



# Laneway House Mortgage

Help your clients gain rental income or living space—and build community.

Diversify and grow your business with this unique lending product. By adding a secondary suite to their residential property, homeowners can increase their home's value, while enhancing their neighbourhood.

## Types of secondary suites

A secondary suite is a self-contained dwelling with kitchen, bathroom, and sleeping facilities. It can be located within your client's home or on their property—such as above a laneway garage or in a coach house.

**Garden suite**

**Laneway home**

## Product benefits

With this unique construction loan, your clients can:

- Add significant value to their property
- Provide additional income, while improving affordability of their own mortgage
- Provide additional office, guest, or living space for their family
- Increase access to housing in their community
- Use the space to downsize once children move out of main property, without having to relocate

## Target market

- Homeowners with a free and clear property, or sufficient equity in their Equitable Bank mortgage
- Business-for-self or salaried borrowers with strong credit and high incomes

See reverse for credit parameters.

# Laneway House Mortgage Credit Parameters<sup>1</sup>

<b>Product</b>	Construction financing for laneway homes and garden suites, where permitted
<b>Property eligibility</b>	Only offered on properties that are free and clear, or where Equitable Bank holds (or will hold) a 1 <sup>st</sup> mortgage
<b>Geographic eligibility</b>	Greater Toronto Area, Greater Vancouver Area, Calgary
<b>LTV</b>	Lower of 75% of completed value or 80% of budget, subject to further adjustments
<b>Pricing</b>	Prime + 2%
<b>Commitment fee</b>	1.5%
<b>Term</b>	1 year open
<b>Payments</b>	Interest only
<b>Credit score</b>	680+
<b>Occupancy</b>	Owner-occupied, owner-occupied + rental, or rental/investment
<b>Min. loan size</b>	\$200,000
<b>Draws</b>	20/40/70/80/97% complete, supported by progress report from original appraiser, property inspection at Equitable Bank's discretion, satisfactory title search, and statutory declaration from the borrower regarding costs paid
<b>Construction lien holdbacks</b>	10% of every draw, released at minimum 45 days after 100% completion
<b>Approved appraisers</b>	<ul style="list-style-type: none"> <li>• GTA: Cross-Town Appraisal</li> <li>• GVA: Adlaw Appraisals Ltd.</li> <li>• Calgary: Sage Appraisals</li> </ul>
<b>Construction documentation</b>	<ul style="list-style-type: none"> <li>• Budget that itemizes hard and soft costs</li> <li>• Final drawings</li> <li>• Building permits</li> <li>• Survey of the property</li> <li>• Builder contract</li> <li>• Resume (if subject property is a self-build by the borrower)</li> </ul>
<b>Debt servicing</b>	Standard. Not eligible for Extended Ratio Product.
<b>Borrower equity</b>	Proof of funds for 25% of budgeted construction costs by way of recent bank statements. Proof of additional liquid assets may be required at Equitable Bank's discretion.
<b>Insurance</b>	Builders all risk insurance naming Equitable Bank as the 1st mortgagee and standard mortgage clause with replacement cost endorsement of not less than \$2 million per occurrence.
<b>Other fees</b>	<ul style="list-style-type: none"> <li>• \$250 for each advance</li> <li>• \$175 for each property inspection, if required</li> <li>• Standard mortgage servicing fees outlined in the Statement of Disclosure, including the Annual Account Maintenance Fee</li> <li>• Standard fees for mortgage registration and discharge<sup>2</sup></li> </ul>

<sup>1</sup>Terms, conditions, and interest rates are subject to change without notice. Additional pricing or mortgage lending requirements may apply.

<sup>2</sup> Upon completion of construction, a refinance by Equitable Bank of the secondary suite construction loan and any prior encumbrances will require a discharge of the existing mortgage charge(s) and registration of a new mortgage charge, with associated fees.

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