



COVID-19

UPDATES AND WHAT HOMEOWNERS NEED TO KNOW

At Mortgage Architects, we recognize that many homeowners may be looking for guidance around mortgage financing. We are committed to updating you - our customers - on the current climate and how the recent COVID-19 developments may impact your mortgage, now or in the future. We know that things may seem uncertain now, but we are working hard to gather all pertinent information and help you to understand your options during this difficult time.

WHAT IS COVID-19?

As many of you have heard by now, the world is being gripped by COVID-19 (otherwise known as “Coronavirus”). According to the World Health Organization (W.H.O.), Coronaviruses (CoV) is a large family of viruses ranging from the common cold to more severe diseases.

Coronavirus disease (COVID-19) is a new strain that was discovered in 2019 and has not been previously identified in humans. Common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death.

Standard recommendations to prevent infection spread include regular hand washing, covering mouth and nose when coughing and sneezing, thoroughly cooking meat and eggs. Avoid close contact with anyone showing symptoms of respiratory illness such as coughing and sneezing.

FINANCIAL EFFECTS

Since being labelled a pandemic per the World Health Organization (W.H.O.), the effects of COVID-19 have begun to ripple through the world's economy - including Canada - and causing a number of different effects. To help keep you up to date on what is going on financially, we have compiled a list of recent announcements by the Ministry of Finance, the Bank of Canada, and OSFI:

- Minister Morneau announced a new Business Credit Availability Program, adding \$10 billion of additional support financing, through Business Development Bank of Canada and Export Development Canada, to support Canadian Businesses. [Click here for more.](#)
- The Bank of Canada lowered the overnight rate from 125 to 75 bps, to reduce the interest cost burden for businesses and consumers alike. The bank also increased its Government of Canada bond buyback program. [Click here for more.](#)
- OSFI reduced the Domestic Stability Buffer from 2.25% to 1%, thereby freeing up \$300 Billion additional lending capacity for Domestic Systemically Important Banks (D-SIBS). [Click here for more.](#)

HOMEOWNER NEED TO KNOW

This can be a difficult time for a homeowner as many families are self-isolating or are in quarantine due to the virus. This can result in loss of monthly income and financial instability, which can cause stress and concern about your home and mortgage.

We have compiled the following information from our partners to keep you informed as to some of the recent developments surrounding mortgages, as well as what lenders are doing to help mitigate financial strain during this difficult time.

Here are a few important considerations for homeowners and potential homeowners to keep in mind during this time:

- Mortgage application turnaround time may be an upwards of 15 days in some cases given the current climate and growing developments.
- If you require an appraisal, there can be issues that could delay or prevent access of the appraiser into the home. Lenders are being proactive and exploring policy options to help circumvent this as best they can.
- Don't forget this situation is new to our mortgage brokers and lenders as well as the rest of us, so they are being cautious yet innovating to overcome any issues.
- Rush transactions will be met with challenges.

The Stress Test

In light of this growing situation, OSFI has announced that it is suspending all consultations, including those regarding changes to the proposed B-20 benchmark rate. In addition, the Minister of Finance postponed the announced April 6th qualification change for insured mortgages. In short, until further notice, the **Bank of Canada posted 5-year rate will continue to be used for mortgage qualification.**

WHAT LENDERS ARE DOING

We understand that the COVID-19 outbreak is taking a toll on families across the country with many parents being out of work or quarantined. As an industry built on homeowners, many of our major lenders have pulled together to provide you beneficial options during this time and help alleviate some of the financial stress.

Depending on your lender, there may be options available to you during this time such as:

- Deferral of payments
- Re-amortization of the loan
- Capitalization of outstanding interest & costs
- Special payment arrangements

The Big Banks

Big banks including Royal Bank of Canada (RBC), Toronto-Dominion Bank (TD), Bank of Nova Scotia (Scotiabank), Bank of Montreal (BMO), Canadian Imperial Bank of Commerce (CIBC) and National Bank of Canada have opted to provide [coordinated relief](#) for their customers.

These banks will be working with personal and small business clients to cope with the economic fallout of the virus. Effective immediately, all six are introducing **mortgage payment deferrals of up to six (6) months** and are also offering relief on other credit products for those families who are facing hardship during this situation.



Mortgage Insurers

In addition to the big banks, mortgage insurers including CMHC, Genworth & Canada Guaranty are working to help homeowners who have been financially impacted by the COVID-19 outbreak. Starting now, they have increased their flexibility and are allowing payment deferral of up to 6 months for home-owners who, primarily but not exclusively, purchased with less than 20% down.

CANADIAN MORTGAGE AND HOUSING CORPORATION (CMHC)

Canadian Mortgage and Housing Corporation (CMHC) is offering tools that can assist homeowners who may be experiencing financial difficulty. Their default management tools include: payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses and special payment arrangements. Read their statement [here](#).

CMHC also provides mortgage professionals with tools and the flexibility to make timely decisions when working with you to find a solution to your unique financial situation, including:

- Converting a variable interest rate mortgage to a fixed interest rate mortgage in order to protect you from a sudden interest rate increase, should one occur.
- Offering a temporary short-term payment deferral. Your mortgage professional may be prepared to offer greater payment flexibilities, particularly if previous lump sum prepayments have been made, or if you have previously chosen an accelerated payment schedule.
- Extending the original repayment period (amortization) in order to lower your monthly mortgage payments.
- Adding any missed payments (arrears) to the mortgage balance and spreading them over the remaining mortgage repayment period.
- Offering a special payment arrangement unique to your particular financial situation.

CANADA GUARANTY

In addition to Genworth Canada and CMHC, Canada Guaranty is also doing their part to support homeowners during this difficult time. Per their statement released on March 16, 2020 they noted with their Homeownership Solutions Program, lenders currently have the ability to capitalize up to four (4) monthly mortgage payments.

However, to assist eligible homeowners as they navigate through these challenging circumstances, Canada Guaranty is prepared to extend this program option to allow the capitalization of up to a maximum of six (6) monthly payments. This is assuming the original insured loan amount is not exceeded, request for capitalization is received before September 13, 2020 and that the lender confirms the capitalization is being applied reasonably to help mitigate short-term financial difficulty resulting from COVID-19.

Read their full statement [here](#).

GENWORTH CANADA

Genworth Canada released a statement on March 16, 2020 outlining their Homeowner Assistance Program (HOAP), which is designed to assist Genworth Canada-insured homeowners who experience sudden financial setbacks that could temporarily impact their ability to meet their mortgage obligations. Borrowers who qualify under the lender's internal guidelines and Genworth's Homeowner Assistance Program will receive up to six (6) months of relief allowing borrowers some time to recover and focus on what's important.

LENDER CONTACT INFORMATION

During this time, it is best to discuss your mortgage with your mortgage broker or lender should you have any financial concerns surrounding the COVID-19 outbreak. Please be advised, there may be longer than normal wait times for calls during this situation and to expect at least 20-30 minutes for a representative. Be sure to have your mortgage number available to ensure smoother service and remember to be kind!

Here are some direct contact numbers for various lenders across the country:

LENDERS	CONTACT #	NOTES
ATB	1-800-332-8383	
B2B	1-800-263-8349	
Bank of Montreal	1-877-895-3278	
BluePrint Mortgage	1-877-637-7881	
Bridgewater	1-866-243-4301	
Canadiana	1-877-315-1633	
CFF Bank	1-855-767-3031	
Chinook Financial	403-934-3358	
CIBC	1-800-465-2422	
CMLS Financial	1-888-995-2657	
Connect First	1-403-520-8000	
Equitable	1-866-407-0004	
First Calgary Financial	403-736-4000	
First National	1-888-488-0794	
Haventree	1-855-727-0051	
Home Trust	1-855-270-3630	
HomeEquity Bank	1-866-331-2447	
HSBC	1-888-310-4722	
ICICI	1-888-424-2422	
Lendwise	1-866-675-7022	
Manulife	1-800-268-6195	
Marathon	1-855-503-6060	
MCAP	1-866-809-5800	
Merix	1-877-637-4911	
National Bank	1-888-835-6281	
Optimum	1-866-441-3775	
PC Financial	1-888-723-8881	
Radius Financial	1-866-550-8227	
RFA	1-866-939-5005	Mortgage Numbers starting with 4
RFA	1-877-776-6888	Mortgage Numbers starting with 6
RFA	1-833-228-5697	Mortgage Numbers starting with 7, 8 or 9
RMG	1-866-809-5800	
Royal Bank	1-800-768-2511	
Scotiabank	1-800-472-6842	
Servus	1-877-378-8728	
Street Capital		See RFA
Tangerine	1-888-826-4374	
TD	1-888-720-0075	

ADDITIONAL FINANCIAL MEASURES

In addition to helping homeowners manage their finances through deferred mortgage payments and adjustments, the Canadian Government has also come to the aid of families who may be struggling currently.

To help those currently struggling, the following measures are being taken or have already been implemented:

- **Income Tax Payments:** The Canada Revenue Agency will allow all taxpayers to defer payments for any income tax amounts that are owing between March 18, 2020 and September 2020 until August 31, 2020. No interest or penalties will accumulate on these amounts during this period.
 - Taxpayers who are required to remit quarterly instalments may benefit from up to 5 months of tax deferral.
- **Income Tax Filing:** Income tax return filing has been extended one month from April 30, 2020 until June 1, 2020.
 - If you receive and rely on the GST credit or the Canada Child Benefit, it is still ideal to file sooner to ensure that the entitlements for the 2020-2021 benefit year are not delayed.
 - For trusts with a December 31, 2019 year end, the tax return filing due date has been extended to May 1, 2020 (from March 30, 2020)
- **Registered Retirement Income Funds (RRIFs):** The required minimum withdrawals from RRIFs will be reduced by 25% for the 2020 tax year.

In addition, the Canada Revenue Agency is adapting their Outreach Program in order to better support individuals during COVID-19. This service allows the CRA to offer assistance to ensure individuals understand their tax obligations and to help them obtain the benefits and credits to which they are entitled.

EMERGENCY FUNDS DURING COVID-19

- GST Credit: \$400 for single adults, \$600 for couples
- Child Tax Benefit Top-Up: An additional \$300 per child
- Student Loan Payment Defferal:
 - 6 month timeframe
 - No payments
 - No interest accrual
- Indigenous community based support fund
- \$200 million provided for community resources such as:
 - Shelters/homeless needs
 - Sexual abuse/transition house needs
- 10% wage subsidy for small to medium sized businesses for employees
 - \$25,000 per employer
- Ensured Mortgage Protection Program
 - \$50 billion provided
 - Payment deferrals
 - Special payment arrangements
- Bank Supports
 - Auto loans
 - Deferral of payments possible
 - Contact bank directly
 - Speak to your institutes
- Emergency Support Fund
 - \$5 billion - more information to come



WHAT DOES THIS MEAN FOR CLOSINGS?

If you are currently in the process of purchasing or selling a home, we have taken the liberty of gathering information surrounding real estate transactions during this COVID-19 situation.

Land Registry Offices Remaining Open - For Now

Currently there are no plans to close the LROs. This may change, but currently LROs may be working with reduced staff and will likely prioritize services required for closings (over-rides, pre-approvals, PIN corrections, etc.). Click [here](#) to learn more.

Banks Are Remaining Open - For Now

All of Canada's major banks have indicated an intention to remain open. Similar to other businesses, the banks may be working with reduced staff or locations and there may be delays in processing requests.

Tarion

Tarion issued an Advisory on Friday confirming that the builder repair period has been suspended until April 13, 2020, and that homeowners may refuse access and builders may refuse to perform after-sales services during the COVID-19 pandemic without penalty. The Tarion Advisory can be found [here](#).

Client Meetings

Due to the focus on self-isolation and preventing further spread of COVID-19, there may be issues with clients not being able to meet with lawyers - or vice versa. Remote meetings are still a great option during this time (both in real estate and for your mortgage professional) and can be held via phone or video conference with a plan to provide any sworn documents at a later date. If you do meet in-person, don't shake hands, sit as far apart as possible and be sure to wash your hands after leaving any unfamiliar environments.

Municipalities

There have been recommendations that people limit in-person interactions, work from home if possible and not go out for 'non-essential' reasons. It is now very possible that municipalities may close their offices or work with reduced staff and that delays in receiving compliance information, permits and municipal agreements may be experienced.

What does this mean for your closings?

If either the LRO or the banks close, then real estate transactions will not be able to proceed and you would need to seek extensions wherever possible. The good news is that everyone is in the same situation! The bad news is that there is no right in most re-sale agreements to insist on an extension, however most people are understanding and you will have to rely on their goodness as well as common law principles to extend the transaction.

TITLE INSURANCE

To minimize the impact to your business during these uncertain times, FCT offering Extended Gap Coverage for commercial and residential transactions at no additional cost. In the event that there is a disruption to provincial land titles/registry offices, they have provided some steps you can take to minimize the effect. Click [here](#) to learn more.

As information is still developing surrounding title insurance and closing processes during COVID-19, please click [here](#) to visit the FCT website, which will be updated daily.

WHAT CAN YOU DO?

If you find yourself facing financial difficulties as a result of job loss or income reduction during this time, it can be overwhelming and may leave you feeling stressed and unsure of what the next steps are.

To make it easy, we have put together **three simple steps** you can do to help resolve your financial difficulties and ensure you can focus on more important things such as your family and your health.

1. Talk to Your Mortgage Professional

Your Mortgage Architects mortgage brokers are working hard to stay on top of all information surrounding the development of COVID-19 as well as the responses from Bank of Canada and the Ministry of Finance to ensure the most up-to-date and accurate information to assist you. They can help explain the options available to you and provide further understanding as to how this situation may affect your interest rates and mortgage payments.

To get in touch with a Mortgage Architects broker, you can simply download the [My Mortgage Planner app](#) to connect remotely or [find a local broker](#) on our website.

2. Clarify the Financial Picture

In order to benefit from your mortgage professional, you will need to provide detailed financial accounts so they can review your situation and all potential options. Preparing a detailed budget breakdown - including credit cards, loans and household bills as well as savings accounts and investments - will help your broker get a better sense of your current financial position and what assistance you may qualify for.

3. Stay Informed

Information is power and the more information you have at your disposal as this situation develops, the better prepared you will be to manage your household and finances. We will be providing updated information right here on our website as this situation develops.

WE CAN
OVERCOME
THIS
TOGETHER.

STAY SAFE & WASH YOUR HANDS!

Remember during this time to practice proper hand-washing procedures and minimize your contact with other people to ensure that you are not unknowingly contracting or passing along COVID-19.

COVID-19 SELF ASSESSMENT INFORMATION

The majority of Canadian provinces have provided dedicated pages with important COVID-19 information, including how to do a self-assessment for symptoms.

For British Columbia residents, [click here](#).

For Alberta residents, [click here](#).

For Saskatchewan residents, [click here](#).

For Manitoba residents, [click here](#).

For Ontario residents, [click here](#).

For New Brunswick residents, [click here](#).

For Nova Scotia residents, [click here](#).

For Prince Edward Island residents, [click here](#).

