

Highlights: ALT Mortgage Guidelines

For broker information only

B2B Bank offers an Alternative Suite of Mortgage Programs to help you get more deals approved and funded to move your business forward. Review these guideline highlights to keep up to date on the flexible mortgage options for your clients.

Common Sense Underwriting¹

A common-sense approach will be applied to alternative files to assess the borrower's overall risk profile which will determine LTV, rate and GDS/TDS flexibilities offered. For GDS/TDS flexibilities, the borrower's ability to repay the mortgage must be established through other means such as other income, growth in employment income and current net worth.

ALT Program Suite¹

Program	Minimum Beacon Score	Max TDS Owner Occupied	Max Amortization
Bruised Credit (featured below)	500	39%/44%	25 years
Near Prime Conforming	540	35%/42%, 680+ 39%/44%	30 years
Non-Conforming up to 65% LTV	500	NA/55%*	25 years
Conforming up to 80% LTV	540	NA/55%*	30 years
Equity 50% LTV	680	NA/65%	25 years
Equity 65% LTV	720	NA/60%	25 years
Net Worth	650	80% LTV: TDS ≤ 60% 65% LTV: TDS > 60%	30 years
Business for Self (BFS) Bank Statement	580	45%/50%	30 years
Flexible GDS/TDS	Varies	See page 2 for details	

Eligible properties¹

Owner occupied, [second homes/vacation homes](#), [rental properties](#)

Bruised Credit Program¹

- Low beacon scores
- Bankruptcy
- Consumer proposal
- Orderly payment of debt
- Credit counselling
- Foreclosures
- Power of sale
- Current collections
- Write offs
- Repossessions
- Property tax arrears
- Income tax arrears

Bruised Credit Program tips¹

- Derogatory credit needs to be supported by a reasonable explanation.
- Detail in your deal notes what life event impacted your client's credit and why it is unlikely to reoccur in the future.
- One occurrence of the above noted situations is permitted in the Bruised Credit Program. (Exceptions are treated on a case-by-case basis.)
- Past bankruptcy should be a minimum of six months past the discharge date.
- Credit delinquencies reported by the credit bureau that were not included in the bankruptcy must be paid prior to funding.
- To consider refinance transactions, there must be a rationale that proceeds would alleviate the bruised credit situation. All related debt obligations must be paid in full with the proceeds of the refinance.

Flexible GDS/TDS¹

Conforming Conventional Alternative Overview and Credit Guidelines					
Property Occupancy (Purchase and refinance)	Maximum Amortization	Minimum Credit Score ¹	Maximum GDS ¹	Maximum TDS ¹	Maximum LTV ¹
Owner occupied, 1-4 units	30 years	540-599	N/A	45%	75%
				50%	70%
				55%	65%
				45%	80%
				50%	75%
				55%	70%
		620-649		50%	75%
		650		55%	70%
				55%	80%
Second home, 1-2 units	25 years	540	39%	44%	65%
Rental, 1-4 units	25 years	600	39%	44%	75%

Non-Conforming Conventional Alternative Overview and Credit Guidelines				
Property Occupancy (Purchase and refinance)	Maximum Amortization	Minimum Credit Score ¹	Maximum TDS ¹	Maximum LTV ¹
Owner occupied, 1-4 units	25 years	500	55%	65%
Second home, 1-2 units	25 years	500		
Rental, 1-4 units	25 years	540	42%	

Lender fee

- 1% fee for GDS/TDS above 39%/44%
- Lender fee may also apply for lower beacon scores with GDS/TDS below 39%/44%
- Lender fee will be the greater of \$750 or 1%

Property guidelines

- Properties in prime urban locations in good condition with no deferred maintenance or improvements required
- Min. 700 square foot living area (exceptions made where it is common for the area).
- Condo requirements: Min. 500 square feet
- Well and/or septic properties will only be considered on an-exception basis

Municipal property taxes

- To be administered by B2B Bank for all deals over 65% LTV

Appraisal requirements

- Full appraisals are required for all alternative mortgage deals
- Appraisals are to be ordered through NAS or RPS

Home inspections

- Please note a home inspection may be required in some cases

¹ Debt service flexibilities, LTVs offered, and amortization options are based on the assessment of the overall strength of the application. Satisfying the minimum credit score requirement, underwriting criteria or terms and conditions does not automatically entitle the borrower to maximum LTV and amortization options or debt service flexibilities or any other product or service offered by B2B Bank. B2B Bank reserves the right to request additional information or documentation at its sole discretion for the approval of the loan. Some parameters, such as LTV, may differ between provinces.

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