

Rental Income Tip Sheet

Subject Property with a Self-Contained Suite (approved lending locations across Canada)

1. 50% Addback

- Taxes & Heat *removed* for Insured/Insurable
- Taxes & Heat *included* for Uninsurable

2. 100% Addback will be considered on exception – please discuss with your **RMG** UW or BDM

- Taxes & Heat *removed* for Insured/Insurable
- Taxes & Heat *included* for Uninsurable

Documents Required for Option 1 or 2

- Active Lease/Tenancy agreement, **OR**
- Economic Rent Letter (when lease/tenancy agreement not available)

Non-Subject Property

1. 50% Addback

- Taxes & Heat *removed* when subject transaction is Insured/Insurable
- Active Lease/Tenancy agreement, **OR**
- Economic Rent Letter (when lease/tenancy agreement not available)

2. Net Rental Income

- Taxes & Heat factored into calculation
- Deficits included in liabilities, or Surplus added to gross income

i. Net Rental Calculator

- Active Lease/Tenancy Agreement, **OR**
- Economic Rent Letter where:
 - The transaction is a Purchase of a new owner-occupied property, and the existing owner-occupied property will be converted to a rental property and a signed lease agreement is not yet available.
 - Effective Gross Rent cannot exceed 50% of Economic Rent.

ii. T776 Statement of Real Estate Rentals adding back the actual amount of interest & expense and subtracting the P&I payment

- Active Lease/Tenancy Agreements **AND**
- T1/T776 with corresponding NOA's) for 1, or 2yrs based on length of ownership

Please Note

- When Active Lease/Tenancy Agreement is dated greater than 12-months, please also provide current tenant acknowledgement
- When the use of Economic Rent letter is eligible, please order from an approved **RMG** Appraiser. (Approved Appraiser list is available on **GateWAY**)