

What documents do I need to get a mortgage?

MORTGAGE SUPPORTING DOCUMENTS

What is B20 and how it has changed the mortgage industry in Canada since the beginning of the economic slowdown in 2008. For this reason Lenders and Mortgage Default Insurers are requiring more supporting documents prior to approving your final mortgage application. It is the best to gather as much documentation upfront as possible to ensure a smooth and accurate mortgage process. The following are examples of documents that may be requested to support your mortgage application.

What is B20 and B21? Click [HERE](#)

Identification Two valid pieces of identification is required to confirm your identity and is a “duty” of the regulators in Canada to prevent mortgage fraud, money laundering and to combat terrorism. One must be Government issued photo identification.

What ID do I need for a mortgage in Canada? Click [HERE](#)

Application Consent Form In order to check your credit report a signed consent form is required. Your personal information can only be used for the specific purpose it is intended.

Do I have to supply my social insurance number on the application? NO it is not a requirement.

Credit Documentation Lenders will require a copy of your credit report based on your consent which will be provided by the mortgage agent or broker working on your file. Be prepared and have the latest statements for all your credit facilities and any credit supporting documents that may need to accompany the application and credit report such as credit card statements, if there are any collections that will be settled have the latest statements or demand letters for accounts to be settled and additional non-reporting credit account statements if they are going to be paid off.

Down Payment Confirmation Lenders To comply with Canada’s anti’money laundering regulations lenders will require documents to support the source of the funds that will be used for your down payment and closing costs. Generally 90 days of bank statements and RRSP statements will be required to confirm personal savings.

Gifted Down Payment If the down payment is a gift then a gift letter will be required and proof of the transaction.



Equity From the Sale of a Property If the funds are from the sale of an existing property then proof of the sale is required such as the sale contracts. Letter from the solicitor or the draft statements/ closing documents from the solicitor will be required along with the current mortgage statements for the property being sold.

Employment Income Confirmation With the new B20 & B21 rules **you** will have heard the term **"STRESS TEST"** the Canadian Government have increased the burden of proof for borrowers and lender to support income. The type of income confirmation may vary depending on your employment circumstances. Examples of income documentation for verifiable income, this is income which source deductions are taken by the employer, - two of your latest pay stubs, current employment letters within 30 days, two years of t-4's and possibly two years of T-1 general tax returns and two years of CRA Income Notice of Assessments or any other proof of income such as pension deposits were made directly into your account. It is best practices to have all this ready in advance and in the Mortgage Agents file prior to submission of your pre-approval or approval application. This will ensure there will be no surprises moving forward and may be the difference between failed commitment and funded commitment.

Self-Employment Income Confirmation Typical self-employed income confirmation will be two years of t-1 general tax returns, two years of CRA NOA (Notice of Assessment), Companies Articles of Incorporation, Business License, financial statements, GST returns, business bank account statements and more. Any support documents that will allows your mortgage agent or broker to build income and present a solid lending position to the lender.

Rental Income Confirmation Lenders may require current lease agreements, Statement of Real Estate Rentals from your tax return, and /or a Market / Economic Rents Appraisal

Existing Property Documentation Current mortgage statements, property tax statements along with payment confirmation, and if the subject property is a strata condominium then a completed Form B and depreciation report will be required from the properties strata management. Sometimes referred to as a "Status Report".

Subject Property Documentation If you are purchasing a home then you will be required to provide the Contract of Purchase and Sale, Including schedule A and any waived conditions or amendments the Property Disclosure Statement and any other document relating to the home purchase.



Refinancing Your Existing Property If refinancing your current property tax information and current mortgage statements are examples of required documents.

Divorce Documentation If you are divorced or getting a divorce a copy of your separation agreement may be required to prove alimony and support obligations. If you do not have one please contact us for other possible options.

Child Support Documentation If you receive or pay child support a copy of the agreement along with bank statements to show the payments may be required. If you receive CTC or UCCB the CRA statement may be required.

Other Documentation Each client is unique and each application is unique and a lender may request additional documents as required.

