

# BINGWI NEYAASHI ANISHINAABEK HOMEOWNERSHIP POLICY



Approved by Chief and Council effective  
Date: \_\_\_\_\_

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## 1.0 INTRODUCTION

### 1.1 Purpose

- 1.1.1 This Policy (a) explains a Homeowner's responsibilities, and (b) sets out the rules, procedures, forms and processes necessary to build, buy or renovate a home on BNA Land. This Policy will work in conjunction with the Rental Housing Policy to provide a full suite of housing options for BNA members on BNA Land. This Policy will also be supported by a Market Housing Manual which will set out more detailed guidelines for processes and programs established by this Policy.
- 1.1.2 BNA has developed this Policy for the betterment of our community. This Policy provides criteria and procedures to BNA Members that elect to access financing to purchase or build a home on BNA Land. Additionally, the BNA Housing Policy supplements this BNA Market Based Housing Policy with further criteria, framework, and administration.
- 1.1.3 This Policy has been established to ensure a clear, fair and transparent process for Members to build, purchase, renovate, or refinance a privately held home on BNA Land. This Policy outlines the processes and requirements of the Member, BNA, and the Lender. This Policy establishes criteria required to participate in the market-based housing process.

### 1.2 Goals

- 1.2.1 This Policy seeks to achieve the following goals for BNA and its Members:
- (a) Provide support for safe, accessible and suitable privately owned housing to Members on Reserve;
  - (b) Provide capacity development support to Members in homeownership maintenance responsibilities;
  - (c) Provide support for Home Loans in a form of a BNA guarantee to qualified Members that wish to construct, purchase, renovate, or refinance a residential home on BNA Land;
  - (d) Establish and provide access to grant programs administered by BNA to assist private home ownership; and,
  - (e) Provide support for Home Loans in the form of a BNA guarantee to a legally owned entity of BNA for New Construction or purchase on BNA Land.

## 2.0 DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

“**Allotment**” means:

- (a) an interest in BNA lands, granted pursuant to article # of the BNA Land Code, which gives a Member lawful possession of a part of BNA lands; or,
- (b) an interest or right in BNA Lands granted prior to the effective date of the BNA Land Code pursuant to section 20 of the *Indian Act*, which gives a Member lawful possession of a part of BNA Lands.

“**Applicant**” means a BNA Member or BNA legal entity that makes application to BNA for a housing loan guarantee and then applies to a participating Lender for a home loan.

“**Arrears**” means housing or land-related payments that are owed by a Borrower and have come due to BNA or a financial institution and have not been received by the payment due date.

“**Borrower**” means an Applicant approved by BNA who wishes to enter, or has entered, into a loan or mortgage agreement with BNA and/or a bank or other lending institution for Homeownership Financing (to finance the purchase, construction, re-financing, or renovation of a Private Home).

“**BNA**” means the governing body of the Bingwi Neyaashi Anishinaabek people.

“**BNA Land**” means all existing BNA reserve lands and any lands set apart by Canada in the future as reserve lands of BNA.

“**BNA Legal Entity**” means a corporation, society, cooperative or other legal entity owned exclusively by Members.

“**CMHC**” means the Canada Mortgage and Housing Corporation.

“**Council**” means the duly elected Council of BNA.

“**FNMHF**” means the First Nations Market Housing Fund.

“**Homeowner**” means a Member who holds a valid Allotment for a Home Lot.

“**Homeownership Financing**” means any of the financing opportunities BNA makes available to Members for the purpose of purchasing, constructing, renovating or refinancing a Private Home.

“**Home Loan**” means a loan for a single-family dwelling(s) or housing unit(s) on BNA Land to a Borrower through Homeownership Financing.

“**Home Lot**” means a surveyed lot on BNA Land upon which the Private Home stands or will be constructed.

“**Housing Administration Department**” means the BNA Housing Administration Department.

**“Housing Administrator”** means the BNA employee who supervises the Housing Administration Department.

**“ISC”** means Indigenous Services Canada.

**“Lender”** means a financial institution with which BNA has agreed to provide a loan guarantee through the Privately Owned On-Reserve Housing Program.

**“Matrimonial Home”** has the same meaning provided in the *Matrimonial Real Property Law*.

**“Matrimonial Property”** has the same meaning provided in the *Matrimonial Real Property Law*.

**“Matrimonial Real Property Law”** means the BNA *Matrimonial Real Property Law*.

**“Member”** means a member of BNA whose name appears on or is eligible to appear on the Member list in accordance with BNA’s membership code.

**“Membership List”** means the list of persons who are Members of BNA, which is governed by the BNA Code or Membership by-law.

**“New Construction”** means the construction of a new Private Home on BNA Land.

**“Policy”** means this Homeownership Policy.

**“Priority List”** means a list of Applicants maintained by the Housing Administration Department when the number of Applicants exceeds the resources for a program under this Policy. All Priority Lists are based on application date the order in which applications were received.

**“Private Home”** means a residential unit that is owned privately and is located on BNA Land and includes but is not limited to the following:

- (c) A home that has been built by, or at the direction of, a Member on land that is subject to an Allotment, the building of which may or may not be financed by a mortgage;
- (d) A home transferred to a Member by BNA pursuant to the terms of a Rent-to-Own Agreement;
- (e) A home purchased by a Member from another Member who has the legal authority to sell said home;
- (f) A home inherited from a Member’s estate on land that is subject to an Allotment

**“Purchase”** means the acquisition of an existing Private Home on BNA Land by a Member as evidenced by an agreement of purchase and sale, which must provide for the transfer of the Allotment for the applicable land.

**“Refinance”** means the payout of an existing Home Loan with a new Home Loan provided by a new or the same Lender.

**“Renovation”** means making improvements of an existing Private Home on BNA Land.

**“Security and Indemnity Agreement”** means a document that is duly executed between the Borrower who obtains a Home Loan and the BNA. The Agreement details the conditions under which the Home Loan is guaranteed by BNA including, but not limited to, the Borrower agreeing to pledge their Allotment to BNA. In the event of Loan default by the Borrower, BNA will seize ownership of the home and Allotment.

**“Spouse”** has the same meaning provided in the *Matrimonial Real Property Law*.

**“Total Debt Service Ratio”** means the percentage of gross annual income required by a Member to cover their payments associated with housing and all other debts and obligations, such as car loans and credit cards.

## 2.2 Interpretation

- 2.2.1 A reference in this Policy to an enactment is to be construed as including a reference to that enactment as it may be amended from time to time.
- 2.2.2 A reference in this Policy to a section is a reference to a section of this Policy.
- 2.2.3 A reference in this Policy to a subsection or paragraph is a reference to a subsection or paragraph of the section or subsection in which the reference occurs.
- 2.2.4 A word in the singular form may be read in the plural form if the context allows it and a word in the plural form may be read in the singular form if the context allows it.
- 2.2.5 A reference to “days” means calendar days unless otherwise specified.

## 3.0 AUTHORITY AND APPLICATION

- 3.1.1 This Policy is made under Council’s authority and applies to:
  - (a) Homeowners;
  - (b) All existing and future Private Homes;
  - (c) All individuals who have made or will make an application for a Home Loan on BNA Land;  
and
  - (d) All individuals who have a Home Loan for a Private Home.
- 3.1.2 To supplement the portion of this Policy that addresses Market Based Housing, this Policy may be accompanied by a more detailed Market Based Housing Manual (the Manual) which may set out more detail about programs and processes under this Policy. The Manual is intended to complement and not conflict with this Policy. Therefore, any provisions regarding programs or processes set out in the Manual which do not conflict with the Policy are expected to be followed by BNA, Applicants, Borrowers and Lenders. However, in the extent that there is a conflict between the Manual and this Policy, the Policy prevails.

## 4.0 HOMEOWNER RESPONSIBILITIES

### 4.1 Adherence to BNA Laws, Bylaws and Policies

4.1.1 A Homeowner is ultimately responsible for ensuring that they, their Tenants and their Guests abide by all laws, bylaws and policies on BNA Land.

4.1.2 Homeowners are responsible to ensure that they, their Tenants and their Guests abide by all requirements in this Policy.

### 4.2 Private Home Maintenance and Repairs

4.2.1 A Homeowner is solely responsible at their own expense to maintain and repair their own Private Home and the lands on which they are located in a reasonable state of repair at all times, including meeting basic standards of health, safety, cleanliness, good order and the requirements set out in this Policy and BNA's laws and other policies.

4.2.2 If a Homeowner refuses or fails to meet the maintenance and repair requirements in section 4.2.1, BNA may take any necessary steps to cause any maintenance and repairs to the Private Home as may be required for safety or health reasons, to remove a nuisance, or to comply with this Policy or a BNA law or other applicable policy.

4.2.3 If a Homeowner is a party to a Home Loan or has entered into a Security and Indemnity Agreement, the Homeowner is required to properly maintain the Private Home to preserve its value. If a Homeowner fails to properly maintain their Private Home, they may be in breach of the terms of any applicable agreement. Such breach may entitle BNA, in addition to the remedies set out in section 4.2.2, to enter onto the Home Lot and the Private Home and cause the necessary maintenance or repair work to be done, or, in extreme cases, repossess the Private Home and the Home Lot in accordance with the applicable agreement.

4.2.4 If BNA is required to take steps in accordance with sections 4.2.2 or 4.2.3, then BNA, where feasible, will provide the Homeowner with seven (7) days' notice prior to entering the Private Home or lands in order to do the maintenance and repairs.

4.2.5 If BNA undertakes necessary maintenance or repairs which the Homeowner failed or refused to perform, then BNA will charge the reasonable cost of those repairs to the Homeowner and such amounts will be a debt owing to and recoverable by BNA.

### 4.3 Fire Safety and Prevention

4.3.1 BNA recommends that all Homeowners review and comply with the CMHC *Fire Prevention in Aboriginal Communities* manual and that Homeowners review the checklists and conduct annual inspections of their Private Home to ensure all appropriate fire prevention measures have been taken, including ensuring:

(a) properly located and functioning smoke detectors;

(b) properly working and accessible fire extinguishers;



- (c) properly insulated chimneys that are cleaned regularly;
- (d) planned and accessible escape routes and exits;
- (e) proper installation and maintenance of woodstoves and fireplaces;
- (f) appropriate storage of flammable materials; and
- (g) fire safety practices are maintained at all times by all household members and guests.

4.3.2 The Housing Administration Department is available to provide information and guidance to Homeowners to assist them with ensuring appropriate fire prevention steps have been taken to protect the Homeowner, household, and Private Home and to ensure community safety, including conducting fire prevention inspections of Private Homes on request.

## 4.4 Insurance Requirements

4.4.1 It is the sole responsibility of Homeowners to purchase and maintain adequate insurance on their Private Home. In the event of damage or loss of the Private Home, BNA is not responsible for the repair or replacement of the Private Home under any circumstances.

4.4.2 While the coverage provided by home insurance policies varies, a home insurance policy will cover many common perils. However, some perils will not be covered in many home insurance plans. As such, BNA recommends that the Homeowner consider obtaining the following additional coverage to their home insurance policy:

- (a) Water damage and floods;
- (b) Escape of fuel oil; and
- (c) septic fields.

4.4.3 See section 6.1 regarding Borrower's insurance obligations while their Home Loan remains in effect.

4.4.4 BNA is not responsible for the contents of a Homeowner's Private Home under any circumstances. Homeowners are encouraged to purchase and maintain contents insurance in their home insurance policy to cover the loss of any contents.

## 4.5 Services

4.5.1 BNA will provide the following services to Homeowners:

- (a) Garbage collection (the Homeowner is responsible for securely containing and closing any household waste within appropriate garbage containers and must place appropriate location for pick-up);
- (b) *[insert any additional services provided to Homeowners]*

(the "Services")

4.5.2 BNA may at its sole discretion charge a fee for the Services, as determined by Council, which will be paid by the Homeowner to BNA.

4.5.3 The Homeowner is responsible for paying all charges for utilities to their Private Home including electricity, heat, hot water, propane, telephone, cable, internet and other services or any other amenities to which the Homeowner may subscribe or install. Responsibility for such utilities may be delegated from the Homeowner to a tenant but under no circumstances will BNA be responsible for any unpaid or terminated services.

## **4.6 Water Supply and Water Systems**

4.6.1 Water will be supplied to Private Homes by either a well or sourced by directional drilling.

4.6.2 The Homeowner is responsible for the care, use and maintenance of water supply systems from the boundaries of the Home Lot to the Private Home and within the Private Home.

4.6.3 Repairs and maintenance of water supply systems to the Home Lot may be BNA's responsibility depending on the nature of the repairs and maintenance.

4.6.4 If a Private Home's water supply is provided by a private well, the Homeowner must ensure that all repairs and maintenance to the well is done by a certified professional. BNA may, at its discretion and with no less than three months' notice, require a Homeowner to provide a report attesting to the potability of well water for any Private Home.

## **4.7 Septic System and Sewage Disposal**

4.7.1 Private Homes will have individual septic fields. The Homeowner is responsible for the care, use and maintenance of the septic system in accordance with the septic system's manufacturer's instructions.

4.7.2 The Homeowner is responsible for the cost and arrangement of any repairs to or replacement of the septic system including the septic field (absorption) bed and other components.

4.7.3 A Homeowner must not construct a pit privy or outhouse on a Home Lot.

## **4.8 Snow and Ice Removal**

4.8.1 The Homeowner is responsible for removal of snow and ice from driveways, walkways and other areas on the property to ensure safe access to the unit and property for BNA and other service providers and for emergency vehicles.

4.8.2 Dependent upon funding, BNA may provide support to remove snow and ice to Homeowners who are seniors or persons with disabilities.

## **4.9 Soil**

4.9.1 The Homeowner is not permitted to remove soil from the Home Lot or deposit soil from off BNA Land onto the Home Lot without BNA's express written permission.

## **4.10 Road Access**

4.10.1 The Homeowner must always ensure reasonable road access to the Private Home to allow BNA to provide services (such as garbage removal) as well as for emergency services.

## **4.11 Home Based Businesses**

4.11.1 A Homeowner or their tenant must not operate a home-based business in a Private Home unless they have received the prior written approval of the Housing Administration Department and the Homeowner complies with a law enacted by BNA regulating business conducted on BNA Land.

4.11.2 A Homeowner or their tenant who wishes to operate a home-based business in a Private Home must submit a request to the Housing Administration Department including:

- (a) a detailed description of activities involved in the proposed business;
- (b) a description of the potential impact to the Private Home (e.g. increased use of BNA services), the Home Lot (signage, equipment storage, parking) and the community (increased traffic, noise, etc).

4.11.3 BNA may require the Homeowner to secure business insurance coverage or to post proof of BNA's approval to operate the home-based business.

4.11.4 The Housing Administration Department reserves the right to rescind or withdraw approval of a home-based business based on impacts to the Private Home, the Home Lot or to the community at any time with the provision of written reasons to the Homeowner.

## **4.12 Pets**

4.12.1 Subject to a bylaw that BNA may enact on this subject, a Homeowner is only permitted to keep in their Private Home no more than two (2) cats or dogs or combination of either without approval of the Housing Administration Department. If a Homeowner allows a tenant to keep a pet, the tenant's pet counts toward the maximum total of two pets for the entire Private Home.

4.12.2 Cats and dogs owned by a Homeowner or tenant must:

- (a) Be adequately cared for and constantly under the control of their owner;
- (b) Not disturb the peaceful enjoyment of other's homes on BNA Land;
- (c) Not be a threat to other people or animals on BNA Land;
- (d) Be properly and promptly cleaned up after;
- (e) Have an identification tag; and
- (f) Be spayed or neutered within one year of birth unless the Housing Administration Department has expressly and in writing allowed otherwise.

4.12.3 Exotic pets that are prohibited in the province of Ontario are not permitted on BNA Land.

4.12.4 Complaints about any pets may be made to the Housing Administration Department which will provide notice to the Homeowner.

## **4.13 Storage of Dangerous Goods**

4.13.1 All dangerous goods must be properly stored to minimize hazards or threats to the safety of people, the community, animals, land and the environment.

4.13.2 Examples of dangerous goods which must be properly stored include but are not limited to:

- (a) Combustible materials such as gasoline or propane;
- (b) Corrosive materials including batteries;
- (c) Compressed gasses;
- (d) Toxic materials including pesticides and anti-freeze; and,
- (e) Ammunition or explosives including fireworks.

## **4.14 Vehicles**

4.14.1 The Homeowner must not keep or store more than one unregistered motorized vehicle (e.g. car, truck, motorcycle, all-terrain vehicle, motor homes, or recreational vehicle) or non-operational boat on the Home Lot.

4.14.2 A Homeowner must not store registered vehicles, including recreational vehicles, other than their own personal vehicles on the Home Lot.

4.14.3 All vehicles/boats must be parked within the designated area of the Home Lot (i.e. not parked on public roadways or other BNA Land not allotted to the Homeowner).

4.14.4 BNA is authorized to request proof of ownership and registration for any vehicles on a Home Lot.

## **4.15 Unauthorized Dwellings**

4.15.1 Homeowners are not permitted to allow any person to live in a recreational vehicle or any other structure on the Home Lot except for the Private Home.

## **4.16 Disorderly Conduct**

4.16.1 The Homeowner must not do any of the following or permit any tenant or guest to do any of the following acts or behaviors that disrupt public order on BNA Land, scandalizes the community, or causes public inconvenience, annoyance or alarm or significant disruption to the quiet enjoyment of BNA by Members and occupants:

- a) fighting;
- b) making or causing unreasonable noise;
- c) using abusive language;

- d) using offensive or indecent gestures or displays;
- e) loitering;
- f) exposing, firing or discharging any gun, pistol or other firearm, or using or threatening to use any other article as a weapon, except in defence of life or property;
- g) discharging pellet guns, slingshots, and other projectile weapon;
- h) driving a motorized vehicle in areas other than roads, highways or parking lots for a non-emergency purpose;
- i) interfering in any manner with the orderly conduct of commercial, administrative, educational, recreational, health care, religious or ceremonial activities on BNA Land;
- j) having open liquor in a public area;
- k) possession of a controlled substance or drug paraphernalia in a public area;
- l) littering;
- m) refusing to leave a public area when directed to do so by the Lands Manager, Inspector or a Law Enforcement Officer;
- n) urinating and/or defecating in a public area;
- o) smoking tobacco or any other substance, including vaping and use of an e-cigarette, or pan handling, within 10 meters of an entrance to a public building;
- p) engaging in any behavior contrary to the *Criminal Code* of Canada.

4.16.2 If a person is suspected of violating this section, the Housing Administration Department will send a written notice to the Homeowner that sets out the nature of the suspected activities and a date to meet with the Housing Administrator to resolve the matter.

## **4.17 Rentals**

4.17.1 Subject to section 4.17.2, a Homeowner may only rent a Private Home to a tenant who is a Member.

4.17.2 Subject to BNA approving a residency law, if a Homeowner has received written confirmation from the Housing Administration Department that there are no Members on the rental housing waiting list, the Homeowner may rent to a non-Member. The Housing Administration Department's written confirmation is only valid for two weeks following the date it was issued; if a Homeowner has not rented the Private Home before the expiry of the confirmation, the Homeowner must seek a new confirmation.

4.17.3 A Homeowner may only rent a Private Home to a tenant pursuant to a formal tenancy contract for which BNA may request for review.

4.17.4 A Homeowner must advise the Housing Administration Department that they are renting their Private Home. Aside from such notice and the Homeowner's compliance with sections 4.17.1, 4.17.2 and 4.17.3 and subject to BNA's authority explained at sections 4.17.6 and 4.17.7, BNA has no authority or responsibility over the rental terms established by the Homeowner and will not intervene in disputes between a Homeowner and a tenant in a Private Home.

4.17.5 The Homeowner is responsible for ensuring their tenant adheres to this Policy, the tenancy contract and any other relevant BNA Law, Bylaw or Policy.

4.17.6 If BNA receives complaints about a tenant in a Private Home, the Housing Administration Department will send a written notice to the Homeowner that sets out the nature of the complaint and a date to meet with the Housing Administrator to resolve the matter.

4.17.7 Tenants who violate this Policy may have their permission to reside on BNA Land revoked.

4.17.8 Based on Lender requirements that a Borrower occupy a Private Home that is subject to a Home Loan, a Borrower is not entitled to rent their Private Home until the Home Loan is satisfied and the Borrower has received the applicable Certificate of Possession. It may be permissible for a Borrower to rent a suite in their Private Home; a Borrower is advised to consult with their Lender prior to renting a suite in their home.

## **4.18 Absences**

4.18.1 Where a Homeowner is away from a Private Home for an extended period, they must verify the actions that must be taken to ensure their home insurance policies remain in effect during their absence. The Homeowner is responsible for both confirming the insurer's required actions and ensure those requirements are met (i.e. ongoing site visits by a responsible adult).

4.18.2 Where a Homeowner is away from the Private Home for an extended period, the Homeowner remains responsible for:

- (a) Paying all costs associated with the Private Home including Home Loan payments, insurance premiums, utilities and other service charges, repairs and maintenance; and,
- (b) Maintaining the Private Home so that it is not a hazard to the community (which includes but is not limited to lawn maintenance and snow/ice removal).

## **4.19 Vacant and Abandoned Private Homes**

4.19.1 A Homeowner must advise the Housing Administration Department if they will be vacating their Private Home indefinitely, if a tenant will live in the Private Home or if the Homeowner is interested in selling the Private Home.

4.19.2 If the Housing Administration Department believes that a Private Home has been vacated and abandoned, they will notify the last known Homeowner in writing no less than thirty (30) days prior to ending any services provided by BNA.

4.19.3 If a Homeowner fails to respond to BNA's notice and good faith efforts to contact the Homeowner, the Housing Administration Department will send a notice to the Homeowner and the Lender, if the property is subject to a Home Loan, that the Private Home has been deemed abandoned and will no longer receive services from BNA.

## **4.20 Disposal of a Condemned Private Home**

4.20.1 BNA may enact a law under its Land Code approving a process to condemn and dispose of Private Homes that have been certified as unfit for habitation or that pose an environmental or safety hazard.

4.20.2 The Housing Administration Department will work with a Homeowner to coordinate an inspection for any Private Home which is reasonably thought to be unfit for habitation or pose an environmental hazard.

## 4.21 Matrimonial Real Property Matters

- 4.21.1 A Private Home is subject to the *Matrimonial Real Property Law* if the home also qualifies as a Matrimonial Home or Matrimonial Property.
- 4.21.2 Subject to the *Matrimonial Real Property Law*,
- (a) both Spouses have an equal right to occupy the Matrimonial Home.
  - (b) a Spouse may not dispose of or encumber a Matrimonial Home or Matrimonial Property unless the other Spouse consents in writing;
- 4.21.3 If a Private Home becomes the subject of an application under the *Matrimonial Real Property Law*, the applicant must provide Council with notice of the application and Council may make representations to the court about the cultural, social, and legal context of the application, including representations about any loan guarantee provided by BNA to one or both Spouses.
- 4.21.4 Subject to section 4.21.5, if a Private Home is the subject of a domestic contract between two Spouses, BNA will make best efforts to honour the terms of any such domestic contract if it complies with all BNA laws and other applicable laws.
- 4.21.5 The surviving Spouse of a Homeowner may continue to occupy a Private Home that is a Matrimonial Home for 180 days following the death of the Homeowner.

## 4.22 Death of a Homeowner

- 4.22.1 When a Homeowner dies, their Private Home and their Allotment will pass to their beneficiary(ies) as devised in their valid will, or, in the absence of a valid will, in accordance with the intestacy provisions of the *Indian Act*.
- 4.22.2 If a non-Member acquires a right to possession by devise or descent of a Private Home, the Private Home will be sold in accordance with section 50 of the *Indian Act*.
- 4.22.3 A Homeowner's estate is responsible for discharging any outstanding Home Loan attached to a Private Home prior to the distribution of the Private Home from the Homeowner's estate.

## 5.0 HOMEOWNERSHIP FINANCING

### 5.1 Support

- 5.1.1 As set out in this Policy and as determined by Council, BNA may support Member(s) efforts to obtain a mortgage to build, buy or substantially renovate a Private Home on BNA Land.
- 5.1.2 BNA makes the following Homeownership Financing programs available to its eligible Members for the purchase, construction, renovation of a Private Home:
- (a) Market Based Housing Program;
  - (b) Ministerial Loan Guarantee Program.

- 5.1.3 This chapter of the Policy sets out the general eligibility requirements, policies and procedures for the noted Home Financing programs. In acknowledgment of program changes and updates, the Housing Administrator will provide information on any additional or program-specific requirements upon request.
- 5.1.4 Homeownership Financing programs are a financial risk to BNA because they require that BNA act as guarantor to the Loan. Loan guarantees are granted at the discretion of Council subject to BNA's available funds and/or credit. Council may reject an application for a loan guarantee at its sole discretion.
- 5.1.5 BNA will take into account their financial position and capacity to grant a loan guarantee, which may include placing caps on the total loan guarantees BNA will offer to ensure that debt ratios are not exceeded and that BNA is not over-extended.

## **5.2 Market Based Housing Program**

- 5.2.1 The Market Based Housing Program enables access to Borrowers for Home Loans for the purchase, construction, renovation and refinancing of Private Homes. This program provides a credit enhancement facility to BNA to serve as a financial backstop to loan guarantees given by BNA for the purchase, construction, renovation, or refinancing of Private Homes.
- 5.2.2 If a Borrower defaults on a Home Loan and BNA is unable to meet its obligations as guarantor, the Lender can seek compensation for a portion of the Loan from the First Nations Market Housing Fund.
- 5.2.3 Please refer to Appendix "F" for the program details specific to the purchase, construction, renovation or refinance of a Private Home.

## **5.3 Ministerial Loan Guarantee Program**

- 5.3.1 The Ministerial Loan Guarantee program is a CMHC program through which Borrowers can access financing for the construction, purchase and/or renovation of a single-family Private Home on BNA Land. CMHC provides loan insurance to the approved lender and the loan is secured by a BCR from Council and a Ministerial Loan Guarantee from ISC.
- 5.3.2 If repayment of a Home Loan is not made, ISC will pay out the outstanding balance and then require repayment from BNA.
- 5.3.3 Please refer to the ISC Ministerial Loan Guarantee website and manual for the program details specific to the purchase, construction, renovation or refinance of a Private Home: <https://www.sac-isc.gc.ca/eng/1100100010759/1533297595541>.

## **5.4 Eligibility for Homeownership Financing**

### Applicant Eligibility

- 5.4.1 This section explains the eligibility requirements that are common to both Homeownership Financing programs (the Market Based Housing program offered through the First Nations Market Housing Fund and the Ministerial Loan Guarantee program). The Housing Administration



Department will advise an Applicant of any additional eligibility requirements that are specific to either the Market Based Housing program or the Ministerial Loan Guarantee Program.<sup>1</sup>

5.4.2 To be eligible to apply for Homeownership Financing,

- (a) The Applicant must be a Member or BNA Legal Entity in good standing with BNA, having no arrears or outstanding historical debt owing to BNA or any BNA Legal Entity;  
  
The Applicant must understand that a Private Home may not be transferred in the future to a non-Member;
- (b) The Applicant must be at least eighteen (18) years of age;
- (c) The Applicant must have been granted use of the land by BNA (pursuant to an Allotment);
- (d) The Applicant must contribute a minimum of 5% cash equity as down payment if the application is for a New Construction or Purchase Home Loan;
- (e) The Applicant must not currently hold a Home Loan pursuant to this Policy which has not been repaid in full as an Applicant can only be approved for one loan at a time;
- (f) The Applicant must be able to satisfy the minimum requirements for taking out a Home Loan with an approved Lender;
- (g) The Applicant must be able to financially support repayment of the Home Loan;
- (h) The Applicant must agree to enter into a Security & Indemnity Agreement in consideration of BNA providing a loan guarantee for the Home Loan;
- (i) The Applicant must agree to pay the cost of building and contents insurance that will be obtained by BNA;
- (j) The Applicant must agree to provide evidence of a valid last will and testament by either providing an entire certified copy of the last will and testament or a legal document that confirms registration of a last will and testament as well as the portion of the document which highlights the transfer of the home and Home Lot to the satisfaction of the Housing Administrator;
- (k) The Applicant must agree to obtain and maintain either mortgage life insurance or term life insurance sufficient to cover the cost of any Home Loan; term life insurance must name BNA as the loss payee; and
- (l) The Applicant must abide by all conditions or requirements set out in this Policy or as otherwise required by BNA.

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<sup>1</sup> Please see the MLG program requirements here: <https://www.sac-isc.gc.ca/eng/1322577517724/1533298085138>; Please refer to the separate Market Based Housing resource provided to the Housing Administration Department as a supplement to this Policy.

## Home Eligibility

- 5.4.3 To be eligible to apply for a Homeownership Financing program, the home subject to the application must be:
- (a) Located on a Home Lot on BNA Land;
  - (b) Recognized by BNA as being owned by the Applicant in the event of a Refinance or Renovation Home Loan;
  - (c) Recognized by BNA as being owned by the vendor in the event of a Home Loan for a Purchase;
  - (d) Connected to hydro, water and sewer services;
  - (e) Accessible by road access; and,
  - (f) Eligible for fire insurance/replacement insurance.

## Subsidies

- 5.4.4 BNA will advise Borrowers of any subsidy/grant programs for which a Borrower may be eligible.

## **5.5 Homeownership Financing Applications**

- 5.5.1 The Housing Administration Department will assist Applicants in completing applications for Homeownership Financing by providing information and direction as requested (Appendix "A").
- 5.5.2 If the number of Applicants for a program exceeds program resources, the Housing Administration Department may establish a Priority List based on the date a completed application has been accepted by the department.
- 5.5.3 When a new Home Lot becomes available, the Housing Administration Department will notify the Applicant who has first priority on any Priority List for the New Construction program.
- 5.5.4 Within a reasonable time, the Housing Administration Department will review submitted applications for eligibility and completeness and will reject ineligible and/or incomplete applications.
- 5.5.5 If an application is rejected as incomplete or an Applicant is ineligible, the Housing Administration Department will notify the Applicant and provide the Applicant with an explanation about why the Applicant is ineligible, and/or indicate the deficiencies in an incomplete application.
- 5.5.6 An Applicant may correct an incomplete application and re-submit it at any time and as many times as may be necessary to ensure completeness.
- 5.5.7 The Housing Administration Department will review all completed applications and will verify the provided information by taking whatever steps and communicating with whichever agencies as may

be necessary, including without limitation, Lenders, builders, municipalities, and other BNA departments.

- 5.5.8 Upon confirming that an application for Homeownership Financing is complete and that the Applicant meets all eligibility requirements set out at section 5.4 and under the applicable Homeownership Financing program (i.e. the Market-Based Housing program or the Ministerial Loan Guarantee program), if required by the Lender, the Housing Administration Department will issue a conditional letter of support to the Lender (Appendix "C" or Appendix "D"), and will forward the application to Council with a recommendation that the application be approved subject to confirmation of financing from the Lender.
- 5.5.9 Council will render a decision at a duly convened meeting to approve or withhold approval of the application within a reasonable time of receiving an application from the Housing Administration Department.
- 5.5.10 Despite section 5.5.9, neither the acceptance of an application nor the issuance of a conditional letter of support obligates BNA to expend resources or convey any interest in BNA Land. Without limiting the preceding sentence, BNA is not required to provide a Loan Guarantee if:
- (a) BNA's available funds and/or credit are insufficient;
  - (b) the amount of the Loan Guarantee is in excess of the appraised or actual value of the property or home;
  - (c) the Borrower refuses to execute a Security & Indemnity Agreement in favour of BNA;
  - (d) the Borrower refuses or is ineligible to obtain appropriate life and/or Loan insurance sufficient to pay out the debt, property, and fire insurance or any other insurance policy as may be required by the Lender or BNA.
- 5.5.11 Upon a Member meeting the general qualifications/criteria set out in this Policy, the Member will be referred to make a mortgage application to one or more of the participating Lenders.
- 5.5.12 Applicants who have not obtained pre-approval from a Lender within one hundred and twenty (120) days from the date of the conditional letter of support will have their application suspended and will need to re-apply in consultation with the Housing Administration Department.
- 5.5.13 Once the Member has been approved for a mortgage, loan documentation between BNA, the Lender, the Homeownership Financing program administrator (e.g. the First Nations Market Housing Fund or ISC) and the Member will be executed, and the Member will be required to meet the terms and conditions of the mortgage to build/purchase/renovate/refinance the Private Home.
- 5.5.14 A Borrower is required to enter into a Security and Indemnity Agreement set out at Appendix E of this Policy which will be modified by BNA depending on whether the mortgage pertains to the purchase, construction, renovation or refinancing of a Private Home.
- 5.5.1 If a household includes a non-Member Applicant whose income is being used to qualify for a Home Loan, the non-Member should seek independent legal advice regarding his/her right to claim against the home in the event of household or marital breakup in accordance with the *Matrimonial Real Property Law*. The non-Member applicant is required to sign a declaration in the Security &

Indemnity Agreement that he/she fully understands the legal ramifications as they apply to home ownership on reserve and his/her rights.

- 5.5.2 For greater certainty, if a Member is approved and granted financing pursuant to this Policy, BNA may guarantee a mortgage but at no time will BNA directly loan or give funds to any Member for the purchase, construction or renovation of a Private Home.

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## 6.0 LOAN ADMINISTRATION

### 6.1 Insurance

- 6.1.1 The Borrower is responsible to secure the following insurance until the Home Loan is paid in full:
- (a) “all perils” house insurance in an amount not less than full replacement value of the Private Home; and
  - (b) general liability insurance in the amount of \$1,000,000.00 (or any higher amount as BNA may reasonably require from time to time) until the Loan’s principal and any interest is repaid in full.
- 6.1.2 The Security & Indemnity Agreement signed by the Borrower can be shared with an insurance company as evidence of the Borrower’s authority to exclusively use and occupy the Private Home and the Home Lot.
- 6.1.3 If the available insurance companies will not insure the Private Home because the Borrower does not hold the Certificate of Possession, the Borrower must advise BNA who will secure the insurance coverage required at section 6.1.1 and will invoice the Borrower the insurance premiums. The Borrower is responsible for paying insurance premiums upon receipt of BNA’s invoice.
- 6.1.4 For a New Construction Home Loan or Renovation Home Loan, the Borrower will purchase and maintain, or ensure the general contractor holds and maintains, no less than \$5 million in general liability and comprehensive liability construction insurance.
- 6.1.5 The Borrower must purchase and maintain either mortgage life insurance or term life insurance in an amount sufficient to cover the Loan; term life insurance must name BNA as the loss payee.
- 6.1.6 On an annual basis the Borrower will provide to the Housing Administration Department and the Lender copies of insurance certificates to confirm insurance coverage is in place.
- 6.1.7 Failure to provide confirmation of required insurance coverage is considered a default on the Home Loan and a breach of this Policy.

### 6.2 Default

- 6.2.1 The Borrower acknowledges that BNA and the Lender will communicate regularly regarding the status of the Home Loan. Specifically, the Borrower understands that the Lender will be expected to communicate any default on the Home Loan to BNA in a timely manner.
- 6.2.2 If the Borrower is not able to bring the Home Loan into good standing with the Lender, BNA may work with the Lender to acquire the home and terminate the Borrower’s occupancy.
- 6.2.3 The Borrower is responsible for any loan payment arrears and costs incurred by BNA as a result of action taken by BNA to take possession of the home and Home Lot.
- 6.2.4 If BNA takes possession of the home and terminates occupancy they may, at their sole discretion, consider a payment of any equity (minus costs to obtain possession) to the Borrower.

6.2.5 BNA will hold all rights to a home and Home Lot that has been acquired through this section of the Policy and may convey the home to another Applicant, operate it as a rental unit or otherwise.

## **6.3 Transfer of ownership**

6.3.1 If a Borrower wishes to sell the Private Home and has identified a prospective purchaser to the satisfaction of the Lender, the Borrower shall:

- (a) Notify the Housing Administration Department, in writing, that they intend to sell the home;
- (b) Confirm with the Housing Administration Department that the prospective purchaser is eligible to own the home; and,
- (c) Work with the Lender to ensure the prospective purchaser can assume the Home Loan.

6.3.2 Where either BNA or the Lender does not approve assumption of the Home Loan by the prospective purchaser, the Borrower is responsible to pay the outstanding Home Loan in full if they wish to proceed with the transfer.

6.3.3 For greater certainty, nothing in section 6.3.2 diminishes BNA's jurisdiction to determine who resides on BNA Land.

6.3.4 BNA will not be involved in determining the price for a Private Home that is transferred between Members.

## **6.4 Discharging the Home Loan**

6.4.1 When the Borrower has paid, and the Lender has confirmed the Home Loan has been repaid in full, the Housing Administration Department will make a written request of the Lands Department that there are no liens or encumbrances attached to the property.

6.4.2 Once the Lands Department has confirmed no liens or encumbrances exist and confirmation of Home Loan repayment has been accepted, BNA will discharge the Security and Indemnity Agreement and any other documents qualifying the right to use and possess the Home and Home Lot and will transfer to the Borrower the Certificate of Possession.

## **7.0 RENOVATIONS**

### **7.1 General**

7.1.1 A Homeowner wishing to carry out Renovations is responsible to:

- (a) pay the cost of the Renovations;
- (b) Obtain all necessary permits from BNA or otherwise, as necessary;
- (c) Ensure all Renovations meet, at a minimum, the current Ontario Building Code.

### **7.2 Renovation Assistance**

7.2.1 Homeowners may qualify for certain CMHC and ISC renovation funding programs. Please see Appendix “G” for details of these programs.

7.2.2 The renovation funding programs addressed in Appendix “G” do not apply to renovations funded through the Ministerial Loan Guarantee Program or the Market Based Housing Program.

7.2.3 Due to the nature of the content in Appendix “G”, which outlines the features of the federal renovation programs only, the Housing Administrator may revise Appendix “G” to reflect updates to the renovation funding programs without Council’s approval.

## **8.0 DISPUTE RESOLUTION**

### **8.1 General**

8.1.1 Every dispute under this Policy or otherwise between BNA and a Homeowner must be set out in writing and provided to all relevant parties pursuant to the Notice provisions in this policy.

8.1.2 Disputes must be raised within a reasonable period after they become known to a party. Only in exceptional circumstances will a dispute which has been known for more than one month be accepted into the dispute resolution process in this policy.

### **8.2 Informal Resolution**

8.2.1 Parties to a dispute will make all reasonable efforts to settle the matter informally through respectful dialogue.

8.2.2 Informal resolution may, but does not need to, result in a mutually acceptable agreement signed by all parties involved.

## 8.3 Formal Resolution

8.3.1 A formal appeal can be made in writing to the Housing Administration Department on one or more of the following grounds:

- (a) this Policy was not correctly adhered to;
- (b) a decision lacked procedural fairness;
- (c) a decision was made on information that was incorrect and should have been known; and/or,
- (d) new information since the decision was made has emerged that renders the original decision unreasonable.

8.3.2 A formal appeal cannot be made with respect to:

- (a) any decision by a Lender;
- (b) a Council decision to withhold approval of financing application or to issue a Council Resolution for a loan guarantee; or
- (c) the allocation of resources by BNA to any of the programs in this Policy.

8.3.3 In the event an eligible formal appeal is received by the Housing Administration Department, an appeal board is established to hear the appeal.

8.3.4 The appeal board will consider whether the decision violated any one of the grounds of appeal and will provide written reasons to the appellant on whether the decision should be upheld or overturned.

8.3.5 In the event the appeal board orders a decision be overturned, it is returned to the decision maker with directions for reconsideration.

## 9.0 NOTICE

9.1.1 All notices under this Policy must be made in writing and delivered by email, with a read-receipt, or, when reasonably appropriate, mailed.

9.1.2 All notices to BNA must be addressed to the Housing Administrator. They may be submitted by email directly to the Housing Administrator or mailed to 292 Court St S, Thunder Bay, ON P7B 2Y1.

9.1.3 Notices to a Homeowner will be delivered to the last recorded email address of the Homeowner if emailed and the address of the Private Home if mailed.



## APPENDICES

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# APPENDIX A – HOMEOWNERSHIP FINANCING APPLICATION

Home Loan Program applied for:			
<input type="checkbox"/> New Construction	<input type="checkbox"/> New Purchase	<input type="checkbox"/> Renovation	<input type="checkbox"/> Refinance ( <i>Market-Based Housing Program only</i> )

Grant Program(s) applied for <i>[specify available program]</i> :
-------------------------------------------------------------------

## 1. Applicant

Date Application Received  
\_\_\_\_\_

Surname:	Given Name(s):	Date of Birth:	Sex: <input type="checkbox"/> M <input type="checkbox"/> F
Social Insurance No.:	Status No. (10 digits):	<input type="checkbox"/> Member of BNA <input type="checkbox"/> Non-Member	
Address:		Present Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law	
Phone No.:	Email:		

## 2. Present Employment of Applicant

Present Employer's Name:		Phone No.:	
Address Where Employed:			
Occupation:	Name of Department:	Phone No.	Extension
Length of Employment with Present employer ____year(s) ____month(s)	Do you work <input type="checkbox"/> Full time <input type="checkbox"/> Part time	State days of the week worked	

## 3. Co-Applicant

Surname:	Given Name(s):	Date of Birth:	Sex: <input type="checkbox"/> M <input type="checkbox"/> F
----------	----------------	----------------	------------------------------------------------------------

Social Insurance No.:	Status No. (10 digits):	<input type="checkbox"/> Member of BNA <input type="checkbox"/> Non-Member
Address:		Present Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law
Phone No.:	Email:	
Relationship to Applicant		

#### 4. Present Employment of Co-Applicant

Present Employer's Name:		Phone No.:	
Address Where Employed:			
Occupation:	Name of Department:	Phone No.	Extension
Length of Employment with Present employer ____year(s)    ____month(s)	Do you work <input type="checkbox"/> Full time <input type="checkbox"/> Part time	State days of the week worked	

#### 5. Previous Employment of Applicant or Co-Applicant (please identify)

App	Co-App	Employed By	Position	From	To
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____

#### 6. New Construction (complete if applicable)

Please indicate the land description:
---------------------------------------

Have you received quotes and estimates for the New Construction you would like to make?	<input type="checkbox"/> yes <input type="checkbox"/> no
What is the estimated cost?	\$
Have you previously been provided a subsidy or grant in relation to the construction of a new home?	<input type="checkbox"/> yes <input type="checkbox"/> no
Please describe your approximate budget and timeline required to build your new home:	

### 7. Purchase (complete if applicable)

Please indicate the land description:	
Have you entered into a formal sales agreement with the Seller? If yes, please provide a copy.	<input type="checkbox"/> yes <input type="checkbox"/> no
Are you including renovations? If yes, have you received quotes and estimates for the renovations you would like to make?	<input type="checkbox"/> yes <input type="checkbox"/> no
What is the estimated cost?	<input type="checkbox"/> yes <input type="checkbox"/> no
Please describe your approximate budget required and timeline to purchase your new home with or without renovations:	

### 8. Renovation (complete if applicable)

Please indicate the land description:	
Have you received quotes and estimates for the renovations you would like to make?	<input type="checkbox"/> yes <input type="checkbox"/> no
What is the estimated cost?	<input type="checkbox"/> yes <input type="checkbox"/> no
Please describe your approximate budget required to renovate your home:	
Please identify if you have any amounts owing or have a current mortgage or Home Loan for your home:	

### 9. Refinance (complete if applicable – a refinance loan is only supported under the Market-Based Housing Program)

Please indicate the land description:	
Have you received your mortgage payout statement, and do you know when your mortgage term ends?	<input type="checkbox"/> yes <input type="checkbox"/> no
If renovations are included, what is the estimated cost?	<input type="checkbox"/> yes <input type="checkbox"/> no
Please describe your approximate budget required and timeline to refinance your home	

**DECLARATION**

1. I/we give my consent and authorization to BNA to make any inquiries necessary to verify the information given in this Form and I/we authorize any person, corporation or any social agency having knowledge of any such required information to release the information to BNA. I agree to provide any supporting material BNA may require.
  
2. I/we solemnly swear that all information provided is true and I understand that providing any false information will void my application. I/we authorize BNA to work with us with any of the participating Lenders to obtain loan approval for the applicable Homeownership Financing Program. Therefore, we provide authorization to BNA to make any form of enquiry directly to in regard to my/our application.
  
3. I/we solemnly swear that I/we have a right of possession pursuant to an Allocation for the lands described in this application. I/we further solemnly swear that I/we know of no other individuals who have any legal or constructive interests in the land described in this application aside from BNA and myself/ourselves.
  
4. I/we solemnly swear that I/we have a valid Last Will and Testament ("Will") in place which speaks to the lands described in this application and any residence which may be located on those lands. Or, for the purchase of a home, I agree to complete or revise my Will to address the lands that I will acquire following the purchase and sale of the home.
  
5. I/we authorize BNA to proceed with an internal credit check to assist in my/our application.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

## APPENDIX B – INTERNAL CREDIT CHECK

Name: \_\_\_\_\_ Status # \_\_\_\_\_

Co-Applicant: \_\_\_\_\_ Status # \_\_\_\_\_

An internal credit check is conducted to ensure there are no accounts, such as loans or other debts that are in arrears or default. Outstanding arrears/default accounts for the purpose of this process are accounts that are in default more than 30 days.

Finance Department Use only				
Account Number or Department	Outstanding Balance	Is Account in Arrears (yes/no)	If Account is in Arrears, indicate amount (\$)	Notes if any
BNA Mortgage	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Rent	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Service Fees	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Other	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
<b>Total</b>	<b>\$</b>		<b>\$</b>	

Is BNA Member (and Co-applicant if applicable) in good financial standing with BNA?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

<b>Verified by:</b> _____ (BNA Finance Department)
<b>Date:</b> _____

## APPENDIX C – CONDITIONAL LETTER OF SUPPORT TEMPLATE – MARKET-BASED HOUSING

DATE

TO THE SELECTED LENDER [to be advised by the Applicant]

Dear Sir/Madam

Re: **Conditional Support – Market Based Housing Program**

**[Applicant's (BNA Members Name)]**

Please accept this letter as BNA's conditional support for **[Applicant and Co-applicants Name]** Home Loan application with **[LENDER]** for **[New Construction/Purchase/Renovations/Refinance]** of a primary residence home on BNA Land. The applicant has met BNA's internal pre-qualifications requirements and is now eligible to apply for a pre-approved Home Loan. This letter is not to be construed as a final guarantee, but only serves to inform you that BNA has reviewed this application and is in a position to guarantee the mortgage if the applicant meets your minimum mortgage requirements. As you know, this means satisfactory credit history, job tenure, acceptable total debt service ratios and income requirements.

If the applicant meets your credit requirements, along with the other mandatory requirements such as life and fire insurance, a BNA Council Resolution and a Credit Enhancement Certificate from the First Nations Market Housing Fund will be issued to your financial institution guaranteeing the mortgage.

If you have any questions on the above, please do not hesitate to contact the undersigned at your convenience.

Sincerely

Authorized Signatory  
BNA



# APPENDIX D – CONDITIONAL LETTER OF SUPPORT TEMPLATE – MINISTERIAL LOAN GUARANTEE

DATE

TO THE SELECTED LENDER [to be advised by the Applicant]

Dear Sir/Madam

Re: **Conditional Support – Ministerial Loan Guarantee Program**

**[Applicant's (BNA Members Name)]**

Please accept this letter as BNA's conditional support for **[Applicant and Co-applicants Name]** Home Loan application with **[LENDER]** for **[New Construction/Purchase/Renovations]** of a primary residence home on BNA Land. The applicant has met BNA's internal pre-qualifications requirements and is now eligible to apply for a pre-approved Home Loan. This letter is not to be construed as a final guarantee, but only serves to inform you that BNA has reviewed this application and is in a position to guarantee the mortgage, provided the applicant meets your minimum mortgage requirements, i.e. satisfactory credit history, job tenure, acceptable Total Debt Service ratios and income requirements.

If the applicant meets your credit requirements, along with the other mandatory requirements such as life and fire insurance, a BNA Council Resolution and documentation from Indigenous Services Canada will be issued to your financial institution guaranteeing the mortgage.

If you have any questions on the above, please do not hesitate to contact the undersigned at your convenience.

Sincerely

Authorized Signatory  
BNA

## APPENDIX E – SECURITY AND INDEMNITY AGREEMENT

**This Agreement must be tailored depending on whether the applicant is intending to construct a new home, renovate an existing home or purchase an existing home.**

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

BETWEEN: Bingwi Neyaashi Anishinaabek (“**BNA**”)  
29 Court St. S  
Thunder Bay, ON P7B 2Y1

AND: [NAME]  
[STREET ADDRESS]  
[CITY POSTAL CODE]

(the “**Borrower**”)

being collectively the parties (the “**Parties**”) to this Agreement.

### BACKGROUND FACTS

- A. The Borrower(s), *[insert names of all Borrowers who are BNA Members]* \_\_\_\_\_, is a/are BNA Member(s).
- B. *[delete if inapplicable]* The Borrower’s spouse is not listed as a co-applicant on the Loan but has consented to the Borrower’s application as evidenced by the completed form at Schedule “A” to this Agreement.
- C. *[delete if inapplicable]* The Borrower, *[insert name of non-Member spouse]* \_\_\_\_\_, is the non-Member spouse of \_\_\_\_\_ and is the co-applicant on the Loan.
- D. The Borrower has applied for a Loan through the Lender to *[select one: purchase, build, renovate or refinance]* the Home on BNA Land and the Home *[select one: is or will be]* the principal residence of the Borrower.
- E. The Lender requires BNA to guarantee the Loan as security for the Loan before the Lender will grant the Loan to the Borrower.

***[For a home purchase, keep Recital F and delete Recitals G]***

F. Upon completion of the purchase of the Home, the Borrower will obtain from the seller the legal right of possession to the Land: the Allotment, as evidenced by the Certificate of Possession

~~[For home construction, renovation and refinance, keep Recital G and delete Recital F]~~

G. The Borrower holds the exclusive legal right of possession to the Land: the Allotment, as evidenced by the Certificate of Possession.

**Therefore, in consideration of the mutual promises set out in this Agreement and other good and valuable consideration the receipt and sufficiency of which is acknowledged, the Parties agree as follows:**

## **1.0 DEFINITIONS**

1.1 In this Agreement,

“Allotment” has the same meaning as provided in the BNA *Land Code*;

“BNA Laws, Bylaws and Policies” means all applicable BNA laws, bylaws and policies, and amendments to such laws and policies, approved by Council from time to time;

“Certificate of Possession” means the Borrower’s Certificate of Possession that evidences the Borrower’s Allotment of the Land;

“Contractor” means the contractor responsible for building the Home;

“Council” means the active Chief and Council of BNA;

“Home” means the home that will be [select one: purchased, built, renovated or refinanced] with the Loan funds;

“Improvement” means a permanent structure built on the Land and includes the Home;

“Land” means the lands legally described as **[INSERT LEGAL DESCRIPTION OF LAND/PARCEL]**;

“Lender” means the **[identify the bank/lender]**;

“Loan” means the financing for which the Borrower has applied from the Lender through the **[select one: the First Nations Market Based Housing program or the Ministerial Loan Guarantee program]** to **[select one: purchase, build, renovate or refinance]** the Home;

“Loan Guarantee” means a loan guarantee provided by BNA to satisfy the Lender’s requirements for the Loan;

“Property” means the Land and the Improvements (including the Home);

“Term” means the term of this Agreement described at section 18.1.

## **2.0 APPLICATION OF THE BNA HOMEOWNERSHIP POLICY**

2.1 The BNA Homeownership Policy (the “Homeownership Policy”) applies to and forms part of this Agreement. By signing this Agreement, the Borrower acknowledges that he or she has read and understands the Homeownership Policy and agrees to be bound by both the terms of this Agreement and the Homeownership Policy, as amended from time to time.

2.2 In the event of any inconsistency between this Agreement and the Homeownership Policy, this Agreement prevails.

### **3.0 LOAN GUARANTEE**

***[For a home purchase, keep subsection 3.1 and delete subsection 3.2]***

3.1 Upon execution of this Agreement and on condition that the Borrower has completed the transfer under subsection 4.1, Council will issue a Council Resolution in the form set out as Schedule “B” to this Agreement confirming the Loan Guarantee to the Lender.

***[For a new home construction, renovation or refinance keep subsection 3.2 and delete subsection 3.1]***

3.2 Upon execution of this Agreement and on condition that the Borrower has completed the transfer under subsection 4.2, Council will issue a Council Resolution in the form set out as Schedule “B” to this Agreement confirming the Loan Guarantee to the Lender.

### **4.0 SECURITY: CERTIFICATE OF POSSESSION AND POWER TO REVOKE RIGHT OF USE AND OCCUPATION OF THE PROPERTY**

***[For a home purchase, keep subsection 4.1 and delete subsections 4.2 and 4.3]***

4.1 The Borrower acknowledges and confirms

- (a) they have completed and executed the transfer form (Schedule “C” to this Agreement) to effect the transfer to BNA of the Certificate of Possession;
- (b) they have provided such forms and documents to BNA on condition that BNA will not give effect to the transfer until the purchase has been completed; and
- (c) without limiting paragraph (a), upon the completion of the Home purchase, any of the Borrower’s remaining rights, titles and interests in all buildings and Improvements on the Land, including, but not limited to the Home, will transfer to BNA until the Borrower has fulfilled all of the terms and conditions of the Loan and this Agreement.

**[For a home construction, renovation or refinancing, keep subsections 4.2 and 4.3 and delete subsection 4.1]**

4.2 The Borrower acknowledges and confirms they have transferred to BNA the Certificate of Possession by executing the transfer form (Schedule "C" to this Agreement).

4.3 Without limiting subsection 4.2, the Borrower transfers to BNA any of their remaining rights, titles and interests in all buildings and Improvements on the Land, including, but not limited to the Home until the Borrower has fulfilled all of the terms and conditions of the Loan and this Agreement.

4.4 It is a condition of this Agreement that the Borrower must do such further things and take such further steps as are required to complete the transfer of the Borrower's right of possession to the Land to BNA and all Improvements.

4.5 BNA will hold the Certificate of Possession as continuing security for the Loan Guarantee and to secure the performance of the Borrower's further obligations under this Agreement.

4.6 The Borrower acknowledges and agrees that

- (a) the Home, including phases of construction of the Home, if applicable, and any other Improvements on the Land, including Improvements made to the Land during the Term of this Agreement, will become fixtures on the Land and may not be removed or destroyed until the Term of this Agreement ends (for greater certainty, this includes mobile homes and manufactured homes);
- (b) the Land is BNA Land; and
- (c) the Borrower's right to use and occupy the Property is subject to the terms and conditions of this Agreement, and to the BNA Laws, Bylaws and Policies.

4.7 Without limiting the application of section 15.0, if the Borrower defaults on the Loan, BNA is entitled to

- (a) retain possession of the Certificate of Possession; and
- (b) revoke or cancel the Borrower's right to use and occupy the Property in accordance with the terms of this Agreement, and all rights, title and interests in the Property that are not already held by BNA will vest absolutely in BNA.

## **5.0 LOAN DISCHARGE**

- 5.1 Upon receiving confirmation from the Lender that the Borrower has repaid the Loan's principal, any interest and any applicable fees or charges sufficient to discharge the Loan, and subject to the Borrower having complied with all the terms and conditions of this Agreement, BNA will take such steps as are necessary to transfer the right to possession of the Land back to the Borrower.
- 5.2 Upon completion of the transfer under subsection 5.1, the Borrower will be entitled to lawful possession of the Property.
- 5.3 The Borrower acknowledges that BNA will only transfer possession pursuant to subsection 5.1 to a Borrower who is a Member.

## **6.0 REPRESENTATIONS OF THE BORROWER**

- 6.1 The Borrower represents and warrants that all information set out in this Agreement is correct.
- 6.2 The Borrower represents and warrants that they are/will be the sole legal and beneficial holder of the right of possession to the Land and that there are no existing encumbrances on the Land other than such permitted encumbrances set out in Schedule "D" to this Agreement.
- 6.3 The Borrower represents and warrants that there are there are no material adverse facts or circumstances or changes in financial condition undisclosed to BNA which may materially adversely affect BNA, or the Borrower's prospects or ability to observe and perform all obligations in this Agreement.
- 6.4 The Borrower warrants that this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Borrower in accordance with its terms.

## **7.0 RIGHTS AND OBLIGATIONS OF BORROWER**

### **General Rights and Obligations**

- 7.1 The Borrower is entitled to quiet enjoyment and exclusive use and occupation of the Property for the Term except as otherwise provided in this Agreement or as specified in BNA Laws, Bylaws and Policies and the Lender's requirements.
- 7.2 The Borrower may only use and occupy the Property for the purpose of a [include the following words if applicable: single family] residential dwelling.
- 7.3 The Borrower must not cause or allow a nuisance on the Property except as is reasonably

required for the construction of any approved Improvements or as reasonably required for the permitted uses of the Property as a residential dwelling.

- 7.4 The Borrower is solely responsible for securing and maintaining legal access (be it by public or private road) to and from the Property.
- 7.5 The Borrower is solely responsible for connecting to and maintaining all services and facilities required from time to time for the Property, including without limitation, water, telephone, power, sewage, and garbage disposal services and facilities, and for any fees associated with the services and facilities.
- 7.6 Except for any authorization related to the Home and any associated approved Improvements, the Borrower must not make any Improvements without first obtaining BNA's written consent.
- 7.7 The Borrower must not remove the Home from the Land.
- 7.8 The Borrower must pay all applicable fees and taxes in respect of the Property and the Loan.
- 7.9 The Borrower must comply with all BNA Laws, Bylaws and Policies and all laws and policies that apply to the Loan and Lender.
- 7.10 The Borrower may only use the Loan funds for the purpose of [select one: constructing / renovating / purchasing] the Home in accordance with BNA Laws, Bylaws and Policies and the Lender's requirements.
- 7.11 The Borrower must pay the obligations when due and in accordance with the Loan agreement with the Lender.

### **Preservation of the Land and Home**

- 7.12 The Borrower must maintain the Property in a condition and state of repair that preserves the value of the Property, reasonable wear and tear excluded, and in compliance with BNA Laws, Bylaws and Policies.
- 7.13 The Borrower is solely responsible for all maintenance and repairs as may be required to maintain the Property in the condition required in subsection 7.12.
- 7.14 The Borrower must not commit or permit damage to or destruction of the Property, including without limitation, environmental contamination.
- 7.15 The Borrower is solely responsible for any repairs or remediation of the Property required because of the Borrower's negligence or intentional conduct in violation of

subsection 7.14.

**[For a home purchase, delete subsections 7.16 through 7.19]**

**[SELECT ONE: CONSTRUCTION OR RENOVATION] OF THE HOME**

- 7.16 The Borrower must obtain the prior written consent of BNA before selecting a contractor.
- 7.17 The Borrower must ensure compliance with [insert any applicable building or other BNA bylaw] and best practices.
- 7.18 The Borrower must ensure that the [select one: construction or renovation] proceeds promptly and in compliance with all applicable construction and building laws, standards, codes and best practices and in accordance with the terms of the Loan and this Agreement.
- 7.19 If the Borrower fails to comply with subsection 7.18, BNA may make any arrangements and take any steps it deems necessary, acting reasonably, to correct any such non-compliance and the Borrower will indemnify BNA and repay any reasonable costs incurred by BNA as a result of any actions taken under this clause.

**Failure to Comply**

- 7.20 The Borrower's failure to comply with the Borrower's obligations under this section 7.0 constitutes a breach of this Agreement.

**[For a home purchase, delete subsections 7.21]**

- 7.21 For certainty, the Borrower's failure to indemnify BNA and repay any costs pursuant so subsection 7.19 constitutes a breach of this Agreement.

**8.0 SALE OF PROPERTY**

- 8.1 The Borrower must not sell or dispose of any part of the Property except with the express written consent of BNA and the Lender.

**9.0 ENCUMBRANCES**

- 9.1 The Borrower must not do anything to encumber the Property.
- 9.2 The Borrower must keep prior permitted encumbrances, if any, in good standing.

**10.0 INSURANCE**

- 10.1 The Borrower acknowledges the following:



- (a) the Borrower is responsible for purchasing and maintaining “all perils” house insurance in an amount not less than full replacement value of the Home and general liability insurance in the amount of \$1,000,000.00 (or any higher amount as BNA may reasonably require from time to time) until this Agreement ends in accordance with section 18.0;
  - (b) if the Borrower is unable to secure the insurance coverage required at paragraph (a) due to the Borrower not holding the Certificate of Possession, the Borrower must notify BNA, which will secure the required and will invoice the Borrower the insurance premiums;
  - (c) the Borrower is responsible to pay BNA for the cost of the insurance coverage secured under paragraph (a) upon receipt of BNA’s invoice;
  - (d) failure to pay the insurance premiums on demand by BNA will be a breach of this Agreement.
- 10.2 If the Home is being constructed or renovated, the Borrower must purchase and maintain, or ensure the general contractor holds and maintains, no less than \$5 million in general liability and comprehensive liability construction insurance. The Borrower must purchase and maintain either mortgage life insurance or term life insurance in an amount sufficient to cover the Loan; term life insurance must name BNA as the loss payee.
- 10.3 The Borrower must ensure that all insurance policies for which the Borrower is responsible under this Agreement name BNA as an additional insured, with loss payable to BNA, and contain a waiver of any subrogation rights that the insurers may have against BNA.
- 10.4 The Borrower will ensure that all insurance policies required under this Agreement require that BNA be notified in the event of default, cancellation or threat of cancellation.
- 10.5 The Borrower must provide copies of insurance policies to BNA that demonstrate compliance with this Agreement on demand and on an annual basis.
- 10.6 The Borrower must not do anything, or fail to do anything, that will cause the insurance required under this Agreement to be voided or cancelled.
- 10.7 Failure to maintain the insurance required under this Agreement or to provide BNA with confirmation of the required insurance is a breach of this Agreement.
- 10.8 Without limiting subsection 10.7, if the Borrower fails to maintain the insurance required under this Agreement, BNA may obtain such insurance and charge the Borrower an amount equivalent to the premiums, which charges will be additional fees under this Agreement. Failure to pay these fees on demand by BNA will be a breach of this Agreement.

**11.0 INSPECTION**

11.1 If BNA provides the Borrower with forty-eight (48) hours prior written notice, BNA may enter and inspect the Home to determine whether the Borrower is complying with this Agreement and the Homeownership Policy.

11.2 BNA may access the Property at any time and without notice to the Borrower if one or more of the following applies:

- (a) there is an emergency and the access reasonably appears to be necessary to protect life or property;
- (b) the Borrower gives BNA permission; or
- (c) there is evidence that the Borrower has abandoned the Property.

**12.0 NON-MEMBER BORROWER / CO-APPLICANT**

12.1 If one or more Borrower is not a Member, that non-Member Borrower hereby acknowledges that he or she has no present or future possessory interest in the Land. The non-Member further agrees that any interest in an Improvement that the non-Member Borrower may be entitled to in accordance with an applicable matrimonial real property law or an enforceable domestic agreement is encumbered by the operation of this Agreement. The non-Member Borrower is required to provide a copy of the certificate of independent legal advice on the operation and consequences of this paragraph (a template certificate is provided at Schedule "F") and to sign the form at Schedule "E" regarding the transfer of any interests in Improvements to BNA.

Initials (Member and non-Member Borrowers):

--	--

Certificate of Independent Legal Advice provided:

--

12.2 Paragraph 12.1 survives the termination of this Agreement.

**13.0 ASSIGNMENT**

13.1 The Borrower must not assign or transfer any right, obligation, title, or interest the Borrower has or owes under the Loan agreement or this Agreement without the prior written

consent of BNA.

## **14.0 SUCCESSORS**

14.1 BNA may treat the death of the Borrower as a breach of this Agreement except as follows:

- (a) the Borrower has sufficient life insurance (mortgage or term) to pay out the Loan and has provided BNA with a copy of the Borrower's will in advance and in writing identifying the applicable beneficiary to receive the Certificate of Possession, in which case, upon discharge of the Loan, BNA will transfer the Certificate of Possession to the beneficiary, if he or she is a Member and is otherwise entitled and eligible to hold a Certificate of Possession in accordance with BNA Laws, Bylaws and Policies; or
- (b) if there is insufficient life insurance to pay out the Loan, the Borrower has provided BNA with a copy of the Borrower's will in advance and in writing identifying the applicable beneficiary to receive the Certificate of Possession, in which case, if the Lender consents to assign the Loan to the beneficiary, BNA will assign this Agreement to the beneficiary if the beneficiary is a Member, is otherwise entitled and eligible to hold a Certificate of Possession in accordance with BNA Laws, Bylaws and Policies, and consents to and qualifies for assignment of this Agreement.

14.2 For the purpose of subsection 14.1, the Borrower's beneficiary may be a single Member or two Members who are spouses.

## **15.0 DEFAULT / BREACH**

### **Events Constituting Breach of this Agreement**

15.1 It is a breach of this Agreement if the Borrower:

- (a) defaults on the Loan;
- (b) breaches any provision of this Agreement;
- (c) fails to comply with or breaches the Homeownership Policy;
- (d) becomes insolvent or bankrupt;
- (e) subject to section 14.0, dies.

15.2 If any warranty or representation of the Borrower made in this Agreement is or becomes untrue, it is a breach of this Agreement.

### **Borrower's Obligation to Notify**

15.3 The Borrower will immediately notify BNA if the Borrower is at risk of defaulting on the Loan or if the Borrower does default on the Loan.

### **Effect of Breach**

15.4 The Borrower's default on the Loan constitutes a breach of this Agreement and entitles BNA to immediately terminate this Agreement with written notice to the Borrower.

15.5 In the event of any breach of the Agreement other than a default on the Loan, BNA may, by written notice to the Borrower, inform the Borrower of the breach and the Borrower's duty to rectify the situation, and if the Borrower fails to rectify the breach within 30 days of such notice, BNA may immediately terminate this Agreement with written notice to the Borrower.

15.6 If BNA terminates the Agreement in accordance with subsection 15.4 or 15.5, then:

- (a) the Borrower's right to occupy the Property will terminate 30 days after written notice provided by BNA without re-entry or any other act or legal proceeding and BNA may re-enter the Property and possess and enjoy it as if this Agreement had not been made;
- (b) the Borrower must peaceably surrender to BNA the Property in the condition the Property was required to be kept under this Agreement;
- (c) without limiting the generality of the foregoing, BNA will retain all rights, titles and interests in the Property and may sell, transfer, convey, lease, rent or otherwise dispose of the Property, free and clear of any claim by the Borrower; and
- (d) for certainty, BNA will retain possession of the Certificate of Possession.

15.7 If the Property is surrendered to BNA and it is not in the condition required under this Agreement, BNA may repair or restore the Property prior to any sale with costs payable by the Borrower.

15.8 Subsections 15.6 and 15.7 survive the termination of this Agreement.

### **16.0 COST RECOVERY**

16.1 BNA is entitled to recover from the Borrower all the expenses that it reasonably incurs because of any breach of this Agreement by the Borrower whether BNA terminates the Agreement, including administrative costs and legal expenses.

16.2 The Borrower agrees that BNA may recover its costs by all available means, including:

- (a) sale or rental of the Property, if this Agreement is terminated;
- (b) deductions from any amount owing by BNA to the Borrower, such as per capita distributions;
- (c) garnishment of the Borrower's wages;
- (d) personal property seizure proceedings in relation to the Borrower's property; and
- (e) any other lawful means available.

16.3 Subsection 16.2 survives the termination of this Agreement.

## **17.0 INDEMNIFICATION**

17.1 The Borrower will indemnify and save harmless BNA from any and all liabilities, fines, suits, claims, costs or expenses BNA incurs as guarantor or otherwise in connection with this Agreement, any injury, death, damage or loss of any person arising out of the Borrower's occupation of the Property, the Borrower's performance or breach of a paragraph of the Agreement, including, without limitation, any liabilities not covered by the insurance required under this Agreement, or which result from the failure of the Borrower to maintain the insurance required under this Agreement.

## **18.0 TERM**

18.1 This Agreement will remain in full force and effect until either:

- (a) BNA receives written confirmation from the Lender that the Loan is repaid in full and discharged, all other terms of this Agreement have been complied with, and BNA issues a band council resolution releasing the Borrower from further obligations in accordance with subsection 5.1; or
- (b) BNA terminates the Agreement under subsection 15.4 or 15.5.

## **19.0 BNA'S RIGHTS**

19.1 In addition to the rights granted in this Agreement, BNA may enforce any other rights and remedies it may have at law or in equity.

19.2 BNA may do anything the Borrower is required to do or take any steps or pay any monies as may be reasonably necessary to preserve, protect or repair the Property, at any time the Borrower fails to do so without waiving any other rights or remedies available to BNA under this Agreement, at equity or at law. All costs and expenses incurred by BNA under this section are payable by the Borrower (with interest until paid) and secured by the Property.

19.3 All of BNA's rights and remedies are cumulative and one or more of these rights may be exercised independently or in combination from time to time.

19.4 BNA's waiver of, delay or failure to enforce any of BNA's rights or breach or default of the Borrower to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing breach or default, whether similar or dissimilar, and does not in any way release the Borrower from any obligation under this Agreement.

## **20.0 MATERIAL CHANGES IN INFORMATION**

20.1 The Borrower must notify BNA promptly of:

- (a) any material changes to the information contained in this Agreement (including the attached Schedules) relating to the Borrower, Property or Loan, including any address change;
- (b) the details of any change to name of the Borrower;
- (c) the details of any claims or litigation affecting the Borrower or Property;
- (d) the details of any change to the terms of the Loan;
- (e) any loss of or damage to the Property; and
- (f) any default by any account Borrower in its obligations with respect to the Property.

## **21.0 NOTICE**

21.1 Any written notice required under this Agreement may be given by personal delivery to the undersigned or by mail to the addresses set out on page 1. In accordance with subsection 20.1, it is the responsibility of each Party to this Agreement to notify the other Party if their address for delivery changes. A notice will be considered received if delivered personally on the date of delivery, and if delivered by mail five business days after mailing.

## **22.0 GENERAL PROVISIONS**

22.1 Time is of the essence in this Agreement.

22.2 This Agreement will be governed by and construed in accordance with the laws of Ontario and Canada.

- 22.3 Any amendment to this Agreement will be made in writing, executed by all Parties and attached as an addendum to this Agreement.
- 22.4 This Agreement and the Schedules to this Agreement constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement. There are no warranties, representations or agreements between the Parties in connection with the subject matter of this Agreement, except as specifically set out in this Agreement.
- 22.5 A word in the singular form may be read in the plural form if the context allows it and a word in the plural form may be read in the singular form if the context allows it.
- 22.6 Any reference to a law or statute means that law or statute, and any regulations made under it, all as changed or replaced over time.
- 22.7 A reference in this Agreement to a section is a reference to a section of this Agreement.
- 22.8 A reference in this Agreement to a subsection or paragraph is a reference to a subsection or paragraph of the section or subsection in which the reference occurs.
- 22.9 Reference to a Party will be read as if all required changes in the singular and plural and all grammatical changes rendered necessary by gender had been made.
- 22.10 Headings are for convenience and reference only and are not to be used to interpret any part of this Agreement.
- 22.11 If a court of competent jurisdiction determines that any provision of this Agreement is invalid or inapplicable, the provision will be severed from the Agreement and the remainder of the Agreement will remain in force with any necessary revisions.
- 22.12 This Agreement enures to the benefit of and be binding on the Parties and their respective heirs, executors, administrators, successors, and assigns.
- 22.13 The effective date of this Agreement is the date this Agreement is signed by all the Parties.

### **23.0 INDEPENDENT LEGAL ADVICE**

- 23.1 Without altering a non-Member Borrower's obligation under section 12.0, the Borrower(s) acknowledges that he/she/they have each had the opportunity to obtain independent legal advice prior to signing this Agreement, including, without limitation, legal advice concerning on-reserve spousal property matters and the property rights of non-members, if applicable.

**IN WITNESS WHEREOF** these Parties have executed this Agreement in \_\_\_\_\_,  
Ontario on \_\_\_\_\_, 20\_\_.

Witnessed by me at \_\_\_\_\_ )

in the Province of Ontario this \_\_\_\_\_ day of \_\_\_\_\_ )

20\_\_.

Witness

\_\_\_\_\_  
\_\_\_\_\_  
BNA Authorized Signatory

Witnessed by me at \_\_\_\_\_ )

in the Province of Ontario this \_\_\_\_\_ day of \_\_\_\_\_ )

20\_\_.

Witness

\_\_\_\_\_  
\_\_\_\_\_  
Borrower #1

(Print Name: \_\_\_\_\_)

Witnessed by me at \_\_\_\_\_ )



in the Province of Ontario this \_\_\_\_ day of )

\_\_\_\_\_, )  
20\_\_.

\_\_\_\_\_) )

\_\_\_\_\_) )

\_\_\_\_\_) )

Witness

\_\_\_\_\_

\_\_\_\_\_

Borrower #2

(Print Name: \_\_\_\_\_)

DRAFT

**Schedule "A" – Consent of Borrower's Spouse (not a loan applicant)**

*Complete this form if the Borrower's spouse is not an applicant on the Loan*

I, \_\_\_\_\_, am the Spouse (as defined in the BNA Matrimonial Real Property Law) of \_\_\_\_\_, the individual identified as the Borrower in the Security & Indemnity Agreement with BNA (the "Borrower") related to the property located at [set out address of home/land]: \_\_\_\_\_

I am aware of and consent to:

- (a) the Borrower's application for a home loan; and
- (b) the Borrower's agreement to the terms in the Security & Indemnity Agreement with BNA.

**This Declaration was signed** on \_\_\_\_\_, 20\_\_.

Witnessed by me at \_\_\_\_\_ )

in the Province of Ontario this \_\_\_\_\_ day of \_\_\_\_\_ )

20\_\_.

\_\_\_\_\_ )

\_\_\_\_\_ )

Witness

\_\_\_\_\_ ) Borrower's Spouse: \_\_\_\_\_

*Print name*

**Schedule "B" – Council Resolution for the Loan Guarantee**

**BINGWI NEYAASHI ANISHINAABEK FIRST NATION COUNCIL  
RESOLUTION**

292 COURT ST S, THUNDER BAY, ON P7B 2Y1

TEL.: +18076232724

**WHEREAS:**

- A. The Bingwi Neyaashi Anishinaabek ("BNA") operates under the authority of its Council.
- B. The BNA Land Code (the "Land Code") was ratified March 2014.
- C. BNA has entered into an agreement with the [choose one: the First Nations Market Housing Fund or Indigenous Services Canada] to address the Membership's housing needs.
- D. Member [set out Member's full name name] \_\_\_\_\_, Band # \_\_\_\_\_ (the "Member") has qualified for Homeownership Financing with [name of lender: \_\_\_\_\_];
- E. [Delete this recital if loan is facilitated through the Ministerial Loan Guarantee program] The proposal submitted by [name of lender: \_\_\_\_\_] for a Credit Enhancement Certificate was accepted by BNA and the First Nations Market Housing Fund on [insert applicable date: \_\_\_\_\_];
- F. The Member entered into a Security and Indemnity Agreement in favour of BNA and has consented to transfer to BNA as security for their loan guarantee the Member's Certificate of Possession for the land situate on BNA Land, being more particularly described as:

Legal Land Description: \_\_\_\_\_  
\_\_\_\_\_

Residential address: \_\_\_\_\_

(the "Land")

[THIS PORTION OF THE PAGE IS INTENTIONALLY BLANK]

**Now therefore be it resolved:**

That the BNA Council approves the request of the Member to guarantee payment of his/her loan in the amount of \$ \_\_\_\_\_ from the [name of lender: \_\_\_\_\_] and authorizes the signing of all documents required to make that loan guarantee.

This resolution is supported by the undersigned and passed this \_\_\_\_ of \_\_\_\_, 20\_\_.

***Quorum of Council: 2***

\_\_\_\_\_  
\_\_\_\_\_

DRAFT

**Schedule "C" – BNA ALLOTMENT TRANSFER FORM**

**ALLOTMENT TRANSFER FORM**



Bingwi Neyaashi  
Anishinaabek  
BNA Lands Register

APPROVED AS TO THE FORM BY THE <b>LANDS MANAGER</b> PURSUANT TO THE BNA LAND CODE
Signature: _____
Date: _____

**TRANSFER OF INTEREST IN ALLOTMENT EVIDENCED BY CERTIFICATE OF POSSESSION AND TRANSFER OF INTEREST IN IMPROVEMENTS**

Page 1 of \_\_\_\_ Pages

---

1. APPLICATION:(Name, address, phone number and signature of applicant, applicant's solicitor or agent)  
**[FULL LEGAL NAME]**  
**[ADDRESS]**  
 Phone: **(000)000-0000** \_\_\_\_\_  
 Signature of Applicant, Applicant's Solicitor or Agent

---

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:  
 PIN LEGAL DESCRIPTION  
**00 [LOT #] [SURVEY PLAN] [RESERVE NAME & NO.]**  
**(the "Land")**

---

3. CONSIDERATION:  
**[DOLLAR VALUE]**

---

4. TRANSFEROR(S):  
**[FULL LEGAL NAME]**  
**[ADDRESS]**  
 BNA Membership No. \_\_\_\_\_  
 Certificate of Possession or Allotment No. \_\_\_\_\_ **(the "Allotment")**

---

5. INSTRUMENT:  
 Agreement  
 Estate Transfer  
 Other (specify) \_\_\_\_\_

---

6. TRANSFEREE(S): including occupation(s), postal address(es) and postal code(s)  
*Select if CP being transferred to BNA or to a Member:*  
**BNA**      
  
**Member**      
**[FULL LEGAL NAME]**  
**[ADDRESS]**  
 BNA Membership No. \_\_\_\_\_  
**[OCCUPATION]**

---

7. REPRESENTATION: The Transferor(s) transfers to the Transferee the following free and clear of any and all charges, claims, security interests and encumbrances of any sort, but subject to any reservations provided for in the instrument granting the interest in the Land (the "Certificate of Possession"):
- (a) the Allotment as evidenced by the Certificate of Possession;
  - (b) the Transferor(s)'s entire estate and interest in the Land; and
  - (c) anything made, constructed, erected, built, altered repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it (the "Improvements").
8. For certainty, the Transferor(s)'s estate and interest in the Allotment and the Land being transferred does not include any right, title or interest to any substance considered to be hazardous under applicable environmental and similar laws.

9. REPRESENTATION: The Transferor(s) further represents that
- (a) no other person has a claim or can make a claim against the Transferor(S)'s Allotment;
  - (b) with the exception of my non-Member spouse (if applicable), no other person has a claim or can make a claim against the Improvements;
  - (c) the Land has not to my/our knowledge been polluted with any substance considered to be hazardous under applicable environmental and similar laws;
  - (d) for certainty, if the Certificate of Possession provides that certain covenants survive the termination of the right of possession, those covenants survive despite these representations;
  - (e) if there is more than one transferor identified in this instrument, the obligations of all transferors are joint and several.

10. EXECUTION(S): The Transferor(s) accept(s) the above consideration and understand(s) that this instrument operates to transfer the Allotment as evidenced by the Certificate of Possession in the land described in Item 2 and the Improvements to the Transferee(s).

[Solicitor/Notary/Other] Signature(s)	EXECUTION DATE	Transferor(s)/Tranferee(s) Signature(s)						
As to the signature of the Transferor(s)	<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">Y</th> <th style="padding: 5px;">M</th> <th style="padding: 5px;">D</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">0000</td> <td style="text-align: center; padding: 5px;">00</td> <td style="text-align: center; padding: 5px;">00</td> </tr> </tbody> </table>	Y	M	D	0000	00	00	<p>Transferor(s): Click or tap here to enter text.</p> <hr/> <p>Transferee(s): Click or tap here to enter text.</p>
Y	M	D						
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**Schedule “D” – ENCUMBRANCES ON THE LAND**

**ENCUMBRANCES ON THE LAND**

*[list any encumbrances on the Land that appear in the FNLRS for the applicable lot and as disclosed by the Borrower under section 6.2]*

**Schedule “E” – TRANSFER OF IMPROVEMENTS – NON-MEMBER**

**TRANSFER OF IMPROVEMENTS – NON-MEMBER**

I, \_\_\_\_\_ am the non-Member spouse of *Member spouse’s name*] \_\_\_\_\_ who is a Bingwi Neyaashi Anishinaabek (“BNA”) Member registered in lawful possession of the parcel of BNA Land located at: [Describe the land being transferred] \_\_\_\_\_ (the “Land”).

I acknowledge the following:

- (a) as a non-Member, I do not have and am not entitled to a legal possessory interest in the Land; and
- (b) I may be entitled, in accordance with an applicable matrimonial real property law or an enforceable domestic agreement with *Member spouse’s name*]: \_\_\_\_\_, to an interest in certain things made, constructed, erected, built, altered, repaired or added to the Land, and attached to it or intended to become a part of it (the “Improvements”).

In consideration of the sum of one dollar paid to me by BNA, the receipt of which sum is hereby acknowledged, I transfer to BNA any interest I hold, may hold or be entitled to hold in the Improvements, free and clear of any and all charges, claims, security interests and encumbrances of any sort, but subject to any reservations provided for in the instrument granting the interest in the Land.

I represent that, with the exception of *Member spouse’s name*] \_\_\_\_\_, no other person has a claim or can make a claim against the Improvements.

THE TRANSFEROR ACKNOWLEDGES HAVING READ THIS TRANSFER/DECLARATION AND HAVING RECEIVED A DUPLICATE COPY THEREOF.

THIS AGREEMENT COMES INTO EFFECT UPON SIGNING.

[Solicitor/Notary/Other] Signature(s)

EXECUTION DATE

Transferor(s)/Tranferee(s) Signature(s)

\_\_\_\_\_  
As to the signature of the  
Transferor(s)

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Transferor(s): Click or tap  
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Transferee(s): Click or tap  
here to enter text.

**Schedule “F” – CERTIFICATE OF INDEPENDENT LEGAL ADVICE FOR NON-MEMBER BORROWER**

**CERTIFICATE OF INDEPENDENT LEGAL ADVICE  
FOR NON-MEMBER BORROWER**

To: Bingwi Neyaashi Anishinaabek (“BNA”)

I confirm the following:

1. I was consulted by [*non-Member Borrower’s name*] \_\_\_\_\_ (referred to as “**my Client**”) of [*address, city*] \_\_\_\_\_ on [*date*] \_\_\_\_\_ in their presence alone regarding the effect of a Security & Indemnity Agreement (attached as an appendix to this Certificate) (the “**Agreement**”) on my Client’s matrimonial property rights.
2. My Client confirms the following background facts:



- (a) my Client's spouse is a BNA Member (the "**Spouse**");
- (b) the Spouse holds the exclusive right of possession (the "**Allotment**") for the BNA Land located at [set out address and legal description of the land identified in the Agreement] (the "**Land**") as evidenced by a "**Certificate of Possession**";
- (c) My client and their Spouse have applied for a loan related to the home located on the Land or to be built on the Land (the "**Home Loan**").

3. I advised my Client on the following terms and resulting effects of the Agreement related to my Client being a non-Member Borrower:

- (a) BNA has agreed to guarantee the Home Loan in exchange for the following:
  - (i) the Spouse transfers to BNA the Allotment for the Land as evidenced by the Certificate of Possession, and
  - (ii) the Spouse and my Client transfer to BNA all "**Improvements**" on the Land (all things made, constructed, erected, built, altered, repaired or added to the Land, and attached to it or intended to become a part of it);
- (b) in accordance with applicable matrimonial real property law or a domestic contract, my Client may have an interest in certain Improvements on the Land; however, upon executing the Agreement, any interest my Client holds in the Improvements will be transferred to and held by BNA until the terms of the Home Loan have been satisfied and my Client and their Spouse have otherwise satisfied the Agreement.

4. I advised my Client that, based on their status as a non-Member, my Client does not have a present or future legal possessory interest in the Land or the Allotment.

5. I have given this advice to my Client as their solicitor and in their interest only.

6. I have confirmed that the person whose signature is witnessed below and to whom I provided legal advice is the same person referred to in this Certificate as having received advice.

\_\_\_\_\_  
Solicitor's name (Printed)

\_\_\_\_\_  
Solicitor's signature

\_\_\_\_\_  
\_\_\_\_\_  
Solicitor's firm name and address

Client's confirmation:

I hereby acknowledge that all of the statements made in this Certificate are true and that [*name of Solicitor*] \_\_\_\_\_, in advising me on the matters identified in this Certificate, was consulted by me as my personal solicitor and in my interest only.

\_\_\_\_\_  
Solicitor's signature as witness

\_\_\_\_\_  
Client's signature

## APPENDIX F – MARKET BASED HOUSING PROGRAM DETAILS

### 1.0 INTRODUCTION

- 1.1 This Appendix applies to applications for Home Loans under the Market Based Housing program in addition to the applicable provisions set out at section 4.0 of the *BNA Homeownership Policy* (the "Homeownership Policy").
- 1.2 As provided in the Homeownership Policy, BNA may guarantee a Home Loan for New Construction, Purchase, Renovation or Refinance approved under the Market-

Based Housing Program from a Lender but BNA will not provide any of the funds directly to the Borrower.

- 1.3 This document will be updated as needed to reflect the First Nation Market Housing Fund program requirements.

## 2.0 DEFINITIONS

- 2.1 In this Appendix, capitalized terms in this Appendix have the same meaning as provided in the Homeownership Policy.

## 3.0 HOME LOAN NEW CONSTRUCTION PROGRAM

- 3.1 BNA has established a program to help Members build a new home on BNA Land.
- 3.2 The maximum Home Loan for New Construction shall not exceed \$XXX,XXX over a maximum twenty-five (25) year amortization period.

## 4.0 HOME LOAN PURCHASE PROGRAM

- 4.1 BNA has established a program to help Members purchase an existing Private Home on BNA Land.
- 4.2 The maximum Home Loan to Purchase a Private Home with or without renovations shall not exceed \$XXX,XXX.

## 5.0 HOME LOAN REFINANCE PROGRAM

- 5.1 BNA has established a program to help Members refinance their existing Private Home.
- 5.2 The maximum Home Loan to Refinance a Private Home with or without renovations shall not exceed \$XXX,XXX.

## 6.0 HOME LOAN RENOVATION PROGRAM

- 6.1 BNA has established a program to help Members renovate their existing Private Home.
- 6.2 The maximum Home Loan to Renovate shall not exceed \$XX,XXX and shall not be less than \$X,XXX.
- 6.3 The amortization period for a Home Loan under this program shall be:
- (a) No more than five (5) years for amounts less than \$XX,XXX .
  - (b) No more than ten (10) years for amounts between \$XX,XXX and \$XX,XXX.

- (c) No more than fifteen (15) years for amounts between \$XX,XXX and \$XX,XXX .

## **7.0 HOME LOAN APPLICATION PROGRAM**

### **7.1 Application for a New Construction Home Loan**

7.1.1 This Policy has been established to ensure a clear, fair and transparent process for Members to build, purchase, renovate, or refinance a privately held home on BNA Land. This Policy outlines the processes and requirements of the Member, BNA, and the Lender.

7.1.2 An Applicant must meet the following conditions before making an application for a New Construction Home Loan under the Market-Based Housing program:

- (a) The Applicant must meet the general criteria in section 4.5 of the Homeownership Policy;
- (b) The Applicant must have fully completed an application in the prescribed form set out at Appendix A of the Homeownership Policy;
- (c) Confirmation that the Home Lot has been allotted to the Applicant;
- (d) A detailed Home Lot site plan for the construction project to be provided to both the Housing Administration Department and the Lender;
- (e) Engineered drawings of a house plan or building code compliant blueprints and specifications of any modular or manufactured home with sufficient copies to retain for the Applicants records as well as provide to a copy to each of the Housing Administration Department, the Lender, the general contractor and the building inspector;
- (f) Letters of Assurance from both a geotechnical and structural engineer related to the home and the Home Lot have been obtained;
- (g) A fixed price contract quote to build the home from a qualified general contractor or a manufacturer's sale agreement for any modular or manufactured home;
- (h) Confirmation that the Applicant has sufficient equity to cover the cost of any down payment, closing costs and construction costs in excess of the maximum Home Loan.

7.1.3 The following conditions must be met after an application has been accepted but before the New Construction Home Loan is issued:

- (a) The Borrower must meet all requirements from the Lender with respect to the Home Loan;
- (b) The Borrower must execute and return a Security and Indemnity Agreement set out in Appendix E which confirms that:

- (i) The Member will transfer the Allotment to BNA and the Allotment will be held as security for the lifetime (amortization) of the Home Loan, and
  - (ii) In the event of default, BNA is entitled to retain the Member's Allotment and ownership in the home and any improvements will vest immediately in BNA.
- (c) The Borrower is required to obtain Canadian Mortgage and Housing Corporation insurance through the Lender.
- (d) The Borrower must provide evidence that the general contractor constructing the home:
- (i) Is certified by the Workplace Safety and Insurance Board (WSIB),
  - (ii) Is certified under Ontario's Building Code,
  - (iii) Holds no less than \$5 million in general liability and comprehensive liability insurance coverage;
  - (iv) Will comply with the current Ontario's Building Code, BNA construction standards, bylaws, regulations and policies applicable to the project,
  - (v) Has provided three (3) written and dated references with contact information,
  - (vi) Has provided a construction schedule, and,
  - (vii) Will cover construction costs prior to the first Home Loan advance.
- (e) The Borrower is required to adhere to the following general conditions during the construction of the home:
- (i) Builder's risk and/or construction insurance is obtained and maintained throughout the construction of the home,
  - (ii) Construction timelines are completed within the deadlines imposed by the Housing Administration Department and the Lender,
  - (iii) BNA and Ontario's Building Code inspectors are permitted to attend to the construction site as requested and required,
  - (iv) Any specific BNA building standards which exceed Ontario's Building Code are understood and followed, and,
  - (v) All necessary permits are obtained and properly closed.

7.1.4 Terms and advances of any New Construction Home Loan shall be determined by the Lender, however, in absence of any other guidance:

- (a) The Borrower is required to pay any equity prior to the first advance by the Lender;

- (b) The maximum number of advances shall be four (4) and shall be made as follows:
  - (i) First advance when the foundation is complete;
  - (ii) Second advance when the unit is ready for drywall;
  - (iii) Third advance when interior and exterior finishing is complete; and
  - (iv) Fourth advance, constituting the 10% holdback, when:
    - (A) The home has been fully constructed and occupancy authorization could be issued;
    - (B) All deficiencies identified by a qualified inspector have been corrected; and,
    - (C) The general contractor has provided a statutory declaration attesting to the home complying with subparagraph (A).

## **7.2 Application for a Home Loan to Purchase a Private Home**

7.2.1 The following conditions are required to be met by the Applicant before an application for a Home Loan to Purchase a Private Home will be considered by BNA:

- (a) The Applicant must meet the general criteria in section 4.5 of the Homeownership Policy;
- (b) The Applicant must have fully completed an application in the prescribed form set out at Appendix A of the Homeownership Policy;
- (c) The Applicant must have a conditional or executed purchase and sale agreement for the home;
- (d) The Applicant provides confirmation that the Home Lot has been allotted to the vendor; and,
- (e) The Applicant provides confirmation that the Applicant has sufficient equity to cover the cost of any down payment, closing costs and construction costs more than the maximum Home Loan.

7.2.2 The following conditions must be met after an application has been accepted but before the Home Loan to Purchase a Private Home is issued:

- (a) The Borrower must meet all requirements from the Lender with respect to the Home Loan;
- (b) The Borrower must execute and return a Security and Indemnity Agreement set out in Appendix E which confirms that:
  - (i) The Member will transfer the Allotment to BNA and the Allotment will be held as security for the lifetime (amortization) of the Home Loan;

- (ii) In the event of default, BNA is entitled to retain the Member's Allotment and ownership in the home and any improvements will vest immediately in BNA;
- (c) The Borrower is required to obtain Canadian Mortgage and Housing Corporation insurance through the Lender;
- (d) The Borrower must arrange and pay for an inspection of the home by a qualified inspector which confirms the structural, exterior and mechanical integrity of the home as well as its compliance with health and safety regulations. A copy of the inspection report must be submitted to the Housing Administration Department and the Lender;
- (e) The Borrower must arrange and pay a qualified, independent appraiser to appraise the market value of the home. A copy of the appraisal report must be submitted to the Housing Administration Department and the Lender;
- (f) If the Borrower wishes to undertake renovations to the property as a part of the Home Loan, they must submit a renovation plan and budget to the Housing Administration Department and Lender; and,
- (g) If BNA or the Lender determine that the renovations require a qualified contractor, the Borrower shall obtain a fixed price contract quote from a contractor who meets the qualifications in section 7.1.3(d).

7.2.3 The Borrower is required to adhere to the following general conditions during any renovations to the home:

- (a) Builder's risk and/or construction insurance is obtained and maintained throughout any renovations to the home;
- (b) Renovation timelines are completed within the deadlines imposed by the BNA Housing Administration Department and the Lender;
- (c) BNA and Ontario's Building Code inspectors are permitted to attend to the construction site as requested and required;
- (d) Specific BNA building standards which exceed Ontario's Building Code are understood and followed;
- (e) Hydro connections are to be installed by Hydro One or a qualified contractor; and,
- (f) Connections to water and sewer line hook up must be coordinated through the Housing Administration Department and a water potability certificate must be obtained.

7.2.4 Terms and advances of any Home Loan to Purchase a Private Home shall be determined by the Lender, however, in absence of any other guidance:

- (a) The Borrower must execute the purchase and sale agreement for the home after all required documentation is in place and duly executed and before the Home Loan is approved;

- (b) The possession date shall be the date the Home Loan proceeds for the purchase of the home are paid;
- (c) Where renovations are included in the Home Loan, the maximum number of advances shall be three (3); and,
- (d) If a septic system or well is being repaired, the Borrower is required to adhere to provincial requirements.

## **7.3 Renovation Home Loan Applications**

7.3.1 The following conditions are required to be met by the Applicant before an application for Renovation Home Loans will be considered by BNA:

- (a) The Applicant must meet the general criteria in section 4.5 of the Homeownership Policy;
- (b) The Applicant must submit a completed application in the prescribed form set out at Appendix A of the Homeownership Policy;
- (c) The Applicant must provide confirmation that the home and Home Lot has been allotted to the Applicant; and,
- (d) The Applicant must provide confirmation that the Applicant has sufficient equity to cover any construction costs more than the maximum Home Loan.

7.3.2 The following conditions must be met after an application has been accepted but before the Renovation Home Loan is issued:

- (a) The Borrower must meet all requirements from the Lender with respect to the Home Loan;
- (b) The Borrower must execute and return a Security and Indemnity Agreement set out in Appendix 4 which confirms that:
  - (i) The Member will transfer the Allotment to BNA and the Allotment will be held as security for the lifetime (amortization) of the Home Loan,
  - (ii) In the event of default, BNA is entitled to retain the Member's Allotment and ownership in the home and any improvements will vest immediately in BNA;
- (c) Where required by the Lender, the Borrower shall obtain Canadian Mortgage and Housing Corporation insurance through the Lender;
- (d) The Borrower must submit a renovation plan and budget to the Housing Administration Department and Lender; and,
- (e) In the event that BNA or the Lender determine that the renovations require a qualified contractor, the Borrower shall obtain a fixed price contract quote from a contractor who meets the qualifications in section 7.1.3(d).



- 7.3.3 The Borrower is required to adhere to the following general conditions during any renovations to the home:
- (a) Builder's risk and/or construction insurance is obtained and maintained throughout any renovations to the home;
  - (b) Renovation timelines are completed within the deadlines imposed by the BNA Housing Administration Department and the Lender;
  - (c) BNA and Ontario's Building Code inspectors are permitted to attend to the construction site as requested and required;
  - (d) Specific BNA building standards which exceed Ontario's Building Code are understood and followed;
  - (e) All necessary permits are applied for and properly closed;
  - (f) Hydro connections are to be installed by Hydro One or a qualified contractor; and,
  - (g) Connections to water and sewer line hook up must be coordinated through the Housing Administration Department and a water potability certificate is to be obtained.

7.3.4 Terms and advances of any Renovation Home Loan shall be determined by the Lender, however, in absence of any other guidance:

- (a) The maximum number of advances shall be three (3); and,
- (b) Where a septic system or well is being repaired, the Borrower is required to adhere to provincial requirements.

## **7.4 Refinance Home Loan Applications**

7.4.1 The following conditions are required to be met by the Applicant before an application for Refinance Home Loan's will be considered by BNA:

- (a) The Applicant must meet the general criteria in section 4.5 of the Homeownership Policy;
- (b) The Applicant must have fully completed an application in the prescribed form set out at Appendix A of the Homeownership Policy;
- (c) Provided confirmation that the home is owned by the Applicant; and,
- (d) Provided confirmation that the Home Lot has been allotted to the Applicant.

7.4.2 The following conditions must be met after an application has been accepted but before the Refinance Home Loan is issued:

- (a) The Borrower must meet all requirements from the Lender with respect to the Home Loan;

- (b) The Borrower must execute and return a Security & Indemnity Agreement set out in Appendix 4 which confirms that:
  - (i) Where an Allotment is held by the Member, the Allotment will be transferred to BNA and will be held as security for the lifetime (amortization) of the Home Loan,
  - (ii) In the event of default, BNA is entitled to revoke or cancel the Member's Allotment and ownership in the home and any improvements will vest immediately in BNA. If the Member transferred their Allotment as security, BNA is entitled to retain the Allotment;
- (c) The Borrower is required to obtain Canadian Mortgage and Housing Corporation insurance through the Lender;
- (d) The Borrower must arrange and pay for an inspection of the home by a qualified inspector which confirms the structural, exterior and mechanical integrity of the home as well as its compliance with health and safety regulations. A copy of the inspection report must be submitted to the Housing Administration Department and the Lender;
- (e) The Borrower must arrange and pay a qualified, independent appraiser to appraise the market value of the home. A copy of the appraisal report must be submitted to the Housing Administration Department and the Lender;
- (f) In the event that the Borrower wishes to undertake renovations to the property as a part of the Home Loan, they must submit a renovation plan and budget to the Housing Administration Department and Lender;
- (g) If BNA or the Lender determine that the renovations require a qualified contractor, the Borrower shall obtain a fixed price contract quote from a contractor who meets the qualifications in section 7.1.3(d).

7.4.3 The Borrower is required to adhere to the following general conditions during any renovations to the home:

- (a) Builder's risk and/or construction insurance is obtained and maintained throughout any renovations to the home;
- (b) Renovation timelines are completed within the deadlines imposed by the BNA Housing Administration Department and the Lender;
- (c) BNA and Ontario's Building Code inspectors are permitted to attend to the construction site as requested and required;
- (d) Specific BNA building standards which exceed Ontario's Building Code are understood and followed;
- (e) Hydro connections are to be installed by Hydro One or a qualified contractor; and,

- (f) Connections to water and sewer line hook up must be coordinated through the Housing Administration Department and a water potability certificate is obtained.

7.4.4 Terms and advances of any Purchase Home Loan shall be determined by the Lender, however, in absence of any other guidance:

- (a) Where renovations are included in the Home Loan, the maximum number of advances shall be three (3); and
- (b) Where a septic system or well is being repaired, the Borrower is required to adhere to provincial requirements.

## **APPENDIX G – FEDERAL HOME RENOVATION PROGRAMS**

### **1.0 INTRODUCTION**

1.1 This Appendix explains external renovation funding programs provided through CMHC and ISC.

1.2 The renovation funding programs addressed in this Appendix do not apply to renovations funded through the Ministerial Loan Guarantee Program or the Market Based Housing Program.

1.3 All external funding for renovations is income based, which means, to be eligible, applicants must be below a set annual income, as dictated by the relevant program.

1.4 Capitalized terms have the same meaning as provided in the Homeownership Policy.

1.5 This document will be updated as needed to reflect the First Nation Market Housing Fund program requirements.

### **2.0 RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP)**

2.1 CMHC offers funding for repairs and renovations to Homeowners, including Homeowners with disabilities and seniors (individuals over the age of 55 years), through several of its Residential Rehabilitation Assistance Programs (“RRAP”).

- 2.2 Homeowners who require repairs to their Private Homes may be eligible to apply for RRAP funding if they meet the eligibility guidelines outlined below.
- 2.3 Funding may be available to repair or renovate Private Homes that lack basic facilities or are in need of major repair in one or more of the following categories:
- (a) structural;
  - (b) electrical;
  - (c) plumbing;
  - (d) heating; or
  - (e) fire safety.
- 2.4 Assistance may also be available to address a problem with overcrowding within Private Homes.
- 2.5 Funding may also be available to help Homeowners pay for minor home adaptations to extend the time low-income seniors can live in their own homes independently.
- 2.6 A Homeowner may qualify for minor home adaptation funding if he/she:
- (a) is 55 years of age or older;
  - (b) have an age-related condition or diminished ability that can be helped by one or more of the eligible adaptations;
  - (c) lives in the dwelling independently ;
  - (d) has a total household income that is at or below the specified limit; and
  - (e) the dwelling unit for which the adaptations will be made is his/her permanent residence.
- 2.7 The RRAP can help with home modifications that are intended to eliminate physical barriers, imminent life safety risks and improve the ability to meet the demands of daily living within the home. Activities of daily living include:
- (a) approaching and getting in and out of the home;
  - (b) using doors and windows;
  - (c) controlling light, heat, ventilation and electrical systems;
  - (d) using the kitchen and bathroom;
  - (e) getting around hallways, corridors and stairways;
  - (f) accessing the bedroom, living and dining areas;
  - (g) doing the laundry;
  - (h) using closets/storage areas; and

(i) answering the door.

2.8 Maximum assistance/loan amounts for these programs are established by CMHC.

2.9 Homeowners are responsible for finding their own alternative housing while renovations are being carried out, or rentals arrangements may be made with the Housing Administration Department.

**2.10 Work carried out before the funding is approved in writing is not eligible for reimbursement under this program.**

DRAFT