

MORTGAGE LOAN INSURANCE AND PREMIUMS



Mortgage Loan Insurance from Canada Mortgage and Housing Corporation (CMHC) can help bring homeownership within reach.

What is Mortgage Loan Insurance?

Mortgage loan insurance is typically required by lenders when homebuyers make a down payment of less than 20% of the purchase price. Mortgage loan insurance helps protect lenders against mortgage default, and enables consumers to purchase homes with a minimum down payment starting at 5%* — with interest rates comparable to those offered with a larger down payment.

To obtain mortgage loan insurance, lenders pay an insurance premium. Typically, your lender will pass this cost on to you. The premium is based on the loan-to-value ratio (mortgage loan amount divided by the purchase price). The premium can be paid in a single lump sum or it can be added to your mortgage and included in your monthly payments.

How Much Does it Cost?

The following table provides you with a general idea of the premiums charged by CMHC. The exact premium will be calculated when you apply for a mortgage and provincial sales tax may apply.

Loan-to-Value	Premium on Total Loan**
	Standard Purchase Premium
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95% Traditional Down Payment Non-Traditional Down Payment	3.60%
	3.85%

CMHC's online [Premium Calculator](#) can also help you with your estimations.

*The minimum down payment requirement for mortgage loan insurance depends on the purchase price of the home. For a purchase price of \$500,000 or less, the minimum down payment is 5%. When the purchase price is above \$500,000, the minimum down payment is 5% for the first \$500,000 and 10% for the remaining portion. Mortgage loan insurance is available only for properties with a purchase price or as-improved/renovated value below \$1,000,000.

**Premium savings may be available if you are porting an existing CMHC-insured mortgage or if you are using CMHC-insured financing to purchase an energy-efficient home or purchase an existing home and make energy-saving renovations. Ask your mortgage professional or visit www.cmhc.ca for more details about mortgage loan insurance, such as down payment requirements, portability, etc.

Mortgage Specialists

Weyburn Credit Union
205 Coteau Avenue
Weyburn, Saskatchewan, S4H0V5
Tel: 306 842 6641
info@weyburncu.ca
www.weyburncu.ca



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Canada Mortgage and Housing Corporation (CMHC) offers a variety of publications, calculators and online tools to help you make informed and responsible homebuying decisions.