paystub may be falsified. 	<ul style="list-style-type: none"> ▪ Consider age, education, length of time with employer ▪ Compare income to similar industry type roles. ▪ Consider if income confirmation includes commission or bonus type payments. ▪ Ask for further income confirmation.
<p>Documentation issues:</p> <ul style="list-style-type: none"> ▪ Spelling mistakes or different font styles. ▪ Person signing the employment letter is non-arm's length from the borrower (e.g. parent or other close relation). ▪ Recent, old, or undated documentation. ▪ Third party provides documentation. ▪ Vague or generic job title (manager, supervisor, consultant, sales). ▪ Employment documentation lacks important details that would make it difficult to contact or locate the employer. 	<ul style="list-style-type: none"> ▪ Risk that documentation may be falsified or altered. 	<ul style="list-style-type: none"> ▪ Confirm employer via Yellow Pages or Google. ▪ Ask for additional documentation to support employment and income if suspicious.
<p>Purchase and Sale Agreement concerns:</p> <ul style="list-style-type: none"> ▪ No signatures / names on document. ▪ Signatures do not match potential customer. ▪ No amendments to original purchase price. ▪ "As Is" or handyman special clause. ▪ No conditions. ▪ No waivers attached. ▪ Incomplete version. 	<ul style="list-style-type: none"> ▪ Risk of customer misrepresentation. 	<ul style="list-style-type: none"> ▪ Ask detailed questions to alleviate concerns. ▪ Search the address using Google (or similar search engines). Often if the property is a known address, information may be of value (e.g. Grow-ops, City Condemnation Order, Public Health Notice, etc.).
<p>Real Estate Agent represents both the seller and buyer.</p>	<ul style="list-style-type: none"> ▪ Risk of conflict of interest – may be involved in perpetrating the fraud. 	<ul style="list-style-type: none"> ▪ Look for disclosure of dual representation and if it is not evident, ask the customer if they are aware that their agent is acting for both the seller and buyer.
<p>MLS Concerns:</p> <ul style="list-style-type: none"> ▪ Only an internet version provided. ▪ Listing agent different from agent on the Purchase and Sale Agreement. ▪ Date of listing / expiry date is not evident. ▪ Reasonability of the list price versus the selling price. 	<ul style="list-style-type: none"> ▪ Listing may not be legitimate. 	<ul style="list-style-type: none"> ▪ Search listing on MLS

Amount or source of Down Payment does not seem reasonable in context of the deal.	<ul style="list-style-type: none"> ▪ Risk of mortgage misrepresentation. 	<ul style="list-style-type: none"> ▪ Refer to information on Down Payment Reasonability in Down Payment and Closing Costs
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What should you do if you have a deal with multiple red flags and question the authenticity of the customer or the information they are providing?

- Ask more probing questions surrounding the red flags. If possible, independently confirm the material in question or request additional documentation to support the request. For example, call to verify income, conduct an internet search for the company to see if it is valid, ask/check for tax returns.
- As always, follow KYC Guidelines to verify the customer's identity. Receive and review original supporting documents directly from the customer. Do not accept documentation from a referral source or via fax/scan.
- Review the application again in its entirety for accuracy and reasonability.
- Confirm you have carefully reviewed and validated all required documentation received.
- Any red flags that appear in a transaction should be considered seriously.

[TD Know Your Customer \(KYC\) Guidelines](#) is the key defense in preventing mortgage misrepresentation and supports three key requirements:

- Better ability to satisfy regulatory, documentary and bank requirements.
- Better knowledge of customer needs which helps you deliver the right products and services for your customer.
- Better awareness of potential fraud.

This knowledge helps you expand your business by building lasting customer relationships while maintaining controls and safeguards, which helps protect your reputation.

Fraud Concerns?

- If concerns still remain after your due diligence is completed, submit the credit application to TD Mortgage Solutions (TDMS) with details of your concerns in the comments. The Underwriter will review the credit application and comments and escalate to the appropriate area for further review.
- It is important that you do not relay your concerns to the customer (this may be considered tipping).

3.8. Credit Applications with Connections to Certain Sanctioned or High Risk Jurisdictions

Overview

Applications that have a connection to certain high risk or sanctioned countries may be subject to additional due diligence by TD Mortgage Solutions (TDMS). These jurisdictions currently include Iran, North Korea and Syria.

Here's what you need to know:

- When a borrower, guarantor or attorney under Power of Attorney (POA) is affiliated with a high risk or sanctioned country, TDMS will conduct an additional review prior to final credit approval. This review includes, but is not limited to:
 - **Residency:** The applicant is living in the sanctioned or high-risk jurisdiction for all or part of the year. Note: This includes applicants who are normally residents of the sanctioned or high-risk jurisdiction but are living in Canada temporarily (e.g. Temporary Resident Permit/Visitor Visa, Work Permit, Study Permit, etc.).
 - **Employment:** The applicant is employed by an entity in the sanctioned or high-risk jurisdiction.
 - **Commercial Activity:** The applicant has business interests in the sanctioned or high-risk jurisdiction.
 - **Source of Wealth/Funds:** The applicant has received, or may receive, funds directly or indirectly that originated in the sanctioned or high-risk jurisdiction (e.g. for the down payment or future payments, etc.).
- The Underwriter may contact you for more information.
- Please note that a review can result in a delay of the credit decision.

- Do not provide any information to the customer that their application is being reviewed due to a connection with a sanctioned or high-risk jurisdiction.
- In situations where a customer declares they have a Government License/Permit to conduct transactions involving a Sanctioned Country, such license or permit should be submitted as part of the credit application for review.

3.9. Privacy

Overview

Protecting the privacy and confidentiality of personal information is fundamental to the way we do business within TD Bank Group (TD). As agreed by you in the Brokerage Services Agreement with TD, you agree to treat any personal information provided to you by TD, potential customers, customers or brokerage as strictly confidential and in accordance with applicable privacy laws.

The TD Privacy Code informs individuals of the ways we help protect the privacy and confidentiality of their information. The Code applies to any person who has requested from us, or offered to provide a guarantee for, any product or service offered by us in Canada; and individuals carrying on business alone or in partnership with other individuals and signing officers of our business customers.

TD's Privacy Code describes the practices we have in place relating to the management of personal information at TD in Canada. The word "information" means personal, financial and other details that customers provide to us and we obtain from others within or outside our organization, including through the products and services customers use.

The Code consists of five key principles:

- Collecting and using information
- Releasing information
- Protecting information
- Providing information access and accuracy
- Respecting and responding to privacy concerns

If you or your customers have questions, please refer to the [TD Privacy Code](#) available on our corporate website.

3.10. Third Party Determination

Overview

When completing a credit application, it must be determined if the TD Mortgage or TD Home Equity FlexLine will be used for, or on behalf of a third party. A third party is defined as a person or business that is not named on the account but who would give directions to the account holder on how to deal with funds received on the TD Mortgage or TD Home Equity FlexLine. This does not include an individual who has formally been granted the authority to give instructions on the account, such as an attorney under a Power of Attorney (POA) or estate representative or a signing officer of a business account.

When determining whether a third party is involved, it is not about who "owns" the money, but rather about who gives instructions to deal with the money.

To help determine if an account is to be used for or on behalf of a third party, ask the customer: "Will the account be used to transact on behalf of or for someone other than you?"

If it's determined that the account is to be used for or on behalf of a third party, information about the third party is to be collected during the account opening process. Our [Third Party Statement](#) must be completed and submitted to TD Mortgage Solutions (TDMS).

If the customer responds 'Yes' to the third-party determination question but does not have all of the third party's information available to complete the form, advise them that you will need the following information prior to funding:

- **Third party is a person:** Name, address (P.O. Box is not acceptable), date of birth, occupation, relationship to account holder and phone number.
- **Third party is a business:** Name, address, nature of business, relationship to account holder, phone number, Business Incorporation Number and place of issuance (if applicable).

If the customer responds 'Yes' to the third-party determination question but is unable to or refuses to provide the mandatory third party information, **do not** proceed with the credit application.

Third Party Determination is not required for:

- An account that has a POA. The POA allows the individual to act as the account holder.

3.11. Cost of Borrowing (COB)

Overview

COB regulations require lenders to disclose to borrowers important information in the credit agreement including costs charged by a lender. Key information that must be disclosed in writing **before** customers enter a borrowing agreement includes:

- Non-interest costs
- Interest rates
- Date when interest accrues/grace period
- Fees and borrowers' rights (such as pre-payment rights)

Failure to disclose the required COB information is a breach of the Bank Act (Cost of Borrowing Regulations) which can result in financial penalties and publication of the violation.

Note: Details of COB are provided to customers when they sign the following Agreements with their solicitor/notary or with the FCT remote signor:

- Mortgage Loan Agreement (MLA) – contains the terms for a TD Mortgage.
- TD Home Equity FlexLine Agreement (FLA) – contains the terms for a TD Home Equity FlexLine.
- The Term Portion Amending Agreement (TPAA) – contains the terms for a Term Portion and is an amendment to the FLA.

If a change to the application results in an impact to COB after the customer has signed the Agreement, a new MLA, FLA or TPAA may need to be printed and signed.

3.12. Solicitor/Notary Dual Representation

A solicitor/notary is permitted to act on behalf of both the vendor and purchaser in residential mortgage transactions if the solicitor/notary is on TD's Approved Solicitors' list and complies at all times with their professional rules of conduct. However, use of Dual Representation for vendor/purchaser should remain the exception and should not be promoted to customers. It remains up to the solicitor/notary to determine whether they can accept the joint retainer and advise TD if they do. Please contact your Underwriter if you have any questions.

3.13. Prepayment Privileges

Overview

Prepayment privileges apply to customers with a closed term mortgage or Term Portion. Prepayments are extra payments made against the mortgage loan that will reduce the amount of interest paid over the amortization period. Prepayments can only be used if principal and interest payments are up to date and all other obligations under the collateral charge and Mortgage Loan Agreement, TD Home Equity FlexLine Agreement or Term Portion Amending Agreement are being met.

With reasonable notice, customers can take advantage of one or more of the following options without charge:

- Each calendar year, one or more **lump-sum payments** totaling up to 15% of the original principal amount. Prepayment amounts cannot be carried forward and used in a later year. The minimum amount that can be prepaid is \$100, and this option cannot be used to pay off the mortgage or Term Portion in full.
- **Increase the amount of the principal and interest payment.** The total of all increases over the term can't exceed 100% of the original principal and interest payment for the term, and there is no limit to the number

of times the principal and interest payment can be increased. The payment amount can later be decreased to the original principal and interest payment for the term.

With reasonable notice, customers can make the following prepayments with a prepayment charge:

- **Lump-sum payment** of more than 15% of the original principal amount, but less than the principal amount still owing. If the 15% prepayment privilege has not been used in the calendar year, it will be applied first. This reduces the principal amount used in the calculation of the prepayment charge. The minimum prepayment amount is \$100.
- Pay off mortgage or Term Portion in full. Customers have the option of using their 15% prepayment privilege, but it is not applied automatically. Customer must request to use it before paying off the mortgage or Term Portion in full.

The following TD documents may help your customer to calculate the prepayment privilege amount:

- Mortgage Loan Agreement
- Mortgage Renewal Agreement
- Amendment to the TD Home Equity FlexLine Agreement
- TD Home Equity FlexLine Term Portion Renewal Agreement
- Annual Mortgage Statement
- Annual TD Home Equity FlexLine Statement

See Section [Enhanced Disclosure of Prepayment Charges](#) for more information.

3.14. Enhanced Disclosure of Prepayment Charges

What is a prepayment charge?

- When a customer decides to pay off their outstanding balance (or pay an amount greater than the allowable prepayment privilege of 15% annually) on a closed term TD Mortgage or TD Home Equity FlexLine Term Portion before the term's maturity date, they may have to pay a prepayment charge.
- For Closed Variable Interest Rate TD Mortgages or TD Home Equity FlexLine Term Portions, this charge is calculated as three months' interest.
- For Closed Fixed Interest Rate TD Mortgages or TD Home Equity FlexLine Term Portions, the prepayment charge is the greater of either:
 - three months' interest, or an
 - Interest Rate Differential (IRD) amount. Refer to the **Mortgage Prepayment Brochure** in the Appendix.
- For full payouts, the 15% annual prepayment privilege is not taken into consideration for calculations of the prepayment charges unless the customer actually makes that prepayment. It is calculated on the payout balance as of the transaction date.

Prepayment Policy for Mortgages with a Five-Year Term or Greater

- Anniversary is based on the most recent funding Interest Adjustment Date (IAD) or Renewal Date. This includes mortgages that have been ported from their original term. The anniversary will be based on the new IAD when the mortgage is ported, not on the original IAD. For example, if a mortgage was originally funded January 1, 2010 and renewed January 1, 2015, the mortgage will reach its 1st anniversary on January 1, 2016 (for discharge calculation purposes).
 - **Example:** Assume the customer has a 10-year term and ports their mortgage in the third year. How to determine the anniversary date and prepayment charge?
 - Refer to the [Fixed Rate Mortgage Prepayment Charge Chart](#) below for information on prepayment charges (applicable to insured and conventional mortgages).
 - If prepayment occurs within first 60 months from the port date, prepayment charge will be based on Column three in the chart.
 - If prepayment occurs after 60 months have passed from the port date, prepayment charge will be based on Column four in the chart.
 - **Note:** When the mortgage is ported, there are only seven years remaining.

Fixed Rate Prepayment Charge Chart for Terms of Five Years or More

Transaction	Prepayment Charge is based on...	Prior to fifth year anniversary (e.g. Prepayment occurs within the first 60 months of mortgage)	After fifth year anniversary (e.g. Prepayment occurs within the 61 st month or any time after that)
Discharge with no replacement	Full amount of discharge	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Partial prepayments in excess of privilege amount	Amount being prepaid in excess of privilege amount	Greater of IRD or three months' interest prepayment charge	Insured or Conventional: three months' interest prepayment charge
Discharge with new TD replacement (non-port)	Full amount of discharge	IRD	Insured or Conventional: three months' interest prepayment charge upon discharge of existing TD mortgage. Rebate of full three months' interest prepayment charge upon replacement. 12-month Replacement policy window and prorating rules apply

Prepayment Privilege Information

- Tools available to customers requesting prepayment information include:
 - Printable Mortgage Prepayment brochure, available at any branch, provides customers with what they need to know about mortgage prepayment charges. Refer to the **Mortgage Prepayment Brochure** in the Appendix.
 - Online Mortgage Prepayment calculator on www.tdcanadatrust.com/prepaymentcalculator that provides customers with an estimate of their prepayment charges. **Note:** As the online prepayment calculator results are estimates only, to obtain the exact prepayment charge amount for your customer, a Discharge Statement must be requested from the branch.
 - Toll-free phone number (English: 1-800-281-8031 / French: 1-800-294-0954) where customers can call for information about prepayment charges and online prepayment calculator support.

3.15. Payment Frequency

Overview

- Customers can choose a payment schedule for a TD Mortgage or Term Portion of weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly or monthly
- For a TD Mortgage, the customer can make this selection with their Solicitor/Notary or FCT Remote Signor when signing the Mortgage Loan Agreement/Transfer In Agreement.
- For a TD Home Equity FlexLine Term Portion, payments are set up as monthly when signing the TD Home Equity FlexLine Agreement Term Portion Agreement. The Term Portion payment schedule can be changed at any time at a TD Branch or through EasyLine.
- For the TD Home Equity FlexLine Revolving Portion, every month, by the due date, a minimum monthly payment is required. The minimum monthly payment is the total amount of interest that has accumulated and is unpaid for the last monthly statement period and any arrears. This amount can be found in the monthly statement.

3.16. Requesting Prepayment Information

Overview

TD has three types of statements related to prepayments:

- **Information Only Statement:** When the customer is only considering paying off their TD Mortgage or TD Home Equity FlexLine (with or without a Term Portion), they can request an Information Only Statement at any TD Canada Trust branch. **Important:** Information Only Statements are only valid on the day they are produced and should not be used to determine final payout amounts. This information is used strictly for general information purposes and for answering customer enquiries. This statement will not provide the Discharge Fee and cannot be used to discharge a TD Mortgage or TD Home Equity FlexLine.

- **Payout Statement:** When the customer is able to reuse the collateral charge, this statement will provide the amount required to payout and close the TD Mortgage or TD Home Equity FlexLine. There are no Discharge Fees in this scenario.
- **Discharge Statement:** This can only be ordered at most 30 days prior to the anticipated payout. This statement provides the balance and any additional fees or charges necessary to payout and discharge the security for a TD Mortgage or TD Home Equity FlexLine.

Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer.

Discharging a Credit Product

- To payout and close either a TD or other financial institution's credit product and discharge the charge using First Canadian Title (FCT) refer to the [TD Refinance Program](#).
- To discharge either a TD or other financial institution's credit product using a solicitor/notary:
 - Ensure your customer confirms that their solicitor/notary will order the Discharge Statement. Note: FCT would make this request for deals under the TD Refinance Program. This would be applicable for either a refinance deal or a new purchase.
- Refer to the **Mortgage Transfer Plan** to transfer a mortgage from another financial institution.

Discharge Fee

- In some provinces, a Discharge Fee is charged to cover costs associated with the preparation of documents needed when a customer has paid their TD Mortgage or TD Home Equity FlexLine in full AND requests a discharge of the collateral charge securing the credit agreement. This fee appears on the Discharge Statement provided to customers and cannot be waived. Note: Discharge Fee is not to be waived outside of policy, fee must be collected at time of payout.

Discharge Fee Inclusions/Exclusions

- The Discharge Fee is charged at the time of payout of a TD Mortgage or TD Home Equity FlexLine to prepare the documents needed to discharge the registered charge. This will apply even if the customer ports or refinances the TD Mortgage or TD Home Equity FlexLine.
- The Discharge Fee is not charged in the following scenarios:
 - Collateral Reuse because the customer is not discharging the security.
 - TD Home Equity FlexLine Split/Shared Security (Fee only applies on final TD Home Equity FlexLine that is paid out and discharged).
 - In certain provinces and territories where we are not allowed to charge the fee (Alberta, Northwest Territories, Nunavut, Quebec).
 - Note: If the customer is refinancing an existing TD Mortgage or TD Home Equity FlexLine using our TD Refinance Program (processed by First Canadian Title), then the discharge fee is included in the cost of the Program.

3.17. Bridge Financing (via Broker Credit Assistant)

Overview

Qualified Bridge Financing applications will be processed by a Broker Credit Assistant (BCA) to assist customer(s) with the sale and purchase of their residence. Bridge Financing may be necessary when the closing date for the purchase is before the closing date for the sale of the current residence. The equity from the current residence is therefore not available on the closing date for the new TD Mortgage or TD Home Equity FlexLine. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on the current residence closes, the loan is paid off with proceeds from the sale.

TD does not provide Bridge Financing to customers who have not agreed to take a TD Mortgage product or TD Home Equity FlexLine.

Guidelines:

Subject	Description
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Eligibility	<ul style="list-style-type: none"> ▪ Short term Bridge Financing is to be used to help customer(s) who are obtaining real estate secured financing with TD. ▪ All parties on title of the existing property must be on the Bridge Loan application as borrowers. ▪ The TD Bridge Loan Financing Agreement must be signed at the same time or following the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement.
Ineligible	<ul style="list-style-type: none"> ▪ The following transactions are not eligible for Bridge Financing at TD: <ul style="list-style-type: none"> ○ Properties located on Leased land ○ Mobile Homes ○ Non-Resident and Non-Permanent/Temporary Resident borrowers
Exclusions	<ul style="list-style-type: none"> ▪ Under the following circumstances, the BCA will not be able to fulfil the Bridge Loan request and customer(s) must be referred to a TD Branch for fulfillment: <ul style="list-style-type: none"> ○ Purchase or Sale in the province of Quebec ○ Applicant names on the TD Mortgage or TD Home Equity FlexLine, both Purchase and Sale Agreements, and Bridge Loan are not identical. For example: <ul style="list-style-type: none"> ▪ A married couple is getting divorced. Both parties are on the Sale Agreement, but the home is being sold during the divorce. Only one party is on the Purchase agreement, new TD Mortgage or TD Home Equity FlexLine, and associated Bridge Loan application. In this scenario, the customer must be referred to a TD Branch as we have non-identical applicants. ▪ A single individual is getting married. He is selling his condo and using the proceeds to buy a new home with his soon-to-be spouse. Only his name appears on the Sale agreement, whereas both names appear on the Purchase agreement, new TD Mortgage or TD Home Equity FlexLine, and associated Bridge Loan application. In this scenario, the customer(s) must also be referred to a TD Branch. ○ Customer(s) who are not comfortable with using TD e-Signature ○ Where document packages need to be in French-only. ○ Where the purchase requires more than one solicitor to be engaged ○ Bridge Loans greater than 90 days from the purchase date. ▪ Note: Refer to Bridge Financing (via TD Branch) to process these transactions.
Rate	<ul style="list-style-type: none"> ▪ TD Prime Rate + 4.00%
Fees	<ul style="list-style-type: none"> ▪ There is no fee for Bridge Loans
Minimum Loan Amount	<ul style="list-style-type: none"> ▪ Minimum loan amount is \$10,000
Security Requirements	<ul style="list-style-type: none"> ▪ For most short-term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory, but customer(s) agree to provide it if required. ▪ Bridge Loan must fund within 90 days post approval.

Processing an Application

- Broker must email the BCA at the generic email TDBRIDGE@td.com with the following details to notify TD of an incoming Bridge Loan application:
 - Last name of primary applicant
 - Purchase property closing date
 - TD credit application number
 - Broker name and Broker contact number
- Once the BCA replies by secure email, the Broker must send the following documents to the BCA by replying to the secured email (or by fax), as outlined in the BCA instructions. **Important:** Customer documentation must never be sent via unsecured email:

- Completed Bridge Loan Consent Form (blank form to be provided by the BCA)
- Bridge Loan Worksheet – **Note:** When completing the Bridge Loan Worksheet, there is a minimum percentage of 1.5% for all closing costs in all provinces with the exception of Alberta (0.5%). The prescribed minimum percentage includes land transfer taxes on the purchase.
- Signed Broker Commitment
- **Firm Purchase and Sales Agreements (for both properties) with applicable waivers**
- **Income Confirmation**
- Current mortgage statement (if not with TD)
- The BCA will not initiate a Bridge Loan Credit Application until the TD credit application is approved.
- The Bridge Loan Credit Application, Privacy Agreement and Pre-Authorized Payment Agreement will be completed with the customer(s) through **TD e-Signature**, TD's digital tool for signing credit applications. The BCA will provide the customer with instructions on how to use TD e-Signature.
- Each customer must have a valid non-shared email address and mobile phone number to use TD e-Signature:
 - Customer(s) cannot share an email address or mobile phone number for receiving documents via TD e-Signature
 - If customer(s) cannot provide an email or phone number that is not shared, they must be referred to a TD Branch to apply for a Bridge Loan.
- Bridge Loan applications are prioritized by closing date and will be reviewed at minimum 15 business days prior to the property closing date, as outlined below:
 - Typically, 12 business days with the BCA, once the complete document package is received.
 - Three business days once released to the solicitor.
 - Note: Turnaround times are subject to change and are based on current real estate activity and volumes.
- Please note, the end-to-end Bridge Loan process will take a minimum of 15 business days from receipt of the complete document package.

Funding

- TD Bridge Loan Financing Agreement is to be signed by customer(s) with the solicitor handling the sale and purchase transactions on behalf of the customer(s).
- The TD Bridge Loan Financing Agreement must be signed at the same time or following the MLA or TD Home Equity FlexLine Agreement – it **cannot** be signed prior to the MLA or TD Home Equity FlexLine Agreement.
- Solicitor must sign the Agreement as well. This will ensure the net sale proceeds from the existing home are directed to TD to repay the Bridge Loan.
- Solicitor must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer(s).
- Please note, the end-to-end Bridge Loan process will take a minimum of 15 business days from receipt of the complete document package.

Proceeds

- Bridge Loan proceeds are advanced 'in trust' to the solicitor, subject to the terms and conditions of the TD Bridge Loan Financing Agreement.
- The Bridge Loan will not be advanced until the TD Mortgage or TD Home Equity FlexLine is advanced.

3.18. Bridge Financing (via TD Branch)

Overview

This process applies to Bridge Financing applications that cannot be fulfilled by a Broker Credit Assistant (BCA).

Bridge Financing assists customer(s) with the sale and purchase of their residence. Bridge Financing may be necessary when the closing date for the purchase is before the closing date for the sale of the current residence. The equity from the current residence is therefore not available on the closing date for the new TD Mortgage or TD Home Equity FlexLine. A Bridge Loan provides the customer(s) with short-term assistance to meet this shortfall. Once the sale on their current residence closes, the loan is paid off with proceeds from the sale.

TD does not provide Bridge Financing to customers who have not agreed to take a TD Mortgage product or TD Home Equity FlexLine.

Guidelines:

Subject	Description
Eligibility	<ul style="list-style-type: none"> ▪ Short term Bridge Financing is to be used to help customer(s) who are obtaining financing with TD. ▪ All parties on title of the existing property must be on the Bridge Loan application as borrowers.
Ineligible	<ul style="list-style-type: none"> ▪ The following transactions are not eligible for Bridge Financing at TD: <ul style="list-style-type: none"> ○ Properties located on Lease land ○ Mobile Homes ○ Non-Resident and Non-Permanent/Temporary Resident borrowers ○ Bridge Loans greater than 90 days from the purchase date.
Rate	<ul style="list-style-type: none"> ▪ TD Prime Rate + 4.00%.
Fees	<ul style="list-style-type: none"> ▪ There is no fee for Bridge Loans.
Minimum Loan Amount	<ul style="list-style-type: none"> ▪ Minimum loan amount is \$10,000.
Security Requirements	<ul style="list-style-type: none"> ▪ For most short-term Bridge Financing requirements, collateral mortgage security on the existing residence is not mandatory. ▪ Bridge Loan must fund within 90 days post approval.

Processing an Application

- Applications must be referred to a local TD Canada Trust branch for processing and not to TD Mortgage Solutions (TDMS).
- The customer must attend the branch to complete the bridge loan and must provide the following:
 - Copy of the Broker Commitment which outlines the new TD Mortgage or TD Home Equity FlexLine details
 - Purchase and Sale Agreements
 - Income confirmation
 - Current mortgage statement (if not with TD).
- Branches are responsible for ongoing maintenance requests of Broker originated TD Mortgages and TD Home Equity FlexLines (e.g. payment frequency changes, PAD information).
- If a customer has specific questions regarding the mortgage rate, the branch will refer the customer to the Broker. All other general questions will be addressed by the branch.

Funding

- A Standard Letter of Direction and Irrevocable Assignment of Funds from real property transactions are prepared.
- The documents are to be signed by customer(s) in the presence of a TD employee and sent to the solicitor/notary handling the sale and purchase transactions on behalf of the customer(s).
- Solicitor/notary must acknowledge the documents. This will ensure the net sale proceeds from the existing home are directed to TD to repay the Bridge Loan.
- Solicitor/notary must conduct a title search to confirm the encumbrances on title are as have been indicated by the customer(s).

Proceeds

- Bridge Loan proceeds are advanced 'in trust' to the solicitor/notary, subject to the terms and conditions of the Letter of Direction.
- The Bridge Loan will not be advanced until the TD Mortgage or TD Home Equity FlexLine is advanced.

3.19. Translating Customer Documentation

Overview

All customer documentation must be submitted to TD Mortgage Solutions (TDMS) in English or French. If any documentation is received in a foreign language, it must be translated to English or French, as applicable.

Full translation of customer document(s) presented must be translated by an independent third-party Canadian Certified Translator from one of the following Directories (see below for links to each provincial Directory):

- The Canadian Translators, Terminologists and Interpreters Council (CTTIC) Directory, or
- The Ordre des traducteurs, terminologues et interprètes agréés du Québec (OTTIAQ).

The translation package to the TDMS Underwriter must include the following:

- Full translation of documentation in PDF format.
- Formal name, letterhead or seal/stamp of translation provider.
- Directory screen print confirming the translator's certification.

Important: To help prevent adjudication delays, it is recommended to include a screen print confirming the certified translator from the Directory and the language(s) they are certified to translate.

- The Directories will also confirm which languages the translator has been certified to translate.
- The stated certified language must match the language of the original foreign document.

Note: If translation services are required, Brokers can refer customers to the CTTIC or OTTIAQ directories where the customer can choose a qualified foreign document translator.

CTTIC Member Directories and Ordre des traducteurs, terminologies et interprètes agréé du Québec (OTTIAQ)

Province	Directory	Name
Alberta	ATIA	Association of Translators and Interpreters of Alberta
British Columbia	STIBC	Society of Translators and Interpreters of British Columbia
Manitoba	ATIM	Association of Translators, terminologists and Interpreters of Manitoba
New Brunswick	CTINB	Corporation of Translators, Terminologists and Interpreters of New Brunswick
Nova Scotia	ATINS	Association of Translators and Interpreters of Nova Scotia
Ontario	ATIO	Association of Translators and Interpreters of Ontario
Saskatchewan	ATIS	Association of Translators and Interpreters of Saskatchewan
Quebec	OTTIAQ	Order des traducteurs, terminologies et terminologies et interprètes agréés du Québec

3.20. Credit Products for TD Employees

Overview

- TD Staff Rates are not available in the Broker Channel. Please advise the customer to reach out to a TD Branch or TD Mobile Mortgage Specialist (MMS).

4. Our Product Line Up

4.1. Business for Self – Insured Without Traditional Income Confirmation (Sagen/Canada Guaranty Only)

Overview:

- Insured Business for Self (BFS) financing is available through Sagen (Alt. A) and Canada Guaranty only.
- Applicants under these guidelines must be self-employed and may be unable to provide traditional income confirmation.
- Applicants must be self-employed for a minimum of two years.
- Note: Commissioned applicants are not eligible for the Insured BFS program.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Fixed rate mortgages ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Purchase Plus Improvements ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied – maximum two units where one unit is owner-occupied ▪ New construction or resale ▪ Purchase price / lending value of up to \$1,000,000
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Non-Resident ▪ Temporary Resident ▪ Refinance <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental properties ▪ Multi-unit properties (except as set out above) ▪ Recreational and cottage properties ▪ Leased land ▪ Second Homes
Maximum LTV	<ul style="list-style-type: none"> ▪ 90% LTV for purchases
Maximum Loan Amount as follows	<ul style="list-style-type: none"> ▪ \$750,000 Metro Toronto, Calgary, Vancouver ▪ \$600,000 Rest of Canada ▪ Note: Maximum One Product using Insured Business for Self policy
Appraisal	<ul style="list-style-type: none"> ▪ Insurer will do an appraisal on all properties and will require: <ul style="list-style-type: none"> ○ The dwelling to be readily marketable. ○ The dwelling to be located in markets with demonstrated ongoing re-sale demand. ○ Estimated remaining economic life of the property should be a minimum of 25 years.
Amortization	<ul style="list-style-type: none"> ▪ Maximum of 25 years

Down Payment and Closing Costs	<ul style="list-style-type: none"> ▪ Minimum 5% own resources without recourse to borrowing. ▪ Remainder can be gifted from immediate family members, but not borrowed. ▪ Minimum 1.5% of the purchase price must be confirmed from borrower's own resources without recourse to borrowing to cover closing costs. ▪ Note: Homebuyers in Alberta will only need to provide confirmation of closing costs equal to 0.5% of the home purchase price.
Occupancy Requirements	<ul style="list-style-type: none"> ▪ All applicants must occupy the property. ▪ Spousal guarantors are accepted provided they occupy the property. ▪ Non-occupant co-borrowers or guarantors are not permitted.
Borrower Qualifications	<ul style="list-style-type: none"> ▪ Self-employed for a minimum of two years or more ▪ No previous bankruptcy ▪ No outstanding taxes owing greater than \$2,001 as per most recent Notice of Assessment (NOA) or T1 General to be confirmed paid – copy to be retained in the credit file for audit purposes ▪ Confirm all TD mortgages are up to date and in good standing with no current or recent arrears ▪ Minimum Credit Score: <ul style="list-style-type: none"> ○ Minimum credit score of 650 for > 80% LTV ○ Minimum credit score of 680 for 80% LTV ▪ Minimum two years on credit bureau with two trade lines ▪ Maximum TDS 42% - based on stated income. An income reasonability review is required ▪ No defaults on any mortgages in past seven years ▪ No delinquencies in past 12 months
Documentation Requirements	<ul style="list-style-type: none"> ▪ Business for Self: <ul style="list-style-type: none"> ○ One form of written third party documentation evidencing a minimum of two full years self-employment such as: <ul style="list-style-type: none"> - GST/HST returns* - Audited financial statements for last two years prepared and signed by a Chartered Accountant (CA)* - Business license - Articles of incorporation ○ Borrowers must be able to demonstrate that they have a minimum two years' experience in the same field. This can include time spent working as a non-self-employed worker in the same field. ○ Copy of Notice of Assessment or T1 General confirming no outstanding taxes owing greater than \$2,001. * TD considers these the preferred methods of confirming self-employment as they provide better evidence of business activity. ▪ Salaried or Supplementary Third Party Income: <ul style="list-style-type: none"> ○ If one of the applicants is salaried or has supplementary third party income not related to their business, this income must be confirmed as per standard income confirmation guidelines to be included in the TDS calculation. ○ T1 Generals with statement of business activities attached for a minimum of two years prepared by an arm's length third-party.
Additional Submission Requirements	<ul style="list-style-type: none"> ▪ Industry type or profession of the borrower ▪ Type of Business ownership (sole proprietor, partnership or incorporated) ▪ Percentage of ownership of the borrower of the business ▪ Stated annual business revenue ▪ Income from Line 15000 from the borrowers' most recent years' Notice of Assessment (NOA)

4.2. Business for Self – Conventional and Insured with Traditional Income Confirmation

Overview:

Applicants under these guidelines must be:

- Self-employed or self-employed professionals.

- Be able to confirm Business for Self (BFS) or professional status.
- Able to provide traditional income confirmation.
- Note: If a self-employed borrower can qualify using the average of two years of self-employed income without gross up, they can be approved under standard conventional lending guidelines. Proof of BFS status is still required.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgages ▪ Fixed Rate ▪ Closed VIRM ▪ Conventional TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Single Advance ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied ▪ Rental up to four units ▪ New Construction ▪ Resale ▪ Leased Land (Conventional)
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured refinance ▪ Applicants on fixed income (e.g. pension) ▪ Salaried applicants ▪ Commissioned applicants ▪ Non-residents ▪ Temporary residents <p>Property:</p> <ul style="list-style-type: none"> ▪ Leased Land (Insured)
Conventional	<ul style="list-style-type: none"> ▪ Self-employed owners of a small limited or incorporated company (subject to no more than two to four shareholders).
Insured	<ul style="list-style-type: none"> ▪ A customer who owns an incorporated company is not eligible for the 15% multiplier as they receive a salary from the Corporation. Qualifying income for these applicants must be based solely on the two-year average from line 15000 of their Notice of Assessments (NOAs).
Maximum Properties	<ul style="list-style-type: none"> ▪ Where income is grossed-up >20% (Conventional Only): <ul style="list-style-type: none"> ○ Up to a maximum of two properties. ○ Note: Maximum two properties is waived when GDS and TDS ratios are in line.
Maximum LTV	<ul style="list-style-type: none"> ▪ Conventional: 80% of the lesser of appraised value or purchase price subject to Sliding Scale.
Gross Up of Qualifying Income and LTV (Conventional)	<ul style="list-style-type: none"> ▪ Confirm self-employed income using the most recent two years T1 General returns and NOAs. Income is based on a two-year average. ▪ Tax Returns must show two full taxation years of BFS income. ▪ Where applicable, Schedules/Worksheets and/or Financial Statements must also be provided; i.e. when income is being grossed-up for a borrower that owns an incorporated business.

- For 2019 Tax Returns and newer, CRA has updated the line numbers to be five digits. For Tax Returns 2018 and older, line numbers are three digits.

Line Name	Pre-2019	2019 and Newer
Employment Income	101	10100
Taxable Dividends / Investments	120	12000
Business Income	135	13500
Professional Income	137	13700
Commission Income	139	13900
Farming Income	141	14100
Fishing Income	143	14300
Rental	126	12600
Total Income	150	15000

- Only self-employed income from the following T1 General Lines is eligible to be grossed up:
 - 13500 – Business Income
 - 13700 – Professional Income
 - 13900 – Commission Income
 - 14100 – Farming Income
 - 14300 – Fishing Income
 - Note: Lines 10100 and 12000 are eligible to be grossed up for owners of incorporated companies on conventional deals only.
- Small incorporated companies (up to four owners) may elect to pay themselves a salary or dividend which will appear on line 10100 (T4 employment income) and line 12000 (Dividend Income) which is eligible to be grossed up provided consistent year over year. If NOA line 15000 is greater than the cumulative T1 General self-employed income, use the net self-employed income from the T1 General averaged over two years. Additional income from the T1 General can be used to qualify provided it meets Income Confirmation Guidelines
- Income gross up is permitted as follows and is subject to income reasonability in all cases:
 - Gross up ≤ 20%, maximum LTV of 80%
 - Minimum credit bureau score of 650
 - Gross up greater than 20%, considered a Material Exception.
 - Maximum LTV of 75%
 - Minimum beacon score of 650 where LTV is ≤ 65%
 - Minimum beacon score of 730 where LTV is > 65%
 - Subject to Income Reasonability which will include a review of customers T1s and statement of business activities and/or financial statements, confirmation of savings and/or net worth.
- Note:** If there has been greater than 20% change (increase or decrease) in the current year NOA income when compared to the two-year average, additional due diligence may be required to understand the reasons. If rationale can be provided to support the average income as reasonable and most reflective of actual consistent income, this income may be used. Otherwise, the lower year’s income will be used for qualification purposes.

Gross Up of Qualifying Income and LTV (Insured)

- Maximum gross up is 15%
- Purchase up to 95% for properties with one to two units
- Purchase up to 90% for properties with three to four units

Income Gross-Up Rationale:

- Conventional:**
- Gross-Up to 20%:**
 - A rationale will be required which can include evidence of the following (but not limited to) non-cash expenses:
 - Motor vehicle expenses

	<ul style="list-style-type: none"> - Business use of home - Capital Cost Allowance - If Financial Statements have been provided <ul style="list-style-type: none"> • Depreciation • Amortization <ul style="list-style-type: none"> ▪ Gross-Up > 20%: <ul style="list-style-type: none"> ○ Is considered a material exception and will require a detailed review of the most recent two years T1 Generals, Statement of Business and Professional Activities, applicable income Schedules and/or certified accountant prepared financial statements ○ Income gross-up amount must be supported by and cannot exceed the total amount of eligible expenses <p>Insured:</p> <ul style="list-style-type: none"> ▪ Gross-Up to 15%: <ul style="list-style-type: none"> ○ A rationale will be required which can include evidence of the following (but not limited to) non-cash expenses: <ul style="list-style-type: none"> - Motor vehicle expenses - Business use of home - Capital Cost Allowance
Debt Servicing	<ul style="list-style-type: none"> ▪ Maximum GDS Ratio <ul style="list-style-type: none"> ○ Conventional/CMHC/Sagen/Canada Guaranty: <ul style="list-style-type: none"> - 35% where beacon score is less than 680 (minimum beacon score is 650). - Up to 39% where beacon score is 680 or greater. ▪ Maximum TDS Ratio <ul style="list-style-type: none"> ○ Conventional/CMHC/Sagen/Canada Guaranty: <ul style="list-style-type: none"> - 42% where beacon score is less than 680 (minimum beacon score is 650). - Up to 44% where beacon score is 680 or greater.
Debts Paid for by the Business	<ul style="list-style-type: none"> ▪ Debts that are reported to the customer's credit bureau must be included in the debt servicing calculation
Appraisal	<ul style="list-style-type: none"> ▪ Standard appraisal policy ▪ For insured applications, the insurer will appraise the property
Maximum Amortization	<ul style="list-style-type: none"> ▪ Conventional: 30 years ▪ Insured: 25 years
Down Payment	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ From own resources, cannot be borrowed ○ Gift is not permitted when the application is being considered under the High Net Worth Policy or when approval is based on wealth ○ Closing costs must be confirmed ▪ Insured: <ul style="list-style-type: none"> ○ Minimum 5% from own resources without recourse to borrowing ○ Remainder can be gifted from immediate family members but not borrowed
Borrower Qualification	<ul style="list-style-type: none"> ▪ Minimum three years on credit bureau, with three trade lines ▪ Proof of two years BFS status ▪ No previous bankruptcy ▪ Refer to documentation requirements, below

<p>Professionals (Conventional)</p>	<ul style="list-style-type: none"> ▪ Professionals such as doctors and lawyers are included in the BFS policy. When these customers are BFS (vs employed by professional firms), they are not required to own a registered business to qualify for BFS status. ▪ The documentation requirements include: <table border="1" data-bbox="469 249 1377 667"> <thead> <tr> <th data-bbox="469 249 662 317">Type of Professional</th> <th data-bbox="662 249 1377 317">Copy of Required Documentation</th> </tr> </thead> <tbody> <tr> <td data-bbox="469 317 662 384">Architect</td> <td data-bbox="662 317 1377 384">License by a provincial body (such as the Ontario Association of Architects)</td> </tr> <tr> <td data-bbox="469 384 662 451">Dentist</td> <td data-bbox="662 384 1377 451">Certificate of Registration issued by The College of Dental Surgeons for the province</td> </tr> <tr> <td data-bbox="469 451 662 518">Doctor</td> <td data-bbox="662 451 1377 518">Membership with the College of Physicians and Surgeons for the province</td> </tr> <tr> <td data-bbox="469 518 662 585">Engineer</td> <td data-bbox="662 518 1377 585">License by a provincial or territorial body</td> </tr> <tr> <td data-bbox="469 585 662 653">Lawyer</td> <td data-bbox="662 585 1377 653">Membership with the Canadian Law Society for the province</td> </tr> <tr> <td data-bbox="469 653 662 720">Veterinarian</td> <td data-bbox="662 653 1377 720">Certificate of Registration issued by The College of Veterinary Medicine for the province</td> </tr> </tbody> </table> 	Type of Professional	Copy of Required Documentation	Architect	License by a provincial body (such as the Ontario Association of Architects)	Dentist	Certificate of Registration issued by The College of Dental Surgeons for the province	Doctor	Membership with the College of Physicians and Surgeons for the province	Engineer	License by a provincial or territorial body	Lawyer	Membership with the Canadian Law Society for the province	Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province
Type of Professional	Copy of Required Documentation														
Architect	License by a provincial body (such as the Ontario Association of Architects)														
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Doctor	Membership with the College of Physicians and Surgeons for the province														
Engineer	License by a provincial or territorial body														
Lawyer	Membership with the Canadian Law Society for the province														
Veterinarian	Certificate of Registration issued by The College of Veterinary Medicine for the province														
<p>Documentation Requirements</p>	<ul style="list-style-type: none"> ▪ Most recent two years Notice of Assessments accompanied by T1 Generals (including Statement of Business or Professional Activities) for all BFS borrowers. Note: For Quebec residents, both Federal and Quebec NOA and either a Federal or Provincial T1 are required. ▪ Where applicable, Schedules/Worksheets and/or Financial Statements. ▪ Down payment confirmation. ▪ If one of the applicants is salaried or if other sources of income are included, the income must be confirmed per standard income confirmation guidelines. ▪ Closing cost confirmation of 1.5% of the purchase price is required for all insured deals and conventional deals with BFS income only. ▪ Purchase and Sale agreement including all addendums, and MLS (if applicable). ▪ Confirmation via one form of written third party documentation to confirm BFS status, evidencing at least two full years of self-employment OR confirmation of professional status as noted above (not applicable for Insured deals). Documentation to confirm BFS status may include: <ul style="list-style-type: none"> ○ Master Business License ○ Business Registration ○ Articles of Incorporation ○ GST Returns ○ Financial Statements prepared by a licensed accountant ○ Last two years income tax returns supported by two years Notice of Assessments ○ Active business account opened two years ago or more 														

4.3. New to Canada – Insured

Overview

- This policy applies to customers who have immigrated to Canada within the last 60 months and are looking for an insured mortgage but do not have established Canadian credit bureau history.
- For customers who are new to Canada with three months' minimum full-time employment in Canada, include details on the customer's previous employment and/or details on how their income and down payment has been generated including source of funds.
- **Note:** Indicating "New to Canada" in the customer's employment/occupation details is not acceptable (refer to the Customer Occupation section).
- For customers who are working in Canada, have permanent residence, and already have an established Canadian credit history, our regular policy will apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to Canada applications.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Insured Mortgage ▪ Fixed Rate ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase only ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Maximum two units where one unit is owner-occupied principal residence ▪ New Construction ▪ Resale
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Insured Business for Self ▪ Cottage ▪ Second Homes ▪ Rental Properties ▪ TD Home Equity FlexLine <p>Property:</p> <ul style="list-style-type: none"> ▪ Non owner-occupied properties
Borrower Qualifications	<ul style="list-style-type: none"> ▪ Must have immigrated/relocated to Canada within last 60 months. ▪ Three months' minimum full-time employment in Canada. ▪ Borrowers transferred to Canada under relocation programs are considered on an exception basis. ▪ Guarantor's Income Confirmation required (if applicable).
Required Documentation	<ul style="list-style-type: none"> ▪ Purchase and Sale Agreement including all addendums, and MLS listing (if applicable). ▪ Standard income confirmation. ▪ Confirmation of Landed Immigrant Status (Permanent Residency Card). ▪ Preceding 12-month history of rent paid in Canada and 12-month history of two regular obligations (e.g. monthly). ▪ Proof of Borrower Meeting Rental and Regular Obligations: <ul style="list-style-type: none"> ○ Rent – Supporting Bank Statements and letter signed by landlord indicating: <ul style="list-style-type: none"> - Date the tenant moved in - Monthly rent amount - Amenities included in the rent - Payment history ○ Regular Obligations: <ul style="list-style-type: none"> - Copy of bill payment confirmation from bank statement/paid invoices (e.g. Hydro/Utilities/Telephone/Cable) - Mandatory: Payments must be timely. No late payments. If unable to obtain the 12-month history of rent and 12-month history of two regular periodic obligations, LTV is limited to 90% and the following may be accepted: <ul style="list-style-type: none"> ○ Satisfactory Letter of Reference from a recognized Financial Institution outlining history and past credit experience. Must be dated within 60 days of approval, or; ○ Six months of Bank Statements from a Primary Account (living expenses such as rent and food flowing through the account), with no evidence of financial difficulties (e.g. no NSF items).
Debt Servicing	<ul style="list-style-type: none"> ▪ Maximum GDS Ratio <ul style="list-style-type: none"> ○ CMHC, Sagen and Canada Guaranty: <ul style="list-style-type: none"> - 35% where beacon score is less than 680 (minimum beacon score is 650). - Up to 39% where beacon score is 680 or greater.

	<ul style="list-style-type: none"> ▪ Maximum TDS Ratio <ul style="list-style-type: none"> ○ CMHC, Sagen and Canada Guaranty: <ul style="list-style-type: none"> - 42% where beacon score is less than 680 (minimum beacon score is 650). - Up to 44% where beacon score is 680 or greater. ▪ All debts outside country must be included in the TDS. ▪ Rent earned outside of Canada is to be excluded from calculation.
Down Payment	<ul style="list-style-type: none"> ▪ All Down payments must be verified ▪ When LTV is 95%, down payment must come from borrower's own resources ▪ When LTV is less than 95%, Down payment can come from a Corporate Relocation Subsidy or be gifted by an immediate family member (parents, grandparents, mother, father, child, sibling, etc.).
Loan to Value (LTV)	<ul style="list-style-type: none"> ▪ Maximum 95% ▪ Maximum purchase price of \$1,000,000
Amortization	<ul style="list-style-type: none"> ▪ Up to 25 years

4.4. New to Canada and Returning to Canada – Conventional

Overview

- This policy applies to new Canada Permanent Residents or Canadians (citizens or permanent residents) who returned from a foreign country to live in Canada on a permanent basis, and who cannot meet standard income confirmation guidelines but whose income is reasonably expected to increase and/or have not had sufficient time to build credit history that would allow them to qualify under our traditional lending programs. To support an assessment of the sources of down payment accumulation, include details and documentation on the customer's previous employment or asset sales that enabled their savings accumulation.
- For customers who can debt service, traditional financing should apply.
- A full document package must be submitted to TD Mortgage Solutions (TDMS) up front on all New to Canada applications.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ Fixed Rate ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Single Advance ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied ▪ New Construction ▪ Resale ▪ Cottage ▪ Non owner-occupied properties
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Non-Residents ▪ Temporary Residents

Maximum Number of Properties	<ul style="list-style-type: none"> Maximum two properties in Canada per household including the subject property. One owned property (owner-occupied, second home or recreational/cottage) in addition to the subject property. Property can be free and clear or financed with TD or another financial institution.
GDS/TDS	<ul style="list-style-type: none"> TDS >44% to ≤ 80% TDS > 80% may be considered on exception for strong applications with a minimum \$500M in non-gifted liquid assets in Canada for a minimum 90 days over and above the down payment. Refer to the Down Payment and Closing Costs section for a list of Eligible/Ineligible Sources of Liquid Assets. All foreign debts must be included in the TDS. Where TDS is < 44%, standard lending policy should be used.
Credit Worthiness	<ul style="list-style-type: none"> Canadian or US applications – credit bureau with no negative trades for any of the borrowers. For foreign applications – copy of foreign credit report or evidence of established credit history via six months of credit cards or bank statements from the country of origin that demonstrates evidence of credit repayment history.
Maximum LTV	<ul style="list-style-type: none"> Lesser of 65% or Sliding Scale, no exceptions
Amortization	<ul style="list-style-type: none"> Maximum 25 years No exceptions permitted
Appraisal	<ul style="list-style-type: none"> Full appraisal is required
Income	<ul style="list-style-type: none"> Customer must be employed full-time in Canada for a minimum of three months. Income must be confirmed as outlined in the Income Confirmation section. Evidence must be obtained to prove the minimum three months employment. Note: for fluctuating income and where annual income documents for the last two years are not available, only base income will be used and a letter of employment and one of pay stub or direct deposit is required. For Business for Self applicants, refer to the Business for Self policy for income documentation requirements Income Growth Requirements: The applicant profile must support a reasonable expectation of income growth to support a TDS of no more than 44% within 24 months based on current confirmed Canadian employment and income, prior experience, education, training and other factors.
Down Payment	<ul style="list-style-type: none"> Standard Down Payment and Closing Cost Guidelines apply. Submission commentary for both the sales and underwriting must always support the reasonability of the customers accumulation of down payment and 12 months of principal, interest and tax payments (PIT) with supporting documentation on prior income sources and asset sales that enabled the savings. This requirement is above the current 90-day history in the Down Payment Guidelines. In addition to the 35% down payment requirement, applicant(s) must provide evidence of the equivalent of 12 months of principal, interest and tax payments (PIT) in liquid savings in Canada. Gifted down payment and/or 12 months PIT is only available for owner-occupied properties with current TDS ≤ 80% and is limited to immediate family (parents, grandparents, mother, father, child, sibling etc.). For Non-Owner Occupied Rental Properties: <ul style="list-style-type: none"> Minimum \$500,000 in non-gifted liquid assets in Canada is required for a minimum of 90 days prior to application; assets do not have to be with TD. Down payment requirements or the additional \$500,000 in liquid assets cannot come from gifted sources. Refer table below for eligible sources of liquid assets. Net worth requirement is in addition to funds for down payment but may include 12 months PIT. <p>Eligible sources of liquid assets</p>

	<table border="1"> <thead> <tr> <th data-bbox="461 128 924 176">Eligible</th> <th data-bbox="924 128 1386 176">Ineligible</th> </tr> </thead> <tbody> <tr> <td data-bbox="461 176 924 590"> <ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF margined at 30% ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Assets must be in Canada a minimum of 90 days at the time of application, but do not need to be held at TD </td> <td data-bbox="924 176 1386 590"> <ul style="list-style-type: none"> ▪ Gifted Assets ▪ Margin Investment Accounts ▪ RESP Holdings ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity ▪ Assets jointly owned/shared with a person not on the application </td> </tr> </tbody> </table>	Eligible	Ineligible	<ul style="list-style-type: none"> ▪ Liquid assets are defined as cash, near cash, stocks and bonds which are easily liquidated into cash ▪ Liquid Assets in RRSP/RRIF margined at 30% ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Assets must be in Canada a minimum of 90 days at the time of application, but do not need to be held at TD 	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ Margin Investment Accounts ▪ RESP Holdings ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity ▪ Assets jointly owned/shared with a person not on the application
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<p style="text-align: center;">Borrower Qualifications</p>	<ul style="list-style-type: none"> ▪ New Immigrants: <ul style="list-style-type: none"> ○ Must be resident of Canada with Landed Immigrant Status confirmed via Permanent Residency Card (PRC). Do not keep copy of PRC in file. Instead, document: Name, Number and Issue Date of PRC in submission comments as evidence that a review of Landed Immigrant / Permanent Residency Status has taken place. ○ Must be Landed Immigrant/ Permanent Resident no more than five years. ▪ Canadians Returning to Canada: <ul style="list-style-type: none"> ○ Applicants must be residents of Canada with Landed Immigrant Status confirmed via a Permanent Resident Status Card (PRC) or Canadian citizenship confirmed from one of the following: Canadian Passport, Canadian Citizenship or Naturalization Card/Certificate, Certificate of Indian Status (Canadian) or Secure Certificate of Indian Status (Canadian). ○ Do not keep copy of the PRC or other document supporting Canadian citizenship on the file. Instead, provide document: Name, Number and Issue Date of PRC or other document supporting Canadian citizenship in submission comments as evidence that a review of the documents has taken place. ○ Applicants must have returned to Canada for no more than 60 months. ○ Documentation provided with the application including income confirmation, accumulation of down payment and 12 months principal, interest and taxes evidence must support the customer declared return to Canada date. ○ Where there is evidence that the applicant(s) have returned to Canada greater than five years prior or where the documentation already provided does not support the declared return to Canada date, additional documentation may be required. ○ If customer has filed taxes in Canada, copy of most recent Notice of Assessment or T1 General to confirm no outstanding taxes owing greater than \$2,001. 				

4.5. Temporary Residents

Overview

- Applicants under these guidelines are not permanent residents (foreign resident) and will typically be employed by established, well respected companies who are being relocated to Canada for a specific period of time for work purposes.
- Maximum exposure one (1) property in Canada.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ Fixed Rate ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance / Equity Take Out ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Owner-occupied – maximum one unit ▪ New Construction ▪ Resale
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase with Improvement ▪ Refinance with Improvement <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental ▪ Multi-unit ▪ Recreational
LTV	<p>For Purchase:</p> <ul style="list-style-type: none"> ▪ Maximum 80% for conventional financing subject to Sliding Scale. ▪ Maximum 90% for insured financing. <p>For Refinance:</p> <ul style="list-style-type: none"> ▪ Lesser of 65% for conventional financing subject to Sliding.
Amortization	<ul style="list-style-type: none"> ▪ Maximum of 30 years for conventional financing. ▪ Maximum of 25 years for insured financing.
Debt Servicing	<ul style="list-style-type: none"> ▪ Maximum GDS Ratio* <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater ▪ Maximum TDS Ratio* <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 44% where beacon score is 680 or greater <p>* TD Mortgages requiring default insurance are restricted to a maximum of TDS based on credit score, exceptions will not be considered above these thresholds.</p>
Credit Bureau	<ul style="list-style-type: none"> ▪ For CMHC insured deals: <ul style="list-style-type: none"> ○ CMHC will obtain copies of the international credit bureau if the country of origin is the United States. ○ For all other countries, if an international credit bureau cannot be obtained, the Broker should confirm creditworthiness by obtaining a letter of reference from the home bank in the customer's country of origin. ▪ For Conventional deals: <ul style="list-style-type: none"> ○ For customers with a US address and social security number, the customer can provide a copy of the Equifax US credit bureau. ○ For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the Underwriter for review: <ul style="list-style-type: none"> - Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR

	<ul style="list-style-type: none"> - Six months of bank statements from the country of origin demonstrating satisfactory credit repayment o Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g. debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the Underwriter. ▪ For Sagen/Canada Guaranty insured deals: <ul style="list-style-type: none"> o The Underwriter will forward the credit bureau to Sagen/Canada Guaranty for insured mortgages. o There may be cases where they are cost-prohibitive or take too long; in such cases, a letter of reference from the financial institution where the customer currently has borrowings will be required. <ul style="list-style-type: none"> - TD Mortgage Solutions (TDMS) will review and verify the validity of all reference letters and forward the letters of reference to the insurers for review for all insured requests.
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Standard borrower eligibility criteria apply. ▪ Customer must have relocated to Canada within the last 24 months, must be eligible to work in Canada and must be employed in Canada for a minimum of three months. Confirmation of valid Canadian Employment Authorization Form (Work Permit form 1442). ▪ Program not available to diplomats or foreign political parties that do not pay income tax in Canada (in the event of a foreclosure TD is unable to enforce against a diplomat). ▪ Must confirm sale of principal residence in their home country or be able to carry both properties.
Income Confirmation	<ul style="list-style-type: none"> ▪ Confirm income as declared on the application, by letter of employment indicating length of contract in Canada and no probationary period plus one current income document. ▪ Business for Self is not eligible.
Down Payment	<ul style="list-style-type: none"> ▪ For Conventional, follow standard down payment guidelines except gifted down payment must be from immediate family (grandparent, mother, father, child, sibling). ▪ In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds. ▪ For Insured - Minimum 10% from own resources.

4.6. Non-Residents

Overview

- Applicants under these guidelines are Canadian citizens/permanent residents or foreign residents that do not reside in Canada.
- Canadian citizens or permanent residents with ties in Canada (active credit history, established savings in Canada) who are temporarily relocated to another country by their employer are not to be considered non-residents and may qualify under standard lending guidelines.
- Maximum exposure of two properties (financed with TD) per non-resident investor.
- Confirmation and verification of the customer's identity is required under [Know Your Customer Guidelines](#).
- Solicitor's Preliminary Report must be completed with the customer present. Out of country signing of the Mortgage Loan Agreement is not permitted.

Guidelines:

Subject	Description
Eligible	<ul style="list-style-type: none"> ▪ Product: ▪ Conventional Mortgage

	<ul style="list-style-type: none"> ▪ Fixed Rate ▪ Closed VIRM <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance (for existing TD Mortgages only) ▪ Transfer In ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Non owner-occupied (Rental) properties up to four units, ▪ Recreational properties meeting conventional standards. ▪ Purchases for family members to live in on a rent-free basis (Second Home).
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ TD Home Equity FlexLine ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase with Improvements ▪ Refinance with Improvements ▪ Refinance (for non-TD Mortgage)
LTV	<ul style="list-style-type: none"> ▪ Maximum 65% LTV subject to Sliding Scale ▪ No exceptions to LTV are permitted
Down Payment	<ul style="list-style-type: none"> ▪ Minimum 35% following standard Down Payment guidelines except gifted down payment must come from immediate family (grandparent, mother, father, child, sibling). Note: If the property is a rental, gifted down payment is not permitted. ▪ In addition, submission commentary (sales and underwriting) must always provide a narrative on the reasonability of the customers accumulation of down payment. Accumulation of down payment will need to be supported with evidence (documentation) of source of funds.
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Full Appraisal Required
Amortization	<ul style="list-style-type: none"> ▪ 30 years
Debt Servicing	<ul style="list-style-type: none"> ▪ All debts including housing costs from principal residence are included in the debt servicing calculations ▪ Standard debt servicing calculations applies. ▪ Maximum GDS Ratio: <ul style="list-style-type: none"> ○ 35% where beacon score is less than 680 (minimum beacon score is 650) ○ Up to 39% where beacon score is 680 or greater ▪ Maximum TDS Ratio: <ul style="list-style-type: none"> ○ 42% where beacon score is less than 680 (minimum beacon score is 650) or no credit score ○ Up to 44% where beacon score is 680 or greater
Credit Bureau	<ul style="list-style-type: none"> ▪ The customer's complete address from their country of origin will be required by TD Mortgage Solutions (TDMS) to enable the credit investigation. ▪ For customers with a US address and US social security number, the customer can provide a copy of the Equifax US credit bureau. ▪ For non-US international applicants, customers are required to provide a copy of their international credit bureau report. However, if a copy of the customer's international credit bureau is not available, they may provide one of the following showing evidence of credit history to the Broker who will forward it to the Underwriter for review: <ul style="list-style-type: none"> ○ Six months of credit card statements from the country of origin demonstrating satisfactory repayment OR ○ Six months of bank statements from the country of origin demonstrating satisfactory credit repayment ▪ Note: The bank statements provided should represent a day-to-day operating account demonstrating regular banking activities (e.g. debit patterns such as regular mortgage/loan/credit repayments, no NSF's, etc.). Review and understand the customer's credit obligation and payment frequency as this will give you an

	understanding of the customer's credit worthiness. Be prepared to provide the same rationale in your comments to the Underwriter.
Income Confirmation	<ul style="list-style-type: none"> ▪ Standard income confirmation is required ▪ Business for Self is not eligible

4.7. Port Policy

Overview

- The Port Policy rebates all or part of the prepayment charge and allows mortgage customers to take their existing rate, rate discount and term with them when they move or refinance to another mortgage.
- A minimum of \$20,000 in new money is required for Broker ports or refinances.
- **Important:**
 - Comments to the Underwriter must indicate that the customer is applying for a port and increase.
 - Port Policy does not apply to a TD Home Equity FlexLine Term Portion.

Guidelines:

Subject	Description
Prepayment Charge	<ul style="list-style-type: none"> ▪ Do not quote prepayment charges based on an "Information Statement". Valid Discharge Statements can only be ordered if within 30 days of the discharge date. Prepayment charge amounts are not locked in until the Discharge Statement is ordered. ▪ Since the new ported mortgage amount is greater than the discharged mortgage amount (minimum \$20,000 new money required) then no prepayment charge is due. ▪ For non-concurrent closings (new mortgage funding either before or after the existing mortgage is discharged), prepayment charge is payable in full by the mortgagors at the time of mortgage discharge. ▪ Customers are responsible for paying any applicable prepayment charges upon the discharge of the existing mortgage. Full or partial refunds of prepayment charges will be paid to the customer(s) upon the closing of a ported mortgage funding within 120 days of the discharge.
Eligibility	<ul style="list-style-type: none"> ▪ Minimum one existing borrower must be on the new mortgage. A guarantor/co-signor is not considered a borrower. ▪ The benefits of ports can only accrue to one mortgage. ▪ The funding date for the new mortgage must be within 120 days before or after the payout of the original mortgage. ▪ Refinance or purchase and sale deals. ▪ Purchases and Sale: <ul style="list-style-type: none"> ○ There must be a firm agreement of purchase and sale, and the mortgage funding date for the purchase must be within 120 days before or after the payout date of the existing mortgage. ○ If the purchase occurs prior to the sale, then purchase and sale agreements for both transactions must have all conditions waived. ▪ Refinance: <ul style="list-style-type: none"> ○ The discharge of the old mortgage must be concurrent with the funding of the new mortgage. ▪ Mortgage to Builder Single Advance Builder deal must be closing within 120 days.
Ineligibility	<ul style="list-style-type: none"> ▪ The following products and deals are not eligible under the Port Policy: <ul style="list-style-type: none"> ○ Closed VIRMs (fixed rate to VIRM; VIRM to fixed rate) ○ One Year Open ○ Terms less than four months remaining ○ Assumed mortgages ○ Porting to a builder single advance closing > 120 days ○ Refinance Plus Improvement Deals ○ Purchase Plus Improvements Deals ○ TD Home Equity FlexLine Term Portion ▪ Brokers cannot process a port for less than the discharged mortgage amount or when there is less than \$20,000 in new money. These transactions can only be

	<p>considered at a TD Branch.</p> <ul style="list-style-type: none"> ▪ Note: If a port is not eligible and the customer would like to proceed with a new mortgage, then they will be responsible for prepayment charges on the discharged mortgage. 																								
Rate and Term	<ul style="list-style-type: none"> ▪ The existing remaining term and rate is always transferred to the new mortgage. ▪ If the new mortgage amount is equal to the existing mortgage balance, the existing rate and rate discount is transferred. ▪ If the new mortgage amount is greater than the existing mortgage balance, the existing rate is transferred with additional funds priced at current rates. The final rate is a blended rate of the existing and new rates. ▪ If the rate has been booked and the closing date changes even within 120 days of closing, the booked rate will be lost for ported mortgages. Please contact your Regional or Inside Sales Manager if there is a change in closing date, within the rate expiry period and within the same term for the increase funds. <table border="1" data-bbox="565 556 1279 1003"> <thead> <tr> <th>Actual Remaining Terms (months)</th> <th>Remaining Term to be Used to Find Rate</th> </tr> </thead> <tbody> <tr><td>3 to 8</td><td>6</td></tr> <tr><td>9 to 17</td><td>12</td></tr> <tr><td>18 to 29</td><td>24</td></tr> <tr><td>30 to 41</td><td>36</td></tr> <tr><td>42 to 53</td><td>48</td></tr> <tr><td>54 to 65</td><td>60</td></tr> <tr><td>66 to 77</td><td>72</td></tr> <tr><td>78 to 89</td><td>84</td></tr> <tr><td>90 to 101</td><td>84 (96 not offered)</td></tr> <tr><td>102 to 113</td><td>120 (108 not offered)</td></tr> <tr><td>114 to 120</td><td>120</td></tr> </tbody> </table>	Actual Remaining Terms (months)	Remaining Term to be Used to Find Rate	3 to 8	6	9 to 17	12	18 to 29	24	30 to 41	36	42 to 53	48	54 to 65	60	66 to 77	72	78 to 89	84	90 to 101	84 (96 not offered)	102 to 113	120 (108 not offered)	114 to 120	120
Actual Remaining Terms (months)	Remaining Term to be Used to Find Rate																								
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114 to 120	120																								
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 30 years where the LTV is 80% or less ▪ Insured: Maximum of 25 years 																								
Default Insured Port	<ul style="list-style-type: none"> ▪ While LTV for purchase is limited to 90%; CMHC/Sagen/Canada Guaranty will consider higher LTVs when the new ratio is equal to or less than the original LTV ratio. ▪ Original mortgage is not in arrears and will be discharged prior to the funding of the new insured mortgage. ▪ The mortgagor is the same as the mortgagor who paid the original CMHC/Sagen/Canada Guaranty mortgage insurance premiums. ▪ Original mortgage and new mortgage are on the borrowers' principal and/or secondary residence only. ▪ Customer's principal residence is located in Canada. ▪ If mortgage is "ported" to a new purchase property and the mortgage amount and LTV is less than the existing mortgage, no new insurance premium is applicable (straight ports). ▪ Property for the new principal residence must have a value range considered acceptable by CMHC/Sagen/Canada Guaranty for the proposed mortgage insurance balance. 																								
Reinvestment Fee	<ul style="list-style-type: none"> ▪ This fee is charged on closed fixed rate and closed variable rate mortgages if paid in full for any reason before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the Mortgage loan is renewed. ▪ The fee is not included in the prepayment charge amount and is not refundable. 																								

4.8. Replacement Policy

Overview

- The Replacement Policy rebates all or part of the prepayment charge when...

- A customer has already paid or is being charged three months' interest on the discharge of an existing TD Mortgage/TD Home Equity FlexLine with a Term Portion, **AND**
- The customer Replaced the discharged credit product within a year with a new closed term TD Mortgage/TD Home Equity FlexLine with a Term Portion at a new rate and term.

Guidelines:

Subject	Description								
Eligibility	<ul style="list-style-type: none"> ▪ Minimum of one existing borrower must be on the new TD Mortgage or TD Home Equity FlexLine. ▪ A guarantor/co-signor is not considered a borrower. ▪ There must be a minimum increase of \$20,000 in a closed term Mortgage or TD Home Equity FlexLine Term Portion. ▪ Only one borrower is eligible to take advantage of the replacement policy. ▪ Replacement must occur within one year of mortgage/Term Portion discharge. ▪ Reverse replacement (purchase closes before sale) only valid when the new TD Mortgage or TD Home Equity FlexLine Term Portion is advanced within 120 days prior to the discharge of current mortgage/Term Portion. No exceptions. ▪ Only applicable when the prepayment charge on the discharging product is the three months' interest prepayment charge. If the charge is IRD it is always payable. ▪ Replacements are allowed within 120 days of maturity, waiving prepayment charges (includes both the three months' interest or IRD). If the new mortgage/Term Portion balance is lower, prorating policy applies. ▪ Available to both Refinance and Purchase and Sale deals. 								
Restrictions	<ul style="list-style-type: none"> ▪ IRD rebates are not available unless within 120 days of maturity. 								
Rate and Term	<ul style="list-style-type: none"> ▪ The existing TD Mortgage/TD Home Equity FlexLine with a Term Portion must be replaced by: <ul style="list-style-type: none"> ○ A new closed term TD Mortgage (fixed or variable) or TD Home Equity FlexLine with a Term Portion, and ○ Amount must be greater than the discharged TD Mortgage or TD Home Equity FlexLine Term Portion. ▪ There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion. 								
Calculating Prepayment Charges	<ul style="list-style-type: none"> ▪ Discharge of a Fixed Rate TD Mortgage or TD Home Equity FlexLine Term Portion: <ul style="list-style-type: none"> ○ Replacement rebate is always based on three months' interest prepayment charge less any IRD amount, if applicable. ○ IRD is always payable. If the IRD amount is greater than the three months' interest prepayment charge, no rebate is available. If three months' interest is higher than IRD, the customer may be eligible for refund of the difference. ○ If the replacement TD Mortgage or TD Home Equity FlexLine Term Portion principal amount is less than the discharged principal amount, any rebate is pro-rated. <p style="text-align: center;">Prepayment Charge Example for Fixed Rate:</p> <table border="1" data-bbox="591 1587 1304 1726"> <thead> <tr> <th data-bbox="591 1587 1133 1623">Description</th> <th data-bbox="1133 1587 1304 1623">Calculation</th> </tr> </thead> <tbody> <tr> <td data-bbox="591 1623 1133 1656">Three months' interest prepayment charge:</td> <td data-bbox="1133 1623 1304 1656">\$2,500</td> </tr> <tr> <td data-bbox="591 1656 1133 1690" style="text-align: right;">IRD:</td> <td data-bbox="1133 1656 1304 1690">\$1,000</td> </tr> <tr> <td data-bbox="591 1690 1133 1726" style="text-align: right;">Customer rebated:</td> <td data-bbox="1133 1690 1304 1726">\$1,500</td> </tr> </tbody> </table> ▪ Discharge of a Closed VIRM: <ul style="list-style-type: none"> ○ In a variable rate product, IRD is always \$0.00. Three months' interest applies when a Closed VIRM is discharged prior to maturity. ○ Waiver/refund of three months' interest prepayment charge is prorated based on the amount of Replacement TD Mortgage or TD Home Equity FlexLine Term Portion, to a maximum of 100% of three months' interest prepayment charge. 	Description	Calculation	Three months' interest prepayment charge:	\$2,500	IRD:	\$1,000	Customer rebated:	\$1,500
Description	Calculation								
Three months' interest prepayment charge:	\$2,500								
IRD:	\$1,000								
Customer rebated:	\$1,500								

	<ul style="list-style-type: none"> ○ New TD mortgage/Term Portion amount divided by old TD mortgage/Term Portion amount X 100 = NN% ○ Prepayment charge amount x NN% = refund amount <p>Prepayment Charge Example for Closed VIRM:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Calculation</th> </tr> </thead> <tbody> <tr> <td>Discharged amount:</td> <td>\$100,000</td> </tr> <tr> <td>Three months' interest prepayment charge:</td> <td>\$1,000</td> </tr> <tr> <td>Replacement amount:</td> <td>\$50,000</td> </tr> <tr> <td>50,000 divided by 100,000 =</td> <td>50%</td> </tr> <tr> <td>1,000 x 50% =</td> <td>500</td> </tr> <tr> <td>Customer rebated:</td> <td>\$500</td> </tr> </tbody> </table>	Description	Calculation	Discharged amount:	\$100,000	Three months' interest prepayment charge:	\$1,000	Replacement amount:	\$50,000	50,000 divided by 100,000 =	50%	1,000 x 50% =	500	Customer rebated:	\$500
Description	Calculation														
Discharged amount:	\$100,000														
Three months' interest prepayment charge:	\$1,000														
Replacement amount:	\$50,000														
50,000 divided by 100,000 =	50%														
1,000 x 50% =	500														
Customer rebated:	\$500														
Reinvestment Fee	<ul style="list-style-type: none"> ▪ This fee is charged on closed fixed rate and closed variable rate mortgages if the mortgage loan is paid in full for any reason before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed. ▪ The fee is not included in the prepayment charge amount and is not refundable. 														
Additional Information	<ul style="list-style-type: none"> ▪ For all Replacements including Closed VIRMs, Referral Fees will be based ONLY on the new money. If the Replacement is within 120 days from maturity or at maturity, then Referral Fees will be paid on the entire amount. ▪ Mortgage and TD Home Equity FlexLine Term Portion balance transfers are permitted when within the Extended Early Renewal Cycle, with no prepayment charge (includes three months' interest and IRD): <ul style="list-style-type: none"> ○ The Extended Early Renewal Cycle occurs within 120 days of maturity. If a full balance transfer (Replacement) does not occur within 120 days, the following prepayment charge will apply: <ul style="list-style-type: none"> - Mortgages/Term Portions maturing in one month – no charge. - Mortgages/Term Portions maturing within two months – one-month interest charged. - Mortgages/Term Portions maturing within three months – two months' interest charged. - Mortgages/Term Portions maturing within four months – Regular prepayment charge applies. ▪ Note: If a full balance transfer (Replacement) occurs within 120 days of maturity, prepayment charge does not apply. 														

4.9. Prepayment Charge Exceptions for Canadian Military Personnel

Overview

- Canadian Military personnel who are re-assigned within or outside of Canada by the Military and must sell their Canadian residence with a TD Mortgage or TD Home Equity FlexLine Term Portion are eligible to have the prepayment charge (IRD or three months' interest) waived. **Note:** Exceptions do not apply to civilians employed by the Canadian Military.

Process

- Brokers must obtain confirmation (e.g. posting instruction) from the customer that they are employed by the Canadian Military and are being stationed abroad or transferred to another military base within Canada.
- Broker must forward the customer confirmation to the Underwriter with a request to amend the discharge statement and waive the IRD or three months' interest prepayment charge as the customer qualifies under this policy.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

4.10. Purchase/Refinance Plus Improvements

Overview:

- The Purchase with Improvements and Refinance with Improvements product provides home

buyers/owners with the opportunity to make improvements to their home and allows the homeowner to borrow against the increased value of the property.

- The amount of improvements (and hence the increase in market value) that can be financed is limited to the lesser of:
 - 10% of the Improved Value, or
 - \$40,000
 No exceptions. **Note:** If total cost of improvements exceeds allowable amount to be financed, customer can pay out of pocket, providing scope of work is non-structural.

Improved Value:

- The Improved Value is the market value of the property after completion of the improvements that increase the value of the property.
- For insured financing, the improved value should be less than \$1,000,000.
- Note: Not all improvements increase a property’s value (e.g. improvements to an owner-occupied condo may be cosmetic in nature).
- Must be closed by a solicitor/notary.
- **Important:** Purchase/Refinance with Improvements requests are processed in two advances. Ensure the customer is made aware that they will not have access to all funds on the date of closing and that they will be required to make full principal and interest payments on the approved amount once the first advance is completed.
- Construction period is 12 months in duration:
 - All funds must be advanced within 12 months of the first funding date. No funds will be advanced after this time, and no exceptions will be made.
 - At the end of the 12-month construction period, the **annual prepayment privilege** noted on the Mortgage Loan Agreement (MLA) will be adjusted to reflect the total principal amount advanced. This total then becomes the new "**original principal amount**" as noted throughout the MLA.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional Mortgage ▪ Closed Fixed Rate <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Properties up to four units, where at least one is owner-occupied principle residence
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured refinance <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental properties ▪ Vacation properties ▪ Cottage properties
Maximum LTV (based on the improved value of the property)	<ul style="list-style-type: none"> ▪ Conventional: 80% ▪ Insured: <ul style="list-style-type: none"> ○ Purchase 95% (properties with one and two units) ○ Purchase 90% (properties with three and four units)
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 30 years where the LTV is 80% or less ▪ Insured: Maximum of 25 years
Restrictions	<ul style="list-style-type: none"> ▪ Not available for rental/investment properties, vacation or cottage properties. ▪ Solicitor/notary must be retained by the customer. TD Refinance Program is not

	<p>available for this product.</p> <ul style="list-style-type: none"> ▪ Reusing a collateral charge is not available for this product. ▪ Porting into Purchase/Refinance Plus Improvement deals are not permitted. 						
Required Documentation	<ul style="list-style-type: none"> ▪ Obtain a list of improvements along with contractor cost estimates, quotes, invoices to support improvements. Paid invoices are required for the second draw/advance to ensure all work has been completed as agreed upon at the application. We do not advance funds prior to the renovation/improvement being completed. ▪ Customers will be required to complete a Customer Declaration with their solicitor/notary when the improvements are complete and before the final draw will be processed. This Declaration will need to be forwarded to MOCS by the solicitor/notary before the second (final) draw will be released. ▪ If Sweat Equity (owner labour) is requested, a reasonable estimate based on applicant's skills must be submitted to TD Mortgage Solutions (TDMS). Amount must not exceed 50% of minimum equity requirement of the Improvement, to a maximum of \$25,000 for conventional requests. Must be supported by two competitive quotations. 						
Advances	<ul style="list-style-type: none"> ▪ First advance: <ul style="list-style-type: none"> ○ First advance will be up to 95% of the improved value of the property minus the cost of improvement and will be provided to the customer by their solicitor/notary. ▪ Second advance: <ul style="list-style-type: none"> ○ Second advance will be the cost of improvement, and funds will be released once the solicitor/notary has forwarded receipt of a signed declaration from the customer with paid invoices/receipts confirming that improvements have been completed as per the contractor estimates/invoices/quotes provided at the time of application. TDMS will validate that improvements have been completed in accordance with the approval. Once validated, the second advance will be disbursed to the customer via their solicitor/notary. ○ Second advance is not to exceed the value of the paid invoices/receipts provided. ▪ Refer to the example below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 45%;">Deal Scenario</th> <th style="width: 25%;">First Advance</th> <th style="width: 30%;">Second Advance</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> ▪ Improved value: \$400,000 ▪ Current value/Purchase price: \$360,000 ▪ Improvements: \$40,000 ▪ Approved Mortgage Amount: \$320,000 (\$400,000 x 80% LTV) </td> <td style="text-align: center;"> $\\$320,000 - \\$40,000 = \\$280,000$ </td> <td style="text-align: center;"> $\\$320,000 - \\$280,000 = \\$40,000$ </td> </tr> </tbody> </table>	Deal Scenario	First Advance	Second Advance	<ul style="list-style-type: none"> ▪ Improved value: \$400,000 ▪ Current value/Purchase price: \$360,000 ▪ Improvements: \$40,000 ▪ Approved Mortgage Amount: \$320,000 (\$400,000 x 80% LTV) 	$\$320,000 - \$40,000 = \$280,000$	$\$320,000 - \$280,000 = \$40,000$
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Appraisals	<ul style="list-style-type: none"> ▪ Full appraisal required for all conventional requests. ▪ Broker appraisal must include the following: <ul style="list-style-type: none"> ○ Appraised value will include improvements (improved value) ○ Appraiser will review contractor cost estimates, quotes, invoices ○ If the appraised value came back lower than the estimated improved value, the 'cost of improvement' must be adjusted accordingly ○ The second draw is based on the 'cost of improvement' amount and must be disclosed accurately in the agreements. ○ Note: Inspection for the second draw is usually not required, however, TDMS may require inspection where deemed necessary. 						

4.11. Cottage Properties

Overview

- Conventional and Insured financing is available for purchases (refinance is available for conventional only) of quality cottage properties that may not be accessible year-round or is accessible year-round but does

not meet all standard property criteria.

- Insured financing is only available through Sagen/Canada Guaranty.
- **Notes:**
 - There must be no intent to occupy these properties year-round. Properties that are occupied year-round must meet all standard property criteria.
 - Properties must be in a recognized vacation area and the Broker should be prepared to submit evidence of this fact, such as lakefront or proximity to major recreational amenities (e.g. ski facility).
 - Not applicable for Second Home or Vacation Property requests where the property, otherwise, meets standard guidelines.
 - Supplier will decline or require default insurance through Sagen/Canada Guaranty, where marketability of property is questionable.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Fixed Rate ○ Closed VIRM ▪ Sagen/Canada Guaranty Insured: <ul style="list-style-type: none"> ○ Fixed rate only <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase (single advance) ▪ Refinance (Conventional applications only) ▪ New construction ▪ Existing property ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Single unit properties ▪ Owned land
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Sagen/Canada Guaranty Insured: <ul style="list-style-type: none"> ○ Closed VIRM ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Equity Take out ▪ Purchase/Refinance with Improvements <p>Property:</p> <ul style="list-style-type: none"> ▪ Multi-unit properties ▪ Leased Land ▪ Rental Properties
Property Criteria	<ul style="list-style-type: none"> ▪ Must have a minimum of a kitchen, three-piece bathroom, bedroom and common area. ▪ Seasonal access only is acceptable (e.g. road is not plowed or only accessible by boat). ▪ No permanent heat source required (e.g. wood stove, fireplace, stove or heat blower). ▪ Water source need not be potable, however running water is required. ▪ Indoor plumbing can be chemical, portable or holding tank. ▪ Foundation may be floating if normal for area (e.g. sitting on blocks). ▪ Property must meet minimum square footage requirements of 850 to qualify for conventional financing. Valuation restricted to five acres of property. ▪ Estimated remaining economic life of the property should be a minimum of 25 years.
Maximum Loan Amount	<ul style="list-style-type: none"> ▪ Conventional: \$500,000 ▪ Insured: \$350,000

Minimum Property Value	<ul style="list-style-type: none"> ▪ Conventional: \$75,000
Maximum Property Value	<ul style="list-style-type: none"> ▪ Conventional: Not applicable ▪ Insured: \$1,000,000
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Full appraisal is required for both Conventional applications. ▪ The appraisal must confirm property is in a recognized vacation area, comparable exist to support the purchase price and show evidence of market activity/liquidity. ▪ Sagen/Canada Guaranty will manage the appraisal directly for insured mortgage requests.
LTV	<ul style="list-style-type: none"> ▪ Conventional (including refinances): Maximum 50% LTV subject to Sliding Scale ▪ Sagen/Canada Guaranty Insured: Maximum 90% LTV
Amortization	<ul style="list-style-type: none"> ▪ Conventional: Maximum of 25 years ▪ Insured: Maximum of 25 years
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Conventional <ul style="list-style-type: none"> ○ Minimum credit bureau score of 680. ○ Sufficient income to service all debts including carrying costs for principal residence. ▪ Insured <ul style="list-style-type: none"> ○ Minimum credit bureau score of 680. ○ Sufficient income to service all debts including carrying costs for principal residence. ○ No prior bankruptcy or judgments, no R3s in the past 24 months. ○ No third party guarantor other than spouse is permitted for purpose of qualification. ○ No gifted down payment.
Terms / Rates	<ul style="list-style-type: none"> ▪ Six months – seven year and 10-year fixed rate ▪ Closed VIRMS

4.12. Recreational / Vacation Properties

Overview

- Recreational properties are quality properties suitable for year-round road access, potable water and septic system, electrical and heating supply as per residential standards.
- Properties are in a recognized vacation area, readily marketable residential dwellings, located in a market with demonstrated ongoing resale demand
- Estimated remaining economic life of the property should be a minimum of 25 years.

Guidelines:

Subject	Description
LTV	<ul style="list-style-type: none"> ▪ Maximum LTV 65% subject to sliding scale
Appraisal	<ul style="list-style-type: none"> ▪ Full appraisal required ▪ Subject to minimum square footage requirements
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional mortgage ▪ TD Home Equity FlexLine
Ineligible Properties	<ul style="list-style-type: none"> ▪ Business for Self Insured program ▪ Temporary Residents ▪ Purchase/Refinance Plus Improvements ▪ High Ratio Mortgage ▪ Rental properties ▪ Leased land properties
Amortization	<ul style="list-style-type: none"> ▪ Maximum of 25 years

4.13. Second Home (Insured and Conventional)

Overview

Available for high ratio financing through Sagen/Canada Guaranty where the second home is owner-occupied or occupied by the mortgagor's immediate family member on a rent-free basis. Maximum purchase price/lending value for high ratio deals must be less than \$1MM with a maximum number of units allowable of one unit.

Note: Conventional applications for second owner-occupied properties follow the regular conventional application policy.

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Conventional and Insured Mortgage ▪ Fixed Rate ▪ Closed VIRM ▪ Conventional TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase and Refinance Single Advance ▪ Purchase plus Improvements ▪ Refer to Purpose of a Credit Application <p>Property:</p> <ul style="list-style-type: none"> ▪ Single Unit Properties: <ul style="list-style-type: none"> ○ Owner-occupied ○ Occupied by an immediate family member on a rent-free basis
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Insured refinance ▪ Non-Residents for insured applications ▪ Temporary Resident ▪ Refinance plus Improvements (unless they are Default Insured) <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental
Property Criteria	<ul style="list-style-type: none"> ▪ Standard TD property criteria apply, including but not limited to: <ul style="list-style-type: none"> ○ Year-round road access ○ Fully serviced with municipal water and sanitary sewers, well and septic tank or a combination of both ○ Winterized with a permanent heat source ○ Located in Canada ○ Estimated remaining economic life of the property should be a minimum of 25 years
Borrower Eligibility	<ul style="list-style-type: none"> ▪ Standard credit qualification criteria apply ▪ No R3s in last 24 months ▪ No prior bankruptcies or judgments ▪ No third-party guarantors ▪ Spousal guarantor is acceptable ▪ TDS submitted must include servicing of both properties, including taxes, heat, condo fees and/or Home Owner's Association (HOA) Fees, if applicable, for customer's principal residence
Down Payment Restriction	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Standard down payment criteria apply. ▪ Insured: <ul style="list-style-type: none"> ○ Gifted down payment from immediate family members is acceptable. Note: An immediate family member is defined as a father, mother, child, brother, sister, grandparent, legal guardian, or legal dependent. ○ Default Insured: Purchase – 95%

Amortization	<ul style="list-style-type: none"> ▪ Insured: Maximum of 25 years ▪ Conventional: Maximum of 30 years
Maximum Loan Amount	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ No maximum. ▪ Insured: <ul style="list-style-type: none"> ○ Toronto, Calgary, Vancouver: \$700,000 ○ Rest of Canada: \$600,000.

4.14. Leased Land

Overview

- Financing owner-occupied properties where the land is leased will be considered on an exception basis.
- The lease must be a crown land or government owned lease with no current restrictions to access and no material risk of any future restrictions.
- The amortization of the mortgage must be at least five years less than the expiry date of the lease. Financing of property on leased lands is restricted to fixed rate mortgage up to 95% LTV and closed VIRM financing up to 90% LTV only.
- A full appraisal is required for any conventional mortgages where the property is on leased land.
- Land lease payments must be included in GDS if the lease is not prepaid for the entire term of the lease.
- Financing on leased land is not available in Quebec.
- TD Home Equity FlexLines are not eligible.

Land Lease Criteria

- A copy of the signed lease must be retained in the credit file.
- The land lease must be reviewed with approval comments indicating that the lease was found to be satisfactory, including:
 - The term of the lease must exceed amortization of the mortgage by a minimum of five years (e.g. if the term of the lease is 20 years the maximum amortization of the mortgage cannot exceed 15 years).
 - Must be a Crown or Government lease. Note: Privately-owned land leases that were previously approved prior to November 22, 2019 are grandfathered.
 - Sample of acceptable leases include the following:
 - First Nation Leases (Reserve lands)
 - Locatee Lands – CMHC is required for all transactions regardless of LTV
 - Designated or Surrendered
 - Municipalities and Universities
 - City of Vancouver, University of BC, University of Calgary, Simon Fraser University
 - Must be in favour of the borrower; signed by the landlord and assignable to the Bank.
 - No restrictions on the registration of the Assignment of Lease on title.
 - Cannot be subject to re-negotiation at the landlord's discretion prior to the expiry of the original term.
 - Lease must be prepaid for the entire term of the lease.
 - No restrictions as to the Bank's access to the property.
 - No restrictions or limitations on the re-sale of the property (e.g. purchase price or type of purchaser).
 - The landlord must provide the lender with written notification of any defaults and allow the lender a minimum of 60 days to cure the default.
 - The landlord will not make material modifications to or terminate the lease without consent from the Lender (renewals or extensions of terms are accepted).
 - The Lender should not be restricted from exercising tenant rights (renewal rights, rights to participate in arbitration, etc.).
- **Note:** for leases in British Columbia ensure you obtain a copy of the Head Lease and Sub Lease (where applicable).

Terms	Definitions
Leased Land	Leased Land is a financial arrangement where you purchase the home/structure but lease the land on which it sits on. The land and the home/structure are owned independently.

Head Lease	The head lease or ground lease is an arrangement between the landowner and the developer and/or the landlord.
Sub-Lease	The sub-lease is an arrangement between the tenant (Borrower) and the landlord.
Pre-paid Rent (Basic Rent)	The Head Lease and the Sub-Lease must both be pre-paid for the entire term of the lease i.e. 99 years. This means that the Developer has made full payment of the lease up to the 99 years to the Landowner. The Borrower via the Purchase and Sale prepays the lease for the 99 years. This mitigates the Bank's risk in this type of transaction.
Locatee Lands	A "Locatee" is a band member who holds a Certificate of Possession issued by the Minister of Indian Affairs and Northern Development (the "Minister") for a parcel of reserve land. A Locatee with a Certificate of Possession over a parcel of reserve land has a right of possession over that land. Accordingly, Locatees may lease their land under a Locatee Lease for a specific period, however the Locatee requires the consent of both the applicable Band Council and the Minister, and if the Locatee Lease is for a term greater than 49 years, then a majority vote of the electors of the applicable First Nation is required. A lender on a Locatee Lease has limited security because a Certificate of Possession can be terminated by the Minister in certain circumstances. Therefore, CMHC insurance is required.
Designated or Surrendered Lands	The most common way for a First Nation to enter a long-term lease for a portion of its reserve lands is by "designating" such lands to the Federal Crown, which enables the Federal Crown to lease those lands on behalf of the First Nation. Reserve lands that have been designated to the Federal Crown are referred to as "Designated lands". A lease of Designated lands will usually include provisions that explicitly permit the mortgaging of the lease, and the granting of various.

4.15. Rental Properties

Overview

- A maximum of five residential rental properties per application is permitted, including those financed by other financial institutions and those that are free and clear. **Note:** The number of rental properties owned is defined by the property, not the number of units. A customer who owns a principal residence with a basement tenant and a Triplex occupied by three tenants is considered to own only one non owner-occupied rental property.
- This policy applies to non owner-occupied properties with up to four units as well as the Qualifying Calculation for owner-occupied rental properties.
- If greater than four units refer to the [Multi Unit Residential Website](#).
- Loan to value restrictions exist for High Ratio Owner-Occupied rental properties.
- TD only participates in the CMHC and Canada Guaranty programs.
- Commercial content is maximum 20% of square footage for conventional TD Mortgages or TD Home Equity FlexLines only.

Guidelines:

Subject	Description
LTV	<ul style="list-style-type: none"> ▪ Conventional Purchase or Refinance: <ul style="list-style-type: none"> ○ For borrowers with only one non owner-occupied property: <ul style="list-style-type: none"> - Purchases and refinances are available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). - Purchase and refinance applications up to 80% may be considered for those with a credit bureau score > 730. ○ For borrowers who own more than one non owner-occupied rental property: <ul style="list-style-type: none"> - Purchases: <ul style="list-style-type: none"> • Available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). • Credit applications up to 80% may be considered for those

	<ul style="list-style-type: none"> - Refinances: <ul style="list-style-type: none"> • Available up to 75% LTV (65% maximum Credit Limit for a TD Home Equity FlexLine). ▪ Insured Purchase: <ul style="list-style-type: none"> ○ LTV not to exceed 80% of lending value as determined by insurer ○ Two to four units only
Down Payment	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ 25% down payment from own resources; 20% if 80% LTV granted ▪ Insured: <ul style="list-style-type: none"> ○ For non owner-occupied rental properties, 20% down payment from own resource ○ For owner-occupied rental properties minimum down payment as follows: <ul style="list-style-type: none"> ▪ Purchase price of \$500,000 to < \$1,000,000, down payment of 5% for portion ≤ \$500,000 and 10% for portion >\$500,000 (one to two units) ▪ 10% down payment (three to four units) ▪ Note: Gifted down payments are not permitted on non owner-occupied rental properties.
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional or Insured: <ul style="list-style-type: none"> ○ Fixed rate mortgages ○ Closed VIRM mortgages ▪ Conventional TD Home Equity FlexLine
Term	<ul style="list-style-type: none"> ▪ TD Mortgage – Six months to seven years and 10 years ▪ TD Home Equity FlexLine Term Portion – One to five years closed
Appraisal	<ul style="list-style-type: none"> ▪ A full appraisal is required
Amortization	<ul style="list-style-type: none"> ▪ Conventional – Up to 30 years ▪ Insured – Up to 25 years
Minimum Beacon Score	<ul style="list-style-type: none"> ▪ 680
Required Documentation	<ul style="list-style-type: none"> ▪ Options: <ul style="list-style-type: none"> ○ Purchase: <ul style="list-style-type: none"> - Offer to Purchase - Copy of the signed lease agreement if tenanted at the time of purchase closes - Rental reasonability assessment may be used by the Underwriter to ensure that the lease amount is consistent within the marketplace of the subject property. Supporting due diligence may be requested or completed to support the value of the lease agreement - Applies to both subject and non-subject properties ○ Refinance: <ul style="list-style-type: none"> - Confirmation of any debts being refinanced - Copy of the signed lease agreement - T1 General including the Statement of Real Estate Rentals from the most recent taxation year is required to support provide evidence that current and historical rents are consistent - Applies to both subject and non-subject properties ▪ In cases where the customer has not owned the rental property for a full tax year, in lieu of the T1 General, the lease agreement can be supported by one of the following: <ul style="list-style-type: none"> ○ Copies of last three months cancelled cheques OR ○ Evidence of last three months rental deposit in the account ▪ Where the existing tenant will remain in place and the lease has expired, only one of the following documents is required: <ul style="list-style-type: none"> ○ Signed acknowledgement from the tenant confirming rental/lease agreement is still in effect including the monthly rent amount; OR ○ Copies of the last three months of cancelled cheques; OR ○ Evidence of the last three months of rental deposits in the account. ▪ Note: If a valid Lease Agreement or one of the above noted documents (in the

case of an expired lease) is not available, an Opinion of Market Rent continues to be acceptable. If Market Rent is used, LTV is capped at 65%. Exceptions may be considered.

Single / Owner-Occupied Rental:

- On the application the following must be inputted for the single and/or owner-occupied rental:
 - Existing TD Mortgage/TD Home Equity FlexLine Principal and Interest payments
 - Property Tax
 - Heat
 - Condo Fees
- How conventional applications will be qualified:
 - Although Principal and Interest, property tax, heat and condo fees are included on the application, borrowers will be qualified based on:
 - Adding 50% of the gross rental income to Personal Income
 - Adding Principal and Interest to Liabilities for the subject property.
 - Adding 100% of the TD Mortgage/TD Home Equity FlexLine payment to the borrower's personal liabilities for the non-subject property.

Two or More Rental Properties:

- Borrowers with two or more properties must qualify using the [Rental Worksheet](#) and include the following:
 - 100% of gross rental income.
 - The actual TD Mortgage/TD Home Equity FlexLine payments for subject property calculated at qualifying rate per the debt servicing policy.
 - The actual TD Mortgage/TD Home Equity FlexLine payment for non-subject properties per the debt servicing policy.
 - Property taxes confirmed by T1 General or property tax statement.
 - Where property taxes have not yet been assessed or cannot be confirmed, use the minimum threshold of 0.50% (BC), 0.65% (Alberta), 0.80% (Quebec) or 0.75% (all other provinces) of the property value.
 - Utilities, greater of actual (T1 General) or
 - Condominium: the greater of a) property square footage x 0.36, or b) \$500
 - Non-Condominiums: the greater of a) property square footage x 0.60 or b) \$800
 - 100% of condo fees where applicable.
 - Maintenance/repair costs should be greater of the actual or \$1200 per unit per year. (See T1 General Statement of Real Estate Rentals (s) for actual). Insurance costs minimum \$350 per unit and \$1,000 for Freehold.
 - If there is a net rental deficit, add it as a monthly liability.
- Net Worth Requirement if the customer does NOT own a Principal Residence:
 - If the customer (or any of the applicants) does not already own a principal residence, and they are not purchasing it with the subject transaction, they must have 10% of the rental property value in net worth up to \$50,000 (in addition to down payment) regardless of the number of rental properties owned. Net worth requirement is not applicable to owner-occupied rental properties.
 - Example: A customer is renting a home (i.e. does not own a principal residence) and buys a \$300,000 rental property, the customer must have \$30,000 in cash or securities in addition to the down payment.
 - Net worth cannot be gifted and is defined as investable assets equal to cash, near cash, stocks and bonds, which are considered easily liquidated.
 - Net worth test must be evaluated at the applicant's individual level (vs the application level).
 - Net worth must be confirmed for a minimum of 90 days prior to the application; does not need to be with TD.
 - Confirm the borrower's net worth by obtaining either:
 - A bank statement with 90-day history prior to the approval, or

	<ul style="list-style-type: none"> - The most recent 3 months investment statements if statement is issued monthly. If the statement is produced quarterly, it must not be more than 120 days old. <ul style="list-style-type: none"> o Refer to section 'List of Eligible/Ineligible Sources of Liquid Assets' below. ▪ Minimum combined DSC requirement for multiple rental properties is 1.2 for conventional deals and 1.1 for insured deals. <ul style="list-style-type: none"> o If there is a net rental deficit, add it as a monthly liability. ▪ For borrowers who can confirm a minimum of \$500,000 in liquid assets (in addition to down payment), conventional applications can be submitted with a reduced minimum DSC requirement of 0.5x. Refer to section 'List of Eligible/Ineligible Sources of Liquid Assets' below. ▪ DCR is applicable for insured rentals however DCR cannot be used if the subject property is an insured rental property or an insured owner-occupied rental property. <ul style="list-style-type: none"> o Example 1: Customer is purchasing a new insured principal residence (subject property that does not have any rental units) and owns a number of other rental properties, DSC can be used for the number of other rental properties. o Example 2: Customer is purchasing a new insured rental property and also owns a number of other rental properties, DSC can only be used on the number of other rental properties, not on the subject property if it is insured (50% of rental income is to be used for this property and 100% principal, interest, tax and heat). ▪ For the subject property, use the qualifying rate on the rental worksheet to determine the DSC. If the property is not the subject property, use the actual payment to determine the DSC. ▪ Confirmation of Income. ▪ Confirmation of the amount and source of down payment. ▪ Note: Please provide the completed Rental Worksheet as well as a copy of the T1 General and Lease Agreement up-front, where required. This will help us understand the property's Debt Service Ratio.
<p style="text-align: center;">Alternative to Leases</p>	<p>Market Rent</p> <ul style="list-style-type: none"> ▪ For purchase and refinance transactions where the property is not rented, market rent can be used in lieu of lease agreements for qualification purposes. ▪ For purchase applications – Maximum 80% LTV where market rent is being used to a maximum of 2 rental properties ▪ For refinance applications – Maximum 65% LTV where market rent is used to substantiate rental income. Exceptions may be considered for LTV > 65% for customers with strong credit history and net worth ▪ Market rent assessment must be provided by the appraiser and included in the appraisal comments ▪ The lowest market rent in the report is to be used ▪ Where property is an owner-occupied single-family dwelling and has more than one unit (i.e., property with main floor unit and two finished basement units), the unit(s) with the lowest market rent(s) must be used for debt service calculations (regardless of which unit will be rented). Note: only market rents for finished/rentable units are eligible. ▪ If a customer is turning their existing owner-occupied property into a rental property and purchasing a new owner-occupied, market rents could be used to support this rental property. Maximum LTV is 65%.
<p style="text-align: center;">Assignment of Rent</p>	<ul style="list-style-type: none"> ▪ All provinces except British Columbia: <ul style="list-style-type: none"> o Assignment of Rents is included in the Standard Charge Terms - a separate Assignment of Rents document is not required. ▪ British Columbia: <ul style="list-style-type: none"> o Assignment of Rents is included in the Standard Charge Terms - a separate Assignment of Rents document is not required. However, the Supplier must advise the solicitor to register the mortgage with this clause outlined in the registration in order for the Assignment of Rents clause to be valid.

Eligible Sources of Liquid Assets	<ul style="list-style-type: none"> ▪ Cash, near cash, stocks and bonds which are easily liquidated into cash ("Liquid Assets") ▪ Liquid Assets in RRSP/RRIF discounted by 30% ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Liquid Assets must be on deposit for a minimum of 90 days at the time of application, but do not need to be held at TD. Note: This same list can be used to confirm the minimum \$500,000 liquid asset requirement for DSC of 0.5x. Liquid assets are in addition to funds for down payment.
Ineligible Sources of Liquid Assets	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ RESP Holdings ▪ Margin Investment Accounts ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity ▪ Assets jointly owned/shared with a person not on the application

4.16. Six-Month Convertible Mortgage

Overview

This mortgage lets a customer benefit from the typically lower interest rate of a six-month mortgage, with the option of converting to a longer closed term at any time during the six months at no cost.

Guidelines:

Subject	Description
Term	<ul style="list-style-type: none"> ▪ Six months ▪ Convert to a longer term at any time throughout the term
Interest Rate	<ul style="list-style-type: none"> ▪ Fixed for six months ▪
Financing Available	<ul style="list-style-type: none"> ▪ Conventional and insured ▪ Purchase price / lending value must be less than \$1,000,000 if LTV > 80%
Payment Options	<ul style="list-style-type: none"> ▪ All payment options are available
Payment Flexibility	<ul style="list-style-type: none"> ▪ Payments can be increased by up to 100% over term ▪ Prepayments up to 15% of the original principal amount per year without charge ▪ Mortgage may be prepaid in full upon payment of a three months' interest or IRD prepayment charge, whichever is greater ▪ Payment Pause, Payment Vacation available

4.17. Variable Interest Rate Products

Overview

- A variable interest rate credit product is subject to interest rate fluctuation.
- It is available for conventional and high ratio TD Mortgages and within a TD Home Equity FlexLine Term Portion.
- Unless specifically stated in this section, variable interest rate credit products are subject to the same requirements as fixed rate credit products.
- TD Mortgage – Only closed, five-year Variable Interest Rate Mortgages (VIRMs) are available through the Broker Channel.
- TD Home Equity FlexLine Term Portion – Only closed, three-year or five-year variable rates are available through the Broker Channel. Based on TD Prime Rate (note this is not the same as TD Mortgage Prime Rate used for VIRMs).

Guidelines:

Subject	Description
Interest Rate	<ul style="list-style-type: none"> ▪ Interest Rate will change automatically if and when the TD Mortgage Prime Rate (for mortgages) or TD Prime Rate (for Term Portions) changes. ▪ Interest rate is expressed as if compounded monthly, not in advance. ▪ Ratios should be calculated using the Qualifying Rate for qualification purposes. Refer to the Qualifying Rate section for details. ▪ The monthly payment amount is set out in the Mortgage Loan Agreement (MLA) and Term Portion Amending Agreement (TPAA) and is calculated using the rate applicable on that date. After funding, the payment amount will stay the same until it reaches the Trigger Point or the term maturity. See Principal and Interest Payments below.
Down Payment	<ul style="list-style-type: none"> ▪ High Ratio: Minimum of 5% down payment from own resources without recourse to additional borrowings (Maximum 95% LTV of the lesser of the appraisal value or purchase price.) Subject to LTV restrictions for owner occupied rentals. ▪ Conventional: Minimum of 20% down payment, with 15% from own resources without recourse to additional borrowings (Maximum 80% LTV of the lesser of the appraisal value or purchase price).
Eligible Properties	<ul style="list-style-type: none"> ▪ Conventional: <ul style="list-style-type: none"> ○ Available for new or existing owner-occupied and rental properties up to and including four units ○ Available for purchase from a builder (single advance) ▪ Insured: <ul style="list-style-type: none"> ○ CMHC deals: <ul style="list-style-type: none"> - Available for new or existing owner-occupied properties up to and including four units - Available for purchase from a builder (single advance) - Not available on rental properties ○ Sagen/Canada Guaranty deals: <ul style="list-style-type: none"> - Purchase transactions: maximum four units where at least one unit must be occupied as the principal residence - Non-purchase transaction: maximum two units where at least one unit must be owner-occupied as the principal residence - Available for purchase from a builder (single advance) - Not available on rental properties
Restrictions	<ul style="list-style-type: none"> ▪ Not portable – Cannot port a variable rate product since the rates cannot be blended. ▪ Not transferrable – Cannot transfer a variable rate product; however, it can be replaced. Refer to the Replacement Policy. ▪ Not assumable – Cannot arrange for a customer to take over an existing mortgage for another customer for the same property when financing has a variable rate.
Principal and Interest Payments	<ul style="list-style-type: none"> ▪ Payments are fixed for the entire term. <ul style="list-style-type: none"> ○ If the TD Mortgage Prime Rate or TD Prime Rate decreases from funding, more of the customer's payment will go towards the principal. ○ If the rate increases from funding, more will go towards interest. ▪ During periods of rising interest rates, if the interest calculated on the outstanding balance is not covered by the interest portion of the regular P+I payment, it is deferred. ▪ Customers will be notified when the interest rate increases to a point where the P + I payment is no longer sufficient to cover the interest portion. It is recommended that customers increase the mortgage payment or convert to a fixed rate mortgage to avoid reaching the Trigger Point (defined below). However, no action is required by the customer at this time. ▪ When interest rates increase to a point that regular principal and interest payment no longer covers the interest charged. As a result, interest is deferred, and the principal balance can increase until it hits the Trigger Point. This is when the outstanding principal amount (including any deferred interest) exceeds the original principal amount. When this happens, customers are notified and they can choose to can make a lump-sum payment, convert to a fixed rate term, or increase their payment amount to pay off their outstanding principal balance within their remaining original amortization period: <ul style="list-style-type: none"> ○ Conventional: When the deferred interest plus the outstanding principal

	<p>amount exceeds 80% LTV the customer is notified and has 30 days (for mortgages) or 60 days (for Term Portions) to: make a lump sum payment to bring the balance down to the appropriate trigger point; prove the property value has increased and the LTV is below or equal to 80%.</p> <ul style="list-style-type: none"> ○ Insured: When the deferred interest plus the outstanding principal amount exceeds 105% of the original advance amount the customer is notified and has 30 days (for mortgages) or 60 days (for Term Portions) to: make a lump sum payment to bring the balance down to the appropriate trigger point; convert to a fixed rate mortgage; increase the regular monthly P + I amount. ▪ If rates increase between the time of application approval and funding, then the following may occur depending on the variable interest rate product: <ul style="list-style-type: none"> ○ TD Mortgage – The interest rate will be recalculated at the current TD Mortgage Prime Rate on the day solicitor instructions are issued (or reissued) and the customer's payment amount may increase to cover interest charged within their contractual amortization period. This information is outlined in the MLA. ○ TD Home Equity FlexLine Term Portion – The interest rate will be recalculated at the current TD Prime Rate on the day of funding and the customer's payment amount may increase to cover interest charged within their contractual amortization period. This information is outlined in the TPAA. ○ Important: Remind customers that the payment amount on a variable interest rate product may increase between the time of application approval and funding in a rising interest rate environment.
<p>Conversion from VIRM to Fixed Rate Mortgage</p>	<ul style="list-style-type: none"> ▪ Customers have the option to early renew a Closed VIRM into a Closed Fixed Rate term that is the lesser of either the remaining term or three years. <ul style="list-style-type: none"> ○ For example: if the remaining term is one year 11 months, the customer can early renew into a two-year term, (or longer if desired). If the remaining term is four years, the customer can choose to renew into a minimum of a three-year term, without paying a prepayment charge. Note: Remaining terms are always rounded up. ○ The new P+I payment on the Closed Fixed Rate term must be based on the remaining amortization. ○ High Ratio: Extending the amortization is not permitted.

4.18. Builder Purchase Assignment

Overview

- This product is available to finance an in-progress home build from another party and requires consent from the builder/developer to assign the Purchase and Sale Agreement. **Note:** Non-builder (i.e. resale of existing properties) assignments are not permitted.
- Brokers must obtain the following documents from the customer:
 - A copy of the original full Purchase and Sale Agreement issued by the builder, including all schedules and/or addendums. Note: This agreement will indicate if the builder allows assignments and the terms of the assignment (e.g. purchase amount, assignee limitations).
 - A copy of the executed Builder Purchase Assignment Agreement provided by the builder to confirm their consent to the assignment.

Note: The Builder Purchase Assignment Agreement cannot be the one used for resale purchases provided by the Provincial Real Estate Board. You must ensure the following information is provided on the Agreement:

 - Names of the assignor and assignee.
 - Date and signature of the assignor, assignee and builder.
 - Buyer(s) on the original Purchase and Sale Agreement must be the same as the assignor(s) on the Builder Purchase Assignment Agreement.
 - Deposit amount.
 - Total assignment purchase price. Not to include commission charges and/or assignment fees. **Note:** The assignment purchase price can be used for financing, if there is no price restriction from the builder and the assignment price is supported by the standard Property Valuation process.

- Builder and project name.
- Property address.
- Closing date of the property.
- Builder Purchase Assignment deals must be completed as a Builder Single Advance application. **Note:** All Builder Single Advance deals are subject to a 120-day rate hold and require customers to use an external solicitor.
- Add a note in the comments section of the application to advise the Underwriter that this is a Builder Purchase Assignment deal.

Eligibility

- Purchase transactions
- Single Advance Only
- Conventional or Insured TD Mortgages
- Conventional TD Home Equity FlexLines
- **Note:** Blanket appraisal is not eligible for Builder Purchase Assignment

4.19. High Net Worth Policy

Overview

- This policy applies to high net worth customers whose full financial picture is not captured by traditional income requirements. These customers have accumulated at least \$500,000 in confirmed liquid assets. However, they may not be able to meet standard income and debt service requirements.
- **Note:** This policy should only be used if the customer is does not qualify under the conventional lending policy. Where possible, customer applications that meet conventional lending policy or other standalone policies (i.e. New to Canada and Business for Self) should not be submitted as High Net Worth.
- **Important:** Submission requires the following inputs be accurate:
 - Comments must include "#HNW"
 - Robust submission commentary including details regarding origin of assets and assessment of reasonability to repay. It's important to share the customer's complete story and include rationale for approval.
 - Refer to the **High Net Worth Submission Criteria** below for additional guidance.
 - Submit all required documents up front.

Minimum Net Worth Requirement

- Minimum \$500,000 in liquid assets in Canada for a minimum of 90 days prior to application; assets do not have to be with TD.
- Additional liquid assets will be required for larger loan requests.
- Net worth requirement is in addition to funds for down payment.
- **Note:** Net worth requirement must be confirmed. Confirmation of Net Worth Requirement will follow existing Down Payment Policy guidelines.

List of Eligible/Ineligible Sources of Liquid Assets

Eligible	Ineligible
<ul style="list-style-type: none"> ▪ Cash, near cash, stocks and bonds which are easily liquidated into cash ("Liquid Assets") ▪ Liquid Assets in RRSP/RRIF will be discounted by 30% ▪ Liquid Assets in a TFSA that are not margined ▪ Liquid Assets held in a personal holding company ▪ Liquid Assets must be in Canada for a minimum of 90 days at the time of application, but do not need to be held at TD 	<ul style="list-style-type: none"> ▪ Gifted Assets ▪ RESP Holdings ▪ Margin Investment Accounts ▪ Restrained savings/investments ▪ Liquid Assets in an Operating Company ▪ Insurance ▪ Real Estate Equity ▪ Assets jointly owned/shared with a person not on the application

Guidelines:

Subject	Description
Eligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ Mortgage ▪ TD Home Equity FlexLine <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Purchase ▪ Refinance ▪ Transfer-In (Mortgage only) <p>Property:</p> <ul style="list-style-type: none"> ▪ Maximum of two properties (TD, OFI or other) <ul style="list-style-type: none"> ○ Owner-occupied ○ Second Home ○ Recreational / Vacation properties (Mortgage or TD Home Equity FlexLine) ○ Cottage properties (Mortgage only) ▪ Note: Rental properties are not included in the maximum number of properties. Standard rental policy applies.
Ineligible	<p>Product:</p> <ul style="list-style-type: none"> ▪ All product types not listed under Eligible. <p>Purpose:</p> <ul style="list-style-type: none"> ▪ Non-Residents ▪ Insured <p>Property:</p> <ul style="list-style-type: none"> ▪ Rental Properties
Terms	<ul style="list-style-type: none"> ▪ Fixed or Variable Rate
Amortization	<ul style="list-style-type: none"> ▪ Up to 30 years
Minimum Credit Score	<ul style="list-style-type: none"> ▪ Satisfactory credit history
LTV	<ul style="list-style-type: none"> ▪ Maximum 65% LTV
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Full Appraisal Required
GDS/TDS	<ul style="list-style-type: none"> ▪ Ratios that exceed standard debt serviceability requirements are still considered exceptions and should be reviewed based on the strength of the application ▪ Customer must meet the minimum Liquid Assets criteria of \$500,000
Down Payment	<ul style="list-style-type: none"> ▪ Minimum 35% following standard Down Payment guidelines. ▪ Minimum asset requirement is in addition to down payment. ▪ Gifted down payment is not permitted
Income Confirmation	<ul style="list-style-type: none"> ▪ Standard Income confirmation is required for any reported income ▪ Subject to Income Reasonability in all cases ▪ Only income earned in Canada will be included in debt service calculations
Minimum Net Worth Requirement	<ul style="list-style-type: none"> ▪ Minimum \$500,000 in Liquid Assets in Canada for a minimum of 90 days prior to application; Liquid Assets do not have to be with TD. ▪ Additional Liquid Assets will be required for larger loan requests. ▪ Net worth requirement is in addition to funds for down payment ▪ Note: Net worth requirement must be confirmed. Confirmation of Net Worth Requirement will follow existing Down Payment Policy guidelines.

High Net Worth Submission Criteria

Subject	Description
Action Required	<ul style="list-style-type: none"> ▪ Identify customers through your conversation. ▪ Assess income reasonability and sustainability. ▪ Add '#HNW' in application comments to identify the deal as a high net worth application. ▪ Use the comments template below to assist with strong rationale supporting your assessment.
Reasonability and Sustainability	<ul style="list-style-type: none"> ▪ Assess the reasonability of the application and the sustainability of the cash flow based on what the customer has shared with you during the conversation: <ul style="list-style-type: none"> ○ Does accumulation of assets seem reasonable related to the profession, length of employment, and age of the borrower? ○ Do the borrowers' assets indicate enhanced ability to service debt beyond their level of reported income? ○ How did the borrower accumulate their assets, and why is their reported income low(er)?
The Submission	<ul style="list-style-type: none"> ▪ Given your new knowledge of how the customer earns their income, you are now able to summarize and explain: <ul style="list-style-type: none"> ○ The customer's full financial profile, and ○ Why you are confident that the customer has the repayment capacity to support their TD financing request.
Having the Conversation	<ul style="list-style-type: none"> ▪ The key to success is to have an in-depth conversation ensuring you obtain a complete financial profile. If they have been successful in saving at least \$500,000, you should discuss the following: <ul style="list-style-type: none"> ○ How did they earn the money to accumulate their savings? Will these earnings continue? ○ How long have they had these savings? ○ Why is there a difference between stated income and NOA? ○ If they own a business, what kind of business is it? How long have they owned it? Is it a corporation? ○ Do they have other types of income confirmation they could provide?
HNW Credit Submission Comments Template	<p>Collateral</p> <ul style="list-style-type: none"> ▪ PURPOSE & CLOSING / COF: <p>Character</p> <ul style="list-style-type: none"> ▪ EMPLOYMENT & INCOME: ▪ ASSETS & LIABILITIES: ▪ DOWN PAYMENT: ▪ CREDIT BUREAU: <p>Capacity</p> <ul style="list-style-type: none"> ▪ GDS / TDS: ▪ LTV / SLIDING SCALE: <p>Contact</p> <ul style="list-style-type: none"> ▪ ADDITIONAL INFO:

4.20. Equity Buyout Program (Insured)

Overview

Available for borrower(s) who wish to buyout another borrower(s)' interest in the property. Insured financing can only be used to acquire the departing co-borrower's interest in the property; Equity take outs and funds to payout matrimonial debts, prepayment charges and administrative fees are not permitted. The following requirements to apply:

- Available on purchase transactions up to 95% LTV.
- All parties must be currently on title on the property
- Documentation validating the remaining borrower is purchasing the departing borrowers' interest and the sale price of the property must be confirmed via the following acceptable documents:

- An agreement of purchase and sale, AND;
- A separation agreement or court order, note:
 - A separation agreement or court order is not required for non-spousal co-owner buyout.
 - The separation agreement is not to be retained in the credit file.
- Down payment confirmation is not required.
- Standard income confirmation guidelines apply.
- Full appraisal is required and will be completed by the insurer.
- Property must be flagged as 'Private Sale' in your comments to the underwriter.

Note: TD Home Equity FlexLine is not eligible.

4.21. Hotel Condos (Insured)

Overview

High ratio insured financing (CMHC, Sagen and Canada Guaranty) is available for Hotel Condo units up to 95% LTV:

- These properties are generally in buildings with a combination of hotel condo units and residential condo units. They may have cost sharing arrangements and other factors that could impact marketability.
- Typically located in major metropolitan areas and operated as Luxury hotels. Units do not have occupancy restrictions and are located on a separate floor from hotel units.
- Property management for the residential condo units must be separate from the 'Hotel' segment of the building.
- Property must not be part of a rental pool, time share, etc.
- The borrower's access to shared elevators, parking, etc. is not contractually impeded by the commercial party(s).
- Title of individual residential condo is registered in the owners' names only and property is used as primary residence.
- Standard LTV (maximum 95%) and Down Payment criteria for high ratio insured mortgages applies.
- Property must be flagged as 'Restricted' in your comments to the underwriter.

Note: TD Home Equity FlexLine is not eligible.

4.22. TD Home Equity FlexLine

Overview

- A TD Home Equity FlexLine can be used to purchase a new home, finance renovations, or consolidate debt, allowing immediate access to available credit without the need to reapply for additional credit, subject to the terms of the agreement:
 - Customizable Revolving Portion and Term Portion
 - Borrow up to 80% total loan to value (LTV) with a Term Portion
 - All with one application and one registered charge.
- The **Revolving Portion** offers a variable interest rate that changes with the TD Prime Rate and has flexible repayment options.
- A **Term Portion** allows customers to set all or a portion (subject to minimums) of their outstanding balance into a fixed or variable interest rate with a term and amortization period, allowing them to pay-off the balance over a period of time.

Guidelines:

Subject	Description
Minimum Amount	<ul style="list-style-type: none"> ▪ Revolving Portion: \$20,000 ▪ Term Portion: \$5,000 ▪ Minimum Total TD Home Equity FlexLine: \$20,000

Maximum Amount (LTV)	<ul style="list-style-type: none"> ▪ Revolving Portion: 65% LTV ▪ Term Portion: \$80% LTV
Rates and Terms	<ul style="list-style-type: none"> ▪ Revolving Portion: Variable rate based on TD Prime Rate ▪ Term Portion: <ul style="list-style-type: none"> ○ A variety of fixed and variable terms. ○ Available terms include: <ul style="list-style-type: none"> • 1 to 5 year fixed closed • 3 or 5 year variable closed based on TD Prime.
Amortization	<ul style="list-style-type: none"> ▪ Revolving Portion: No amortization ▪ Term Portion: Up to 30 years
Repayment	<ul style="list-style-type: none"> ▪ Revolving Portion: <ul style="list-style-type: none"> ○ Minimum of interest only monthly. ○ No prepayment restrictions. ○ Customers can request to pay a fixed payment amount, 3% of the outstanding balance, or 1% of the outstanding balance, using the full credit limit as the basis. ○ Note: Revolving Portion payments are set up as monthly interest-only at signing and can be changed at any time at a TD Branch or through EasyLine. ▪ Term Portion: <ul style="list-style-type: none"> ○ Principal and interest payments (similar to a mortgage). ○ Payments can be increased by up to 100% of the original P+I over the term. ○ Prepayments up to 15% of the original principal amount per year without charge on Closed terms. ○ Note: Term Portion payments are set up as monthly at signing and can be changed at any time at a TD Branch or through EasyLine.
Mandatory Cancellation	<ul style="list-style-type: none"> ▪ Deals that have been delayed post-activation and have not been re-activated within 10 business days, must be cancelled after that period.
Product Benefits	<ul style="list-style-type: none"> ▪ A credit product with customizable Revolving and Term Portions. ▪ Available for conventional purchases of up to 80% loan to value in a single application. ▪ Choose the size of the Revolving Portion up to a maximum of 65% loan to value. ▪ A Term Portion must be set up for the remaining amount requested up to 80% loan to value.
Payment Options	<ul style="list-style-type: none"> ▪ Any TD branch, EasyLine, EasyWeb, TD Mobile Application, ATM, by mail or pre-authorized debit (PAD). Note: PAD payments for Revolving Portions must be made from a TD Chequing or Savings account. OFI PAD payments are available for Term Portions only.
Additional Features	<ul style="list-style-type: none"> ▪ Accessible through Access Card and personalized cheques ▪ Monthly statements ▪ Annual statement for accounts with Term Portions

4.23. TD Protection Plans

Overview

TD Protection Plans offers optional Critical Illness and Life Insurance or Life Insurance that can pay towards the outstanding balance on a mortgage or line of credit if a customer suffers an unexpected covered event.

For Critical Illness and Life coverage, TD Life Insurance Company ("TD Life") and/or Canada Life Assurance Company ("Canada Life") can pay TD Canada Trust a lump sum towards the Mortgage(s) or Line(s) of Credit which includes:

Mortgage:

- Your outstanding mortgage principal amount less any unpaid arrears
- Any discharge or penalty fees on your mortgage
- Any mortgage interest and insurance premiums owing

- Any overdrawn balance in your property tax account

Line of Credit:

- The insured outstanding balance of your Line of Credit less any arrears
- plus interest owing, if applicable
- plus discharge fees or prepayment charges, if applicable

TD Life and/or Canada Life can offer up to a maximum of \$1,000,000 for all combined Mortgage(s) or Line(s) of Credit. If the total of all TD Canada Trust Mortgage(s) and/or Line(s) of Credit exceeds this amount, TD Life and/or Canada Life may offer partial coverage. TD Life and/or Canada Life may offer coverage under the Creditor Defined Plan if the customer does not meet our standard approval criteria for Life and/or Critical Illness Insurance, (insurance coverage up to a maximum of \$500,000 for life and \$500,000 for Critical Illness for a period of up to five years).

Eligibility

- **Life Insurance** – A customer can apply for this insurance if they are:
 - a Canadian resident; and
 - 18 to 69 years old
 - **Critical Illness** – A customer can apply for this insurance if they are:
 - a Canadian resident; and
 - 18 to 55 years old
- Note:** Critical Illness Insurance is only available if the customer is enrolled in Life Insurance.
- Additional details for Mortgage or Line of Credit Life and Critical Illness coverages can be found at www.td.com/ca/en/personal-banking/products/insurance/credit-protection/

Referrals

- **Inform your customer of their protection options early in the borrowing journey.**
- TD uses a referral process to help your customers understand their TD Protection Plan options. Your role in this process is to provide the customer sufficient information to help them decide if they want to be referred to TD for a broader Protection Plan conversation.
- To support your customer making an informed decision, there are helpful resources available that you can share:
 - The Summary of Coverage for Mortgage Critical Illness and Life Insurance or the Summary of Coverage for Line of Credit Critical Illness is available in the TDMS Portal, also emailed to you as an attachment with the TD Mortgage Commitment Letter.
 - Click here to access the [TD Protection Plan Broker Resource Page](#) which provides additional resources that you can provide your customer. These include a Protection Assessment Tool, and a Premium Quote Tool. Note that the Broker Resource Page should not be shared with customers.
- If the customer is requesting to receive information via email, please indicate that you are providing the information as per their request. Here's an example for sending the email:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

- As a reminder, the conversation between you and the customer is not a sales conversation. Based on the referral process, you are not to attempt to sell or provide advice on TD Protection Plans to customers including refraining from discussing details related to the TD Protection Plans Assessment tool, Premium Quote Tool, and TD Mortgage Protection articles. TD is available to help address any questions from customers.
- For more information on referrals and how to submit a referral to TD, refer to the [TD Protection Plans Fact Sheet](#) and [TD Protection Plans Frequently Asked Questions](#).

5. Basic Mortgage / TD Home Equity FlexLine Features and Policies

5.1. Financing Types

Overview

- All TD Mortgages and TD Home Equity FlexLines must be registered in first position.
- Minimum beacon score is 650 for conventional and insured financing.
- All properties must be located in Canada and all TD Mortgages or TD Home Equity FlexLines must be in Canadian dollars. **Note:** Properties in Canadian Territories are not eligible for financing through the Broker Channel.

Conventional Mortgages:

- TD Mortgages with Loan to Value of $\leq 80\%$, that do not have default insurance.

Conventional TD Home Equity FlexLines

- TD Home Equity FlexLines have a Plan Limit Loan to Value of $\leq 80\%$,
- The Credit Limit is the customer's chosen maximum revolving portion and may be up to a maximum of 65% LTV. A Term Portion must be set up for a minimum of the remaining requested amount up to 80% LTV

Insured Financing:

- High ratio TD Mortgages with Loan to Value $> 80\%$ must be default insured.
- TD Home Equity FlexLines are not eligible for Loan to Value $> 80\%$.
- Low ratio insurance for mortgages is required in some higher risk instances where the LTV is $< 80\%$.

5.2. Purpose of a Credit Application

Overview

Use this guideline to provide written comments to the Underwriter for the purpose of the account **and** reason (MANDATORY REQUIREMENT).

Eligible Loan Purposes

- Purchase
- Purchase plus Improvements
- Refinance
- Refinance plus Improvements
- Transfer In

Purpose and reason for financing

- Purchase – a customer is buying:
 - a house (owner-occupied, second home), condo, apartment
 - an investment/rental property
 - a cottage/vacation/recreational property
- Refinance – a customer is:
 - Making improvements and/or renovating:
 - home (owner-occupied, second home) or rental/investment home (interior or exterior)
 - ask the customer what the improvement is for
 - Buying personal property (non-real estate) such as a boat, trailer, furniture, jewelry, vehicle.
 - Consolidating existing debt such as closing out unsecured or secured debts (e.g. credit card, mortgage, line of credit).
 - Taking equity out of existing property for purchase of a subsequent property.
 - Looking for available credit for future use/emergency funds:
 - Ask the customer what the funds are being used for. On a best effort basis, specify what the customer intends to use the funds for in the future. However, customer may not have a specific use and therefore future use /emergency funds will be sufficient
 - Requesting a refinance for other possible reasons, such as but not limited to:
 - A customer is adding a structure on an existing property (e.g. shed, deck, pool)

- financing a wedding
- vacation
- education
- investing (e.g. GICs, TD Wealth)
- gift (e.g. assisting a family member with down payment funds)
- adding or removing a borrower to the account

5.3. Eligible and Ineligible Products, Properties, Purpose and Programs

Product Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Products	<ul style="list-style-type: none"> ▪ Conventional mortgages ≤ 80% LTV ▪ Closed VIRMs ▪ Fixed Rate Mortgages (1 to 10-yr term) ▪ High ratio mortgages – must be default insured ▪ Six-month Convertible Mortgage ▪ Low ratio mortgages 	<ul style="list-style-type: none"> ▪ Conventional FlexLines ≤ 80% LTV Maximum 65% LTV on Credit Limit (Revolving Portion) ▪ Fixed Rate Term Portions (1 to 5-year terms only) ▪ Variable Term Portions (3 and 5-year terms only)
Ineligible Products	<ul style="list-style-type: none"> ▪ Open Mortgages ▪ Open Variable Rate Mortgages ▪ Blanket/Interalia Mortgages ▪ Estate mortgages ▪ In Trust Mortgages ▪ Mortgages in a company name (includes Family Trust) ▪ Self-Directed RSP Mortgages ▪ Subsidized mortgages 	<ul style="list-style-type: none"> ▪ Open Term Portion ▪ Open Variable Rate Term Portion ▪ Any Insured products ▪ Blanket/Interalia Mortgages ▪ Estate mortgages ▪ In Trust Mortgages ▪ Mortgages in a company name (includes Family Trust) ▪ Self-Directed RSP Mortgages ▪ Subsidized mortgages

Property Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Properties	<ul style="list-style-type: none"> ▪ Cottage ▪ Commercial content ≤ 20% ▪ Hotel Condos (Insured) ▪ Leased Land ▪ Modular homes (Affixed to Site) ▪ Owner-Occupied ▪ Recreational/vacation ▪ Rental properties (up to four units) ▪ Second home 	<ul style="list-style-type: none"> ▪ Modular homes (Affixed to Site) ▪ Non-Owner Occupied Rental up to four units ▪ Owner Occupied ▪ Second Homes and Recreational properties meeting conventional lending guidelines
Ineligible Properties	<ul style="list-style-type: none"> ▪ Agricultural Properties ▪ Commercial Properties ▪ Commercial Content > 20% above Grade Floor Space (minor excesses can be done on exception) ▪ Co-operative housing ▪ Co-ownerships ▪ First Nations Reserve Land ▪ Former grow ops ▪ Fractional Interests ▪ Hotel Condos (Conventional) ▪ Life lease/life interest ▪ Mobile/floating/modular homes (via CLIP program) 	<ul style="list-style-type: none"> ▪ Agricultural Properties ▪ Commercial Properties ▪ Commercial Content > 20% above Grade Floor Space (minor excesses can be done on exception) ▪ Co-operative housing ▪ Co-ownerships ▪ Cottage Properties ▪ Commercial content ≤ 20% ▪ First Nations Reserve Land ▪ Former grow ops ▪ Fractional Interests ▪ Hotel Condos (Conventional) ▪ Hotel Condos (Insured) ▪ Leased Land

	<ul style="list-style-type: none"> ▪ Properties in the Canadian Territories ▪ Rental Pools ▪ Single unit Rental properties (Insured) ▪ Time Share ▪ Vacant Land 	<ul style="list-style-type: none"> ▪ Life lease/life interest ▪ Mobile/floating/modular homes (via CLIP program) ▪ Properties in the Canadian Territories ▪ Rental Pools ▪ Restricted Properties ▪ Single unit Rental properties (Insured) ▪ Time Share ▪ Vacant Land
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Purpose Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Purpose	<ul style="list-style-type: none"> ▪ Bridge Loans ▪ Equity Take-Out ▪ Private Mortgage Payouts through solicitors only ▪ Ports (existing TD customer moving their current mortgage to a new property) ▪ Purchase ▪ Purchase Plus improvements ▪ Refinance (existing TD customer or from another lender) ▪ Refinance Plus improvements ▪ Transfers-Ins (on non-collateral mortgages only, from approved lenders) 	<ul style="list-style-type: none"> ▪ Bridge Loans ▪ Equity Take-Out ▪ Builder Single Advance (closing < 120 days) ▪ Purchase ▪ Refinance (existing TD customer or from another lender)
Ineligible Purpose	<ul style="list-style-type: none"> ▪ Assumptions ▪ Progress Draw Mortgages (including modular homes with multiple draws) ▪ Insured Refinance ▪ Refinance plus improvements (Insured) 	<ul style="list-style-type: none"> ▪ Assumptions ▪ Builder Single Advance (closing > 120 days) ▪ Purchase Plus Improvements ▪ Ports ▪ Progress Draws (including modular homes with multiple draws) ▪ Refinance Plus Improvements ▪ Transfer-ins

Program Types

Type	TD Mortgage	TD Home Equity FlexLine
Eligible Programs	<ul style="list-style-type: none"> ▪ Business for Self (Insured and Conventional) ▪ High Net Worth ▪ New to Canada (Insured and Conventional) ▪ Non-Residents ▪ Temporary Residents 	<ul style="list-style-type: none"> ▪ New to Canada (Conventional) ▪ Business for Self (Conventional) ▪ High Net Worth ▪ Temporary Residents
Ineligible Programs	<ul style="list-style-type: none"> ▪ Professional Lending 	<ul style="list-style-type: none"> ▪ Insured New to Canada ▪ Insured Business for Self ▪ Non-Residents ▪ Professional Lending

5.4. Restricted Properties

Overview

Consideration to finance restricted properties is on an exception basis. Standard square foot minimums apply. Properties must be self-contained with kitchen facilities and a separate bedroom. Maximum considered LTV is 65%. No exceptions to maximum LTV permitted.

Guidelines:

Subject	Description
Fractional Interests	<ul style="list-style-type: none"> Fractional interests occur when the fee simple title is divided into interests less than whole, creating the possibility of multiple owners owning portions of the title. The Bank can take an interest in only a portion of the title being purchased by our customer. The risk to the Bank is limited marketability of a partial interest in the title.
Boarding and Rooming Houses / Student Housing	<ul style="list-style-type: none"> These are rental properties where the rental contract may be short term in nature and generally involves renting only a 'room' Rooms may be rented on a weekly or monthly basis – turnover can be high and generally a higher level of property maintenance may be required The risks to the Bank are high turnover and a higher level of property maintenance cost Financing these types of properties is considered on a rare exception basis only depending on geographic location, existing relationship with TD and strength of the covenant(s)
Rental Pools	<ul style="list-style-type: none"> Units in a Rental Pool generally have a premium price as they are managed by a Management Company with the idea this will obtain a higher return for the investor. This premium price is a concern/risk as we are relying on the performance of the Management Company to maintain this value. If the Management Company does not perform or ceases to manage the pool, the value of the unit may decline, and the Bank may be exposed to a loss in an arrear's situation.
Non-Conventional Construction	<ul style="list-style-type: none"> These properties include experimental construction types that do not conform to normal construction guidelines. An example is straw bale construction Financing these types of properties is considered on an exception basis only
Properties with ownership / occupancy restrictions (e.g. Age Restricted Properties)	<ul style="list-style-type: none"> Age Restricted Properties (ARPs) are reviewed on exception by TD Mortgage Solutions (TDMS) ARPs are adult oriented properties with age restrictions such as 18+, 30+, 40+, or a maximum number of days that an owner can occupy the unit each year and do not permit year-round habitation that can impact marketability. ARPs are an exception to policy as they do not fit our standard lending guidelines
Co-ownerships	<ul style="list-style-type: none"> Co-ownership occurs where the purchaser acquires an undivided percentage ownership in the building which is reflected in the deed that is registered on title along with the exclusive right to occupy a specific unit within the building.
Commercial Content > 20% Above Grade Floor Space	<ul style="list-style-type: none"> Properties with commercial component greater than 20% of the "above grade" floor space (i.e. main floor and above) – minor excesses can be considered on exception.
Eligible Purpose	<ul style="list-style-type: none"> Purchase only
Eligible Product	<ul style="list-style-type: none"> Mortgage only
Appraisal	<ul style="list-style-type: none"> Full Appraisal
Amortization	<ul style="list-style-type: none"> 25 years
LTV	<ul style="list-style-type: none"> Maximum 65% LTV subject to sliding scale. Exceptions beyond 65% LTV will not be permitted
Maximum Loan Amount	<ul style="list-style-type: none"> \$500,000

5.5. Restricted Communities

Overview

- The communities listed are identified as "single resource industry communities".
- Due to marketability concerns associated with single resource communities, default insurance is required for mortgages in these communities.
- Note: Not eligible for TD Home Equity FlexLines
- Conventional financing may be considered up to 65% LTV subject to meeting conventional standard property criteria on an exception basis only and where customer profile/net worth supports an exception approval.

Province	Communities
Quebec	<ul style="list-style-type: none">▪ Murdochville
Ontario	<ul style="list-style-type: none">▪ Marathon¹▪ Manitouwadge (Hermio)▪ Red Lake▪ Golden
Alberta	<ul style="list-style-type: none">▪ Grand Cache▪ Fox Creek▪ Swan Hills
British Columbia	<ul style="list-style-type: none">▪ Gold River▪ Logan Lake▪ Steward▪ Tumbler Ridge

¹ Conventional financing greater than 65% up to 75% LTV will be considered on an exception basis only. Properties owned by mining companies will continue to require default insurance with no exception.

5.6. Security Position

- Security for TD Mortgages and TD Home Equity FlexLines must be in first position. Second position financing is not permitted.

5.7. Purchase Agreement

- The entire Purchase and Sale Agreement, addendums, floor and site plan should be reviewed, including all schedules and waivers. Waivers for condition of financing or condition for inspection are not required.
- The Purchase and Sale Agreement must be signed by both the seller and the buyer.
- Electronic signature is acceptable; however, email accepted/confirmed agreement is not. Witness signatures may not be available when signatures are electronic.
- All purchasers listed on the Purchase and Sale Agreement must be included on the credit application.
- Any conditions outlined on the Purchase and Sale Agreement/addendums must be reviewed to confirm they do not adversely affect the credit application or marketability of the property such as but not limited to Power of Sale, sold 'as is' and/or Handyman special, Easements on property, Restrictive covenants or structural encroachments. You must disclose any conditions that could adversely affect the credit application or marketability of the property to TD Mortgage Solutions (TDMS).
- Confirm that any 'cash backs' or any other form of financial incentives included in the body of the Purchase and Sale Agreement/addendums are deducted from the purchase price as these may affect the Loan to Value (LTV).
- For new builds (Builder Single Advance), obtain a copy of the floor plan for the model being purchased, and for all properties except high rise condominiums also obtain lot and site plans. This will help confirm the property location and the house size.
- Where property taxes have not yet been assessed or cannot be confirmed, use the minimum threshold of 0.50% (BC), 0.65% (Alberta), 0.80% (Quebec) or 0.75% (all other provinces) of the property value
- Confirm the closing date is entered correctly.
- If realtor information is blank or contains seller's name, the transaction is considered a private sale. For conventional financing, a full appraisal is required. For insured financing, the nature of the transaction must be disclosed to the insurer (e.g. private sale or realtor sale). A private sale may be listed on MLS.

- If MLS or Purchase and Sale Agreement indicate any evidence of existing tenancy or rental of the subject property, this must be closely reviewed to understand the purpose of the transaction.

5.8. Application Expiries

- TD Mortgage or TD Home Equity FlexLine approvals are valid for 180 days, after which a new approval is required.
- Credit bureaus must be less than 30 days old at the time of submission. However, they are valid for the length of the approval period (e.g. mortgage approval period of 180 days), after which a new credit bureau is required.
- Rate Holds are valid for 120 days.
- Appraisals are valid for 180 days.

5.9. Mortgage / TD Home Equity FlexLine Statements

- TD Mortgage and TD Home Equity FlexLine Term Portion statements are issued annually.
- TD Home Equity Revolving Portion statements are issued monthly
- Where a statement is required to confirm current balances (discharge, transfer, etc.) then an annual statement is not sufficient. Where it is used to confirm mortgage payments for rental worksheets for example, the amount on the credit bureau or annual TD Mortgage or TD Home Equity FlexLine statement can be used.

5.10. Square Footage Minimums

House:

- 850 Square Feet (above grade)
- Homes less than 850 Square Feet will be considered with CMHC/Sagen/Canada Guaranty coverage. Note: this does not apply to TD Home Equity FlexLines.

Condo:

- 440 Square Feet in Greater Toronto Area (GTA), Greater Vancouver Area (GVA) and Major Urban areas.
- 600 Square Feet in Urban and Non-Urban markets.
- Condos less than 440 Square Feet in GTA, GVA and Major Urban areas and less than 600 square feet in Urban and Non-Urban areas will be considered with CMHC/Sagen/Canada Guaranty coverage insurance. Note: this does not apply to TD Home Equity FlexLines.
- Status Certificates are not required at time of submission. The solicitor is responsible for the review of the Status Certificate.

5.11. Amortization

- Minimum amortization period is five years.
- Maximum amortization periods are summarized below:

Product	Maximum* – Fixed Rate, Term Portion or Closed VIRM (# Years)
Conventional Mortgages	30
Insured Low Ratio (80% LTV and lower) Mortgages	25
Insured High Ratio Mortgages (over 80% LTV)	25
Conventional FlexLine (Term Portion)	30 (Adjudicated at 25 years)

* Some specific product policies carry a lower maximum amortization threshold. The specific detail of each product is outlined in this manual.

- Amortization period is subject to the applicant's ability to make the regular payments within TD's acceptable TDS limits.
- TD will accept the Transfer In of an existing mortgage with longer amortizations, provided all other aspects of the credit request meet appropriate product guidelines.

5.12. Debt Serviceability

Overview

Calculating the debt service ratios determines if the customer can easily manage the proposed payments.

GDS Ratio

- Total of all housing costs associated with the customer's principal residence against gross income, including rent or mortgage payment, realty taxes, property taxes, heating costs, and if applicable half the condo fees or all of the lease costs. **Note:** If the actual heating cost amount is not available, heating costs will be estimated by taking into consideration factors such as property size and type of dwelling. Where the heating cost is included in the condominium maintenance fees, be sure to include a note in your comments to the Underwriter. Qualifying debt servicing ratios:
 - 35% where beacon score is less than 680* (minimum beacon score is 650)
 - Up to 39% where beacon score is 680* or greater
- In addition to condo/strata/maintenance fees, some homeowners may also be required to pay **Home Owner's Association (HOA) Fees** which are collected to cover costs associated with maintaining and improving properties in the association. For all applications where HOA Fees have been identified with the property, 50% HOA Fees must be included in the debt service ratio calculations by adding a note in your comments to the Underwriter.

TDS Ratio

- Total of all debt payments including housing costs used in GDS calculation against gross income. Qualifying debt servicing ratios:
 - 42% where beacon score is less than 680* (minimum beacon score is 650)
 - Up to 44% where beacon score is 680* or greater
- * Mortgages requiring default insurance are restricted to the maximum GDS and TDS ratios based on beacon scores; exceptions will not be considered above these thresholds.
- The minimum Rent/Housing costs are as follows:
 - For resident status of 'Rent' the minimum proxies must be applied:
 - Greater Toronto Area / Greater Vancouver Area - \$1,300
 - Major Urban (excluding Quebec) - \$1,150
 - Rest of Country - \$800
 - For other residential statuses, the following minimum costs must be applied:
 - Owned by Spouse – 50% of above noted 'Rent' proxy
 - Lives with Parents/Board – 25% of above noted 'Rent' proxy
 - The rent/housing cost should be included in ratios when the applicants will continue to pay rent/housing costs for their primary residence. Unless the rent/housing cost amount can be confirmed to be less, the above listed proxies must be used.

Foreign Credit Bureaus

- As the credit bureau report is part of the adjudication process the Underwriter will review foreign credit bureau reports as required, as provided by the Broker.
 - Reported trades need to be converted to Canadian dollars at the current exchange rate for debt servicing ratios.
 - Include comments in the credit application indicating the current exchange rate used.

Debt Service Calculations for Existing Credit:

Type of Debt	Calculation Used
Mortgages	▪ Instalment payment

<p>Fixed/Installment Loans Term Loans Demand Loans Student Loans Reserve Loans Letter of Credit or Guarantee</p>	<ul style="list-style-type: none"> ▪ Existing debts: <ul style="list-style-type: none"> ○ If term left on the loan is > three months, use monthly payment amount as reported on the credit bureau. ▪ Debts with no payment shown on the credit bureau: <ul style="list-style-type: none"> ○ 5% of the reported outstanding balance. ○ If term remaining is confirmed to be ≤ three months, then payment is not included in TDS.
<p>Student Lines of Credit</p>	<ul style="list-style-type: none"> ▪ Existing TD Student Lines of Credit: <ul style="list-style-type: none"> ○ 1% of the outstanding limit may be used. ▪ Non-TD Student Line of Credit: <ul style="list-style-type: none"> ○ If Credit Bureau reports trade as a student line of credit, 1% of the outstanding limit may be used. ○ If Government of Canada Student Loan with no payment amount, 1% of balance may be used. ○ If the Credit Bureau does not report the credit as a student line of credit, then 3% of the outstanding balance will be used.
<p>TD unsecured revolving credit</p>	<ul style="list-style-type: none"> ▪ Payment equal to 3% of the outstanding balance ▪ 5% for the Credit Card balance for an applicant with a Quebec address
<p>TD secured revolving credit</p>	<ul style="list-style-type: none"> ▪ Full authorized limit amortized over 25 years using the customer contract rate or Bank of Canada five-year benchmark rate if contract rate is not available
<p>Non-TD unsecured revolving credit</p>	<ul style="list-style-type: none"> ▪ Payment equal to 3% of the outstanding balance ▪ 5% for the Credit Card balance for an applicant with a Quebec address
<p>Non-TD secured revolving credit</p>	<ul style="list-style-type: none"> ▪ Full authorized limit amortized over 25 years using the Bank of Canada five-year benchmark rate or customer contract rate if known and verified on file ▪ Treat all Non-TD revolving credit with credit limit ≥ \$50,000 as 'secured', unless it is known to be an unsecured facility, then follow the Non-TD unsecured revolving credit policy
<p>Liquid or Margin Secured Revolving Line of Credit¹</p>	<ul style="list-style-type: none"> ▪ Existing TD Secured LOC – Payment is calculated using the credit limit and interest rate over a 20-year amortization period. ▪ Existing Non-TD Secured LOC – Refer to the "Non-TD secured revolving credit" noted above.
<p>Open Trades</p>	<ul style="list-style-type: none"> ▪ The payment is calculated at 3% of the balance outstanding. ▪ If there is no balance outstanding, no payment in the TDS is required. ▪ Open Trades that are utilities should not be included in the TDS calculation. ▪ Note: <ul style="list-style-type: none"> ○ E.g., AMEX cards can be offered to customers as both Revolving or Open Trades with no limit. ▪ Open trades must be paid in full at the end of each month.

¹For qualifying purposes interest only payments are not permitted as part of the GDS/TDS calculations to ensure that borrowers can absorb payment shock from increases in interest rates and/or provisions within the credit that may require switch to principal reducing payments.

5.13. Property Taxes

Overview:

- In order for TD to pay property taxes on default insured mortgages, a portion of the estimated annual property taxes is collected with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from the TD Mortgage.
- The property tax portion is based on an average of estimated annual tax amounts for years one and two, divided equally throughout the tax year. This will build a balance in the property tax account to pay the tax bill in full when it's due. Each municipality has a unique schedule for when taxes are due, and TD will pay the annual property tax in full upon receipt of the bill from the municipality. The majority of municipalities issue tax bills once or twice a year.
- The property tax account may have a deficit depending on when the municipality bills and how much TD has collected up to that point
- After the mortgage has been set up, TD will manage the calculation of the tax payments and send customers a letter explaining how their specific tax portion is calculated and how much will be added to their mortgage payment.
- **Note:** It's important to advise your customers that if they receive a tax bill directly after having their property tax payments set up through TD, they need to bring it into their TD Canada Trust branch as soon as possible to avoid potential late payment fees and additional interest charges. It may mean that the municipality has not yet updated its records to show that TD is making property tax payments on their behalf.

Conventional Financing:

- For conventional mortgages and TD Home Equity FlexLines, customers will have to pay their own taxes.

Default Insured Mortgages:

- Brokers will advise TD Mortgage Solutions (TDMS) of details of the estimated tax amount and the customer's frequency of payment.
- TD must pay the property taxes on behalf of the customer.

Additional Information:

- TD will not transfer Tax Account Credit or Deficit Balances. Any amounts will be added or deducted from the total amount outstanding.
- In provinces that offer property tax rebates, the rebate value cannot be applied to the property tax amount used in calculating the GDS/TDS.

5.14. Automated Property Valuation (APV)

TD uses Automated Property Valuation (APV) to assess the value of property. If a property is not eligible for APV or APV does not return a valuation, TD Mortgage Solutions (TDMS) will condition an approved application with a requirement for a full property appraisal to be provided by the Brokerage.

Broker Benefits:

- Quicker approval turnaround with no condition of appraisal.
- Firm up your customer's deal quicker.
- Less work for the Broker who won't have to request an appraisal.
- Better potential of closing deals.
- Reduced property valuation costs.
- Improved relationship with customers increasing potential referral business.

Customer Experience:

- When APV is utilized, the fee (\$99.00) is deducted from the customer's TD Mortgage advance or debited directly to the customer's TD Home Equity FlexLine advance. Note: The APV fee does not apply to appraisals in Quebec. Refer to [Appraisals \(Quebec Only\)](#) for more information.
- Less intrusive for the customer who won't have to schedule an appointment time with the appraiser.
- Quicker turn around on commitment from TD.
- Reduced costs for property valuation.

Tips for Successful APV:

- Proper address including postal code is critical
- Actual property tax values should be used in the application
- For refinance transactions, ensure that the property value presented is reasonable
- For refinance transactions, ensure the original purchase price and purchase date are provided with the application

Restrictions/Exclusions:

Some types of applications and properties will continue to require a full appraisal, such as, but not limited to:

Geographic Location	Property Value	Loan Amount
GTA/GVA	>\$1,000M	>\$800M
Ottawa	>\$750M	>\$600M
Rest of Canada (ROC)	>\$600M	>\$480M

- Purchase and Refinance with improvements
- Rental properties
- All New to Canada applications
- BFS applications > 15% gross up
- Restricted properties
- Cottage properties
- Recreational / vacation properties
- The property has more than one unit (multiple units)
- Leasehold mortgages
- Purchases with no MLS
- Private sales
- Power of sale
- Rural / non-urban properties where the second digit of the postal code is '0' (e.g. L0S 2S4)
- Small Communities: When insurance requirement is waived as outlined under Sliding Scale or on an exception basis by TDMS, regardless of LTV
- Leased land
- Laneway homes
- Non-resident purchases
- Non-arm's length transactions
- Properties > 5 acres.

5.15. Product Changes

Overview

A minimum of five business days are required for product changes. This is particularly important on high ratio deals where the application must go back to the insurer for approval.

New Broker Commitment Required:

Changes that require a new Broker Commitment to be printed and signed include, but are not limited to:

- Any resubmitted application that generates a new approval (includes product switches)
- A change in the borrowed amount
- A customer rate increase
- Changes to the source of down payment
- Postal code changes
- Property dwelling type
- Property usage (e.g. second home to rental)
- Amortization
- Debts to be paid
- Closing date that impacts the Interest Adjustment Date (IAD) and maturity date. **Note:** If the MLA has already been signed by the customer, then a new Broker Commitment is not required.
- Change from Insured to Conventional (or vice versa)
- Change in property value
- Change in security address
- Change in applicants or applicant's name
- Change in income disclosure (e.g. salaried to BFS)

- All changes that impact the Cost of Borrowing or Conditions of Approval

5.16. Resubmission

Overview

A Broker will be asked to resubmit an application:

- When there is a co-applicant/guarantor (where applicable) being added to the application.
- When there is an applicant being removed from the application.
- When a new credit bureau is required to re-adjudicate a credit request (e.g. re-adjudication of an approval/pre-approval request that exceeds the original approval/pre-approval term).
- When the name of the applicant on a credit application changes. **Note:** when the name of an applicant is only a correction, a re-submission is not required – for example, Bob Smith is changed to Robert Smith, or James MacKay is changed to James McKay.
- Where the Broker is asking for substantial changes to the application based upon the Underwriter assessment of the changes.

When a Broker is making changes to an application that do not require a resubmit, these changes should be requested from the Broker in writing to ensure they reflect the Broker request.

5.17. Channel Protocol for Credit Application Conflicts

Overview

There are several channels that TD customers can use to obtain real estate secured credit. At times, customers may submit credit applications through different channels (i.e. TD Branch, TD Mobile Mortgage Specialist, Broker, or online) for the same subject property.

TD does not have a 'first in' policy. Instead we leave it to the customer to decide which channel their request proceeds in. Once they have decided, all other credit application requests must be cancelled, to create a more comfortable customer experience.

When a credit application conflict occurs, TD has put in place practices for each channel to follow in order to create a fair and equitable resolution for all referral sources.

Notes:

- Channel protocol only applies to approved full applications, not pre-approvals.
- Channels must not compete by undercutting rates offered by another channel.

Broker Channel Protocol:

- If the customer started an application with another TD channel but has subsequently decided to proceed with the Broker:
 - The Broker must advise their Regional or Inside Sales Manager (RSM or ISM) of the situation so they can contact the applicable manager of the other channel (TD Branch or MMS) to discuss the proposed cancellation before initiating a new credit application.
 - It's important to ensure that the other channel's deal is cancelled prior to funding should the customer choose to deal with the Broker.
 - Once the deal is cancelled by the other channel, the RSM or ISM will confirm with the Broker that they can proceed with the new credit application. They will also advise TD Mortgage Solutions (TDMS) of the situation.
 - **Note:** If the first application with another channel was declined, TDMS will not alter the decision on any new application and will decline the new application. The only exceptions are where there is a significant material change in the information, e.g. increased income verified, additional applicant, etc. The authority to alter the original decision lies with TDMS, with the objective of preserving the integrity of the decisioning process.
- If the customer started an application with the Broker but has subsequently decided to proceed with another TD channel:

- The RSM or ISM will be contacted by the other channel (TD Branch or MMS) to discuss the cancellation.
- The RSM or ISM will contact their Broker to discuss the situation and move forward with the cancellation through TDMS.
- **Important:** Brokers must not charge any fees or amounts to customers for the cancellation of a credit application. There are **no exceptions** to this rule
- If a commitment has been provided to a Broker and the customer chooses to proceed with another TD channel, the Broker fees **may be** protected by TD as a rare one-off exception, depending on the circumstances.

Important note on cancellation of credit applications:

- If a cancellation is not completed prior to funding the deal in the customer's preferred channel, TDMS will note that there are duplicate applications submitted for the same subject property, and the first request received will be adjudicated. This is done to provide a better customer experience and minimize any risk of funding two identical deals from different channels.
- All subsequent requests will be declined as presented and returned to the initiating channel advising of the credit application conflict and of which channel application was first received and adjudicated.

5.18. Flexible Payment Features

Overview

Additional flexible payment features give customers more choice and control over their lives when they really need it.

Payment Pause for TD Mortgages

When customers need to take a break from their mortgage payment or respond to an unexpected situation, it is great to know that they have the **flexibility to pause a mortgage payment**. Skip the equivalent of one monthly mortgage payment per calendar year up to a maximum of four monthly mortgage payments over the life of the mortgage. Requests cannot be made back-to-back across a calendar year end. In other words, a customer cannot take a Payment Pause in December and then another in January.

Payment Vacation for TD Mortgages

If your customer is preparing for a big or life-changing event like staying home with a new baby or taking a sabbatical from work, they can consider a **payment vacation**. Skip up to the equivalent of a maximum of four monthly mortgage payments per term, if customers have a prepaid amount that has reduced their amortization schedule. Multiple requests can be made within the same term.

Payment Extension for TD Home Equity FlexLines

When customers need to take a break from their Term Portion payment or respond to an unexpected situation, it is great to know that they have the **flexibility to skip a scheduled principal payment**. Customers can qualify for up to four months of principal and interest payment deferrals over the life of the Term Portion with a maximum of two months of consecutive payment extensions, subject to TD approval.

Terms and Conditions for all features

- Mortgage or Term Portion is not pending for renewal.
- Mortgage or Term Portion is not in early renewal or renewal cycle.
- Customer is not currently in arrears (mortgage and other TD debt).
- There is no evidence or current or previous bankruptcy and no evidence that previous TD debt has been written off.
- A borrower is not deceased.
- **Note:** Using one of the flexible payment features will cause the interest that should have been paid during the feature to be added back to the principal balance of the mortgage or Term Portion. This means that the accruing interest will bear additional interest at the current interest rate of the mortgage or Term Portion.
- Customers must continue to pay their realty taxes and creditor insurance payments, if applicable.

6. Borrower Criteria

6.1. Joint Applicants, Guarantors and Spousal Consent

Overview

Mortgages:

- All persons on title must sign the Mortgage Loan Agreement as mortgagors.
- Additional guarantor(s) who are not on title must sign the Guarantee Agreement as guarantors.
- In Alberta, the guarantor must sign the Guarantee Agreement and the solicitor must provide a certificate required by the Guarantees Acknowledgement Act. The solicitor is responsible for providing this certificate.

TD Home Equity FlexLine Term Portion:

- ALL persons on title must sign the TD Home Equity FlexLine Agreement and, if applicable, Term Portion Amending Agreement as co-borrowers and the collateral mortgage charge as mortgagors.
- For Term Portions, proceeds MUST be deposited to an account owned by ALL of the borrowers. For purchases, proceeds will be sent to the solicitor directly.
- Each borrower on a personal credit product with multiple borrowers has the option to choose how they will receive cost of borrowing disclosure documents.
- **If multiple owners are on title and all owners want access to the funds:**
 - All owners must sign the TD Home Equity FlexLine Agreement and, if applicable, Term Portion Amending and the collateral mortgage.
- **If multiple owners are on title but NOT all owners on title want access to the funds:**
 - All owners must sign the TD Home Equity FlexLine Agreement/Term Portion Amending and the collateral mortgage.
 - All borrowers must understand that each is equally responsible for the credit facility.
 - Independent Legal Advice (ILA) must be obtained from each of the borrowers who do not intend to use the funds.
 - This option is not available for Term Portions in Alberta as a guarantee would be needed from the owners not accessing funds. However, TD Home Equity FlexLines in Alberta may be completed using these guidelines.
 - For TD Home Equity FlexLines, the Line of Credit will be set up on the system with all borrowers showing as owners. There is no method to control access to funds for certain borrowers and you must ensure that all borrowers understand this. DO NOT attempt to set up a TD Home Equity FlexLine with multiple signatures required as the Bank is not in a position to enforce this.
- **If one or more borrower(s) are not on title but want the TD Home Equity FlexLine Term Portion in their name only:**
 - This is not permitted because it would result in a guarantor relationship as the parties on title who are providing the security would have to provide a guarantee.

Joint Applicants:

- Joint applications generally apply to spousal situations where there are common Assets and Liabilities that are shared/the responsibility of both individuals, and the credit application is made by both individuals together. In this case:
 - Both applicants must sign the credit application and the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement.
 - The property pledged as security must be registered in both names.
- Individual spouses may apply for credit independently if they satisfy the bank's standard lending criteria without the support of the other spouse. In such case:
 - Only the applicant must sign the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement
 - The spouse is required to sign a Spousal Consent because he/she is not on title
 - The asset pledged as security must then be registered in the name of the applicant only
- If delinquency occurs, the Bank's collection group will commence collection activities against one or all of the Applicant/Joint Applicant(s).
- Each is equally responsible for the debt obligation and the credit product will appear on both applicants' credit bureau.
- **Note:** In British Columbia the spouse not on title must sign a 'Spousal Consent Letter' and does not sign the collateral mortgage as consenting spouse.
- **Note:** For the province of Newfoundland, in a matrimonial home situation a spouse **not** on title must sign

our Charge as mortgagor due to provincial legislation. The Consenting Spouse provision is not recognized. Hence, both spouses will need to apply and sign the credit application. No exception can be made.

- Independent Legal Advice (ILA) is considered on a deal-by-deal basis and MUST be obtained where:
 - A spouse or third party is providing home equity security but does not directly benefit from or have access to the proceeds of the credit facility.
 - A spouse not on title provides spousal consent but does not directly benefit from or have access to the proceeds of the credit facility.

Guarantors:

- A guarantee is a commitment by the guarantor to pay the debt of the borrower upon demand by the lender. The situation in which a guarantor is most typically required is when the ability of the borrower to repay the debt is in question.
- Guarantor relationships are only permitted on mortgages, guarantor relationships are not permitted on a TD Home Equity FlexLine.

6.2. Independent Legal Advice (ILA)

Overview

- Independent Legal Advice (ILA) means that a person receives legal advice from a solicitor/notary independent from the transaction and any other parties to the transaction, to ensure they understand the nature and consequences of the agreements/documents they are signing.
- The solicitor/notary ensures, among other things, that the person is not under any pressure to sign the documentation.
- In considering ILA, an understanding of why the funds are being requested and who will benefit from the funds is important.
- ILA must be obtained:
 - Where a spouse not on title provides spousal consent but does not directly benefit from or have access to the proceeds of the credit facility.
 - If a third party is in control of the application or the borrower(s) does not seem to understand the nature of the application.
 - If the purpose of the funds, although payable to both, will not benefit all borrower(s) (e.g. mother is mortgaging her house to pay off son's personal debts).

Additional Information

Party Type	Definition
Borrower(s)	<ul style="list-style-type: none"> ▪ Person(s) who is responsible for paying the debt to the Bank
Mortgagor(s)	<ul style="list-style-type: none"> ▪ Person(s) who is on title to the real estate and must also be a borrower.
Guarantor(s)	<ul style="list-style-type: none"> ▪ Person(s) who is guaranteeing the payments from the borrower and is not a mortgagor.
Consenting Spouse	<ul style="list-style-type: none"> ▪ Spouse who has a family law interest in the matrimonial home but is not on title. ▪ He/she may or may not be a borrower with the exception of BC. ▪ In BC the consent of a non-titled spouse (same or opposite sex) is not required unless there is an interest registered by the non-titled spouse pursuant to the Land (Spouse Protection) Act against title to the homestead. An example where the bank would require a spousal consent is when the Bank is aware of a couple going through divorce proceedings and one spouse is not on title.
Third Party	<ul style="list-style-type: none"> ▪ Family member, independent financial advisor etc. who is not identified as above but is involved in the transaction.

6.3. Power of Attorney

Overview

- A Power of Attorney (POA) document provides the attorney with the authority to act on the donor's behalf

as soon as it is signed and witnessed unless stated otherwise within the POA Document.

- A POA is **always treated as an exception** and only accepted where the donor and attorney are existing TD customers.
- TD Mortgages or TD Home Equity FlexLines closing under POA must be closed by a solicitor/notary and Title Insurance is required (set out in solicitor instructions). No exceptions will be permitted.
- Approval to use POA is documented in solicitor/notary instruction.
- An external solicitor/notary is required for all requests to provide a legal opinion on the validity and enforceability of the POA.
- When we do accept the use of a POA we should always be able to demonstrate that the transaction benefited the donor/customer.
- TD Mortgage Solutions (TDMS) requires a minimum of seven business days from time of receipt of POA documentation for approval.
- Key requirements that must be satisfied in order to use a POA:
 - Nature of financing request (purchase or refinance)
 - Amount of request and closing date
 - Declared or proposed title/ownership of the property
 - Confirmation that the transaction is being completed by an external lawyer and the lawyer's name
 - Relationship between the donor and attorney
 - Circumstance as to why POA usage is required
 - Does the donor have personal knowledge of this transaction? What is the nature of the donor's involvement?
 - Banking relationships (institution and account/branch #) for the donor and attorney – Both the donor and the attorney must be TD customers

6.4. Bankruptcy Policy

Conventional Financing:

- TD will consider previous bankrupts (one instance, not multiples) after two years of discharge for Owner-occupied Purchase for Conventional financing situations only (exclude Refinances) provided the customer can satisfy all of the following conditions:
 - Copy of the Bankruptcy Discharge Statement must be provided
 - The reason for the bankruptcy was an acceptable event (business failure or marital split) rather than mismanagement
 - Bankruptcy must have been for a significant amount (over \$50,000)
 - Applicant has established verifiable savings
 - Applicant has down payment and closing costs from own resources (not a gift)
 - Applicants' credit bureau report(s), bank account operation, etc., since the bankruptcy are clean
 - No TD debt was included in the prior bankruptcy
 - Customer has been discharged from bankruptcy a minimum of two years to the date of application

High Ratio/Insured Mortgage Financing:

In addition to the above conditions, applicant must have re-established some form of bank credit (e.g. major credit card, bank loan, etc.)

6.5. Interest Rate Differential (IRD) Estimate Example

Let's assume the following:

- \$100,000 prepayment on a five-year fixed rate mortgage
- Customer Rate = 6.5%
- Discount = 1%
- Mortgage prepaid after three years, 24 months remaining to maturity
- Current Posted Rate for 2-year closed term = 5%

The similar mortgage rate is the posted rate for the closest remaining term minus the most recent customer discount. **Note:** The most recent customer discount refers to the discount the customer received on the original mortgage or if renewed, the last renewal.

In this example, we'd take the current two-year fixed mortgage rate, which is equal to 5% and deduct the discount

the customer previously received of 1% to obtain the similar interest rate. The chart below provides a formula for estimating the IRD for this example. This is only an approximation, but it can help explain the IRD to your customers.

Subject	IRD Estimate
Customer Rate:	6.5%
Similar Mortgage Rate:	4.0% (posted rate for the closest remaining term minus the most recent discount)
IRD:	5.0% - 1.0% = 4.0%
Remaining Term:	6.5% - 4.0% = 2.5%
IRD Prepayment Charge Estimate:	24 months
	$(\$100,000 \times 2.5\% \times 24 \text{ months}) \div 12 = \$5,000$

Important: The actual calculation will be more precise and will generally result in a lower prepayment charge than the estimated prepayment charge.

6.6. Title Insurance

Title Insurance is accepted by TD for the following providers (no others will be accepted):

- Title Plus – LPIC (Lawyers Professional Indemnity)
- First Canadian (First American) Title Insurance Company
- Stewart Title Guaranty Company
- Travelers Guarantee Company of Canada
- Chicago Title Insurance
- **Note:** Title Insurers are subject to change at any time.

7. Submitting a Credit Application

7.1. Appraisals (excluding Quebec)

Overview

For TD approvals requiring a property valuation (non-APV):

- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the approved AMCs are Nationwide, RPS Real Property Solutions and Solidifi.
- Approved AMC must email their report in PDF format directly to the appropriate TD Mortgage Solutions (TDMS) Underwriter.
- If the appraisal is not addressed to TD, the Broker must provide a satisfactory letter of transmittal.
- All letters of transmittal originating from an OFI must be completed by an AMC (Nationwide, RPS Real Property Solutions and Solidifi).
- Appraisals must be paid by the Broker or the customer. The Broker is to select who will be paying for the appraisal upon request. Payment must be made to the AMC before the appraisal will be completed. **Note:** If paid by the customer, the appraisal fee will be included in the APR and will be outlined in the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required. Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or Broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing.

If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required.

Letters of Transmittal:

- A request for a letter of transmittal must be submitted using the applicable AMC portal
- Once the AMC receives the request and confirms payment has been made, the request is forwarded to the TDMS Underwriter
- The Underwriter will **ONLY** authorize use of the letter of transmittal if the deal has been declined and the appraisal is no longer required by TD.
- After the TDMS Underwriter confirms the deal has been declined, they will provide written approval (email) back to the AMC indicating that "**TD is not proceeding with this application – LOT is authorized**"
- The AMC will communicate the result of the request back to the Broker

Incoming:

- TDMS will only accept letters of transmittal attached to a TD approved AMC (Nationwide, RPS Real Property Solutions and Solidifi) appraisal.

7.2. Appraisals (Quebec Only)

Overview

For TD approvals requiring an Appraisal Report:

- Appraisals will be ordered by the appropriate TD Mortgage Solutions (TDMS) Underwriter.
- Receipt of a satisfactory appraisal addressed to TD, must be completed through a TD approved Appraisal Management Company (AMC). Currently the two approved AMCs are Nationwide and Brookfield.
- Approved AMC must e-mail their report in PDF format directly to the appropriate TDMS Underwriter.
- Appraisal and related costs are paid by TD.

Note: Appraisals are valid for 180 days. A new appraisal must be conducted if the existing appraisal was conducted more than 180 days ago.

All conventional deals involving a private sale (including properties listed in the MLS without real estate agent representation) will require a full appraisal. For high ratio deals, the insurer will determine if an appraisal is required. Determine if the real estate transaction is being conducted as a private sale (e.g. without a real estate agent or Broker) by reviewing the Purchase and Sale Agreement (PSA) and the MLS® listing. If the Realtor Information section is blank or contains the name of the seller in the PSA, and the MLS® listing contains a link to the seller's private website or comments such as 'Private sale/Seller reserves the right to sell', the credit application should be identified as 'Private' and a full appraisal will be required

7.3. Qualifying Rate

Overview

TD systems will determine the correct interest rate to use for qualifying purposes as follows:

- Qualifying Rate is the interest rate utilized to calculate the credit product payment for inclusion in the Total Debt Service calculation:
 - Both **conventional and insured TD Mortgages or TD Home Equity FlexLines** will qualify at the greater of the customer's contract rate +2%, and the minimum qualifying rate (5.25%).
- The Minimum Qualifying Rate is defined by OSFI and the Department of Finance and updated periodically at their discretion.
- If the customer changes their term/rate or rate type (e.g. five-year fixed to VIRM), the deal must be re-decided using the appropriate qualifying rate.

7.4. Interest Adjustment Date (IAD) Policy

Overview

- Interest is due from the date of the advance of a mortgage.
- The interest adjustment date is the first day of the month following the funding date.
- The interest adjustment amount is the interest due from the time of funding to the start of the term (the first of the following month).
- When a home purchase closes on a date other than the first of the month, the funds are disbursed on that date. In order to keep the term start date on the first of the month, an interest adjustment payment is required.

Example:

- If a mortgage is advanced on May 15 to be paid on the first day of each month, June 1 would be the interest adjustment date and July 1 the first monthly payment date.
- On June 1, the borrower would be required to pay the interest that has accrued on the principal since the date of the advance (May 15).

TD Home Equity FlexLines

- TD Home Equity FlexLines with Term Portions do not have an IAD. All Term Portions are set at monthly payments with the first payment occurring one month from the closing date. Customers may change their payment frequency and first payment date after activation.

7.5. Rate Hold Policy

Overview

- Rate will be held for a period up to 120 days for existing (resale) purchases or refinances. No interest rate should be committed to the customer if the closing date is outside the 120-day allowable booking period.
- Customer receives the lower of:
 - The committed interest rate, inclusive of any discretion, OR
 - The posted rate (no discount will be applied to the posted rate) on the date of funding. If interest rates have decreased prior to the funding date and Broker has NOT requested a decrease, the committed rate or the lower of the new-posted rate will apply.
- Customer does not automatically receive the lowest rate during the rate commitment period. To have the lower Broker rate apply, you must contact your Underwriter in writing to request the interest rate be adjusted each time an interest rate change is processed. If the customer is also looking for additional discretionary pricing, you must obtain approval from your RSM or ISM. Requests for rate decreases will

not be accepted if received any later than three days before the TD Mortgage or TD Home Equity FlexLine Term Portion closes. Should the customer wish to change the term, amortization or product within the 120-day rate commitment period, the interest rate will be the applicable rate at the time of the requested change.

- If you want to adjust the rate and extend the rate hold period beyond the initial 120-day rate hold period, the original request must be cancelled, and the new request must be sent in writing to the Underwriter.
- Once the interest rate is set as outlined in the above process, the interest rate will not be adjusted again unless specifically requested in writing by the Broker; or the rate hold period has expired.
- Rate holds are applicable to the approved deal and are not transferable.
- **Note:** If the customer has already signed the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Term Portion Agreement prior to a change in the interest rate, a new Agreement would be required.

In addition, for TD Home Equity FlexLines:

- Deals that have been delayed post-activation and have not been re-activated within 10 business days, must be cancelled after that period.
- Broker can resubmit the transaction under the following conditions:
 - **Rate hold has not expired with no changes to the application:** An exception can be requested to honour the rate.
 - **Rate hold has not expired with changes to the application:** The rate must be rebooked at current rates.
 - **Rate hold has expired before the new closing date:** The rate must be rebooked at current rates.
- If the cancellation occurs before activation and the deal is resubmitted a new rate booking will be required.

7.6. Pre-approvals for Property Purchases

Overview

- A Pre-approval is for customers who are looking to purchase a property but do not know the credit amount they qualify for.
- Pre-approvals are valid for 120 days. After 120 days if the customer wants to renew the pre-approval, the Broker would need to provide an updated credit bureau to support re-adjudication.
- The rate will be held for 120 days on a preapproval. When the pre-approval expires, you will need to renew the rate.
- If TD's posted Broker rate decreases during a pre-approval rate hold, the Broker may request to have the rate rebooked at the new lower posted Broker rate.
- To extend a pre-approval beyond the original 120-day term, the original request must be cancelled, and the new request submitted.
- Rate exception requests will not be accepted for a pre-approval. A rate exception request can only be reviewed after the deal is approved.
- A pre-approval provides a strong indication of a full or formal approval. The full application is subject to full review of the customer's financial situation, including a credit bureau report, and the property being purchased. Deals can be declined based on unavailable information during the pre-approval process.

7.7. Interest Rate Buydowns

Eligible:

- Buydowns of interest rates if the buydown fee is paid by the Broker
- Buydowns of interest rates if the fee is paid by another third party. Eligible third parties include:
 - Customer's Employer
 - Canadian Military/RCMP/Government of Canada (Brookfield Relocation Services)
- Subsequent buydowns of interest rates are permitted on new ported mortgages if the fee is paid by the Broker or third party.
- **Note:** Customers are required to sign a **Rate Buydown Letter of Direction** for all Brookfield paid and customer's employer paid interest rate buydowns. TD Mortgage Solutions (TDMS) will send the letter to the solicitor/notary as part of the signing package.

Restrictions:

- The rate can only be bought down to:
 - a minimum 1%. In all cases the borrower must qualify for the TD Mortgage or TD Home Equity FlexLine under normal Debt Service ratio requirements at current/qualifying market rates; and
 - maximum buydown amount contained in within the Broker Rate Sheet – applies to Broker Buydowns only.
- The third party buydown and Broker buydown cannot be combined.
- Buydowns are not available on Closed VIRM.
- Buydowns of interest rate by the customer are not permitted.
- Where an interest rate buydown is offered by a third party as an incentive to purchase a property, the value of the buydown must be deducted from the purchase price before the LTV is calculated.
- Employer paid buydowns are not permitted on a TD Home Equity FlexLine.

Steps:

- **Broker Initiated Buydowns:**
 - Broker must contact their RSM for approval to buydown the interest rate.
 - Broker must then provide the RSM approval to the Underwriter assigned to that credit application.
 - It is the Broker's responsibility to ask their Underwriter what the cost of the buydown will be.
 - The Underwriter will provide the Broker with the approximate buydown fee amount.
 - If the Broker proceeds with buying down the rate, the buydown fee will be deducted from the Broker's Referral Fee.
- **Brookfield Paid Buydowns (DND, RCMP or Government of Canada):**
 - Customer advises Broker if this is a Brookfield buydown.
 - Broker must inform the Underwriter in the application comments that this is a Brookfield buydown.
 - Broker receives the Brookfield form from the customer and sends to TDMS for completion.
 - If application is approved the completed Brookfield form will be returned to the Broker by the Underwriter.
 - Broker to return the completed Brookfield form to the customer.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The interest rate buydown fee amount will be deducted from proceeds.
- **Customer's Employer Paid Buydowns:**
 - Customer advises Broker if this is an employer paid buydown
 - Broker must inform the Underwriter in the application comments that this is an employer paid buydown
 - If application is approved the Broker provides the customer with the Employer Paid Mortgage Rate Buydown Letter available on the [TDMS](#) website.
 - Broker to instruct customer that the signed Employer Paid Mortgage Rate Buydown Letter must be returned prior to funding.
 - Broker to return the signed Employer Paid Mortgage Rate Buydown Letter to the Underwriter.
 - The Broker Commitment will reflect the new interest rate after the buydown has been applied.
 - The interest rate buydown fee amount will be deducted from proceeds.

7.8. Credit Agreements

Overview

- The Mortgage Loan Agreement (MLA) and TD Home Equity FlexLine Agreement (FLA) documents the terms of the TD Mortgage or TD Home Equity FlexLine. It is secured by a collateral charge.
- The Term Portion Amending Agreement (TPAA) contains the terms for a Term Portion and is an amendment to the FLA.
- Customers may choose to register their collateral charge for more than the approved principal amount of the TD Mortgage or TD Home Equity FlexLine, up to 125% of the property value. This may allow them to borrow additional funds in the future without having to re-register the charge eliminating any solicitor/notary /TD Refinance Mortgage Program fees (Note: Prepayment charges are still applicable). Subject to approval and current lending criteria at that time.
- The MLA and FLA secured by a collateral charge must be in first position only.

Increases

- If your customer would like to increase their TD Mortgage registered with a collateral charge they may be

able to do so without incurring legal fees:

- Comments to the Underwriter should specify that the customer would like to 'reuse' their collateral charge.
- A new credit application and approval are required, including an evaluation of the property value.
- The new credit amount cannot exceed the amount of the existing collateral charge.
- There can be no changes to title of the property since the time of registration of the collateral charge.
- **Note:** Other fees may still apply when processing an increase (e.g. property valuation fees).
- If your customer has a subsequent TD Home Equity FlexLine charge registered on title, the mortgage increase can still be done as a re-use.
- If the subsequent charge is anything other than a TD Home Equity FlexLine, the customer must register a new charge and will incur associated fees.
- Provided the collateral charge and the property value supports the request for an increase, customers may refinance an existing TD Mortgage or TD Home Equity FlexLine to a TD mortgage or TD Home Equity FlexLine using the same charge.

Changes

- There is a Cost of Borrowing requirement to provide accurate disclosure before entering into an agreement. Any changes that affect the cost of borrowing will require a new MLA or TD Home Equity FlexLine Agreement and, if applicable, Amendment Agreement (Term Portion) to be signed by the customer. This includes, but is not limited to:
 - Change to interest rate or rate discretion
 - Change to closing date (see Notes below).
 - Changes to borrowed amount
 - Change in amortization
 - Change in the term of the product
 - Change in product type
- **Note:** For mortgages, if the customer has already signed the MLA and is not able to re-sign AND the IAD doesn't change (i.e. a decrease to the interest rate, or a change to the closing date that does not cross over month end), an exception may be made.
- **Note:** For TD Home Equity FlexLines, if the customer has already signed the TPAA and is not able to re-sign AND the closing date changes by no more than 10 days from the original closing date, an exception may be made.

7.9. TD Refinance Program

Overview

The Refinance Program allows for your transactions to be processed quickly and efficiently using First Canadian Title (FCT). Customers can always still choose to use a solicitor/notary.

Benefits

- FCT will manage most title issues directly with the customer to alleviate delays.
- FCT will facilitate document signings directly with the customer.

Qualifying Transactions

- The refinance program is designed for:
 - First priority mortgage;
 - Refinance of existing TD Mortgage;
 - Refinance of existing TD Home Equity FlexLine;
 - Refinance of mortgages from another financial institution;
 - Equity Take Outs of a free and clear property;
 - Mortgages on residential properties that are currently owned by the borrower(s), consisting of not more than four (4) units and meet following criteria under mortgages that qualify;
 - Products that qualify include the Mortgage product and the TD Home Equity FlexLine product.

Non-Qualifying Transactions

- The following transactions/properties cannot be processed through the First Canadian Title (FCT) Refinance Program:
 - Purchase Transactions
 - Refinance plus improvements
 - Mortgages on Leased Lands

- Any home not affixed to the land
- Mortgages being signed using a Power of Attorney
- Hotel Condos
- Any changes to Title including adding someone on Title or a Name Change
- Postponements
- Private Mortgage Payouts
- All other ineligible transactions listed under [Eligible and Ineligible Products/Properties](#)
- Non-residents are not eligible to use the Refinance Program (this excludes Transfer-In transactions)
- Out of province signing is not permitted for FCT deals

Submitting Credit Application for Approval

By asking the right questions you will avoid unnecessary delays. Please ask or investigate the following while interviewing your customers:

- Does your customer have any outstanding mortgages, lines of credit or loans?
If the answer is “yes”, obtain particulars from your customer. This may validate the encumbrances registered on title.
- Does your customer have an existing TD Mortgage or TD Home Equity FlexLine on the property? If so, will it be discharged to place the new TD Mortgage or TD Home Equity FlexLine on title?
If the answer is “yes”, ensure this is disclosed on the credit application.
If the answer is “no”, the credit application will not be approved.
- Will the customer be discharging a TD or other financial institution's mortgage with this refinance transaction?
If the answer is yes:
 - Complete the [Request for Discharge Payout Statement](#) and obtain a signature from all customers
 - For mortgages from another financial institution, submit the completed form to TD Mortgage Solutions (TDMS).
 - For TD Mortgages or TD Home Equity FlexLine Term Portions, ensure you have a prepayment charge discussion with the customer. Refer to the customer handout in the Appendix: Making a prepayment? Here's what you need to know.
- Are all parties who are on title applying for the TD Mortgage or TD Home Equity FlexLine together?
If the answer is “no”, all parties must be present to apply and sign for the new TD Mortgage or TD Home Equity FlexLine (including the Guarantors for mortgages). Please include all names on your application.
- Obtain from your customer information regarding the property legal description and property tax roll number. TIP: Ask your customer for a copy of their tax bill to obtain the property information and legal description.
- Advise your customer that a letter will be given to them at the time of signing. This letter will outline that the terms of the TD Mortgage or TD Home Equity FlexLine require that the customers have adequate property insurance coverage.

Steps for using the TD Refinance Program for Brokers

Step	Description
1	Submit your credit application to TD for verification and approval <ul style="list-style-type: none"> ▪ TDMS TDMS will provide you with the customer's conditional approval. ▪ Arrange for your customer to accept and fulfill conditions.
2	If approved, arrange to have your customer complete and sign the Request for Discharge Payout Statement , authorization to request the payout of an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TDMS website under the 'Document' drop down menu.
3	Forward to TDMS: <ul style="list-style-type: none"> ▪ All documentation as per conditions (e.g. income confirmation) ▪ Request for Discharge Payout Statement ▪ TDMS requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.

4	Signing TD Mortgage or TD Home Equity FlexLine documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.
5	FCT will process the release of funds once the documents have been signed.

7.10. Mortgage Transfer Plan

Overview

- TD accepts transfers of conventional (non-collateral) mortgages from the below listed financial institutions subject to the applicants and properties meeting TD standard lending criteria.
 - Schedule 1 Banks:
 - Bank of Montreal
 - Bank of Nova Scotia
 - CIBC
 - Canadian Western Bank
 - Laurentian Bank
 - National Bank
 - Royal Bank
 - Life Insurance Companies
 - Les Caisses Populaires Desjardins (Québec only)
 - First National
 - Credit Unions, Trust Companies or other Banks will be considered on an exception basis. This is subject to Credit Centre review of the Mortgage document or standard charge terms.
- Standard income confirmation required.
- Mortgage approval is subject to receipt of a Mortgage Statement for Assignment Purposes that confirms the mortgage is not a collateral charge and is up-to-date and no arrears exist.
- Insured mortgages do not require an appraisal provided the mortgage is set up as an insured mortgage using the original Insurer Reference Number.
- Mortgage transfers must be registered with a conventional/standard charge.
- All conditions of the mortgage transfer must be satisfied a minimum of 15 business days prior to the closing date.
- Not eligible for TD Home Equity FlexLine.

Mortgages Not Eligible for Transfer:

- Private mortgages
- Collateral mortgages (e.g. Manulife One accounts, Scotia Total Equity Plan accounts are secured by collateral mortgages and are not acceptable).
- Mortgages where there is no blended monthly Principal and Interest payment
- Mortgages with a non-assignable or non-transferrable clause in the mortgage document or standard charge terms
- Mortgage where the interest compounding is less frequent than semi-annual or twice yearly (e.g. annual compounding is not eligible).
- **Note:** This transfer plan applies to properties up to a maximum of four units only

Eligible Transfer Amount

- Transfers/Assignments are intended to be a transfer of the principal balance only. Accrued interest, administration/transfer fees and pre-payment charges (if any) are normally paid by the customer.
- However, given that it is difficult to obtain a Mortgage Statement for Assignment Purposes from other Financial Institutions prior to obtaining TD Credit Approval, 'tolerances' will be permitted to include accrued interest, administration/transfer fees and pre-payment charges in the principal balance funded at TD, as outlined below.

Insured Mortgages

- Accrued interest and transfer/administration fees to a maximum of the lesser of:
 - \$3000 over the principal balance stated on the discharge statement, or
 - \$3000 over the amount approved by the Underwriter, or
 - Original insured amount (original mortgage amount).
 - Note: Re-amortization is not permitted.

Conventional Mortgages

- Accrued interest, transfer/administration fees and prepayment charges (if any) to a maximum of the lesser of:
 - 2% to maximum of \$3000 over the principal balance stated on the discharge statement, or
 - Maximum 80% LTV based on appraised value at time of transfer
 - Note: Re-amortization is not permitted.

Mortgage Transfers with Increases

- Mortgage transfers with increases (beyond the tolerances outlined above) are excluded from the Mortgage Transfer Plan. Requests for mortgage transfers with increases must be set up as new mortgages on the system. A new mortgage must be registered on title and the existing mortgage must be discharged.

Amortization

- Existing amortization years will be accepted for transfers in to accommodate existing mortgages. Where existing amortization exceeds current policy, transfers in are permitted provided there are no changes to the amount, amortization, etc.

Appraisals

- APV can be used for conventional mortgage transfers at no cost to the customer or Brokers
- TD Mortgage Solutions (TDMS) will order appraisals for all Mortgage Transfers. **Note:** Brokers must not order appraisals directly. If they do, they **will not** be reimbursed for any fees incurred.
- If a full appraisal is required, the cost of the appraisal will be covered by TD Broker Services.

Steps for using the Mortgage Transfer Plan

Step	Description
1	Submit your credit application to TD for verification and approval <ul style="list-style-type: none">▪ TDMS will provide you with the customer's conditional approval.▪ Arrange for your customer to accept and fulfill conditions.
2	If approved, arrange to have your customer complete and sign the Request for Mortgage Assignment Payout Statement to payout an existing mortgage from another financial institution. Provide your customer with a copy of the Introducing FCT letter which gives a details explanation of what to expect in the FCT signing process. This document can be found on the TDMS website under the 'Document' drop down menu.
3	Forward to TDMS: <ul style="list-style-type: none">▪ Copy of most recent renewal agreement or annual statement▪ Current printout of the mortgage balance (wherever possible to confirm accurate balance)▪ Copy of Request for mortgage Assignment Payout Statement (Broker), signed by the borrower.▪ Copy of original registered mortgage document including all schedules and, if applicable, standard charge terms▪ For Insured Mortgage, confirmation of property insurance particulars (current Homeowner Insurance Policy and Number) *Except Quebec. <p>Important: The Broker is always responsible for ensuring that they have a prepayment charge discussion with the customer. IRD is always payable by the customer and can change or increase overnight.</p>
4	TDMS requests First Canadian Title to arrange for necessary searches, discharge statements and mortgage document delivery.
5	Signing Mortgage Documents is arranged with the FCT remote signor except in British Columbia and Quebec where FCT arranges for a Notary signing. FCT notifies the Broker that the documents have been signed.
6	FCT will process the release of funds once the documents have been signed.

7.11. Standard Approval Conditions

Income and Down Payment Confirmation:

- Obtain confirmation of income that meets TD's standard guidelines for an amount at least equal to the amount input on the application
- Obtain confirmation of down payment that meets TD's standard guidelines

Confirm Closing Costs of 1.5% of Purchase Price Not Borrowed:

- Applicable to insured Mortgages only
- Confirm closing costs of 1.5% of the Purchase Price. Can be factored into TDS ratio as a loan over 12 months.

Copy of Firm Purchase Agreement and MLS Listing with Photo:

- Purchase Agreement
 - Review the entire Purchase Agreement, including all schedules and waivers
 - Any conditions outlined on the Purchase Agreement must be reviewed to ensure they do not adversely affect the credit application or marketability of the property
 - **Note:** No longer required to obtain a waiver of financing or home inspection prior to funding
 - Ensure that any 'cash backs' or any other forms of financial incentives included in the body of the Purchase Agreement are deducted from the purchase price as these may affect the Loan to Value
- MLS (Multiple Listing Service) – Review to determine:
 - Property details are consistent with the application
 - Property tax amount entered on the application is consistent with the MLS
 - MLS zoning must comply with the use of the property

Full Appraisal Required

- Applicable to conventional financing
- Exceptions must be specifically approved by TD Mortgage Solutions (TDMS) and must be reflected in the Approval Comments and will not be considered unless MLS Listing and Offer to Purchase is provided

Subject to Major Urban/Urban/Non-Urban/Recreational Sliding Scale

- Applicable to conventional financing only
 - Ensure loan amount does not exceed sliding scale formula based on property location. Refer to – Policy Guidelines Sliding Scale
- Exceptions must be specifically approved by TDMS and must be reflected in the Approval Comments

Taxes to be Paid by Bank

- Applicable to Insured Mortgages only – property taxes must be paid by TD
- Exceptions to waive Bank paid property taxes must be specifically approved by TDMS

7.12. Income Confirmation

Reasonability

As part of the credit application process, it's important to ask customers the right questions in order to validate that the income declared by the customer is legitimate and acceptable in relation to the overall customer profile and is sustainable to service the debt.

To assist with validating income reasonability, you must provide a full description of your customer's employment information on the **Job Title** field in Expert. For example, enter 'investment manager' or 'IT consultant' rather than a vague description such as 'manager'.

Guidelines:

- **T1 General:**
 - When using T1 General as a source of income, you must confirm that there are no outstanding taxes owing greater than 5% of Line 15000, to a maximum of \$5,000.
- **NOA:**

- When using Notice of Assessment (NOA) as a source of income, you must confirm that there are no outstanding taxes owing greater than 5% of Line 15000, to a maximum of \$5,000.
- Validate that required data points below are present. All pages of the NOA are not required if the documents provided has the following information:
 - Tax year filed
 - Name of the applicant
 - A Tax Assessment Summary where you will find line 150 Total Income which is used for the applicant's income
 - Net Income, Taxable Income and Refund or Balance Owing line items
- **Note:** In lieu of the standard paper format, the online version or the 'Proof of Income' (C-Print) versions of the NOA are acceptable.
- **Paystub:**
 - When a paystub has both an issue date and pay period end date, either one may be used for the purposes of calculating the age of the document
- **Direct Pay Deposit:**
 - Two full months' history is only required when Direct Deposit is being used to calculate qualifying income (i.e. Fixed).
 - When using direct pay deposit to confirm income is current (i.e. for fluctuating or pension), one current direct deposit is sufficient.
- **Current documentation is defined as being dated no earlier than 60 days prior to the credit approval.**

Source of Income

Subject	Description
<p>Fixed (Non-fluctuating/ Salaried) Employment Income & Pension/ Disability Income</p>	<ul style="list-style-type: none"> ▪ To demonstrate the necessary stability of employment, borrowers should have been continuously employed by their current employer for at least one year and not currently on probation. ▪ The same requirements apply to customers on Pension/Disability income. ▪ Customers must provide one and/or two of the following documentation to confirm income: <ul style="list-style-type: none"> ○ Existing TD Borrower - One Current Document ○ If Borrower is New to RESL - One Current Document AND One Annual Document ○ A borrower is New to RESL if he/she does not currently have an active TD Mortgage or FlexLine at time of first approval ▪ Acceptable Current Documentation <ul style="list-style-type: none"> ○ Current Direct Pay Deposit ○ Current Pay Stubs ○ Current Letter of Employment – must be accompanied by a current pay stub or current direct pay deposit. ○ Current is defined as being dated no earlier than 60 days prior to the credit approval. ▪ Acceptable Annual Documentation: <ul style="list-style-type: none"> ○ Most recent NOA ○ Previous Year-End Paystub ○ Most recent T4 ▪ Variations between documents for borrowers will be managed as follows: <ul style="list-style-type: none"> ○ If the annualized amount on the primary document is higher or lower than the amount on the additional document by 10% or more, the following options are available: <ul style="list-style-type: none"> - Use the lower of the income from the two documents OR - In cases where the variance is due to additional income such as bonus, profit sharing, or income that fluctuates, refer to fluctuating employment income guidelines OR - Where the difference is based on changes in life circumstances, such as a new job or promotion, request use of

	<p>current income from Primary document alongside exception rationale to TDMS.</p> <ul style="list-style-type: none"> ▪ Trouble Shooting <ul style="list-style-type: none"> ○ If the borrower wishes to include any bonuses or commission earned in their total income in order to qualify for credit, the documentation options are more limited. To use salaried income including bonuses or commission refer to the Fluctuating Income section. ○ If the borrower receives both a pension and a regular income, most likely from a second career, the borrower must provide individual documentation to confirm both incomes separately (i.e. direct deposits from both sources if applicable). ○ Alternatively, the borrower can provide NOAs showing the total amount supported by a pay stub, direct deposit or letter from each organization providing the income to confirm that the income continues to be received.
Part-Time / Hourly	<ul style="list-style-type: none"> ▪ Where a borrower's part time or hourly wages are guaranteed and do not fluctuate follow the Salaried Income confirmation guidelines. ▪ Where a borrower's part time or hourly wages are not guaranteed or fluctuate follow the Fluctuating Income section.
Pension / Disability Income	<ul style="list-style-type: none"> ▪ Refer to the Fixed (Non-fluctuating/Salaried) Employment Income section.
Spousal / Child Support	<ul style="list-style-type: none"> ▪ For Conventional applications, either of the following is acceptable: <ul style="list-style-type: none"> ○ Most recent NOA or T1 General/Tax Return to confirm the support payment is declared as income, supported by most recent 1 month direct deposit (includes cheque deposits, Email Money Transfers) ○ A two-month history of bank statements showing regular support payments and a copy of the formal separation agreement or court order. ▪ For Insured Mortgage applications, either of the following is acceptable: <ul style="list-style-type: none"> ○ Most recent NOA or T1 General/Tax Return to confirm the support payment is declared as income, supported by a separation agreement or court order, OR ○ A two-month history of bank statements showing regular support payments and a copy of the formal separation agreement or court order. ▪ If the customer has disclosed that they are required to pay child or spousal support this must be included as part of their liabilities and considered in the TDS calculation.
Fluctuating / Irregular	<ul style="list-style-type: none"> ▪ Any two of the following documents from the most recent two tax years; averaged: <ul style="list-style-type: none"> ○ Notice of Assessment ○ Year End Paystub ○ T4 ▪ In addition, supported by a current: <ul style="list-style-type: none"> ○ Letter of Employment ○ Direct Deposit ○ Pay Stub ▪ Use the average of the NOA, T4, or Year End Paystubs' annual income in your application. ▪ If the income from the most recent annual document varies from the average of the two annual documents by more than 20% you must use the lower of, or seek an exception to use the average, alongside a reasonable explanation for the variance ▪ If the applicant is self-employed refer to Self-Employed/Professionals section. ▪ Important: If the customer's source of employment for the two-year period is not consistent (e.g. previously salaried but now commissioned sales or self-

	<p>employed) the NOA(s) may not accurately represent current income. Using the average or more current income from the NOA should be treated as an exception.</p> <ul style="list-style-type: none"> Current is defined as being dated no earlier than 60 days prior to the credit approval. 										
Maternity / Paternity / Adoption Leave	<ul style="list-style-type: none"> A Letter of Employment is required to confirm that the applicant is currently employed and on parental leave. You may use 100% of the gross income documented AND; Most recent Year-End Paystub or T4 to confirm the employer name and historical income. Note: Variance check not required. 										
Investment Income (Including RRIF Income)	<ul style="list-style-type: none"> Both of the following must be obtained: <ul style="list-style-type: none"> Notices of Assessment from the most recent two years supported by T1 General. NOAs must further be supported with applicable investment statements (see next bullet) to show that customer has sufficient invested assets to support the indicated income (reasonability). Investment statement should reflect name (first/last) matching borrower, Investment Company, account number, balances, dated within 60 days of application. 										
Government Child Care and Social Assistance Benefit	<ul style="list-style-type: none"> Canada Child Benefit (CCB) <ul style="list-style-type: none"> The Canada Child Benefit (CCB) is a tax-free monthly payment made to eligible families to help them with the cost of raising children. 100% of CCB can be used, subject to: <ul style="list-style-type: none"> Amount used cannot represent more than 50% of total income for all applicants; Children 15 years of age or younger (child cannot be turning more than 15 years of age in the calendar year); No gross up permitted <p>Example:</p> <table border="1" data-bbox="673 1150 1357 1419"> <thead> <tr> <th>Description</th> <th>Calculation</th> </tr> </thead> <tbody> <tr> <td>Total of all incomes earned, including:</td> <td></td> </tr> <tr> <td> <ul style="list-style-type: none"> Employment income = \$80,000 Investment income = \$20,000 CCB income = \$20,000 </td> <td>\$120,000</td> </tr> <tr> <td>Maximum CCB income to be used on the application, lesser of:</td> <td></td> </tr> <tr> <td> <ul style="list-style-type: none"> \$120,000 x 0.50 = \$60,000 OR \$20,000 </td> <td>\$20,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> CCB income must be verified by any one of the following forms of acceptable documentation: <ul style="list-style-type: none"> CCB Annual Statement issued by the Canada Revenue Agency for the current year Bank statement showing the automatic deposit of the Canada Child Benefit In addition, the child's age must be verbally confirmed with the customer by Broker and documented within the submission comments. Note: Child tax credits or refundable tax credits for childcare cannot be included as a source of income. Social Assistance <ul style="list-style-type: none"> Social Assistance benefits are not permitted as debt servicing income, with the exception of provincial government disability support payments where the benefit can be confirmed permanent i.e. In Ontario, ODSP is an acceptable source of Social Assistance income. <p>Documentation Required:</p> 	Description	Calculation	Total of all incomes earned, including:		<ul style="list-style-type: none"> Employment income = \$80,000 Investment income = \$20,000 CCB income = \$20,000 	\$120,000	Maximum CCB income to be used on the application, lesser of:		<ul style="list-style-type: none"> \$120,000 x 0.50 = \$60,000 OR \$20,000 	\$20,000
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	<ul style="list-style-type: none"> ○ Letter from provincial authority to confirm benefit is permanent, AND; ○ A current paystub or 1 direct deposit
Non-Canadian Currency	<ul style="list-style-type: none"> ▪ Exception approval is required from TDMS when non-Canadian currency is to be used as source of income in the application. This does not apply to Canadians earning USD income. ▪ When inputting the income amount in the application, convert the amount to Canadian dollars by using the current exchange rate and enter that amount. ▪ Include comments in the application indicating the source of the income, the original amount and exchange rate, and how the customer will provide confirmation of their income (Letter of Employment, etc.).
Non-Taxable Income	<ul style="list-style-type: none"> ▪ Common Types: <ul style="list-style-type: none"> ○ Workers Compensation Payments (WSIB). ○ Non-Taxable Pension Income (e.g. Guaranteed Income Supplement). ○ Disability Income, provided by either private or government and guaranteed for the life of the applicant. ○ Indian Act Exemption. ▪ Notes: <ul style="list-style-type: none"> ○ Allowances or Expense Reimbursements should not be considered as Non-Taxable Income as the employee incurs additional expenses that offset this type of income. ○ Sources of taxable income are: <ul style="list-style-type: none"> - Canada Pension Plan - Old Age Security ▪ Gross-Up <ul style="list-style-type: none"> ○ Eligible non-taxable income can be grossed-up for the purposes of calculating GDS/TDS ratios, based on the two-tier gross up approach. Borrowers with non-taxable income: <ul style="list-style-type: none"> - less than \$30,000 are eligible to have their non-taxable income grossed-up by 25% - of \$30,000 or more are eligible to have their non-taxable income grossed-up by 35% <p>Calculation: Borrower(s) Non-Taxable Income X Gross-up Factor = Grossed-up Income</p> <p>Example 1: Non-Taxable Income = \$25,000 and Gross-up Factor = 25%</p> <ul style="list-style-type: none"> - \$25,000 X 1.25 = \$31,250 Total Grossed-up Income <p>Example 2: Non-Taxable Income = \$35,000 and Gross-up Factor = 35%</p> <ul style="list-style-type: none"> - \$35,000 X 1.35 = \$47,250 Total Grossed-up Income <p>Example 3: Non-Taxable Income = \$25,000, Taxable Income = \$50,000 and Gross-up Factor = 25%</p> <ul style="list-style-type: none"> - [(\$25,000 X 1.25) = \$31,250] + \$50,000 = \$81,250 Total Gross Income ○ TDMS approval not required to use non-taxable income; however, confirmation received must be from an eligible source. ▪ Acceptable Documentation: <ul style="list-style-type: none"> ○ Any of the following is acceptable provided it clearly states the income is Non-Taxable: <ul style="list-style-type: none"> - Pay Stub (confirming no tax deductions) dated within 60 days of the original approval. - Letter from organization (e.g. employer, government body, insurance company, etc.) that is providing the non-taxable income. - Letter of employment from the Band Chief (for Indian Act Exemptions).

	<ul style="list-style-type: none"> - Notice of Assessment from the most recent two years (using the average of the two years for the income shown on Line 150) supported by a current pay stub or applicable letter confirming the income stream continues to be received. 																		
Northern Allowance	<ul style="list-style-type: none"> ▪ Customers who receive a Northern Allowance from their employer to assist with the high cost of living in northern or isolated areas are now able to include this amount as part of their gross income. <ul style="list-style-type: none"> ○ A Letter of Employment or an Employer Contract dated within 60 days of the original approval outlining the terms of employment can be accepted to confirm that the allowance is a part of the customer's compensation. If the document is outdated, proof of direct deposit or a pay stub dated within 60 days of the original approval will be required to confirm the customer is currently employed. 																		
Multiple Sources of Income	<ul style="list-style-type: none"> ▪ Often a customer will have multiple sources of income. For any income source that they want to have included in the application for the purposes of qualification, acceptable documentation must be provided. <ul style="list-style-type: none"> ○ Provide the applicable document for each type of income declared. For example: If the applicant declares they work full-time and receive a salary plus a second job at which they work part-time, they must provide any of the three types of documents allowed for salaried employees PLUS and two types of documents allowed for part-time employees. ○ OR, provide the most recent NOAs which will show all income sources in one total amount supported by a current pay stub, direct deposit or applicable employment letter confirming the income stream continues to be received. 																		
Foster Care Income	<ul style="list-style-type: none"> ▪ Foster Care income is a non-taxable subsidy provided to support with the day-to-day expenses associated with fostering children. ▪ 100% of the Foster Care income can be used, subject to: <ul style="list-style-type: none"> ○ Amount used cannot represent more than 50% of total income for all applicants. ○ Income is not eligible for gross up. ○ The maximum allowable number of children under foster care, including the borrower's own children, per application is restricted to six. Note: Brokers to include total number of children under care in submission comments. ○ Applicants must have at least two years of experience as foster parents. ○ Property must be owner-occupied. <p style="text-align: center;">Example:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Description</th> <th>Calculation</th> </tr> </thead> <tbody> <tr> <td>Total of all incomes earned, including:</td> <td></td> </tr> <tr> <td>▪ Employment income borrower #1 = \$15,000</td> <td></td> </tr> <tr> <td>▪ Investment income borrower #1 = \$10,000</td> <td></td> </tr> <tr> <td>▪ Foster Care income borrower #2 = \$60,000</td> <td></td> </tr> <tr> <td>▪ CCB income borrower #1 = \$5,000</td> <td></td> </tr> <tr> <td>Maximum Foster Care income to be used on the application, lesser of:</td> <td></td> </tr> <tr> <td>▪ \$90,000 x 0.50 = \$45,000 OR</td> <td>\$14,000</td> </tr> <tr> <td>▪ \$60,000</td> <td></td> </tr> </tbody> </table> ▪ For insured mortgage applications – if Foster Care income accounts for more than 50% of the applicant's total income, a minimum of 10% down payment is 	Description	Calculation	Total of all incomes earned, including:		▪ Employment income borrower #1 = \$15,000		▪ Investment income borrower #1 = \$10,000		▪ Foster Care income borrower #2 = \$60,000		▪ CCB income borrower #1 = \$5,000		Maximum Foster Care income to be used on the application, lesser of:		▪ \$90,000 x 0.50 = \$45,000 OR	\$14,000	▪ \$60,000	
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	<p>required.</p> <ul style="list-style-type: none"> ▪ Required Documentation: <ul style="list-style-type: none"> ○ Letter of income or contract from the foster care agency/government ministry must confirm: <ul style="list-style-type: none"> - Tenure of applicant and current approved status as foster parent. - The number of foster child/ren under care and the amount of allowance received for each child, AND; ○ A current paystub or one month of Direct Deposit to confirm that the foster care income is still currently being received.
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7.13. Down Payment and Closing Costs

Reasonability and Verification

Submission comments must always explain why a down payment is reasonable. Reasonability is an assessment of the application and borrower information confirming that it makes sense the funds were accumulated as disclosed. This assessment must take into consideration factors such as age, employment, and income. For example, someone new to employment with a large down payment would warrant an enhanced explanation of how funds were accumulated or a young person with a large down payment would raise red flags unless he or she has received an inheritance of a large gift.

When assessing reasonability regarding a customer's income and/or source of accumulated funds requires the exercise of judgment. The following red flags are meant to highlight potentially inconsistent or insufficient information that may suggest the stated source of accumulated funds is not reasonable and requires additional due diligence.

- A customer states that their employment income is the source of funds for a down payment. However, the down payment amount does not seem reasonable when compared to the customer's stated occupation and provided employment documentation.
- A customer states that their employment income is the source of funds for a down payment. However, the customer just began working recently and it does not seem reasonable that they would have accumulated the amount of funds required for their down payment based on their stated occupation and provided employment documentation.
- A customer claims that their source of funds for a down payment is from their personal savings. However, the customer has had a lengthy relationship with the bank and has not historically had an amount of funds on deposit compared with the size of the down payment.
- A customer who is listed as unemployed or on social assistance states their source of funds for their down payment is from their employment salary.
- A customer states that their source of funds for a down payment is from the sale of a previous property for which the customer has an existing mortgage with the bank. However, the value of the property and the outstanding balance on the mortgage appear to be inconsistent with the down payment amount.
- A customer states that their source of funds for a down payment is from their investment accounts. Upon seeing the customer's investment account activity however, this appears to be inconsistent because the accumulated funds in the investment account are below what would be expected to support the down payment.
- A customer states that their source of funds for a down payment is from their RRSP investments. However, their investment statements show amounts significantly lower than what would be required to support the amount of down payment the customer is paying.

Minimum Equity Required for Down Payment

The applicant must be able to provide the minimum equity portion of down payment from his/her own resources without borrowing.

- **Insured Mortgages**
 - Dwellings of one to two units: Minimum 5% on the first \$500,000 of the purchase price and 10% on the amount above \$500,000 but less than \$1,000,000.
 - Dwellings of three to four units: 10% of the purchase price.
 - The remainder of the total down payment can come from borrowed sources.

- Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the mortgage advance and stated as part of the conditions of credit on the Mortgage Loan Agreement.
 - The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.
- **Conventional Financing**
 - Minimum 10% of the purchase price.
 - The remainder of the total down payment can come from borrowed sources, however, cannot be borrowed against subject property.
 - Payments must be included in the debt service ratios unless the loan obligation will be paid in full from the advance and stated as part of the conditions of credit on the Mortgage Loan Agreement or TD Home Equity FlexLine Agreement.
 - The payout of the loan obligation must be managed by the solicitor/notary closing the purchase transaction.

Timing of Confirmation of Down Payment

At the application stage the customer must indicate how much down payment they will be providing and where those funds will be coming from. If the funds are coming from a number of sources (e.g. a savings account and two investment accounts) the customer should be able to provide a breakdown of where those funds are located.

These funds must be confirmed in accordance with the Down Payment Policy by the closing date.

- A 90-day history of the down payment must be obtained and kept on file.
- Review accumulated savings within the 90-days history prior to approval
- If where the entire down payment amount is not present at the beginning of the 90-day history period, it must have been fully accumulated by the end of that period of time or rationale needs to be provided to advise how the remainder of the down payment will be accumulated.
- For builder deposits made for the purchase from a builder of a new construction home, if the builder deposits were made more than 90 days prior to the initiation of the credit application, one of the following must be obtained and retained in file. A 90-day history leading up to the deposit is not required:
 - Copy of cancelled cheques from customer to the builder for the noted deposit(s) with evidence cheques have cleared, or
 - Confirmation from builder via receipt or statement of adjustments showing the deposits have been received, or
 - Confirmation from the builder's solicitor/notary or customers solicitor/notary via receipt or statement of adjustments showing the deposits have been received

Non-Borrowed Funds/Legitimate Source

The minimum equity portion of down payment must be provided from non-borrowed funds and must be from a legitimate source. Non-borrowed means: Bona fide savings of the applicant

- In a Bank Account
- Wire Payments
- Proceeds from Sale of Investments
- From Employment/Investment Income
- From a Pension
- From a Registered Retirement Savings Plan (RRSP)
- From Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance
- From a Government Benefit
- From a Trust Fund
- From a Grant
- Proceeds from Business
- Non-Repayable Gift
- Net Proceeds from the sale of real estate property

Down Payment Description

When the down payment selected is Personal Cash, Existing Equity, Secondary Financing, Grants, or Other, one of the above predefined descriptions must be entered in the free format 'Down Payment Description' field:

- Proceeds from Sale of Investments
- Savings - From Employment/Investment Income
- Savings - From Pension
- Savings – From RRSP
- Savings - From Inheritance

- Savings - From Government Benefit
- Savings - From Legal/Insurance Settlement
- Savings - From Lottery/Casino winnings
- Savings – From a Trust Fund
- Savings – From a Grant
- Proceeds from Business
- Non-Repayable Gift
- Net Proceeds from the sale of real estate property
- Borrowed against Liquid Assets
- Non-Liquid Secured/Unsecured Credit
- FTHBI – 5% Incentive
- FTHBI – 10% Incentive

Source of Down Payment

Subject	Description
Bona Fide Savings of the Applicant in a Bank Account	<ul style="list-style-type: none"> ▪ If any portion of the down payment is from accumulated savings and located in a Bank Account, review the history of savings within 90 days to ensure that the customer has accumulated the balance over time prior to commitment. Review account history for evidence that the funds were in the account at the beginning of the 90-day period, for any inconsistencies or large dollar transactions (\$10,000 individually or cumulatively); where noted further investigation and documentation to support the source of the deposit(s) is required. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Ownership of bank statements, passbooks or internet print outs must be confirmed in cases where the name and account number are not clearly noted in the front of the passbook or on the bank statement or internet print out.
Wire Payments	<ul style="list-style-type: none"> ▪ Funds wired from a foreign country to a Canadian Financial Institution account including TD and used as down payment for the new purchase. Obtain details of the wire payments: <ul style="list-style-type: none"> ○ Name, address, account number and relationship the transmitter has with the recipient ○ Ask how the funds were accumulated in the country of origin ○ If it's determined the funds are borrowed from the country of origin, include the applicable loan payment in TDS and ensure the minimum equity requirement of non-borrowed funds has been met ○ If funds are a gift from family in the country of origin, follow gifted down payment procedures ○ If the funds are from the sale of property in the country of origin, obtain proof of sale ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ A copy of the wire payment receipt that confirms wire payment details such as who sent the wire payment, from where, to whom, the amount, and date. ○ A copy of the history of savings within 90 days prior to the commitment approval showing that the wire transfer has been deposited and received in the customer's bank account. ○ Note: Funds credited to a Canadian Financial Institution (including TD), that are derived from a wire payment in a high risk or sanctioned country, should not be credited/released to the customer's account. See Affiliations with Certain High Risk and Sanctioned Countries for more information.
Proceeds from Sale of Investments	<ul style="list-style-type: none"> ▪ Source of savings of the applicant's down payment is from Proceeds from the Sale of Investments. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Includes all investment types – term deposits or trading (Mutual

	<p>Funds/Stock) accounts. Provide evidence that investment account has been held/purchased > 90 days.</p> <ul style="list-style-type: none"> ○ The most recent issued statement confirming the sale of investments. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Note: To prove that the investment account containing the funds is owned by the applicant, the customer's name, account number, statement date and financial institution where the account is housed must be clearly identified on the document.
<p>From a Registered Retirement Savings Plan (RRSP)</p>	<ul style="list-style-type: none"> ▪ When the down payment is coming from a withdrawal from the applicant's RRSP, confirmation of the availability of funds in the RRSP account is required. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ The most recent issued statement showing the description of the asset and the current value to confirm the RRSP amount. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Note: To prove that the RRSP is owned by the applicant, the customer's name, account number, statement date and financial institution where the account is housed must be clearly identified on the document. ○ Locked-In RRSPs may be cautiously used for down payment confirmation. These funds will be subject to penalties when cashed out, reducing the amount of down payment available. Approval letter from plan administrator is required. ▪ Borrowing against an equivalent amount of proven liquid assets is acceptable provided the payments are included in the debt service ratios. ▪ Withholding tax is applicable on RRSP withdrawals unless the customer qualifies for Revenue Canada's First Time Home Buyer's Plan. This will reduce the amount of funds available for the down payment from the stated RSP balance.
<p>From a Legal/Insurance Settlement, Lottery or Casino Winnings, or Inheritance</p>	<ul style="list-style-type: none"> ▪ When the customer has received funds from a legal/insurance settlement, lottery or casino winnings, or an inheritance, it can be used as a source of down payment. The customer must provide evidence of receiving the funds by verifying they have been deposited in the customers' account prior to closing. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Legal/Insurance settlements: Obtain a copy of the letter and/or cheque confirming the settlement amount received. ○ Lottery winnings: Lottery winnings are distributed in the form of a cheque payable by the lottery. Depending on the dollar amount of the lottery winnings, public/media disclosure is often available. Obtain a copy of the lottery cheque payable by the lottery company or a copy of the media clipping in the absence of a lottery cheque. ○ Casino winnings: Casino winnings are cashed out and a release/receipt is provided to the customer. Large winnings are distributed in the form of a cheque/certificate of winnings. Depending on the dollar amount of the casino winnings, public/media disclosure is often available. Obtain a copy of the cheque payable by the casino, casino receipt or release form, or a copy of the media clipping in the absence of a casino cheque. ○ Inheritance: Obtain a copy of the will or a letter from the lawyer to confirm the inheritance amount.
<p>From a Government Benefit</p>	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Government Benefit such as Survivor's Pension, Canada Pension, Old Age Security, Disability, etc. Review bank statements to verify that the

	<p>government benefit has been received either in a lump sum or monthly deposits and send to TD Mortgage Solutions (TDMS). For lump sum deposit(s) additional documentation will be required such as a copy of the letter provided by the government.</p>
First Time Home Buyer Incentive (FTHBI)	<ul style="list-style-type: none"> ▪ Effective September 2, 2019, the Government of Canada introduced the FTHBI Program. This program allows eligible first-time home buyers to apply for an incentive which will be used as part of their down payment on a home purchase through a shared-equity mortgage with the Government of Canada. ▪ The available incentives are as follows: <ul style="list-style-type: none"> ○ 5% for the purchase of a resale property, including new or resale of mobile/manufactured homes OR ○ 5% or 10% for the purchase of a new construction home. ○ Note: Brokers will indicate in their comments to the Underwriter that this is a FTHBI 5% or 10% submission when coding the Down Payment under 'Other'. See "Down Payment Description" above. ▪ Borrowers must also contribute the minimum 5% down payment from traditional sources. ▪ Borrowers must provide a signed original (if available) or a signed copy of 'FTHBI Program Attestation, Consent and Privacy Notice' to the Broker at time of application. This form must be retained in the credit file. This form can be found on Government of Canada's FTHBI website. ▪ For approved FTHBI applications, the FTHBI ID # and the approved incentive amount will be included in both the Broker Commitment and in the Solicitor's Instructions Package. ▪ For more detailed information on this program, refer to the Government of Canada's FTHBI website.
From a Trust Fund	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Trust Fund, review bank statements to verify that the trust funds have been received, either in a lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as solicitor/notary or trustee to provide documentation to confirm the existence of the Trust Fund.
From a Grant	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is from a Grant, review bank statements to verify that the grant has been received, either in lump sum or monthly deposits, and send to TD Mortgage Solution. For lump sum deposit(s) additional documentation will be required such as a letter from the organization providing the Grant to confirm existence of the Grant.
Proceeds from Business	<ul style="list-style-type: none"> ▪ When the source of savings of the Applicant's down payment is either from a sale of a business/company or from a Small Business Bank account. ▪ For transactions above \$10,000, confirmation of source of funds is required for transactions that are inconsistent with normal business activity. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ Business Name Registration or Articles of Incorporation to confirm customer is the owner of the business ○ Business bank statements to confirm availability of funds in the Small Business Bank account prior to closing ○ To confirm the proceeds came from the sale of a business/company, obtain a copy of the Purchase and Sale Agreement (PSA) for the business sale transaction. This agreement must indicate the portion of the proceeds received by the borrower (if there were multiple owners of the business), and the date of the transaction completion. ○ Confirmation of funds are deposited to customer's account.

<p>Non-Repayable Gift</p>	<ul style="list-style-type: none"> ▪ For insured mortgages a gifted down payment must come from an immediate family member only. Gifts from another source are not permitted for insured deals. ▪ For conventional mortgages a gifted down payment can come from a relative or employer. ▪ Documentation Requirements <ul style="list-style-type: none"> ○ TD Gift Letter verifying the gift is unencumbered, requires no repayment and states relationship of giftor to giftee. TD Gift Letter must be dated no older than 90 days from date of approval. ○ In addition to Gift Letter, obtain confirmation of the existence of the funds: <ul style="list-style-type: none"> - If the funds have already been gifted to the giftee/customer, verify that the funds are on deposit in the customer's account prior to closing - If the funds have already been provided to the solicitor/notary acting on behalf of the customer for the mortgage transaction, obtain confirmation that the funds have been provided to the solicitor/notary - If the giftor is still in possession of the funds, the giftor can have their financial institution complete the verification section at the bottom of the gift letter
<p>Net Proceeds from the Sale of Real Estate Property</p>	<p>When a customer is selling one property and purchasing another the net proceeds of that sale will often provide the down payment for the new purchase.</p> <p>For example: If the current property is sold for \$350,000 and the balance of the existing mortgage is \$250,000 the customer will have \$100,000 in equity (or net proceeds from the sale). If the customer is using the net proceeds of the sale as the down payment:</p> <ul style="list-style-type: none"> ▪ Obtain the actual offer to purchase and sale together with a mortgage statement, if applicable. The offer of sale must be firm (unconditional). ▪ For properties declared free and clear, additional due diligence in the form of a title search is required to confirm the source of down payment. ▪ For properties not declared free and clear, copies of recent mortgage and/or line of credit statements must be on file. The outstanding mortgage balance and/or the line of credit limit (as additional drawdowns could occur at any time) should form the basis of the calculation of net equity to be realized from the property and used in our down payment calculation. ▪ Real Estate commissions, solicitor/notary fees and other costs associated with the property sale must be considered when calculating the net equity or proceeds from the sale. ▪ Note: If there is a planned delay between the closing of the sale of the customer's property and the closing of the sale of the new purchase, the customer may require bridge financing.

Confirmation of Borrowed Funds

The following outlines the customer's options for eligible sources of the remainder of their down payment (minimum equity portion must come from own resources) and details on what documentation is required to prove the source of funds are legitimate. The customer must prove that the down payment comes from borrowed sources, which can be one or more of the following:

Subject	Description
<p>Borrowed Against Liquid Assets</p>	<ul style="list-style-type: none"> ▪ Liquid Assets are those that can be easily and quickly redeemed or accessed, such as Bonds, Stocks or Securities. Payments are to be included in the debt service ratios.

	<ul style="list-style-type: none"> ▪ The customer must provide statements from the financial institution showing the description of the assets and the current value. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ The most recent issued statement confirming the investments exists. For monthly statements, the most recent monthly statement is required. For quarterly statements, the most recent quarterly statement is required up to 120 days old. ○ Obtain 90-day history of the investment. ○ In order to prove that the investment account containing the funds is owned by the applicant you must be able to clearly match the customer's name, account number, date of the statement, and where the account is held.
Non-Liquid Secured	<ul style="list-style-type: none"> ▪ Non-Liquid Secured Credit refers to instances where part of the down payment is coming from an existing Home Equity Secured Line of Credit. This is acceptable provided it is not secured against the property currently being financed and the payments are included in the debt service ratios. ▪ The use of existing unsecured credit (loans or lines of credit) is also acceptable for part of the down payment provided the payments are included in the debt service ratios. In both cases, the applicant must meet the minimum amount of equity requirements from non-borrowed resources. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ If reporting to the credit bureau, obtain confirmation of the Home Equity Secured Line of Credit and existence of credit available to support the down payment amount indicated.
Loan repaid by Regular Installments	<ul style="list-style-type: none"> ▪ Ensure the loan payments are included in the debt service ratios. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For a loan, if reporting to the credit bureau, review to confirm evidence of the loan and funds are on deposit to support the down payment amount indicated.
Unsecured Line of Credit	<ul style="list-style-type: none"> ▪ Ensure ULOC payments are included in the debt service ratios. ▪ Include 3% of borrowed amount to represent repayment of borrowed funds in monthly liabilities of new application. ▪ Documentation Requirements: <ul style="list-style-type: none"> ○ For ULOC, if reporting to the credit bureau, review to confirm evidence of the ULOC and existence of credit available to support the down payment amount indicated.

Closing Costs

- Remind the customer to set aside additional funds for legal expenses, moving costs and land transfer costs.
- For CMHC/Sagen/Canada Guaranty insured financing and BFS conventional mortgages/FlexLines, the customer must also provide evidence of cash for closing costs equal to 1.5% of the purchase price. For Alberta only, closing costs are to be confirmed as 0.5% of the purchase price.
- Evidence of closing costs follows the same requirements as sources of down payment, whereby a 90-day history is required. Closing costs may be borrowed provided the payments are included in debt service ratios and based on a maximum amortization of 12 months. For BFS conventional or insured applications, closing costs must be confirmed without recourse to borrowing.
- Department of National Defense (DND) package can be accepted as confirmation of closing costs.

7.14. Purchase Incentives

- This policy applies to conventional and high ratio TD Mortgages and conventional TD Home Equity FlexLines
- Vendors often offer incentives to encourage prospective homebuyers to purchase a property
- These incentives either:

- Contribute to the value of the property (e.g. upgrades on a purchase from builder), or
- Do not contribute to the value of the property (e.g. vendor cash backs, rate buy downs, waiving mortgage payments, new cars, etc.)
- A common builder practice is to include household items such as appliances, lighting fixtures, window coverings. These incentives would contribute to the value of the property.
- Where a purchase incentive does not contribute to the value of the property (e.g. new car, vacation, waiving mortgage payments, rate buy downs, etc.), the value of the incentive must be deducted from the purchase price and LTV calculated on this amount.
- Review all schedules and addendums to determine if there are any purchase incentives to determine if the value of the incentive is disclosed in the documentation.
- **Important:** A purchase incentive is not an eligible source of down payment

7.15. TD Branches

- All TD Mortgages and TD Home Equity FlexLines are assigned for servicing to either the branch of the customer's choosing or a local TD Canada Trust branch (e.g. privilege payment, payment frequency, etc.). Note: Customers cannot sign mortgage documents at the branch.
- Your customer can direct the credit product to a specific branch on the commitment form, otherwise it is assigned based on the following:
 - Owner-occupied property – closest branch to the property
 - Rental property – closest branch to the current residence of the primary applicant
 - Refinances – existing branch will be maintained
- If the customer requests any changes to the credit product after funding, refer them to a branch.

7.16. Amendments to Mortgagor/Guarantor(s)

If that a change is required to a mortgagor/guarantor's name or should there be an addition/removal/change after an application has been released from TD Mortgage Solutions (TDMS) to the funding unit, we require that the Broker advise TDMS directly. The Broker must submit the change for amendment to TDMS. If approved, the file will then be corrected and resubmitted to our funding unit to prepare new documentation. The documents will be prepared with the new mortgagor/guarantor information and forwarded to the solicitor/notary or FCT Remote Signor for closing. These types of changes may result in delays in funding.

7.17. GST/HST

GST/HST rates can be found on the Canada Revenue Agency website. When completing an application for a purchase from a builder that is closing within 120 days, it is important to ensure the purchase price of the residential property includes the HST minus any applicable rebates:

- If the purchase price includes the HST, less any applicable rebates, use the purchase price as stated on the Purchase Agreement.
- If the purchase price excludes the HST and the applicable rebates, ask your customer to obtain an Amendment/Addendum from their builder reflecting a purchase price inclusive of the HST, less any applicable rebates.
 - If an Amendment/Addendum is available, use the purchase price as stated on that document.
 - If an Amendment/Addendum is not available and HST is the responsibility of the customer, calculate the purchase price to be used as the lending value on the credit application to include net HST.
 - Once the calculation is complete, print a copy of the calculation and retain in the file.
 - If your customer presents a separate agreement with builder upgrades that are not accounted for in the original contract, use the purchase price of the property including the HST, less any applicable rebates, plus the cost of the upgrades, including the HST, less any applicable rebates.

As of April 1, 2013, British Columbia transitioned from HST to PST. For British Columbia purchases, if HST/PST/GST becomes payable on or after April 1, 2013, use the purchase price noted on the Purchase Agreement. For British Columbia purchases approved prior to April 1, 2012 where HST will become payable between April 1, 2012 and March 31, 2013 that have been subject to a net HST calculation for the purpose of the

ending value using the pre-April 1, 2012 rebate calculation, if applicable, and request resubmitted for re-adjudication.

8. Property Criteria

8.1. Basic Criteria

Overview

- Residential properties with concrete or pressure treated wood foundations are acceptable.
- The housing unit should be representative of the standard normally found in the community.
- When properties are constructed using Insulbrick, conventional financing will only be considered when the Insulbrick does not exceed 10% of the total construction. All other aspects of the property should meet Prime Residential Guidelines and the construction should be representative of the standards normally found in the community. Where the Insulbrick exceeds 10% of the total construction, CMHC/Sagen/Canada Guaranty insurance is required.
- Properties may be fully serviced with municipal water and sanitary sewers, well and septic tanks, or a combination of both.
- The property must be properly designed and in adequate physical condition to be livable for the full duration of the TD Mortgage or TD Home Equity FlexLine.
- There should be some amenities in the area such as bus service, schools, and shopping that will assure buyer interest in a resale situation.
- Maximum amortization must be five years less than the remaining economic life.
- Property may contain up to four units, one of which must be owner-occupied.
- The property must be at least 97% complete.
- Land value should not exceed 80% of the appraised value, as indicated on the appraisal, where applicable.
- **Note:** For non owner-occupied properties with up to four units refer to Rental Properties up to four Units.

Prime Residential Properties

- Consider only prime residential properties for conventional and insured financing. Prime residential properties are usually considered to be:
 - New properties or those built within the last 35 to 40 years which are in good condition.
 - Older properties that are in good repair and are located in good residential areas.
 - Properties having had sufficient improvements to "keep pace with the neighborhood".

Rural Properties

- Rural properties will be considered providing they are not active farming operations and the applicant's income to service is not derived from the property.
- When considering the value of a property where the land exceeds 10 acres, the value will be based on the home and a maximum of 10 acres of land only; out buildings will not be included in the valuation.
- When processing a credit application for a non-urban rural property that exceeds five acres, you must:
 - Include "house + up to 10 acres" in the 'Comment' field when submitting your deal; otherwise only "house + up to five acres" will be evaluated.
 - Order a full appraisal

Exterior Finishes

- The following external finishes are permitted:
 - Brick veneer, solid brick, stone veneer, solid stone, stucco, wood siding, aluminum siding, vinyl siding.

Acceptable Heating Sources

- The following heating sources are permitted:
 - Natural gas, electric furnace, oil furnace, electric baseboard, geo-thermal, radiant, hot water.

Acceptable Water Sources

- The following water sources are permitted:
 - Municipal, shore well, private well, communal/co-op well, artesian well, cistern

Modular Manufactured Properties

- Modular Manufactured homes will be considered for single advance only. Conventional financing will be considered provided the property meets all normal requirements such as owner-occupied, proper foundation, services, location, owned land and 100% complete. Mortgage default insurance will be required for high ratio financing.

Properties Located on Flood Plain

- If a property is located on a flood plain, financing is not permitted. Exceptions will be considered where an appraisal confirms that:
 - Preventative measures are in place (e.g. dykes, subject property is built on higher ground)
 - The property has been built to municipal code
 - There is minimal risk of flood damage to the specific property because of the preventative measures
- Contact your RSM or ISM for more information.

Laneway Homes

- Laneway Homes (commonly referred to as Coach or Carriage Homes) are separate units typically situated in a backyard and built above or in the space reserved for a detached garage with an entrance via a laneway. In order to be considered eligible for valuation under the appraisal policy, laneway homes must meet **ALL** of the following criteria:
 - Must be self-contained (e.g. have a functional bathroom and kitchen).
 - Located above or in the space reserved for a detached garage and have an entrance via a laneway (no other outbuildings).
 - Must be minimum 350 square feet (33 square meters) and must not be the largest structure on the property.
- Full appraisal is required in order to have the full property value assessment.
- **Important:** Brokers must include "Property includes laneway home" in the 'Comments'. A full appraisal must be ordered to ensure the full property value is assessed

8.2. Minimum Loan Amount and Sliding Scale

Minimum Loan Amount

- Minimum amount for a mortgage application including ports and refinances is \$20,000. Requests below this amount will be declined.
- Minimum amount for a TD Home Equity FlexLine application (Plan Limit) is \$20,000.
- Minimum amount for a TD Home Equity FlexLine Term Portion (if applicable) is \$5,000.
- Minimum Purchase Price (Applicable to Condominiums only):
 - GTA/GVA: \$185,000
 - Ontario: \$160,000
 - BC: \$140,000
 - Alberta/Manitoba/Saskatchewan and Quebec: \$130,000
 - Atlantic and Rest of Canada: \$100,000

Sliding Scale

- The sliding scale formula places a limit on the financing provided for real estate properties. Sliding scale only applies to conventional financing. There is no Sliding Scale equivalent for low ratio default insured mortgages (LTV 80% and less).
- Sliding Scale formula is based on the location of the property.
- The purpose of sliding scale is to mitigate the higher risk associated with unusually expensive or unique properties, which may be harder to sell and more prone to price declines in the event of a real estate downturn.
- Stated maximums below apply to the lesser of the Appraised Value or Purchase Price.
- Maximum purchase price for high ratio (LTV > 80%) default insured RESL is \$1,000,000.
- Note: if house and 10 acres of land is considered for rural property valuation, non-urban sliding scale thresholds will apply in all cases despite the property location. To apply standard sliding scale policy, only house and five acres can be considered.
- **Note: Lending amount subject to lesser of LTV limits for specific policies and Sliding Scale calculation (e.g. Rental policy, New to Canada and Returning to Canada Policy, etc.).**

Location	Greater Vancouver Area (GVA) ¹	Greater Toronto Area (GTA) ¹	Major Urban Centre ²	Urban Centre ³	Non-Urban/ Rest of Canada ⁴
Owner Occupied (includes Second Home) Lending amount subject to lesser of LTV max for property/Product type and Sliding Scale Calculation	80% up to the Sliding Scale Cut-off (refer to chart below) plus 50% of the remaining balance	80% up to the Sliding Scale Cut-off (refer to chart below) plus 50% of the remaining balance	80% up to the Sliding Scale Cut-off (refer to chart below) plus 50% of the remaining balance	80% up to the Sliding Scale Cut-off (refer to chart below) plus 50% of the remaining balance	80% of first \$500,000 plus 50% of the remaining balance
Rental Property	Lending amount subject to lesser of Rental Properties policy LTV limits and Sliding Scale				
Recreational / Vacation Property	Lending amount subject to lesser of LTV 65% and Non-Urban Sliding Scale (80% of first \$500,000 plus 50% of the remaining balance)				
Cottage Property	Lending amount subject to lesser of LTV 50% and Non-Urban Sliding Scale (80% of first \$500,000 plus 50% of the remaining balance) up to maximum \$500,000 loan amount				

1. Greater Vancouver Area (GVA) and Greater Toronto Area (GTA)

- For Canadian Cities included in the Select GVA/GTA category refer to the chart below.

2. Major Urban Centre

- For Canadian Cities included in the Major Urban category refer to the chart below.
- As defined by Census Metropolitan Agglomeration per Stats Can.

3. Urban Centre

- For Canadian Cities included in the Urban category refer to the chart below.
- Cities eligible for Urban Sliding Scale not listed in the Urban Centre's table (80% up to \$750,000 plus 50% of the remaining balance)
 - All other cities with population of 30,000 or more.
 - All communities with population <30,000 that are located within 50 km of an Urban or Major Urban area (except communities on the Restricted Community list).

4. Non-Urban/Rest of Canada and Recreational

- Properties that fall under the Cottage Property Policy are restricted to a maximum LTV of 50% up to a maximum loan amount of \$500,000.
- Default insurance is required for all properties located in or near Non-Urban centres with population base < 5,000 and > 100 km from an Urban or Major Urban Centre.
 - Insurance requirement waived if:
 - LTV up to 65% or
 - Property is located in a small community where there is a TD Branch (provided the community is not on the Restricted Community list)
 - If request an exception to waive insurance requirement where the LTV > 65% or there is no TD branch to be escalated to RRMCG.

Greater Vancouver Area (GVA):

City	Condominium Apartment	All Other Residential Property Types
Vancouver, North Vancouver, West Vancouver, White Rock	80% of the first \$1,250,000 Plus 50% of the balance	80% of the first \$2,500,000 Plus 50% of the balance
Richmond	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$2,500,000 Plus 50% of the balance
Port Moody, Anmore, Belcarra, Burnaby, Coquitlam, Langley, Surrey	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$2,000,000 Plus 50% of the balance
Port Coquitlam, New Westminister, Delta	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,500,000 Plus 50% of the balance

Greater Toronto Area (GTA):

City	Condominium Apartment	All Other Residential Property Types
Aurora, Toronto, East York, Etobicoke, Markham, North York, Oakville, Richmond Hill (inclusive of Oak Ridges), Scarborough, Vaughan (inclusive of Concord, Kleinburg, Maple, Thornhill, Woodbridge)	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$2,250,000 Plus 50% of the balance
Mississauga, King (inclusive of King City, Schomberg and Nobleton)	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$2,000,000 Plus 50% of the balance
Burlington, Whitchurch-Stouffville	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,750,000 Plus 50% of the balance
Ancaster, Caledon inclusive of Bolton, Georgetown, Dundas, Milton, Newmarket, Pickering	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,500,000 Plus 50% of the balance
Ajax, Brampton, Whitby, Waterdown	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
Barrie, Oshawa, Stoney Creek, Hamilton	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance

Major Urban Centre:

Province	City	Condominium Apartment	All Other Residential Property Types
British Columbia	Colwood, Esquimalt, Highlands, Langford, Metchosin, Oak Bay, Saanich Central, Saanich East, Saanich North, Saanich West, Sidney, Victoria, Victoria West, View Royal	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,750,000 Plus 50% of the balance
	Abbotsford, Kelowna, Maple Ridge, Pitt Meadows, Squamish	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,500,000 Plus 50% of the balance
	Sooke	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
Alberta	Calgary, Edmonton, Leduc, Sherwood Park, St Albert	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
Ontario	Acton / Halton Hills, Cumberland, Constance Bay, Dunrobin, Gloucester, Guelph, Kitchener-Waterloo, Manotick, Nepean, Orleans, Ottawa, Rockcliffe, Stittsville, Vanier, West Carleton, Kanata	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
	Cambridge, London	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
Quebec	Montreal Island including: Central Montreal Eastern Montreal Western Montreal	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,750,000 Plus 50% of the balance
	Chateauguay, Boucherville, Blainville, Brossard, Candiac, Gatineau, Hull, La Prairie,	80% of the first \$1,000,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance

	Laval, Longueuil, Mascouche, Repentigny, Saint Bruno, Saint Lambert, Terrebonne		
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Urban Centre:

Province	City	Condominium Apartment	All Other Residential Property Types
British Columbia	Chilliwack, Mission	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
	Courtenay, Comox, Cumberland, Duncan, Kamloops, Nanaimo, Parksville, Penticton	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
	Campbell River, Prince George, Vernon	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Alberta	Chestermere, Okotoks	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
	Airdrie, Beaumont, Fort McMurray, Ft Saskatchewan, Grand Prairie, Lethbridge, Lloydminster, Medicine Hat, Red Deer, Spruce Grove	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Saskatchewan	Grand Coulee, Moose Jaw, Prince Albert, Regina, Saskatoon	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Manitoba	Brandon, East St Paul, St Paul, St Andrews, Steinbach, Winkler, Winnipeg	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Ontario	Collingwood, Innisfil	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,500,000 Plus 50% of the balance
	Grimsby, Orillia	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,250,000 Plus 50% of the balance
	Brantford, Niagara Falls, Peterborough, St Catharines, Stratford, Welland, Windsor	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
	Belleville, Brockville, Chatham-Kent, Cornwall, Kingston, Leamington, Midland, North Bay, Owen Sound, Sarnia, Sault Ste Marie, St Thomas, Sudbury, Timmins, Thunder Bay, Woodstock	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Quebec	Alma, Aylmer, Beauport, Charlesbourg, Chicoutimi, Drummondville, Granby, Joliette, Levis, Quebec City, Rimouski, Rouyen-Noranda, Saint-Georges, Salaberry-de-Valleyfield, Shawinigan, Sorel-Tracy, St. Augustin, St. Eustace, St. Hubert, St. Lazare, Sherbrooke, Saint Pierre,	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance

	Trois- Rivières, Val D'or, Victoriaville		
New Brunswick	Fredericton, Moncton, St John	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Nova Scotia	Halifax	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$1,000,000 Plus 50% of the balance
	Dartmouth, New Glasgow, Sydney, Truro	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Newfoundland and Labrador	Conception Bay, Mount Pearl, St John's	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance
Prince Edward Island	Charlottetown	80% of the first \$750,000 Plus 50% of the balance	80% of the first \$750,000 Plus 50% of the balance

8.3. Well Water and Septic Certificates

Overview

- The requirement for well and/or septic certificates must be included in the instructions to the solicitor/notary. The solicitor/notary is responsible to obtain, review and forward the certificates with the standard credit documents.

Existing Properties and Purchases from Builder – Single Advance

- Applications for properties that have well water as the principal water source must be supported by a current water potability certificate dated within 60 days of the closing date. The solicitor/notary is responsible to obtain, review and forward the certificates to TD with the standard credit documents.
- **Water Potability Certificate:**
 - Must confirm water quality passes the municipal test or is fit for human consumption.
 - Well Water Potability Certificates can be waived under the following circumstances:
 - Properties on which TD has an existing first charge and there are no known water concerns.
 - Properties that have water supplied by cistern where the water is brought in from another source.
 - Transfer/assignments from other major financial as outlined under the Mortgage Transfer Plan.
- **Septic Certificate:**
 - Are required for rural properties with new systems only.
 - Must be from a provincial or municipal authority and certify that the soil and water pollution, septic system design and installation are acceptable.
- **Shared Well Access:**
 - For both Insured and Conventional applications, the following is required in addition to the standard requirement for well water certificates:
 - **An agreement is in place for:**
 - Long-term use and maintenance of the well and pump on a reasonable mutual or individual basis.
 - Supply lines installed and easements for the supply lines.
 - **The agreement must:**
 - Run in perpetuity or until municipal water is available to the site
 - Be in favour of the mortgagor
 - Be assignable
 - Bind the owner, his/her heirs, any assignees or existing mortgagees of the adjoining land from which the water was being supplied
 - **The agreement of access must be registered on title.**

9. Default Insurance

9.1. Default Insured Applications

Overview

- Default insurance protects the Bank against a credit loss, in the event a borrower is unable to repay their mortgage and enables qualified borrowers to purchase homes with smaller down payments.
- It is important for customers to understand how the default insurance premiums are calculated and charged by the mortgage insurer, either Canada Mortgage and Housing Corporation (CMHC), Sagen, or Canada Guaranty.
- A home phone number must be provided for Insured deals.
- High ratio facilities are currently insured for the following:
 - Purchase and Purchase with Improvements of any new or existing single attached, detached or duplex unit

Additional Disclosure Required

- Canadian government regulations require federally regulated mortgage lenders, including TD, to provide disclosure statements to mortgage customers explaining their mortgage default insurance and to publicly display general information on this topic.
- Customers who are paying default insurance premiums will be required to sign a disclosure as part of the Mortgage Fulfillment package.

High Ratio Mortgages

- High ratio mortgages are mortgages where the LTV is greater than 80% of the value of the property
- High Ratio Mortgages must have mortgage default insurance coverage.
- The borrower agrees to pay an insurance premium.
- The mortgage insurance obtained by the borrower protects the Bank against default by the borrower.
- Like all credit applications at TD, a full and proper credit investigation of the applicant(s) will be completed as part of the decision-making process before a high ratio mortgage application is forwarded to the default insurers for their review and approval. Failure to do so can result in an insurer denying a claim on the basis of negligence.

Insurance Premium Payments

- The borrower can:
 - Pay the premium in cash up front, or
 - Add the premium to the principal amount of the mortgage

Borrower Qualification

- Standard borrower eligibility criteria applies
- When determining a borrower's eligibility for the loan in terms of Gross Debt Service (GDS) and Total Debt Service (TDS) ratios for insured mortgages:
 - All applications, including fixed term five years or greater, will be qualified based on the greater of the five-year Benchmark Rate or customer rate.
 - **Note:** If the customer changes their term, rate or rate type (e.g. five-year fixed to a VIRM) the mortgage must be re-decided using the appropriate Qualifying Rate.
 - Refer to the **Qualifying Rate** section for further details.
 - Additional terms and conditions may apply for insured refinance requests, as determined by the Underwriter

Loan Purpose

- Purchase
- Purchase plus Improvements

Products

- Eligible products: Mortgage - fixed rate and closed VIRM
- Ineligible products: TD Home Equity FlexLine

Terms

- Six months
- One, two, three, four, five, six, seven or 10 years closed
- Closed VIRM

Eligible Property Types

- Owner-occupied up to four units
- New or existing properties
- Rental properties up to four units
- Second Homes (Sagen/Canada Guaranty only)
- Cottage Properties (Sagen/Canada Guaranty only)

Loan to Value (LTV)

- Owner-occupied:
 - Purchase up to 95% LTV for 1 to 2 unit properties
 - Purchase up to 90% LTV for 3 to 4 unit properties:
 - 95% of the lesser of the appraised value or purchase price for the amount up to \$500,000
 - 90% of the lesser of the appraised value or purchase price for the amount over \$500,000 to less than \$1,000,000
- Rental:
 - Purchase up to 80% LTV for non-owner occupied rental properties with 2 to 4 units

Down Payment

- Minimum down payment, as a percentage of purchase price, that must come from borrowers' own resources is:
 - Properties of 1 to 2 units:
 - 5% of the first \$500,000
 - 10% of the amount exceeding \$500,000
 - Properties of 3 to 4 units:
 - 10% of the purchase price
- Balance of the down payment can come from borrowed sources provided the associated payments are included in the debt serviceability.

Loan Amount

- Maximum purchase price of less than \$1,000,000.

Amortization

- Up to 25 years.

9.2. Default Insurance Premiums Reference Chart

25-Year Amortization Period

	Owner-occupied Properties	Owner-occupied Properties	Rental Properties (two to four units)*	Cottage Properties**
LTV Ratio	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on Loan Amount for self-employed borrower without third party income validation	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on Loan Amount for employed / self-employed borrower with third party income validation
Up to 65%	0.60%	1.50%	1.45%	1.45%
65.01% to 75%	1.70%	2.60%	2.00%	2.55%
75.01% to 80%	2.40%	3.30%	2.90%	3.15%
80.01% to 85%	2.80%	3.75%	Not available	3.50%
85.01% to 90%	3.10%	5.85%	Not available	4.35%

90.01% to 95%	4.00%	Not available	Not available	Not available
90.01% to 95% and non-traditional source of down payment	4.50%	Not available	Not available	Not available

* Single rental units are not eligible for insurance.

** These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.

If the amount of your mortgage results from combining an existing insured mortgage with new money, the insurance company will combine the information from the existing mortgage and use the premium tables shown here to calculate the premium amount. The insurer may determine that a premium credit is available.

Here are default insurance premium rates offered by insurers when there is an increase on the borrowed amount, and the original loan amount required mortgage default insurance effective for purchase mortgages approved on or after March 17, 2017. The insurer may determine that a premium credit is available. This rate is charged on the new money:

25-Year Amortization Period

	Owner-occupied Properties	Owner-occupied Properties	Rental Properties (two to four units)*	Cottage Properties**
LTV Ratio	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on increase to Loan Amount for self-employed borrower without third party income validation	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation	Percentage charged on increase to Loan Amount for employed / self-employed borrower with third party income validation
Up to 65%	0.60%	3.00%	3.15%	2.90%
65.01% to 75%	5.90%	6.50%	3.45%	6.10%
75.01% to 80%	6.05%	7.00%	4.30%	6.40%
80.01% to 85%	6.20%	7.50%	Not available	7.00%
85.01% to 90%	6.25%	9.00%	Not available	7.60%
90.01% to 95%	6.30%	Not available	Not available	Not available
90.01% to 95% and non-traditional source of down payment	6.60%	Not available	Not available	Not available

0.6% premium surcharge on the above percentages may be added by the insurer when amortization on the existing mortgage is blended with that of the new money.

* Single rental units are not eligible for insurance.

** These percentages apply to purchase of cottage properties that may not be accessible year-round or are accessible year-round but do not meet insurer's standard property criteria.

10. Appendix

10.1. Broker Information Kit – Overview of Updates

Following are highlights of the changes, deletions and/or clarifications that have been made to this edition of the Broker Information Kit.

Note: Please refer to the applicable section within the Broker Information Kit to read the full process or policy.

Section	Description
3.2	Appropriate Product Assessment <ul style="list-style-type: none">▪ New: Added a section for Appropriate Product Assessment
4.2	Business for Self – Conventional and Insured with Traditional Income Confirmation <ul style="list-style-type: none">▪ Section Updated: Aligns with policy changes in effect on June 2, 2022.
4.5	Temporary Residents <ul style="list-style-type: none">▪ Section Updated: Aligns with policy changes in effect on May 19, 2022.
4.6	Non-Residents <ul style="list-style-type: none">▪ Section Updated: Aligns with policy changes in effect on May 19, 2022.
5.13	Property Taxes <ul style="list-style-type: none">▪ Section Updated: TD will no longer offer the "bank to pay" option for municipal property taxes for new conventional mortgage applications.
7.7	Interest Rate Buydowns <ul style="list-style-type: none">▪ Clarification: Removed comment (Cost of the buydown cannot exceed the Referral Fee amount.)
7.12	Income Confirmation <ul style="list-style-type: none">▪ Section Updated: Aligns with policy changes in effect on June 2, 2022.
7.13	Down Payment and Closing Costs <ul style="list-style-type: none">▪ Section Updated: Aligns with policy changes in effect on May 26, 2022.
10.4	Costs and Fees Associated with a TD Product <ul style="list-style-type: none">▪ Section Updated: TD will no longer offer the "bank to pay" option for municipal property taxes for new conventional mortgage applications.

10.2. Occupation Category and Occupation Description Table

Occupation Category	Occupation Description
<p style="text-align: center;">Accounting/Finance/ Insurance</p>	<ul style="list-style-type: none"> ▪ Accountant ▪ Accounting Consultant ▪ Accounts Payable/Receivable Clerk ▪ Actuary or Actuarial Analyst ▪ Insurance Appraiser ▪ Auditor ▪ Bookkeeper ▪ Claims Adjuster ▪ Collections Officer ▪ Chief Financial Officer CFO ▪ Corporate Finance Accountant/Analyst ▪ Financial Analyst/Researcher ▪ Financial Controller ▪ Financial Planner ▪ Financial Products Sales Agent/Broker ▪ Financial Manager ▪ Fund Accountant ▪ Investment Manager ▪ Investment Analyst ▪ Investment Broker ▪ Insurance Broker ▪ Stock/Securities Broker ▪ Investment Consultant ▪ Policy Underwriter ▪ Risk Manager/Compliance Officer ▪ Securities Analyst/Researcher ▪ Tax Accountant ▪ Tax Assessment and Collections Officer ▪ Other: Accounting/Finance/Insurance
<p style="text-align: center;">Administrative/Clerical</p>	<ul style="list-style-type: none"> ▪ Administrative Assistant ▪ Administrative Support Clerk ▪ Claims Processer ▪ Data Entry/Order Processing Clerk ▪ Executive Assistant ▪ Filing/Records Management Clerk ▪ Office Manager ▪ Property Manager ▪ Receptionist/Switchboard Operator ▪ Secretary ▪ Transcription Clerk ▪ Mail Room Clerk ▪ Other: Administrative/Clerical
<p style="text-align: center;">Bank/Real Estate/ Mortgage Professionals</p>	<ul style="list-style-type: none"> ▪ Bank Teller ▪ Bank Executive ▪ Corporate Office Manager ▪ Corporate Office Employee ▪ Credit Reviewer/Analyst ▪ Credit Manager ▪ Economist ▪ Escrow Officer/Manager ▪ Financial Services Rep/Advisor ▪ Investment Banker ▪ Loan Officer/Originator ▪ Mortgage Broker ▪ Real Estate Agent ▪ Real Estate Agent Leasing/Acquisition ▪ Real Estate Appraiser ▪ Real Estate Broker

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Real Estate Developer ▪ Branch/Store Manager ▪ Title Insurance Officer/Closer ▪ Underwriter ▪ Other: Bank/Real Estate/Mtg Professional
Building Construction	<ul style="list-style-type: none"> ▪ Building Contractor ▪ Carpenter/Framer ▪ Concrete and Masonry Tradesperson ▪ Floor/Tile/Paint/Wallpaper Tradesperson ▪ Crane/Heavy Equipment Operator ▪ HVAC Installer ▪ Landscaper ▪ Roofer ▪ Drywall and Plaster Tradesperson ▪ Site Superintendent ▪ Surveyor ▪ Welder ▪ General Labourer ▪ Plumber ▪ Other: Building Construction
Business Management	<ul style="list-style-type: none"> ▪ Financial Analyst ▪ Reporting Analyst ▪ Research Analyst ▪ Business Unit Manager ▪ Franchise-Business Owner ▪ Gaming/Casino Manager ▪ Hospital/Clinic Administrator ▪ Hotel/Lodging Manager ▪ Management Consultant ▪ Mergers and Acquisitions Consultant ▪ Chief Financial Officer CFO ▪ President/Chief or Senior Executive ▪ Public Health Administrator ▪ Restaurant Manager ▪ Store/Branch Manager ▪ Strategic Plan/Intelligence Consultant ▪ Town/City Planning Administrator/Clerk ▪ Urban Planner ▪ Other: Business Management
Creative/Design	<ul style="list-style-type: none"> ▪ Advertising Writer (Creative) ▪ Architecture/Interior Designer ▪ Artist ▪ Computer Animator/Multimedia Programmer ▪ Creative Direction/Lead Consultant ▪ Fashion and Accessories Designer ▪ Graphic Artist/Illustration Designer ▪ Industrial Designer ▪ Interior Designer ▪ Photographer/Videographer ▪ Other: Creative/Design
Client Support/Personal Care	<ul style="list-style-type: none"> ▪ Account Manager (Non-Commissioned) ▪ Call Center Agent ▪ Esthetician ▪ Customer Service Rep ▪ Hair Stylist ▪ Nanny/Babysitter ▪ Reservations/Ticketing Agent ▪ Retail Customer Service Officer/Agent ▪ Technical Customer Service Agent ▪ Other: Client Support/Personal Care

Occupation Category	Occupation Description
Editorial/Writing	<ul style="list-style-type: none"> ▪ Digital Content Developer ▪ Documentation/Technical Writer ▪ Editor/Proofreader ▪ Journalist ▪ Translator/Interpreter ▪ Other: Editorial/Writing
Education/Training	<ul style="list-style-type: none"> ▪ Private Classroom Teacher ▪ Child Care Worker ▪ Continuing/Adult Education Teacher ▪ Corp Development/Training Specialist ▪ Customer Training Consultant ▪ Early Childhood Care Specialist ▪ Elementary School Teacher ▪ Teacher's Aid/Education Assistant ▪ Junior/High School Teacher ▪ Librarian ▪ Doctor (PhD) ▪ School/College Administrator ▪ School Principal ▪ Special Education Teacher ▪ Translator ▪ University/College Professor ▪ Other: Education/Training
Engineering/Architect	<ul style="list-style-type: none"> ▪ Architect ▪ Aeronautic/Avionic Engineer ▪ Bio-Engineer ▪ Chemical Engineer ▪ CAD/Drafting Technician ▪ Civil and Structural Engineer ▪ Electrical/Electronics Engineer ▪ Energy/Nuclear Engineer ▪ Environmental and Geological Engineer ▪ Industrial/Manufacturing Engineer ▪ Mechanical Engineer ▪ Naval Architecture/Marine Engineer ▪ RF/Wireless Engineer ▪ Systems/Process Engineer ▪ Other: Engineering/Architect
Entertainment/Sports	<ul style="list-style-type: none"> ▪ Actor ▪ Agent ▪ Announcer/Broadcaster ▪ Athlete ▪ Coach ▪ Producer/Director ▪ Publicist ▪ Writer/Editor ▪ Dancer/Choreographer ▪ Musician/Singer ▪ Model ▪ Fitness and Sports Trainer/Coach ▪ Personal Trainer ▪ Other: Entertainment/Sports
Farming/Agriculture	<ul style="list-style-type: none"> ▪ Agricultural Inspector ▪ Animal Breeder ▪ Mixed Farmer (Crop/Livestock) ▪ Fish Farmer ▪ Hunter/Trapper ▪ Hydroponics Farmer ▪ Orchard/Vineyard/Greenhouse Farmer ▪ Egg Farmer

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Farm Supply/Co-op Owner/Operator ▪ Livestock Farmer ▪ Crop Farmer ▪ Grain Farmer ▪ Dairy Farmer ▪ Other: Farming/Agriculture
<p style="text-align: center;">Food Services/Gaming/ Hospitality</p>	<ul style="list-style-type: none"> ▪ Bartender ▪ Chef ▪ Casino or Gaming Dealer/Operator ▪ Casino or Gaming Manager/Administrator ▪ Casino/Track Cashier ▪ Casino/Track Surveillance Security ▪ Horse Racing/Off Track Betting Operator ▪ Event/Wedding Planner ▪ Cashier/Barista/Food and Beverage Server ▪ Cook/Food Preparation ▪ Front Desk/Reception Clerk ▪ Guest Services/Concierge ▪ Tour Guide ▪ Host/Hostess ▪ Restaurant Manager ▪ Server ▪ Wine Steward (Sommelier) ▪ House Keeping ▪ Dish Washer/Bus person ▪ Baker ▪ Other: Food Services/Gaming/Hospitality
<p style="text-align: center;">Government/Diplomatic</p>	<ul style="list-style-type: none"> ▪ Aboriginal Band Chief ▪ Ambassador ▪ Deputy minister (or equivalent rank) ▪ Diplomat (incl. attaches/counselors) ▪ Executive council member of government ▪ Head of a government agency ▪ Head of state/government ▪ Leader/President of political party ▪ Member of Legislature/Parliament ▪ President of state-owned company/bank ▪ Mayor ▪ City/Town Councillor ▪ Civil Servant / Government Employee ▪ Other: Government /Diplomatic
<p style="text-align: center;">Human Resources</p>	<ul style="list-style-type: none"> ▪ Compensation/Benefits Policy Specialist ▪ Corp Development/Training Specialist ▪ Diversity Mgmt/Compliance Specialist ▪ Human Resource Administrator ▪ Human Resource Counsellor ▪ Human Resource Specialist ▪ Payroll and Benefits Administrator ▪ Recruiting/Sourcing Specialist ▪ Other: Human Resources
<p style="text-align: center;">IT/Software Development</p>	<ul style="list-style-type: none"> ▪ IT Technician/Support Technician ▪ Database Developer/Administrator ▪ IT Consultant ▪ IT Project Manager ▪ IT Specialist ▪ Network and Server Administrator ▪ Software/System Architect ▪ IT Systems Analyst ▪ IT Manager/Senior Manager ▪ IT Developer/Programmer

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Other: IT/Software Development
Legal	<ul style="list-style-type: none"> ▪ Corporate Attorney/Lawyer ▪ Criminal Lawyer ▪ Private Practice Attorney/Lawyer ▪ Government Attorney/Lawyer ▪ Contracts Administration Lawyer ▪ Labor and Employment Lawyer ▪ Legal Specialist ▪ Legal Secretary ▪ Paralegal ▪ Patent/IP Lawyer ▪ Real Estate Lawyer ▪ Regulatory/Compliance Lawyer ▪ Tax Lawyer ▪ Judge ▪ Other: Legal
Transportation/Logistics	<ul style="list-style-type: none"> ▪ Car, Van and Bus Driver ▪ Cargo and Baggage Handling Operator ▪ Cost Estimator ▪ Equipment/Forklift/Crane Operator ▪ Hazardous Materials Handler ▪ Import/Export Administrator ▪ Inventory Planning/Management Specialist ▪ Mail Carrier ▪ Merchandise Planner/Buyer ▪ Messenger/Courier ▪ Pilot: Air and Marine ▪ Public Transit Driver/Operator ▪ Public Transit Operations/Administration ▪ Purchaser ▪ Shipping and Receiving/Warehousing Clerk ▪ Supplier Manager/Vendor Manager ▪ Taxi Driver ▪ Taxi Dispatcher/Administrator ▪ Train or Rail Operator ▪ Travel Consultant ▪ Truck Driver ▪ Vehicle Dispatcher/Router/Scheduler ▪ Flight Attendant ▪ Air Traffic Controller ▪ Customs/Immigration Officer ▪ Other: Transportation/Logistics
Manufacturing/Production/ Operations	<ul style="list-style-type: none"> ▪ Agricultural Specialist ▪ Assembly/Assembly Line Worker ▪ Audio/Video Broadcast and Production Tech ▪ Equipment Operator ▪ Hazardous Materials Handler ▪ Laundry and Dry-Cleaning Worker ▪ Layout/Prepress/Printing/Binding Tech ▪ Machining/CNC Technician ▪ Metal Fabricator/Welder ▪ Moldmaking/Casting Technician ▪ Operations/Plant Manager ▪ Production/Operations Planner ▪ Scientific/Tech Production Specialist ▪ Seamstress/Tailor

Occupation Category	Occupation Description
	<ul style="list-style-type: none"> ▪ Operations-Telecom Admin/Manager ▪ Waste Pick-up and Removal Worker ▪ Other: Manufacturing/Production/Ops
<p style="text-align: center;">Marketing/Product</p>	<ul style="list-style-type: none"> ▪ Brand/Product Marketing Specialist ▪ Copy Writer/Editor ▪ Direct Marketing (CRM) Agent ▪ Events/Promotional Marketer ▪ Investor/Public/Media Relations Rep ▪ Market Researcher ▪ Marketing Communications Specialist ▪ Marketing Production/Traffic Specialist ▪ Media Planning and Buying Specialist ▪ Product Manager ▪ Public Relations Specialist ▪ Telemarketer ▪ Visual/Display Merchandising Specialist ▪ Other: Marketing/Product
<p style="text-align: center;">Medical/Health</p>	<ul style="list-style-type: none"> ▪ Chiropractor ▪ Dental Assistant/Hygienist ▪ Dentist or Dental Practitioner ▪ Doctor (MD) ▪ EMT/Paramedic ▪ Healthcare Aid ▪ Laboratory/Pathology Technician ▪ Massage Therapist/Masseuse ▪ Medical Imaging Specialist ▪ Medical Practitioner ▪ Medical/Rehabilitation Therapist ▪ Medical Technician ▪ Mental Health Specialist ▪ Midwife ▪ Nurse ▪ Nutrition and Diet Counsellor ▪ Ophthalmologist ▪ Optician ▪ Optometrist ▪ Personal Support Worker/Home Care Worker ▪ Pharmacist ▪ Pharmacy Assistant/Clerk ▪ Physician Assistant/Nurse Practitioner ▪ Physiotherapist ▪ Psychologist ▪ Public Health Administrator ▪ Social Service/Social Worker ▪ Sports Medicine Specialist ▪ Veterinarian ▪ Veterinarian Assistant ▪ Other: Medical/Health
<p style="text-align: center;">Military Professional</p>	<ul style="list-style-type: none"> ▪ Non-Commissioned Member ▪ Military Combat Specialist ▪ Officer ▪ Senior Officer (General/Admiral and above) ▪ Other: Military Professional
<p style="text-align: center;">Project/Program Management</p>	<ul style="list-style-type: none"> ▪ Event Planning/Coordinator ▪ Management Consultant ▪ IT Project Manager ▪ Project/Program Manager ▪ Other: Project/Program Management

Occupation Category	Occupation Description
Quality Assurance/Safety	<ul style="list-style-type: none"> ▪ Building/Construction Inspector ▪ Environment/Conservation Agent ▪ Food Safety and Inspector ▪ ISO Certification Agent ▪ Occupational Health and Safety Agent ▪ Production Quality Assurance Agent ▪ Software Quality Assurance Specialist ▪ Vehicle Inspector ▪ Other: Quality Assurance/Safety
Religious Professionals	<ul style="list-style-type: none"> ▪ Religious Leader ▪ Missionary/Aid Worker ▪ Religious Practitioner ▪ Other: Religious Professionals
Sales/Retail/ Business Development	<ul style="list-style-type: none"> ▪ Account Manager (Commissioned) ▪ Business Development/Account Manager ▪ Field Sales Agent ▪ Financial Sales/Brokerage Officer ▪ Fundraiser ▪ Insurance Agent/Broker ▪ International Sales Agent ▪ Jeweller/Precious Metals Dealer ▪ Media and Advertising Sales Agent ▪ Merchandise Planning/Buying Specialist ▪ Pawnbroker Owner/Operator ▪ Product Analyst/Management ▪ Real Estate Agent/Broker ▪ Cashier/Sales Clerk/ Sales ▪ Sales Support/Assistance Agent ▪ Sales Supervisor ▪ Store/Branch Manager ▪ Technical Presales Support and Sales Agent ▪ Telesales/Telemarketing Agent ▪ Travel Agent/Ticket Sales Agent ▪ Visual/Display Merchandising Specialist ▪ Wholesale/Reselling Sales Agent ▪ Retail Owner/Operator ▪ Other: Sale/Retail/Business Development
Science and Technology	<ul style="list-style-type: none"> ▪ Biologist ▪ Chemist ▪ Clinical Researcher ▪ Environmental and Geoscientist ▪ Lab Technician ▪ Mathematical/Statistical Researcher ▪ Medical Scientist ▪ Pharmaceutical Researcher ▪ Physicist ▪ Product Research and Development Analyst ▪ Sociologist/Anthropologist ▪ Other: Science and Technology
Security/Emergency/ Protective Services	<ul style="list-style-type: none"> ▪ Airport Security and Screening Officer ▪ Air Traffic Controller ▪ Correctional Officer ▪ Customs/Immigration Officer ▪ Firefighter and Rescue Specialist ▪ Police/Law Enforcement Officer ▪ Security Guard/ Loss Prevention Officer ▪ Intelligence/Analysis Specialist ▪ Other: Security/Emerg/Protective Serv

Occupation Category	Occupation Description
<p style="text-align: center;">Skilled Trades/ Maintenance/Repair</p>	<ul style="list-style-type: none"> ▪ Autobody Technician/Mechanic ▪ Blacksmith ▪ CAD/Drafting Technician ▪ Carpenter ▪ Electrician ▪ Fisherman ▪ Florist ▪ Funeral Services Employee/Manager ▪ General Labourer ▪ Heavy Equipment Operator ▪ Ironwork/Metal Fabricator ▪ Logger ▪ Miner ▪ Welder ▪ Tool and Die Maker/ CNC Operator ▪ Millwright ▪ Plumber ▪ Landscaper ▪ Comp/Elect/Telecom Instl/Maint/Rep Tech ▪ Equipment Install/Maintain/Repair Tech ▪ Facilities Manager/Maintenance Tech ▪ HVAC Maintenance/Repair Technician ▪ Janitorial and Cleaning Technician ▪ Locksmith ▪ Oil Rig/Pipeline Install/Maint/Rep Tech ▪ Painter ▪ Pipefitter ▪ Wire/Cable Install/Maintain/Repair Tech ▪ Other: Skilled Trades/Maint/Repair

10.3. TD Broker Refinance Program Fee Schedule

April 2022

Title Insured TD Broker Refinance Program Fee Schedule

Province	Program Fee	Additional Fees for Registration and Conversion
British Columbia	\$636.88	N/A
Alberta	\$613.25	\$1.50/\$5000 of the mortgage amount
Saskatchewan	\$757.42	\$83.35 for each title over four (4)
Manitoba	\$822.55	N/A
Ontario	\$826.92	N/A
New Brunswick	\$798.50	\$312.00 – for properties requiring conversion \$85.00 per additional PID
Nova Scotia	\$798.55	\$460.00 – for properties requiring conversion
Newfoundland and Labrador	\$891.50	\$0.40 per \$100.00
Prince Edward Island	\$931.79	See variable registration fees chart below
Quebec	See table below	N/A

Program Fee noted above include:

- All searches;
- TD Mortgage or TD Home Equity FlexLine registration;
- Unlimited secured and unsecured debt payouts;
- One signing appointment;
- All discharges registration fees;
- All applicable taxes; and
- Cancellation Fees*

***Additional Signing Appointment/Cancellation after appointment:** Should a second Signing Appointment be required, an additional fee of \$100.00 will apply plus applicable taxes (\$60.56 in Quebec). In Quebec, if the appointment is outside the Notary office an additional fee of \$80.00-\$150.00 will apply. In BC, if the appointment with the Witnessing Agent is cancelled less than four hours prior to the appointment time, a \$47.25 fee will apply. In Quebec, if the appointment with the Notary is cancelled less than 24 hours prior to the appointment time a fee of \$57.49 will apply.

Quebec – Refinance with no discharge

Province	Program Fee	Additional Fees for Registration and Conversion
Quebec	\$653.31**	N/A

**The new base program fee includes title searches, document preparation, one signing appointment, three (3) unsecured debt payouts, registration and a title insurance policy for TD and all applicable taxes.

Quebec – Refinance with discharge

Province	Program Fee	Additional Fees for Registration and Conversion
Quebec	\$886.71***	N/A

***The all-in program fee includes title searches, document preparation, one signing appointment, unlimited discharges and unsecured debt payouts, registration, cancellation fees, a title insurance policy for TD and all applicable taxes.

Any additional fees related to the correction of title defects will be discussed with the customer. Once the customer agrees FCT will notify TD. TD will modify the Credit Agreement and provide to FCT in advance of the signing appointment.

Insurance Premiums

For credit applications over \$750,000.00, additional premiums apply as follows. In British Columbia the additional premium applies only for credit amounts greater than \$1,000,000.00:

Credit Amount	Additional Premium	Tax on Premium
\$750,000.01 to less than or equal to \$1,000,000.00	\$100	ON - \$8.00 NF - \$15.00 SK - \$6.00 MB - \$0.00 QC - \$8.00
\$1,000,000.01 to less than or equal to \$1,500,000.00	\$250	ON - \$20.00 NF - \$37.50 SK - \$15.00 MB - \$0.00 QC - \$22.50
\$1,500,000.01 to less than or equal to \$2,000,000.00	\$350	ON - \$28.00 NF - \$52.50 SK - \$21.00 MB - \$0.00 QC - \$31.50
\$2,000,000.01 to less than or equal to \$5,000,000.00	\$750	ON - \$60.00 NF - \$112.50 SK - \$45.00 MB - \$0.00 QC - \$67.50
\$5,000,000.01 and Over	\$750 plus \$0.65 per \$1000 over \$5,000,000.01	Taxes will vary depending on province and the amount over \$5,000,000.01

PEI Variable Registration Fees

PEI Variable Registration Fees	
Credit Amount	Fee
\$ 0 -- \$ 9,999	77.25
\$ 10,000 -- \$ 19,999	103.00
\$ 20,000 -- \$ 49,999	154.55
\$ 50,000 -- \$ 99,999	231.80
\$100,000 -- \$149,999	309.10
\$150,000 -- \$199,999	386.40
\$200,000 +	463.65

The fees noted above apply to transactions associated with this program. For additional services, not part of the program, please contact us.

10.4. Costs and Fees Associated with a TD Product

Cost of borrowing information is provided to customers in their Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement (or Amendment Agreement when there is a Term Portion) which they sign with their solicitor/notary or with the FCT Remote Signor. It is important that you also provide customers with an in-depth overview of the costs and fees associated with their TD Mortgage or TD Home Equity FlexLine.

To support your conversation with customers, please refer to the chart below for guidelines on Cost of Borrowing and fee disclosures.

Subject	Description
Annual Interest Rate	<ul style="list-style-type: none"> • With a Fixed Interest Rate, the Annual Interest Rate is expressed as if calculated semi-annually, not in advance. • With Variable Interest Rates Mortgages (VIRMs), the Annual Interest Rate charged is the TD Prime Rate plus/minus the variance and is expressed as if calculated monthly, not in advance. The customer's Annual Interest Rate will change automatically when the TD Prime Rate changes. TD Prime Rate is the rate which is set and adjusted at the Bank's discretion on prime residential properties.
Annual Percentage Rate	<ul style="list-style-type: none"> • The Annual Percentage Rate (APR) reflects, in addition to interest, any applicable fees that apply to the customer's mortgage or Term Portion.
Term	<ul style="list-style-type: none"> • For closed terms, if the customer pays some or all of the mortgage loan (outside of prepayment privileges) before the end of the term, they will have to pay any applicable Prepayment Charges (see below).
Date of Advance	<ul style="list-style-type: none"> • Interest is charged at the annual interest rate from this date.
Payments	<ul style="list-style-type: none"> • Before the customer's first principal and interest payment, the customer must make a payment for the interest owing from the date the bank advanced the principal amount to the start date of the term, which would be the first of the following month. This is referred to as the Interest Adjustment Payment (IAD is only applicable to mortgages). • With Mortgage Payments, the customer's principal and interest payments are due on the first of every month throughout the term, beginning the first of the month following the term start date. For example, if the mortgage funds on November 15th, the first payment would be due on January 1st. The mortgage term always starts on the first of a month. • TD Home Equity FlexLines with Term Portions do not have an IAD period. All Term Portions are set at monthly payments with the first payment occurring one month from the closing date. Customers may change their payment frequency and first payment date after activation.
Amortization Period	<ul style="list-style-type: none"> • When the term starts this is how long it will take to pay off the mortgage or Term Portion in full based on the customer's current payment details.
Prepayment Privilege	<ul style="list-style-type: none"> • For closed terms, the customer has the following prepayment privileges on the mortgage or Term Portion without paying any prepayment charges: <ul style="list-style-type: none"> ○ Make one or more lump-sum payments each calendar year, up to a total of 15% of the original principal amount with no prepayment charge. The minimum amount they can prepay is \$100.

Subject	Description
	<ul style="list-style-type: none"> ○ Increase their principal and interest payments by up to 100% at any time during the term of their mortgage or Term Portion. The customer can always opt to revert to their original payment amount. ○ Increase the frequency of their principal and interest payments. ● Refer to the Prepayment Privileges.
Prepayment Charges	<ul style="list-style-type: none"> ● If the customer pays more than the 15% prepayment privilege set out above, they will be required to pay a prepayment charge which will be the higher of the following two amounts: <ul style="list-style-type: none"> ○ Three months interest amount, or ○ The interest rate differential amount. The interest rate differential amount is the difference between the principal amount the customer owes at the time of prepayment and the principal amount they would owe using a similar mortgage rate. ● Note: A reinvestment fee may also apply if the mortgage or Term Portion is prepaid in full during the first term. See below for details. ● Refer to the Enhanced Disclosure of Prepayment Charges section and the Making a Prepayment customer handout.
Default Insurance	<ul style="list-style-type: none"> ● If your customer's Loan-to-Value is more than 80%, they will require Default Insurance. This insurance covers the bank for losses if the customer defaults on their mortgage. The cost the customer pays for insurance is the insurance premium plus applicable sales tax (depending on the province) ● Your customer can elect to pay the insurance premium up front, however, more often they add it to their approved principal amount. The sales tax on the premium is paid to the lawyer by the customer as part of the statement of adjustments. ● Information on default insurance premiums will be provided to the customer with the MLA at mortgage signing. ● Refer to the Default Insurance section.
Automated Property Valuation	<ul style="list-style-type: none"> ● TD uses Automated Property Valuation (APV) to assess the value of the property. If a property is not eligible for APV or APV does not return a valuation, the property will be subject to a full property appraisal to be provided by the Brokerage. The APV fee is deducted from the customer's TD Mortgage or TD Home Equity FlexLine advance. Currently, this charge is \$99 and is subject to change. ● This fee is included in the APR. ● Refer to the Automated Property Valuation (APV) section.
Appraisal Fee	<ul style="list-style-type: none"> ● There may be an administration fee for obtaining an appraisal/valuation of the customer's property. ● Note: TD pays the appraisal fee for properties located in Quebec. ● This fee is included in the APR. ● Refer to the Appraisals (excluding Quebec) and Appraisals (Quebec Only) sections.
Discharge Fee	<ul style="list-style-type: none"> ● This fee is charged to prepare the documents needed to discharge the collateral charge after the customer paid their mortgage or TD Home Equity FlexLine in full. In addition, the customer is responsible for paying any government fees to register the discharge. ● Currently, this charge is \$0 to \$260 depending on the province and is subject to change. ● Refer to the Requesting Prepayment Information section.
Assignment Fee	<ul style="list-style-type: none"> ● This fee is charged to prepare the documents needed to transfer the collateral charge to another lender.

Subject	Description
	<ul style="list-style-type: none"> • Currently, this charge is \$0 to \$260 depending on the province and is subject to change.
Reinvestment Fee	<ul style="list-style-type: none"> • This fee is charged on closed fixed rate and closed variable rate TD Mortgages only, if the mortgage loan is paid in full for any reason before the end of the first term (e.g. discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed. • The fee is not included in the prepayment charge amount and is not refundable. • The charge is \$300.
Collateral Charge	<ul style="list-style-type: none"> • The customer's legal representative may charge them additional fees in connection with registering a collateral charge. • Refer to the Mortgage Loan Agreement, TD Home Equity FlexLine Agreement and Term Portion Amending Agreement section a.
Property Taxes	<ul style="list-style-type: none"> • TD must pay the property taxes on behalf of the customer for default insured mortgages. To do this, a portion of the annual estimated property taxes is collected with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from the mortgage. Note: Customers must pay their own property taxes for conventional mortgages and TD Home Equity FlexLines. • The property tax portion is based on an average of annual estimated tax amounts for years one and two, divided equally throughout the tax year. This will build a balance in the property tax account to pay the tax bill in full when it's due. • Important: When TD pays property taxes on behalf of the customer, you must provide them with the Here's what you need to know about TD paying your property taxes customer handout. • Refer to the Property Taxes section.

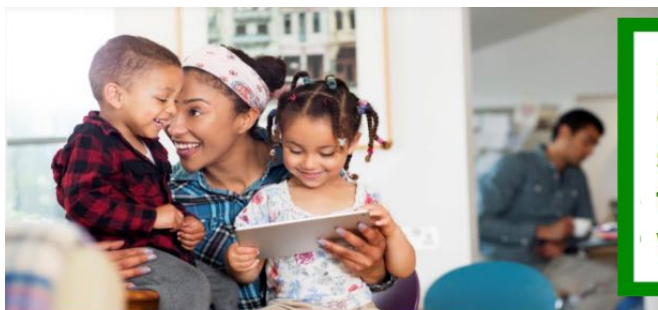
10.5. Ports versus Replacements at TD

TD offers a Port or a Replacement policy for eligible customers. To support your conversation with customers, please refer to the chart below to help you understand which policy can be recommended to your customers.

Description	Port Policy	Replacement Policy
<p>Definition</p>	<p>A Port will allow TD Mortgage customers to take their current rate and term when they move or refinance to another TD Mortgage. The prepayment charge may be rebated.</p> <p>TIP: In some cases, paying a prepayment charge upfront and securing a new lower rate and term is less costly than porting.</p>	<p>The Replacement Policy rebates the prepayment charge when a customer has already paid or is being charged 3 Months' Interest on the discharge of an existing TD Mortgage/TD Home Equity FlexLine Term Portion when replaced within a year with a new closed term TD Mortgage/TD Home Equity FlexLine with a Term Portion at a new rate and term.</p>
<p>Qualifications</p>	<p>The new TD Mortgage must fund within 120 days of discharging the existing TD Mortgage.</p> <ul style="list-style-type: none"> • Refinance and Purchase and Sale deals qualify • Mortgage to Mortgage • There must be a minimum increase of \$20,000 	<p>The new TD Mortgage/Term Portion on the new TD Home Equity FlexLine must fund within one year of discharging the existing TD Mortgage/TD Home Equity FlexLine).</p> <ul style="list-style-type: none"> • Purchase and Sale deals: Amount must be greater than the discharged TD Mortgage/TD Home Equity FlexLine Term Portion. • Refinance/increase deals (existing TD product on same subject property): There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion • TD Mortgage to TD Mortgage • TD Mortgage/TD Home Equity FlexLine Term Portion(s) to TD Home Equity FlexLine Term Portion <p>Note: If within 120 days of the maturity of the existing TD product(s) and the customer is using the Replacement Policy then the total prepayment charge (3 Months' Interest or IRD) will be rebated.</p>
<p>Exclusions</p>	<p>Mortgage to Mortgage:</p> <ul style="list-style-type: none"> • Closed VIRMs (fixed rate to VIRM; VIRM to fixed rate) • 1-Year Fixed Open • Term less than 4 months remaining • Assumed mortgages • Porting to a builder single advance closing > 120 days • Porting to Purchase/Refinance Plus Improvement mortgage 	<p>N/A</p>

Description	Port Policy	Replacement Policy
Rate and Term	<ul style="list-style-type: none"> The existing remaining term and rate is always transferred to the new TD Mortgage. Since the new TD Mortgage amount is greater than the discharged mortgage, the existing mortgage rate is transferred with additional funds priced at the current rate. The final rate is a blended rate of the existing and new rates. 	<p>The existing TD Mortgage/TD Home Equity FlexLine Term Portion is replaced by a new closed term TD Mortgage or TD Home Equity FlexLine Term Portion at current rates and the amount must be greater than the discharged deal.</p> <ul style="list-style-type: none"> Purchase and sale deals: Amount must be greater than the discharged TD Mortgage/TD Home Equity FlexLine Term Portion. Refinance/increase deals (existing TD product on same subject property): There must be a minimum increase of \$20,000 in a closed term TD Mortgage or TD Home Equity FlexLine Term Portion
Prepayment Charge	The prepayment charge is rebated.	<p>The prepayment charge is rebated</p> <ul style="list-style-type: none"> If IRD is greater than 3 Months' Interest, then no rebate is available If 3 Months' Interest is greater than IRD, the difference is rebated. <p>Note: Not available if IRD was rebated under the Port Policy.</p>
Referral Fees	<p>TD only pays on new money:</p> <ul style="list-style-type: none"> Referral Fees are only payable on new money added to the amount being ported. 	<p>TD only pays on new money:</p> <ul style="list-style-type: none"> Referral Fees are only payable on new money added to the amount being replaced. If the replacement mortgage funds within 120 days from date of maturity or at maturity, then Referral Fees will be paid on the entire amount. In cases where the three months' interest prepayment charge applies, Referral Fees will be paid on new money only when completing a mortgage refinance.
Reinvestment Fee	<ul style="list-style-type: none"> The reinvestment fee is charged on closed fixed rate and closed variable rate mortgages if paid in full for any reason before the end of the first term (e.g., discharged or assigned). This reinvestment fee only applies during the first term – it doesn't apply after the mortgage loan is renewed. The fee is not included in the prepayment charge amount and is not refundable. 	

10.6. TD Protection Plans Fact Sheet



Help your customers safeguard their financial well-being

TD Protection Plan options are designed to help TD customers be confident that they have coverage.

TD Protection Plans

Refer to TD and we will take care of the rest!

Ask your customer if they would like to learn more from TD about how optional TD Mortgage Protection or TD Line of Credit Protection can help protect their financial health in the event of:

TD Mortgage Protection: death, a covered accidental dismemberment, terminal illness or critical illness.

TD Line of Credit Protection: death, a covered accidental dismemberment or critical illness.

If your customers are interested and are between the ages of 18 to 69, complete one of the following referral forms with your customer and provide them with the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance. The Summary of Coverage is available as an attachment within the TD Mortgage or TD Home Equity FlexLine Commitment Package, as well as on the TD Mortgage Solutions Portal.

Two Convenient Referral Options

1. Online Referral Form for Mortgage or Line of Credit Critical Illness and Life Insurance

Access the *online Referral Form* from the [TD Mortgage Protection Broker Resource Centre](#)

- Obtain the customer's consent by reading the disclosure provided on the form
- Complete the *online Referral Form for Mortgage or Line of Credit Critical Illness and Life Insurance, as applicable*, and click submit

2. Paper Referral Form for Mortgage or Line of Credit Critical Illness and Life Insurance (PDF)

Access the *paper Referral Form* in two ways:

- Delivered with the Broker Commitment; or
- TD Mortgage Solutions (TDMS) website (tdmortgagesolutions.com)
- Provide customer with the *paper Referral Form for Mortgage or Line of Credit Critical Illness and Life Insurance, as applicable*, to complete and sign
- Email the completed *Referral Form for Mortgage or Line of Credit Critical Illness and Life Insurance* to TD.
 - Email: TD.NewBusiness@td.com;

Once we have received your referral form from either of the above options, one of our Specialists will contact the customer within two business days to determine their eligibility, provide details, answer any questions, and complete the application.

For more information,
TD.brokerprotectionsupport@td.com



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Best Practices

How to have a successful TD Protection Plans referral

- Introduce TD Mortgage Protection or TD Line of Credit Protection early in the borrowing conversation
- Customer must provide consent that they're interested in learning more about TD Protection Plans to submit a referral via online or paper option
- Provide appropriate expectations, that they will receive a call within two business days

Referral Fees for Successful TD Protection Plan Referrals!

A successful TD Protection Plan referral occurs when:

- TD has received either a completed online or paper Referral Form for Mortgage Critical Illness and Life Insurance or Line of Credit Critical Illness and Life Insurance from the broker;
- The eligible borrower has completed a TD Protection Plans application which has been approved by TD Life for either Life or Life and Critical Illness Insurance; and
 - The eligible borrower's coverage has been in force for:
 - At least 90* days for the 1st payment; and
 - At least 15* months for the 2nd payment

Note: Due to regulatory constraints, a TD Protection Plan referral by a Broker operating under their Quebec license will not qualify for the Referral Fee for TD Protection Plans.

Earn up to 20 BPS per insured borrower, to be paid in two installments

1 st payment	2 nd payment	Total	
90 days*	15 months*	20 BPS	* after effective date of coverage
10 BPS	10 BPS		

Example of a Successful referral Scenario:

Two borrowers
Both age 40
Approved for \$500M insured **Mortgage Life and Critical Illness**

Calculation:

90 days*		15 months*
\$500,000		\$500,000
X 0.001		X 0.001
\$500	+	\$500
(per borrower)		(per borrower)

Total Referral Fee **\$2,000** (2 borrowers)

Two borrowers
Both age 40
Approved Home Equity FlexLine limit \$600M insured **Line of Credit Life and Critical Illness** average insured balance:

\$500,000		\$400,000
X 0.001		X 0.001
\$500	+	\$400
(per borrower)		(per borrower)

Total Referral Fee **\$1,800** (2 borrowers)

* after effective date of coverage

For more information,
TD.brokerprotectionsupport@td.com



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10.7. TD Protection Plans Frequently Asked Questions

How does the TD referral process work?

- TD uses a referral process to help your customers understand their TD Protection Plan options. If they are interested in learning more, provide them with the Summary of Coverage for Mortgage Critical Illness and Life Insurance or the Summary of Coverage for Line of Credit Critical Illness and Life Insurance and complete the referral form. There are two options to submit a referral to TD:
 - You can complete and submit an [online referral](#) on behalf of customers. The referral form can be found on the [TD Protection Plans Broker Resource Centre](#).
 - Alternatively, customers can continue to complete and sign the PDF form available on the TDMS Portal, and as a pre-populated attachment to the email that contains the Commitment Letter. You can return the completed form to TD via email at TD.NewBusiness@td.com.
 - **Important:** Ensure you review and confirm you are sending to the correct TD email address to protect the customer's information.
 - **Note:** The online referral process via the Broker Resource Centre is a secure portal and is the recommended method of submitting referrals. For customers who have selected to complete a paper referral, you must obtain their consent to send the personal information on the referral form via regular email.
- Once a referral is received as per customer request, TD will reach out to them within two business days. We're here to help your customers every step of the way.
- As a reminder, the conversation between you and the customer is **not** a sales conversation. Based on the referral process, you are not to attempt to sell or provide advice on TD Protection Plans to customers including refraining from discussing details related to the TD Protection Plans Assessment tool, Premium Quote Tool and TD Protection Plan articles. TD is here to help address any questions your customers may have.

How do I determine if my customer is eligible for coverage?

- TD Protection Plan is offered to TD Mortgage or TD Home Equity FlexLine borrowers or guarantors who are Canadian residents and between the ages of 18 to 69.
- If your customers are interested and eligible, provide them with the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance and complete the referral. Advise your customer that once a referral is submitted to TD, a TD representative will call them to discuss their eligible coverage options and address any questions.

When and how do I introduce TD Protection Plans?

- A good opportunity to introduce TD Protection Plans is when you're speaking to customers about helping to protect their TD Mortgage or TD Home Equity FlexLine. It's important to start this conversation early in the customers' borrowing journey. Invite your customers to learn more about how TD Protection Plans may help protect their financial health in the event of death, a covered accidental dismemberment, terminal illness or critical illness.

Could TD Protection Plans be the right option for my customers?

- TD Protection Plans are optional creditor's group insurance that can pay towards the outstanding TD Mortgage or TD Home Equity FlexLine balance in the event of death or a covered critical illness.
- If your customer requests further information, in addition to the Summary of Coverage for Mortgage or Line of Credit Critical Illness & Life Insurance, consider sharing the following information when helping your customer self-assess whether they are interested in being referred to TD to learn more about TD Protection Plans.

Your TD Mortgage or TD Home Equity FlexLine is a long-term financial obligation and you've worked hard

for your home. If you aren't sure if a TD Protection Plan is the right option for you, in addition to reviewing the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance, consider asking yourself the following questions:

- What would the impact be to my finances if my income was lost or reduced due to a covered critical illness?
- Would my partner or co-borrower be able to afford the mortgage on their own if I were to pass away or suffer a covered critical illness and unable to work?
- Do I have loved ones who rely on me financially?

If you're interested in learning more, I can help submit a referral request to have TD contact you.

- Note: If the customer is requesting to receive information via email, please indicate that you are providing the information as per their request. Here's an example for sending the email:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

What do I do if my customer has questions about TD Protection Plans?

- You can refer your customer to the Summary of Coverage for Mortgage or Line of Credit Critical Illness and Life Insurance, and once a referral is received TD will address any questions your customer may have during the follow-up call.
- If your customer requests it, you can share with them the link to resources available on the public TD product landing page. You can find the links in the [TD Protection Plans Broker Resource Centre](#), such as the Protection Assessment Tool, the Premium Quote Tool or one of the Articles available. (Note: The Broker Resource Centre must not be shared with customers).
- If the customer is requesting to receive information via email, please indicate in the email that you are providing the information as per their request. Here's an example for sending the email:

"As requested, here is the link to the TD Protection Plans Assessment Tool: [URL]"

- Looking for more support? We're here to help you. Contact TD.brokerprotectionsupport@td.com with any questions you may have.

How do I learn more about referring customers to TD?

- For more information **on qualified referrals**, you can review the Broker Information Kit available in your TD Mortgage Solutions portal or contact TD.brokerprotectionsupport@td.com.

10.8. TD Bridge Loan Worksheet (Sample)

Date:

Mortgagor(s):

Broker Credit Application Number:

Property Being Purchased

Address:

	Closing Date: <input style="width: 100px;" type="text"/>
Amount New Property Purchased for:	\$ <input style="width: 150px;" type="text"/>
Plus Total Closing Costs of the Purchase Property:	\$ <input style="width: 150px;" type="text"/>
Less Initial deposit (confirmed through the purchase agreement):	\$ <input style="width: 150px;" type="text"/>
Less approved TD Mortgage or TD Home Equity FlexLine:	\$ <input style="width: 150px;" type="text"/>
Funds Required to Close:	A* \$ <input style="width: 150px;" type="text"/>

Property Being Sold:

Note: Closing date of home being sold must be later than purchase to qualify for bridge financing.

Address:

	Closing Date: <input style="width: 100px;" type="text"/>
Amount Property Sold for (including any Deposit received):	\$ <input style="width: 150px;" type="text"/>
Less Existing Mortgage #1:	\$ <input style="width: 150px;" type="text"/>
Less Existing Mortgage #2 (if applicable):	\$ <input style="width: 150px;" type="text"/>
Less any Prepayment Charge for all mortgages: [e.g. Interest Rate Differential (IRD) or 3 months interest depending upon the customer's existing mortgage]	\$ <input style="width: 150px;" type="text"/>
Less any Mortgage Administration/Discharge fees for all mortgages:	\$ <input style="width: 150px;" type="text"/>
Less Real Estate Commission: [If Real Estate Commission is not captured in Sale Agreement, rationale to support Real Estate Commission amount used to be provided to the Broker Credit Assistant.]	\$ <input style="width: 150px;" type="text"/>
Less GST or HST on Real Estate Commission: [as applicable by Province]	\$ <input style="width: 150px;" type="text"/>
Less Other Closing Costs of the Sale Property, if applicable:	\$ <input style="width: 150px;" type="text"/>
Net Sale Proceeds is MAX Amount Available for Bridge Loan	B* \$ <input style="width: 150px;" type="text"/>

Prepared by:

***To Qualify Funds required (A) cannot exceed Net Sale Proceeds (B)**

10.9. Customer Handouts

- a. TD Mortgage Comparison Chart (One page)
- b. TD Home Equity FlexLine Comparison Chart (One page)
- c. Flexible Payment Options (Two pages)
- d. Making a prepayment? Here's what you need to know (Four pages)
- e. Property Tax Customer Factsheet (Two pages)
- f. Credit Agreement Signing Guide (One page)



TD Mortgage Comparison Chart

	Fixed Rate Mortgage	Six-Month Convertible Mortgage	Variable Interest Rate (Closed)
Term	Choice of 1–7 and 10 years	6 months	5 years
Amortization Period	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured) 	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured) 	<ul style="list-style-type: none"> • Up to 30 years (Conventional) • Up to 25 years (Default Insured)
Key Features	<ul style="list-style-type: none"> • Fixed interest rate for the duration of the selected term • Annual statement 	<ul style="list-style-type: none"> • Fixed interest rate for the duration of the selected term • Ability to convert to a longer closed term at any time at no cost • Annual statement 	<ul style="list-style-type: none"> • Variable interest rate based on the TD Mortgage Prime Rate with fixed payments for the duration of the selected term • At any time, can be converted to a closed Fixed Rate Mortgage, with a minimum term equivalent to the lesser of 3 years or the remaining period of the original term • Annual statement
This product is an option for:	<p>Borrowers who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who prefer a short term, with flexibility of converting to a longer term at any time.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are not concerned with interest rate volatility.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>
Repayment	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account
Payment Frequency	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly
TD Protection Plans	TD Mortgage Protection can help protect customers financially in the event of death, a covered accidental dismemberment, terminal illness or critical illness.		



TD Home Equity FlexLine Comparison Chart

	Revolving Portion	Term Portion Fixed Rate (Closed)	Term Portion Variable Rate (Closed)
Term	Not applicable	Choice of 1 to 5 years	3 or 5 years
Amortization Period	Not applicable	Up to 30 years	Up to 30 years
Key Features	<ul style="list-style-type: none"> • Variable interest rate based on the TD Prime Rate • Revolving Portion payments, once made, become Available Credit up to the Credit Limit. • Available Credit is accessible from any TD Branch, EasyLine, EasyWeb, Access Card¹ and personalized cheques • Monthly statements 	<ul style="list-style-type: none"> • Offers the security of a fixed interest rate for the duration of the selected term • Annual statement 	<ul style="list-style-type: none"> • Variable interest rate based on the TD Prime Rate with fixed payments • At any time, Term Portions with 5-year Variable Rate can be converted to a closed Fixed Rate Term Portion, with a minimum term equivalent to the lesser of 3 years or the remaining period of the original term • Annual statement
This product is an option for:	<p>Borrowers who prefer the flexibility of revolving credit.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are concerned with rising interest rates, and who prefer the security of a fixed rate for the full term chosen.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>	<p>Borrowers who are not concerned with interest rate volatility.</p> <p>Ask your mortgage broker for more information to see if this product is right for you.</p>
Repayment	<ul style="list-style-type: none"> • Minimum of interest only monthly payments • No prepayment restrictions • Payments can be made at any TD Branch, EasyLine, EasyWeb, ATM, by mail or pre-authorized debit.¹ • Pre-Authorized Debit account must be a TD account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account 	<ul style="list-style-type: none"> • Regular principal and interest (P+I) payments • Payments can be increased by up to 100% of original P+I over the term • Prepayments up to 15% of original principal amount per year without charge • Paying more than prepayment privileges allow may result in charges • Payments must be setup with a pre-authorized debit from a TD or OFI account
Payment Frequency	Fixed monthly payment of 1% or 3% of the outstanding balance, or monthly interest only payments ²	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly ³	Weekly, rapid weekly, bi-weekly, rapid bi-weekly, semi-monthly, monthly ³
TD Protection Plans	TD Line of Credit Protection can help protect customers financially in the event of death, a covered accidental dismemberment, terminal illness or critical illness.		



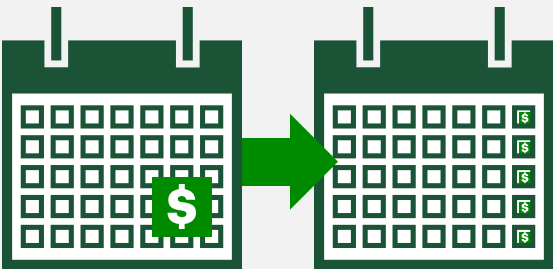
¹Available when the TD Home Equity FlexLine is programmed on a TD Access Card. Fees may apply for Interac[®] access and the use of other ATMs. ²TD Home Equity FlexLine Revolving Portion payments are set up as monthly interest-only at signing and can be changed at any time at a TD Branch or through EasyLine. ³TD Home Equity FlexLine Term Portion payments are set up as monthly at signing and can be changed at any time at a TD Branch or through EasyLine.



Flexible Payment Options

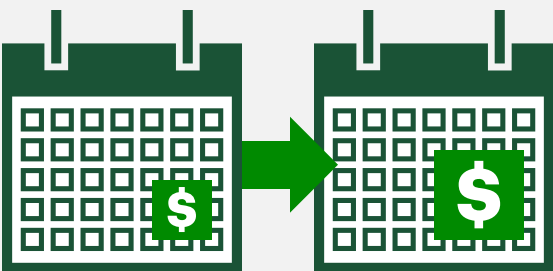
TD Mortgages and TD Home Equity FlexLine Term Portions can help you prepare for the unexpected with a range of flexible payment options to suit you.

Speed Up Your Payments



Increase your payment frequency

You can pay more often by increasing your principal and interest payments from monthly to weekly or even bi-weekly. Over time, more frequent principal and interest payments will mean that you are paying your TD Mortgage or TD Home Equity FlexLine Term Portion faster.



Increase your payment amount

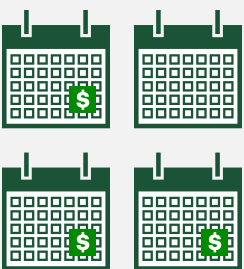
You can increase your original scheduled principal and interest payments by up to 100% during your closed term. That's double your normal payment amount. For example, if you typically pay \$1,000 a month, you can increase your payment up to \$2,000 a month during your closed term.



Make a lump sum payment

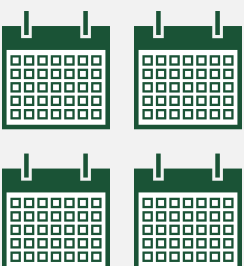
Got some extra cash? Use it to prepay a bit of your closed term and shrink the amount you owe, faster. Make a lump sum payment of up to 15% of the original principal amount borrowed each year, free of any prepayment charges. Maximum 15% prepayment amount can be made up of a single or multiple lump sum amounts.

Slow Down Your Payments



Payment Pause for TD Mortgages

If you need to take an emergency break from your payments, you can request to skip the equivalent of one monthly payment, partially or in full. This can be requested no more than once a calendar year, up to four times over the length of your amortization period.¹



Payment Vacation for TD Mortgages

If you know change is on its way, you can prepare by prepaying in advance. Request to take up to four months off your payments, partially or in full, if you have a prepaid amount that has reduced your amortization schedule for that requested period. Prepayments can be made by either lump-sum payments towards your principal balance or by increasing the amount or frequency of your regular payments.¹

Prepayments



What is a prepayment?

Want to know how a prepayment is different from a principal and interest payment? A prepayment is a lump sum payment of any amount in addition to regular scheduled payments. Like it sounds, prepayment means paying your debt down early.

Whether you make one or multiple lump sum payments, a prepayment on the principal amount leaves you with a smaller debt, and over time, less interest to pay.



Is a prepayment the right choice for you?

■ Check your terms

Closed terms often have clauses to define how much you can prepay and how often. Paying more than what your prepayment privileges allow might result in charges.

■ Benefits

Prepayments are a great way to reduce the amount of interest you'll pay overall. The faster you pay your principal, the less interest you pay. So, if you can make a lump sum prepayment, you're ahead of the game.

■ Charges

The following actions may result in you having to pay a prepayment charge:

- Paying more than your prepayment privileges allow
- Refinancing (increasing your borrowing amount) before the end of term
- Early renewing your TD Mortgage or Term Portion
- Refinancing with another lender before the end of your term

■ Selling your home before the end of the term



To understand if you might have a prepayment charge you can call us at 1 800 281 8031 or visit our [Prepayment Calculator at tools.td.com/mortgage-prepayment-calculator](https://tools.td.com/mortgage-prepayment-calculator) for an estimate.



Ready to help you
move forward





"Account" refers to your:

- TD Mortgage or
- TD Home Equity Line of Credit - Term Portion (also called a Fixed Rate Advantage Option) or
- TD Home Equity FlexLine - Term Portion (also called a Fixed Rate Advantage Option).

To help you make smart, informed decisions about your mortgage prepayment options, this is what you need to know about prepayment charges and other fees associated with paying down or paying off your Account.

Account Types

The type of account you have will affect the prepayment charge that you may encounter. We've provided an explanation of these below.

• **Fixed vs. Variable Interest Rate**

- **Fixed Interest Rate:** Your interest rate will not change and your payments are for the same amount throughout the entire term.
- **Variable Interest Rate:** Your interest rate may change when prime rate¹ changes but your payments remain the same throughout the entire term. Instead, when the prime rate¹ changes, the amount of your regular payment that is applied toward interest and principal will change. If the interest rate decreases, more of your payment is applied to the principal balance owing. If the interest rate rises, more of your payment will go toward interest and your amortization period may be extended. At a certain interest rate, you may be required to make certain changes to your Account.

• **Open vs. Closed to Prepayment Term**

- **Open:** In addition to the regular payments, an open term allows you to pay any amount toward your outstanding balance at any time, without having to pay a prepayment charge for doing so. Interest rates are typically higher than those for closed terms for the same duration because of this privilege.
- **Closed:** In addition to the regular payments, a closed term only permits a certain amount to be prepaid before a prepayment charge is required. If you want to renegotiate or refinance your Account before the end of your term, you will also be charged a prepayment charge. Interest rates are typically lower than for an open terms for the same term.

• **Long-term vs. Short-term**

- **Long-term:** The term is generally for three years or more and is often the best choice when you are comfortable with the interest rate and you want the security of known payment amounts in order to budget for the future.
- **Short-term:** The term is usually for two years or less and is a good option if you believe interest rates will decrease by your maturity date.

If you require information on any of our mortgages, please visit www.tdcanadatrust.com/mortgages.

A Prepayment Charge Depends on the Type of Account Chosen

Account Type	Prepayment Charge
Open Term	No prepayment charge
Closed Variable Interest Rate Term	Three Months Interest Amount
Closed Fixed Interest Rate Term	Greater of Three Months Interest Amount or Interest Rate Differential (IRD) Amount

When a Prepayment Charge Applies

The following actions may result in you having to pay a prepayment charge:

- Paying more than your prepayment privileges allow
- Refinancing (increasing your borrowing amount) before the Maturity Date
- Early renewing your Account
- Transferring your Account to another lender before the end of your term

Avoiding or Reducing a Prepayment Charge

Whether you're paying off the outstanding balance of your Account because you are moving, or simply paying down your principal sooner, TD gives you options to possibly avoid or reduce prepayment charges.

- **Portability Plus®**

Take your existing TD Mortgage interest rate and term with you to your new home - and avoid prepayment charges on the amount that you "port" when paying off your mortgage before the Maturity Date (applies to TD Mortgages with closed fixed interest rate terms only). Any additional money that you borrow will receive the current rate in effect at that time for those funds and the new mortgage interest rate will be blended with the interest rate on your existing mortgage. Some conditions apply.

- **Choose an open term**

If you choose an open term, then you will avoid paying a prepayment charge when you do any of the actions identified above.

- **Reduce the principal balance of your Account**

- Over the term, increase your payment by up to 100% of the original regular payment
- Each calendar year, prepay up to 15% of the original principal amount
- Change your payment frequency to a more frequent payment schedule

By reducing the principal balance of your Account, you will reduce the balance on which the IRD Amount or Three Months Interest Amount is calculated.

Additional fees that may apply when paying out an Account

It is important to note that additional fee(s) may be charged when a TD Mortgage is paid in full and discharged (not applicable if you are just paying out a Home Equity Line of Credit/TD Home Equity FlexLine - Term Portions). These may include -

- **A Discharge or Assignment Fee**

This is an administration fee for preparing the discharge or assignment request. There is no administration fee if you assign the Home Equity Line of Credit/TD Home Equity FlexLine.

- **A Reinvestment Fee**

If you prepay your TD Mortgage in full before the maturity date during your initial term (i.e. you never renewed your TD Mortgage)

- **An Administration Fee for paying out the Open Variable Interest Rate Mortgage in full**

- **A Cashback Reimbursement**

If you received a cashback payment in connection with your TD Mortgage, you may be required to reimburse a proportionate amount. This applies in the following situations -

- You prepay the TD Mortgage in full
- We assign the TD Mortgage to another lender at your request
- You renew the TD Mortgage and that renewal is effective before the maturity date of your current mortgage term

Prepayment Charge Types

There are two types of prepayment charges that may apply. See below for a description of how we calculate estimated prepayment charges.

The actual calculation will be more precise and will result in a lower prepayment charge than the estimated prepayment charge below. Alternatively, use our online prepayment calculator at www.tdcanadatrust.com/prepaymentcalculator to obtain an estimate.

Three Months Interest Amount

An amount equal to three months (90 days) interest on the amount prepaid at your current interest rate.

Interest Rate Differential (IRD) Amount

An amount equivalent to the difference between your annual interest rate and the posted interest rate on a term that is closest to the remainder of the term less any rate discount² you received, multiplied by the amount being prepaid, and multiplied by the time that is remaining on the term.

Prepayment Charge Example

- David and Susan have 28 months remaining on their term.
- They have an outstanding Account balance of \$100,000.
- They are paying an interest rate of 5% which includes a 1% rate discount off of the posted rate when they set up their Account.
- They would like to pay off their outstanding balance.

David and Susan have a **Closed Fixed Interest Rate Account**. The prepayment charge will be the greater of Three Months Interest or the Interest Rate Differential amount.

First: Estimate the Three Months Interest (90 days) Amount.

Step 1:	\$100,000 (A)	the amount prepaid
Step 2:	0.05 (B)	the Annual Interest Rate on the Account, expressed as a decimal
Step 3:	\$5,000 (C)	$A \times B = C$
Step 4:	\$1,250 (D)	$C \div 4 = D$, D is the estimated Three Months Interest Amount
David and Susan's estimated Three Months Interest Amount = \$1,250		

Second: Determine the right term and corresponding interest rate for a Similar Mortgage³ - a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of the Account.

If the number of months remaining on your Term, excluding the current month, is...	...then the term used to determine the posted rate for the Similar Mortgage would be:
Less than 9 months	6 months convertible
From 9 months to up to 17 months	1 year closed fixed rate
From 18 months to up to 29 months	2 year fixed rate
From 30 months to up to 41 months	3 year fixed rate
From 42 months to up to 53 months	4 year fixed rate
From 54 months to up to 65 months	5 year closed fixed rate
From 66 months to up to 77 months	6 year fixed rate
From 78 months to up to 101 months	7 year fixed rate
From 102 months up to and including 120 months	10 year fixed rate

If the current posted rate for a 2 year fixed rate mortgage term is 5%, taking into account the customers' 1% rate discount they received, the **Similar Mortgage rate is 4%**.

The current posted rate for the Similar Mortgage can be found at www.tdcanadatrust.com/mortgagerates.

Third: Estimate the Interest Rate Differential Amount.

Step 1:	5.00% (A)	the Annual Interest Rate on the Account
Step 2:	4.00% (B)	the posted interest rate for a Similar Mortgage, less any discount received under the Account
Step 3:	0.01 (C)	$A - B = C$, expressed as a decimal
Step 4:	\$100,000 (D)	the amount prepaid
Step 5:	28 (E)	number of months remaining on the term of this Account, including full and partial months
Step 6:	\$2,333 (F)	$(C \times D \times E) \div 12 = F$, F is the estimated IRD Amount
David and Susan's estimated IRD Amount is = \$2,333		

Based on the calculations above, David and Susan would pay an **estimated prepayment charge of \$2,333**, which is equivalent to the IRD Amount estimate - the higher of the two calculations.

Factors that can Change Your Calculation

A. For the IRD calculation:

- the timing of your prepayment which impacts:
 - the remaining term for the Similar Mortgage
 - the remaining number of months in the IRD Amount calculation
- our posted rates
- the prepayment amount
- the regular payment amount
- the payment frequency

B. For the Three Months' Interest calculation:

- the prepayment amount
- the current Term Portion - Variable Rate Annual Interest Rate (if applicable)
- the regular payment amount
- the payment frequency

If you have any questions about prepayment charges, would like to know your actual prepayment charge or would like to discuss this in more detail, call us at **1-800-281-8031** or contact your local branch.

¹ For Variable Rate Mortgages, prime rate refers to the TD Mortgage Prime Rate. For Term Portions - Variable Rate, prime rate refers to the TD Prime Rate.

² You can find out your rate discount by calling 1-800-281-8031 or contacting your branch.

³ A Similar Mortgage is a mortgage offered by us which has a fixed interest rate and a closed term that is closest to the remaining term of your mortgage, as determined by us. The interest rate for a Similar Mortgage is determined on the earlier of the date of the prepayment or the date of issuance of a valid official statement for discharge purposes. The remaining term for a Similar Mortgage is determined as of the date of prepayment.

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Here's what you need to know about TD paying your property taxes

Combining your property tax payment with your mortgage payment can save you time and effort by enjoying the convenience of having only one payment!

Here's how it works.

In order for TD to pay your property taxes, we collect a portion of your annual estimated property taxes with each regular mortgage payment. The tax portion collected is placed in a property tax account which is separate from your mortgage loan. Essentially, we help you save enough money so that we can pay your property taxes in full when they are due with money you have accumulated in your property tax account.

How do you determine how much money will be collected for the tax portion of my mortgage payment?

The property tax portion is based on an average of annual estimated tax amounts for years 1 and 2, divided equally throughout the tax year. This will build a balance in the property tax account to pay your tax bill when it's due (example 1). Each municipality has a unique schedule for when taxes are due and TD will pay the annual property tax in full upon receipt of the bill from your municipality. The majority of municipalities issue tax bills once or twice a year.

Example 1	Details
Home possession date:	March 1
1 st regular mortgage payment with tax portion:	April 1
Estimated annual property taxes year 1:	\$1,500
Estimated annual property taxes year 2:	<u>+\$1,500</u>
Total estimated annual property taxes	\$3,000
Final property tax bill due	June 30
Number of months to collect taxes in	3 (April - June)
Number of months to collect taxes in year 2:	<u>+12 (July - June)</u>
Total months for years 1 and 2:	15 (April - June)
Monthly tax portion	$\$3,000 \div 15$ months = \$200

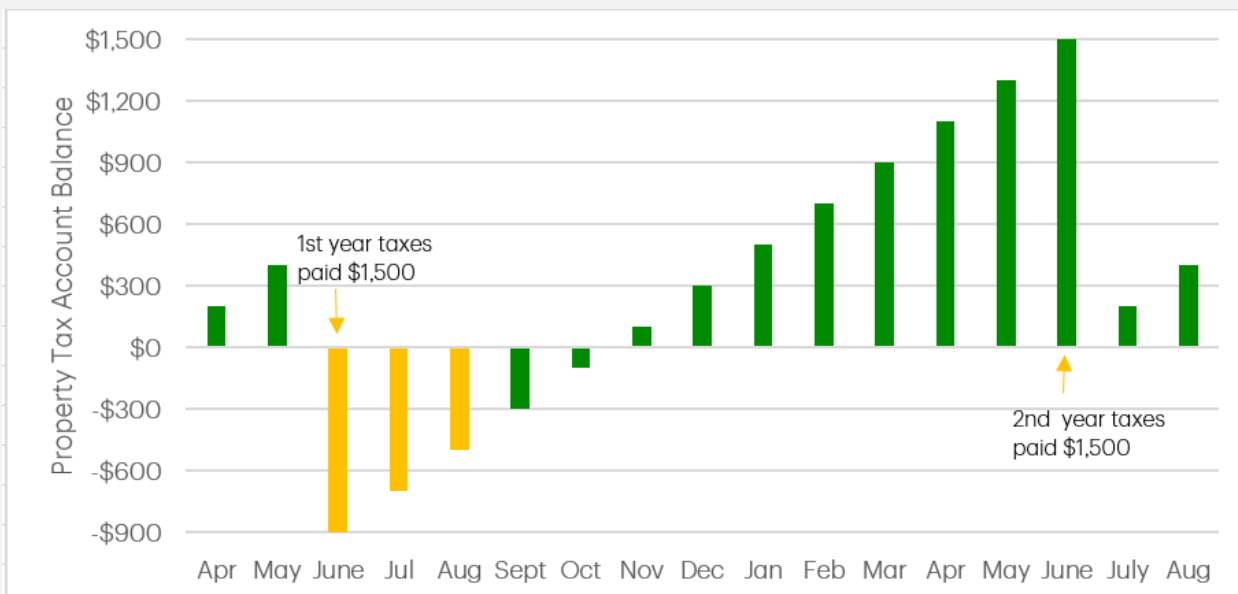
After your mortgage has been set up, you will receive a [Repayment Letter](#) from us explaining how your specific tax portion is calculated and how much will be added to your mortgage payment.

What happens if my property tax account cannot cover my tax bill?

Sometimes tax bill payments are due to your municipality in the early months of your mortgage loan or you are notified of an increase to the amount of property taxes due before you've had time to accumulate enough in your property tax account to cover the payment. If this happens, to ensure your tax bill is paid in full and on time, we lend you the difference at your current annual mortgage interest rate as outlined in the Mortgage Loan Agreement you signed. We call this difference a shortage in your property tax account.

To make up the shortage, we use a catch-up period, during which we adjust your property tax payments to cover future tax payments and repay the shortage including interest owing.

Note: For newly constructed homes, if the tax bill only covered the land and not the building, the catch up period may be extended as there will be supplemental tax bills issued by the municipality for each year until the reassessment is completed.



This example does not take into account any interest associated with the property tax account balance.

How will I be notified if the property tax portion with my regular mortgage payment is changing?

You receive a [Property Tax Payment Notice](#) from us after we've paid your final property tax installment for the year. The notice outlines how much we paid in property taxes on your behalf, the balance in your property tax account after payment of property taxes, and any changes to the tax portion of your regular mortgage payment. We give you approximately two months' notice if we have to adjust your tax payment. Upon receipt of this notice, please contact us without delay if you have any questions or wish to discuss repayment arrangements.

What happens if I receive a property tax bill directly when I've arranged for TD to pay it on my behalf?

If you happen to receive a tax bill directly, simply bring it into your TD Canada Trust branch as soon as possible. It may mean that your municipality has not yet updated its records to show that TD is making your property tax payments on your behalf.

Why do I have a surplus in my property tax account?

Each municipality has different due dates for when final tax bills must be paid. Seeing a surplus in your property tax account is often the result of us building a balance in your tax account to cover a future tax bill.

Do I need to be aware of any provincial differences?

British Columbia: A Provincial Home Owner Grant Program (PHOG) is available to all eligible homeowners. The homeowner must apply for it each year. You can obtain details on the program from your taxing authority. We will make remittances based on the assumption that you apply and qualify annually for the basic grant. Please advise your branch if you do not or no longer qualify for the grant, or if you qualify for any additional grant.

Quebec: A real estate transfer tax (commonly called *taxe de Bienvenue*, or welcome tax) will be assessed when you first purchase your property. You must pay this one time amount yourself, as the bank does not factor it into the tax portion of your regular mortgage payment. In addition, some municipalities will not mail property tax bills directly to TD; therefore, upon receipt of any tax related bill (i.e. property, school tax, initial property tax bill assessment, duplicate tax bills and revised tax bills) it needs to be brought into TD Canada Trust as soon as possible.

Contact your local TD Canada Trust branch or call 1-800-577-6103 for more information





Here's what happens after your TD Product is approved.



Here are the next steps once your TD Mortgage or TD Home Equity FlexLine has been approved:

1. Signing the Credit Agreement

You will need to sign the Mortgage Loan Agreement (MLA) or TD Home Equity FlexLine Agreement (FLA). The MLA or FLA outlines the credit terms.

Note: If you have a TD Home Equity FlexLine with a Term Portion, you will also need to sign the Term Portion Amending Agreement (TPAA) which contains the credit terms for a Term Portion.

2. Signing the collateral charge

Once the MLA or FLA is signed by all the required borrowers (and on TD Mortgages, the guarantee is signed by the guarantors, if applicable), you will sign the collateral charge. The collateral charge is the security that you grant us in exchange for us lending to you. It is registered against the title of the real estate property.

You may have decided to have your collateral charge registered for more than the approved amount (up to 125% of the current property value). If you are using a legal representative to register your new collateral charge, it is important that you discuss any additional associated costs and/or fees prior to funding that may occur because of the higher registration amount. If you then choose to reduce the registered amount of the collateral charge, please make sure to tell us.

3. You'll notice that the interest rate for the TD Product is different from the interest rate on the collateral charge.

The MLA or FLA sets out the specific credit terms. The collateral charge provides the security and is registered at TD Prime Rate + 10% (except Quebec where registration occurs at 20%). This is the maximum rate of interest for which TD is secured. No changes to this interest rate are permitted. This rate can give you greater flexibility and potential cost savings in the future.

You can only be charged interest based on the interest rate in the MLA or FLA.

Having a collateral charge can be useful if you ever want to change your TD Product. For example, if you have registered the collateral charge for a higher amount than your current MLA or FLA, then if you want to borrow a higher amount in the future, you may be able to reuse the existing collateral charge, subject to credit approval and property valuation. If you are able to reuse the collateral charge, as mentioned above, you will not need to pay for a discharge and registration of a new collateral charge. For more information about your collateral charge, please reach out to your Mortgage Broker.

For more information, contact your Mortgage Broker.

Ready to help you
move forward

