



## Peak Frequently Asked Questions – Laredo Place

- *Who does this program assist?*

The Peak Program is meant to assist homebuyers who are unable to save up a down payment for a home and require a “hand-up” to qualify for a mortgage.

- *Do I qualify for the Peak Program?*

Approval for the Peak Program is based on need/family size, financial/credit worthiness and gross annual family income relative to the unit selected.

- *How do I fill out the application?*

Please review the application carefully and fill out all questions completely. Applications must be fully and accurately completed to be considered. Married couples and common-law partners must apply together and include their information on the application form. Providing any false or misleading information will result in the rejection of the application. If you have questions about completing the application, please contact Peak at 403-253-9393.

- *What is the gross annual salary required for the program?*

A gross family salary starting at approximately \$44,000 annually is required to be part of the program.

- *How long does the PEAK process take?*

The initial review of a Peak application takes approximately five to ten business days. A mortgage pre-approval with a Peak applicant’s chosen financial institution generally takes another five to ten business days.

- *How much will the down payment be?*

Approved Peak partners will receive \$28,000 in equity in addition to receiving \$4500 from the Trico Charitable Foundation. The total down payment lent to a Peak partner is \$32,500.

- *Is the down payment re-payable?*

Yes, the down payment is re-payable upon sale of the unit and interest begins accumulating at the five-year anniversary of the possession date. The re-payable down payment is a second mortgage on the property.

- *How much interest is charged on the down payment?*

There is no interest charged on the second mortgage for the first five years of home ownership. After this period, interest is charged at the Bank of Canada Prime Lending Rate +2% compounded annually. Peak clients may refinance their mortgage at the five year point and may incorporate the second mortgage amount into their first mortgage.

- *What is the second mortgage?*

The down payment amount will be your second mortgage on the property. The first mortgage is the condominium purchase price less the down payment.

- *How much is the mortgage assistance?*

The mortgage assistance is a monthly payment of \$200 for five years.

- *Is the mortgage assistance re-payable?*

No, the mortgage assistance is not re-payable.

- *What types of condominiums are available?*

We have certain models available only for the Peak program. The units available at Laredo Place in Cochrane are two-bedroom townhome condominiums.

- *How much do the units cost?*

The units start at approximately \$238,000.

- *Where are the units located?*

Laredo Place by Trico Homes is in Cochrane and has 5 Peak units available.

- *Are there show homes available for viewing?*

For information on viewing units, please contact the Peak Home Ownership office at (403) 253-9393.

- *When are the possession dates for the units?*

The units at Laredo Place are complete and available for immediate possession.

- *How much are the condo fees?*

Peak Program partners should budget for approximately \$195/month for condo fees.

- *How much will lawyer's fees be?*

Peak Program partners require legal representation for all related disbursements. Legal fees are approximately \$1500.00 plus GST.

- *Does the Peak program provide assistance for closing costs?*

No, the purchaser must pay for their own closing costs.

- *Can I upgrade my unit?*

All Peak units are standard specifications. No upgrades are allowed.

- *What happens if I sell my Peak condo?*

Depending on the number of years of ownership the equity appreciation of the property may be split between Cochrane Society for Housing Options and the Peak homeowner. After the second year of ownership, the homeowner receives 100% of the property's equity appreciation if the home is sold.

- *Where can I find further information about buying a home?*

Please visit Canada Mortgage and Housing Corporation's (CMHC) website for further information on buying a home <http://www.cmhc-schl.gc.ca/en/co/buho/hostst/index.cfm>. CMHC's Homebuying Workbook, Condo Buyers Guide and mortgage calculator are also on the Peak website at <http://www.peakcalgary.ca/Resources.html>.

- *Where can I find information about interest rates?*

The Peak Program has preferred banking partners that offer competitive interest rates, please contact the mortgage specialists below for more information.

*RBC – Eb Chan, Mortgage Specialist (403) 540-5460*

*TD Canada Trust – Laurel Bell, Mortgage Specialist (403) 988-9991*

*ATB Financial – Debbie Loraas, Mortgage Specialist (403) 703-7887*

- *How much will my monthly payment be?*

With the Peak Program your mortgage payment will be approximately \$1000 - \$1200 per month depending upon the unit that you purchase. Your mortgage specialist will be able to tell you what your monthly mortgage payments will be. As a homeowner you will be required to pay

property taxes and these are estimated at approximately \$170 per month. The condominium fees for the Laredo Place units are estimated at \$195 per month. Heating costs for the condo units are estimated at \$80 per month.

- *Do I need CMHC mortgage insurance?*

Yes, the down payment provided by the Peak Program is less than 20%, which makes the mortgage high-ratio. With a high-ratio mortgage you will require mortgage loan insurance from CMHC.

- *Can I add to the down payment provided by the Peak Program?*

Yes, a Peak homebuyer may top up their down payment to 20% if they wish, which can reduce the cost of the CMHC mortgage loan insurance.