



HOMEOWNERSHIP POLICY



BINGWI NEYAASHI ANISHINAABEK

Background

- The draft Homeownership Policy was developed with a legal consultant.
- The work is supported and paid for by the First Nations Market Housing Fund.
- The Policy has been reviewed with staff, the Housing Committee and Council.
- Council is asking for Members' feedback on the draft Homeownership Policy.
- This document summarizes the Policy. You can access the full version of the draft Homeownership Policy on the BNA website.

Homeownership Policy

Scope

- Explains a Homeowner's responsibilities;
- Explains how a Member can access financing to build, purchase or renovate a home;
- Identifies available grant programs to assist with home renovations;
- Establishes a dispute resolution process that applies to disputes that may arise from the implementation of the Policy.

Homeownership Policy

Homeowner Responsibilities

- Follow all **BNA laws**, bylaws and policies and ensure their guests and tenants do too.
- **Maintain and repair** their home and the applicable lot
 - BNA is not responsible for these costs;
 - If a Homeowner refuses to do necessary repairs required for safety or health reasons, BNA can authorize those maintenance/repairs to a home /lot. Any costs of such work will be charged to the Homeowner and will become a debt owing.
- Purchase and maintain adequate **insurance** to cover their home. BNA will not cover any losses.
- Pay for all fees for **utilities** to their home (e.g. electricity, heat, hot water, etc).

Homeownership Policy

Homeowner Responsibilities

- Maintain the lot's individual **septic field**;
- Clear **snow and ice** from driveways and walkways on the property ensuring safe access to the unit;
- Must not remove **soil** from the home lot or deposit soil from off Reserve on to the home lot without BNA's written permission;
- Only operate a **home-based business** out of their home with BNA's written approval;
- Only keep their own **personal vehicles/boats** on their lot; must not keep more than one **unregistered vehicle or non-operational boat** on their lot.
- A Homeowner must not engage in "disorderly conduct", e.g. fighting, unreasonable noise, firing a gun, etc.

Homeownership Policy

Rentals

- A Homeowner may only rent their home/part of their home to a tenant who is a Member.
 - *Exception:* if the Housing Administration Department confirms there are no Members on the rental housing waiting list, the Homeowner may rent to a non-Member. The Housing Department's confirmation only has effect for two weeks; Homeowner must check in again if two weeks has expired before room/suite rented.
- A Homeowner may only rent
 - if they use a formal tenancy contract, and
 - They advise the Housing Administration Department.
- BNA is not responsible for enforcing private tenancies.

Homeownership Policy

Rentals

- If a Homeowner has a loan attached to their home, the lender may impose restrictions on renting.
- Lenders typically require a Borrower to continue to occupy the home for the life of the loan. A lender may permit a Borrower to rent a suite in their home.

Matrimonial Real Property

- A private home is subject to the BNA *Matrimonial Real Property Law* (the “MRP Law”) if the home qualifies as a “matrimonial home” which is a dwelling that is ordinarily used for a family purpose that is owned exclusively by one or both spouses and is affixed to BNA Land.
- Both spouses have an equal right to occupy the matrimonial home.
- A spouse may not dispose of or encumber the matrimonial home or other “matrimonial property” unless the other spouse consents in writing.
- The MRP Law is under legal review; Homeowners must be aware of any new changes in the amended MRP Law that might affect them.

Death of a Homeowner

- If a Homeowner dies, their home and their Allotment will pass to their eligible beneficiaries as directed in their will.
 - If there is no will, the estates provisions of the *Indian Act* will apply.
- A Homeowner's estate is responsible for discharging any outstanding home loan before the estate is distributed.

Homeownership Policy

Pets

Pets

- Homeowners are allowed to keep two cats or dogs, or combination of either.
- Homeowners will be required to follow minimum animal welfare standards regarding tethering outdoors and providing adequate care.
- A Homeowner must comply with a Pet Bylaw that may be enacted.

Homeownership Financing

Market Based Housing Program - First Nations Market Housing Fund

Borrowers can access home loans for the purchase, construction, renovation and refinancing of private homes. The program provides a credit enhancement facility to BNA to serve as a financial backstop to Council loan guarantees.

Ministerial Loan Guarantee Program

A CMHC program that gives Borrowers access to home financing. CMCH provides loan insurance to an approved lender and the loan is secured by a Council Resolution and a Ministerial Loan Guarantee from Indigenous Services Canada.

Applicant Eligibility for Financing

1. A Member (18yrs+) or a BNA Legal Entity in good financial standing with BNA;
2. Holds an Allotment in the land;
3. Contributes at least 5% cash equity as down payment if the loan application is to build a home or purchase a home;
4. Meet lender's minimum requirements for a loan;
5. Capable of repaying the loan;

Applicant Eligibility for Financing

6. Agree to enter into a Security & Indemnity Agreement;

- Requires the Member to transfer to BNA their Allotment (CP) as security for Council's loan guarantee.

7. Agree to pay the cost of building and contents insurance;

8. Agree to provide evidence of their will or other legal document that demonstrates plans to transfer the home and lot to an eligible recipient if Borrower passes away before loan is repaid;

9. Agree to obtain either mortgage life insurance or term life insurance sufficient to cover the loan.

An applicant may only be approved for one loan at a time.

Homeownership Policy

Home Eligibility for Financing

1. Located on a surveyed lot on BNA's reserve;
2. For a refinance or renovation loan, recognized by BNA as being owned by the Applicant;
3. For a home purchase loan, recognized by BNA as being owned by the vendor;
4. Connected to services (hydro, water, etc);
5. Accessible by road access;
6. Eligible for fire insurance/replacement insurance.

Financing Application and Approval

- The Policy provides a step-by-step procedure for the Housing Administration Department to follow in assisting Members to apply for financing:
 - Assist applicants to complete applications;
 - Review submitted applications for eligibility;
 - For complete applications and eligible applicants, a conditional letter of support provided to the lender;
 - Member makes loan application with lender;
 - If lender approves application, the applicable loan documents will be signed by the parties, including a Security & Indemnity Agreement;
 - Member proceeds with approved activities in compliance with the loan terms.

Homeownership Policy

Insurance

- The Borrower must secure insurance until the loan is paid in full:
 - “all perils” house insurance to cover the replacement value of the house;
 - General liability insurance in an amount specified in the Security & Indemnity Agreement;
 - The Security & Indemnity Agreement can be shared with an insurance company as evidence of the Borrower’s authority to exclusively use and occupy the home;
 - If an insurance company will not insure the home because the Borrower does not hold the Allotment/Certificate of Possession, BNA will secure the insurance and bill the Borrower for the premiums.

Homeownership Policy

Default

- If Borrower cannot maintain the loan in good standing, BNA may work with the lender to acquire the home and terminate the Borrower's occupancy.
- BNA can deal with the home as they wish, sell the home, use it as a rental unit, etc.
- If BNA sells the home and there is some equity remaining after the loan has been repaid and all of BNA's costs reimbursed, BNA can pay the remaining equity to the Borrower.

Homeownership Policy

Discharging Loan

- When the loan has been repaid in full, BNA will release the Borrower from their obligations and return to the Borrower their Allotment/Certificate of Possession.

Homeownership Policy

Renovations

- A Homeowner wishing to renovate their home is responsible for all costs, must obtain the necessary approvals before beginning any work and ensure that the renovations comply with the current Ontario Building Code.
 - The Ontario Building Code does not apply on reserve by its own force but BNA can set it as the applicable standard.
- Homeowners may access certain financial assistance programs to help with renovations,
 - e.g. the Residential Rehabilitation Assistance Program and Home Adaptations for Seniors' Independence.
 - These programs are explained in the Policy's appendix section.

Homeownership Policy

Dispute Resolution

- For disputes that arise through the implantation of the Policy, Parties to the dispute will attempt to settle the matter informally.
- A formal appeal can be made in writing to the Housing Administration Department on the grounds that (i) the Policy was not followed; (ii) a decision was not procedurally fair; (iii) a decision was based on incorrect information; or (iv) new information has emerged that makes the original decision unreasonable.
- An appeal cannot be made of a lender's decision or regarding BNA's allocation of resources to any of the financing programs.

Rental Housing Policy

Proposed Changes to Rental Housing Policy

1. Change name from “Housing Policy” to “Rental Housing Policy” so no confusion with the Homeownership Policy.
2. Moved all content related to Homeownership to the Homeownership Policy: Ministerial Loan Guarantee Program and home renovation programs.

Next Steps

1. Prepare a new draft of the Homeownership Policy reflecting any feedback received today.
2. Member consultation
 - Discussion of best approach to engage Members and inform Members of the new policy.