

CMLS Financial is one of Canada's largest independently owned mortgage services companies. Built on innovation, dedicated customer care and new technologies. We are proud to be Canada's Mortgage Company™ since 1974.



	Guidelines	Documentation
<b>Salaried</b>	100% of guaranteed income may be used. Employment must be permanent. Probationary periods may be considered on a case by case basis.	Letter of employment with verbal confirmation + current pay stub.  <i>*Additional documentation may be requested</i>
<b>Hourly Wages</b>	Confirmation of guaranteed hours and rate of pay. If hours are not guaranteed, 2 years NOAs are required to calculate average.	Letter of employment with verbal confirmation + current pay stub(s) to confirm guaranteed hours. If income is non-guaranteed or fluctuating, 2 years NOAs are required. Income is to be qualified on lesser of a 2 year NOA average or most recent NOA.  <i>*Additional documentation may be requested</i>
<b>Business For Self</b>	<p>Any individual with 25% or more interest in a business for 2 years or more.</p> <p><b>Insured / Insurable Transactions with 3rd Party Validation:</b> For income to qualify;</p> <ul style="list-style-type: none"> <li>The lesser of current year income or an average of the 2 most recent years self-employed income. Determined as per the following; <ul style="list-style-type: none"> <li>Sole Proprietor – 2-year average of Line 150 from the NOAs. Income may be grossed up by 15% -or- add-backs for business use of home and capital cost allowance</li> <li>Incorporated Borrower – 2-year average</li> </ul> </li> </ul> <p><b>Uninsured Conventional Transactions with 3<sup>rd</sup> Party Validation:</b> For income to qualify;</p> <ul style="list-style-type: none"> <li>The lesser of current year income or an average of the 2 most recent years self-employed income.</li> </ul> <p><b>Stated Income:</b> A reasonability test will be performed which considers various factors including industry norms, credit profile, and nature of the business. See BFS Stated Income Tip sheet for more information.</p>	<p><b>With 3rd Party Validation:</b> For all deals, Insured and Uninsured.</p> <ol style="list-style-type: none"> <li>Confirmation of Business Ownership and Evidence that the business has been in existence for a minimum of two years should be provided by one (or more) of the following: <ul style="list-style-type: none"> <li>Articles of Incorporation (for a Corporation);</li> <li>T1 Generals with Statement of Business Activities and all schedules for the most recent two years (for sole proprietorship/partnerships);</li> </ul> </li> <li>Most recent two years' Financial Statements for the corporation, prepared by a licensed accountant</li> </ol> <ul style="list-style-type: none"> <li>Business registration, GST/HST registration or Business License;</li> </ul> <p><i>*Additional documentation may be required if the information provided does not confirm the applicant owns the business.</i></p> <p>... Continued page 2.</p>

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<b>Business For Self</b>		<p><b>Plus the following:</b></p> <p><u>Insured Mortgages</u></p> <ol style="list-style-type: none"> <li>The two most recent years Notice of Assessments and/or T1 Generals. If T1's, they are to be completed by a tax professional, preferably an accountant.</li> </ol> <p><u>Uninsured Conventional Mortgages</u> – all documentation listed in each category is required</p> <p><u>Corporations</u></p> <ol style="list-style-type: none"> <li>The two most recent years Notice of Assessments</li> <li>T1 Generals completed by a tax professional, preferably an accountant</li> <li>Two years of complete Financial Statements for the corporation, prepared by a licensed accountant</li> </ol> <p><b>Sole Proprietor</b></p> <ol style="list-style-type: none"> <li>The two most recent years Notice of Assessments</li> <li>T1 Generals with Statement of Business Activities and all schedules for the most recent two years, completed by a tax professional, preferably an accountant</li> </ol> <p><b>Partnership</b></p> <ol style="list-style-type: none"> <li>The two most recent years Notice of Assessments</li> <li>T1 Generals completed by a tax professional, preferably an accountant</li> </ol> <p><b>Stated Income</b> Please refer to Business For Self (ALT A) product feature sheet</p>
<b>Bonus, Overtime &amp; Commission Income</b>	<p>100% of bonus or overtime income must be averaged over a 2-year period.</p> <p>The guaranteed salary may be used in full. For self-employed, income is determined using the Self-Employed (with 3rd party validation) guidelines above.</p> <p><i>*Use of bonus and/or overtime income, for qualification, is limited to 25% of base income. CMLS Financial may waive the aforementioned at its sole discretion.</i></p>	<p>Letter of employment with verbal confirmation + current pay-stub. Income is to be qualified on lesser of a 2-year NOA average or most recent NOA.</p>

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<b>Rental Income</b>	<p>For owner occupied 2 to 4 unit insured and insurable rentals, 100% addback may be considered for 2nd unit and 50% for 3<sup>rd</sup> and 4<sup>th</sup> units. For non-subject rentals on insured and insurable, our rental worksheet may be used.</p> <p><b>**May not apply to all Promo Rates. See specific rate sheets for further info or contact your Regional Manager.</b></p> <p>For uninsured mortgages, 50% of rents may be added for subject properties and/or outside rentals.</p> <p>For rental income from suites, within an owner occupied property, please see our Investment Property and Rental Income tip sheet.</p>	<p>One of the following may be used to confirm rental income:</p> <ol style="list-style-type: none"> <li>1. Lease agreement</li> <li>2. Letter of economic rent from a CMLS Financial approved appraiser (only if a current lease agreement is not available)</li> <li>3. T776 Statement of Rental Income</li> </ol>
<b>Guarantor</b> (a borrower not on title)	<p>If the guarantor resides in the property, the income will be considered for qualification purposes provided the guarantor is the spouse.</p> <p>If the guarantor does not reside in the property, the income will be considered case-by-case provided the guarantor is an immediate family member.</p>	<p>Documentation is dependent on the employment type of the guarantor; please review documentation requirement.</p> <p><i>Example: If the guarantor is salaried, please review the section of this document on salaried income.</i></p>
<b>Alimony / Support</b>	<p>100% may be used provided income represents less than 50% of total income and confirmed court ordered. Support income cannot be applicants only source of income.</p>	<p>A copy of the executed Separation Agreement must be provided (signed by all parties), AND one of the following:</p> <ul style="list-style-type: none"> <li>• Most recent Tax Return confirming declared support income supported by NOA</li> <li>• 3 month deposit account history showing support payment deposits</li> </ul>
<b>Part-Time</b>	<p>Up to 100% of permanent part-time income will be considered based on guaranteed number of hours.</p> <p>Up to 100% of income from a second part-time job will be considered if borrow can demonstrate a minimum two-year history.</p>	<p>Letter of employment with verbal confirmation + current pay stub.</p> <p>For a second part-time job, two years of NOA's will be used to calculate and average.</p> <p><i>Income is calculated based on the lesser of the two-year average of the NOAs or most recent years NOA.</i></p>
<b>Contract</b>	<p>Must show current contract is in place for a minimum of 12 months and deemed renewable.</p> <p>Quality of employment, supply/demand of services, and the terms of contract will also be considered and evaluated.</p>	<p>Receipt of Contract/Letter of employment. Current pay stub to confirm taxes are deducted at the source.</p> <p>Two most recent years of NOA's and T4's/T1 Generals to confirm income and no income tax arrears.</p> <p>Income is calculated based on the lesser of the two-year average of NOAs or most recent years NOA.</p> <p><i>*Additional documentation may be requested</i></p>

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<b>Pension</b>	<p>CPP, OAS, Survivors Benefit, Annuity and other pensions are all considered.</p> <p><i>NOTE: May be grossed up if confirmed non-taxable. If &lt; 30k, it may be grossed up by 25%. If &gt; 30k, it may be grossed up by 35%.</i></p>	<p>Two of the following may be used to confirm pension income:</p> <ol style="list-style-type: none"> <li>1. Most recent year T4A or T1 Generals.</li> <li>2. 3 months bank statements.</li> <li>3. Pension statement issued.</li> <li>4. Most recent NOA (all pages)</li> <li>5. Letter from the Pension administration confirming amount.</li> </ol>
<b>Parental Leave</b>	<p>100% of annual income will be considered if the income is guaranteed and return to work date is confirmed via employer.</p>	<p>Letter of employment with verbal confirmation.</p> <p><i>*Additional documentation may be requested</i></p> <p>The income is to be confirmed by way of:</p> <ul style="list-style-type: none"> <li>• The two most recent years of filed T1Generals, or the Tax Summary forms(including all schedules), and</li> <li>• The two most recent years associated Notices of Assessment (NOAs).</li> </ul>
<b>Seasonal Income</b>	<p>Defined as someone who consistently works less than 12 months in a year, such as fishermen and landscapers. The borrower must be able to show consistent earnings over the past 2-3 years to demonstrate a solid trend and to show that the income may continue into the future.</p> <p>Total annual income is calculated based on a two-year average. For <u>declining income</u>, the lesser of the two years income should be used.</p>	<ul style="list-style-type: none"> <li>• The two most recent years T1 Generals, and</li> <li>• A current letter of employment, and</li> <li>• A pay stub</li> </ul>
<b>Disability</b>	<p>Short Term Disability - 100% of income can be used provided the client's return date, position and salary can be verified by their employer (and return date is prior to closing).</p> <p>Permanent Disability – Provide income confirmation from Insurance Company.</p> <p><i>NOTE: May be grossed up if confirmed non-taxable. If &lt; \$30K, it may be grossed up by 25%. If &gt; \$30K, it may be grossed up by 35%.</i></p>	<p>Short Term – A current letter of Employment confirming the applicant's base salary, is on short term disability and their guaranteed return to work date. Verbal confirmation is also required.</p> <p>Permanent Disability - Letter from insurance company with verbal confirmation of annual disability, permanent status and whether it's non-taxable. If letter is outdated (exceeds 120 days), you must obtain a copy of current bank statements confirming deposits.</p>
<b>Child Tax Benefit</b>	<p>Canada's Child Benefit is now an acceptable income source for mortgage applications. (Currently Available on our Regular Rates only)</p>	<ul style="list-style-type: none"> <li>• CMLS will require the Child Care Benefit notice confirming the client(s) are eligible for the monthly entitlement</li> <li>• Maximum age of children is 12 years old • Proof of the children's age is required (birth certificate).</li> <li>• Proof of deposit in the form of bank statements for 90 days</li> <li>• This cannot be the applicants only source of income and cannot exceed 30% of the total income used to qualify for insured applications</li> </ul>

	<b>Guidelines</b>	<b>• Documentation</b>
<b>Investment Income</b>	Income from investments (e.g., bonds, securities) that has consistently been paid for the past two years and that the principal amount will not be depleted during the term of the mortgage. A two-year average can be used as the qualifying income however, if the income is declining, the lessor of the two years is to be used.	<ul style="list-style-type: none"> <li>• Current investment statements confirming principal amount is sufficient to last the term of the mortgage</li> <li>• The two most recent years of filed T1 Generals, or tax summary forms (including all schedules)</li> <li>• The two most recent years associated NOAs to confirm income level.</li> </ul>

\*Additional documents may be requested