

Interest-Only Flex Mortgage

The **Interest-Only Flex** is suitable for homeowners and investors looking to purchase or refinance and/or increase cash flow by utilizing an **interest-only payment** while qualifying on a 30-year amortization.

The following combinations are offered under this product:

- ARM rate interest-only + Fixed rate amortizing component
- ARM rate interest-only + ARM rate amortizing component
- Fixed rate interest-only + Fixed rate amortizing component
- Fixed rate interest-only + ARM rate amortizing component
- ARM rate interest-only (*stand-alone component*)
- Fixed rate interest-only (*stand-alone component*)

Loan Amounts	<ul style="list-style-type: none"> • Minimum loan amount: \$200,000 • Maximum loan amount; \$2,000,000 (subject to a sliding scale – click here to download our calculator) • Minimum loan amount for sub-component: \$15,000 	
Amortization	<ul style="list-style-type: none"> • Minimum 15 years (applicable to sub-component) • No amortization minimum for interest-only component • Maximum amortization 30 years (qualifying amortization of 30 years for interest-only portion and respective amortization selected on amortizing portion). 	
Payment Frequency	<ul style="list-style-type: none"> • Weekly, bi-weekly, semi-monthly or monthly • Regular and accelerated payments available • Any frequency other than monthly on the interest-only component, must line up with the amortizing payment frequency (if applicable) 	
Maximum LTV	<ul style="list-style-type: none"> • Sliding scale on total loan. Click here to download our calculator 	
Component Details	<ul style="list-style-type: none"> • Maximum number of components is 2 components (interest-only and amortized portion). For a single component, it must be interest-only (Fixed or ARM) 	
	<ul style="list-style-type: none"> • Interest-only component: <ul style="list-style-type: none"> → Minimum 50% of total loan amount → Maximum 65% LTV 	<ul style="list-style-type: none"> • Amortizing component: <ul style="list-style-type: none"> → Maximum 50% of total loan amount → Maximum – up to 80% LTV with amortizing component
Conversions	<ul style="list-style-type: none"> • The Interest-Only component can be converted to an amortizing loan. The full balance must be converted (no partial conversions). The new amortizing loan will have an amortizing period no greater than 30 years, less the time that has already passed. If converting from an ARM interest-only to an ARM amortizing loan, the interest rate will remain the same. • Components with an ARM rate can be converted to a Fixed rate term that is equal to or longer than the remaining term. Conversion into a fixed rate will be done at the current prevailing posted rate. • Conversions from an amortizing portion on this product into an interest-only portion are not permitted 	
Beacon/FICO Requirements	<ul style="list-style-type: none"> • For a Purchase: <ul style="list-style-type: none"> → Minimum 640 beacon/FICO for all applicants → Minimum 680 beacon/FICO for primary borrower, and 640 for rentals, second homes, and family plan 	<ul style="list-style-type: none"> • For a Refinance: <ul style="list-style-type: none"> → Minimum 720 for primary borrower → For non primary borrower, minimum 640 if property value is <\$1M, or 680 if property value is \$1M+
GDS/TDS	<ul style="list-style-type: none"> • Maximum GDS/TDS is 39/44 <i>*for rentals the maximum TDS is 40%</i> 	
Qualification Rate	<ul style="list-style-type: none"> • Both components of this product will be qualified using either the BoC Benchmark rate or the contract rate + 2.00%, whichever is higher 	
Loan Purpose	<ul style="list-style-type: none"> • Uninsured Purchase, Refinance, owner-occupied and rentals available • Rentals in a holding company (not an operating company) with personal guarantees are permitted • Eligible programs include: Owner-Occupied Rentals (1-4 units), Rentals (1-4 units), Second Homes, Family Plan, Business for Self Fully Qualifying • Minimum Square Footage: House is ≥ 800 sq./ft. above grade, condo is ≥ 500 sq./ft. 	
Charge Type	<ul style="list-style-type: none"> • Collateral • Registered at full property value • Demand loan 	
Prepayment Privilege	<ul style="list-style-type: none"> • Interest-only: <ul style="list-style-type: none"> • ARM: 20% (first 2 years of funding/fully open after 2 years) • Fixed: 20% 	<ul style="list-style-type: none"> • Amortizing: <ul style="list-style-type: none"> • ARM/Fixed: 20%
Prepayment Penalty	<ul style="list-style-type: none"> • Interest-only: <ul style="list-style-type: none"> • ARM: 1.515% of balance at payout (first 2 years of funding/no penalty after 2 years) • Fixed: Greater of IRD or 3 months of interest 	<ul style="list-style-type: none"> • Amortizing: <ul style="list-style-type: none"> • ARM: 3 months of interest • Fixed: Greater of IRD or 3 months of interest
Lending Areas	<ul style="list-style-type: none"> • Available in all provinces except Quebec 	

[Click here](#) for more information about this program.