

CF IRP Mortgage Interest Subsidy Information and Authorization Form

This document outlines the administration of the Integrated Relocation Program (IRP) benefits related to Mortgage Interest Buy down (MIB) and Mortgage Interest Subsidy (MIS) products.

Mortgage Interest Buy down (MIB): The MIB can be processed by any Financial Institution. As an employer sponsored relocation benefit, the mortgage interest rate on the full mortgage amount can be reduced to as low as the prescribed rate for the term of the mortgage without incurring a taxable benefit. The prescribed rate is the interest rate used to calculate taxable benefits for employees and shareholders from interest-free or low interest loans. It is adjusted quarterly by CRA and is posted at the following internet address: http://www.cra-arc.gc.ca/tx/fq/ntrst_rts/menu-eng.html

One lump sum payment to reduce the interest rate is processed prior to the Financial Institution releasing the funds for closing. The reduced mortgage interest rate is only transferable upon subsequent transfer/relocation if the mortgage and rate are ported to the new principal residence. If the mortgage is paid out prior to the term of the mortgage, the funds applied to the buy down are forfeited to the Financial Institution and are not recoverable. Please contact your current Financial Institution to confirm the portability of your existing mortgage and any applicable early repayment penalties prior to making financial commitments. Your lender may apply the MIB to the existing mortgage if ported to the new location. To request funds for an MIB with your existing Financial Institution please utilize CAF MIB Form 3047, available on the IRP Transferee Secure Website accessible through www.irp-pri.com

Mortgage Interest Subsidy (MIS) (Interest on a Home Relocation Loan): The funds required to reduce the interest rate on a maximum of \$25,000 of the mortgage, to as low as 0% interest, for a maximum of five (5) years are forwarded to a central suspense account and are applied to the mortgage monthly. Under the Integrated Relocation Program the Canada Revenue Agency (CRA) approved Home Relocation Loan is administered as a Mortgage Interest Subsidy (MIS) and must be administered as per CRA guidelines to remain a tax-free relocation benefit.

Please note the following conditions and limitations:

- Mortgagors must qualify for the full mortgage amount at the original interest rate before the MIS or MIB is applied.
- The MIS **cannot** be processed through local branches Banks/Financial Institutions. The MIS is administered by Group Mortgages Plan (GMP) previously Home Loans Canada (HLC), a subsidiary of CIBC.
- The MIS **cannot** be applied to a new or existing second mortgage.
- The MIS **cannot** be applied to a first mortgage with a Home Equity Line of Credit (HELOC). The HELOC assumes the position and rights of a second mortgage.
- The MIS **can only** be applied to a new first mortgage with a CIBC or GMP lender, or a “straight port” of the current mortgage (no increase or decrease of mortgage amount) for the duration of the existing term.
- The MIS **is not** transferable upon subsequent transfer/relocation. While the mortgage may be ported, the reduced interest rate is not ported with the mortgage. Upon subsequent relocation or early termination of the mortgage the application of the MIS ceases and funds remaining in the suspense account are returned to the original envelopes. Custom funds (if applicable) will be returned to the Crown. Personalized funds will be returned to the Member as a taxable benefit.
- When both the MIB and MIS mortgage interest rate reduction products are elected, the MIB will be applied first. The MIS is applied monthly to further reduce the interest rate on up to \$25K of the mortgage.
- Funds requested for mortgage interest subsidy products will be disbursed to the maximum of the funds available on the date of payment. This may affect availability of funds previously reserved for reimbursement of other anticipated relocation costs.
- Members relocating from outside of Canada are advised the MIS is a **taxable** benefit.
- Members relocating for release/retirement purposes **are not** entitled to the MIS under the CF IRP Policy.
- As per CF IRP Policy, Members are expected to port their existing mortgage. The Member is responsible to review the applicable sections of the CF IRP policy pertaining to mortgage breaking penalties, mortgage loan insurance premiums, and equity application prior to making financial commitments.
- It is recommended that the mortgage term be coordinated with the anticipated duration of the relocation. Members are recommended to use caution when considering extended mortgage terms as they may result in excessive mortgage breaking penalties that may not be reimbursable under your employer’s relocation policy at the time they are incurred.
- While current interest rates are appealing, mortgage early repayment penalties incurred to take advantage of a reduced rate on a new mortgage may exceed any anticipated mortgage interest savings.

If you require additional information please contact CIBC – Group Mortgages Plan (GMP) at:

Phone: 1-800-663-4819 or E-mail: IRP@cibc.com



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To be completed by GMP Mortgage Specialist

Member's Name:		Spouse's Name (if applicable):	
Mortgagor(s):			
Mortgaged Property Address:			
BGRS File Number: <small>* Available on IRP Transferee Secure Web-Site accessible through www.ird-pri.com</small>		CAF Member relocating from Outside Canada : Yes ___ No ___ (if "Yes" MIS is taxable)	
Language Preference: English ___ French ___		CAF Member Retiring /Release : Yes ___ No ___ (if "Yes" Member is not eligible)	
Work Phone:	Home Phone:	E-mail address:	
Cell/Pager:	Fax:	Other:	
Mortgagors have confirmed they are discharging an existing mortgage. Yes ___ No ___	If "Yes" Name and coordinates of Financial Institution:	Mortgagors are aware Mortgage Early Repayment Penalties will apply in the amount of: \$ _____ This represents: 3 months interest penalty: _____ Mortgage Interest Rate Differential Penalty: _____ Other: _____	
New Mortgage Amount: \$ _____	Confirmation mortgage is portable: Yes ___ No ___	Conditions of Portability:	
Mortgage Number:	CIBC Lender/Brand:	Posted Interest Rate Prior to MIS and/or MIB: _____ %	
Scheduled Funding Date:	Term of Mortgage:	Estimated Final Rate Inclusive of MIS and/or MIB: _____ % <small>* This rate is subject to change based on the funds available at time of disbursement.</small>	
Mortgage Default Loan Insurance (MLI / CMHC / GEMI) Yes ___ No ___	Total Premium Amount \$ _____	MLI premiums that were portable have been accounted for if applicable : Yes ___ No ___ If so amount: \$ _____	
MIB: Reduce the interest rate on all or any portion of the mortgage to as low as the prescribed rate for the full term of the mortgage Prescribed rate: _____ Amount requested from Personalized envelope for MIB (but not to exceed): \$ _____		To be completed by BGRS Advisor Amount remaining available in Personalized for MIB: \$ _____ <small>* This amount will be forwarded to Member's Solicitor or Financial Institution as per their instruction below.</small>	
MIS: Reduce interest rate on a maximum of \$25,000 of the mortgage to as low as 0% for a maximum of 5 years Amount requested for MIS (but not to exceed): \$ _____		To be completed by BGRS Advisor Amount remaining available for MIS: \$ _____ <small>*This amount will be forwarded to the suspense account for monthly payment of MIS.</small>	
Lender's Representative:	Lender's Mailing Address: CIBC – Group Mortgages Plan 55 Yonge Street, 7th Floor, Toronto, ON, M5E 1J4	Telephone: Fax: E-mail address:	

CIBC-GMP hereby confirms the reduced interest rate on the MIB portion will not be reduced lower than the CRA Prescribed Rate in effect at time of closing and that MIB funds will **not** be applied as a lump sum payment against the principal of the mortgage. If the funds (or any part thereof) are not used for the purpose intended, they must be returned to BGRS.

Signature of GMP Mortgage Specialist

Date

Member's Signature

Date



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Member's Authorization

I understand that the funds requested for the mortgage interest buy down and/or mortgage interest subsidy will be disbursed to the maximum of the funds available on the date of payment. This may restrict availability of funds previously reserved for reimbursement of other anticipated relocation costs.

Should the full amount requested not be available, I understand the interest rate and/or term of the mortgage interest subsidy will be adjusted by GMP to reflect the final amount disbursed. GMP will confirm the final rate and term after all mortgage subsidies are applied. Confirmation of the amount disbursed will be reflected on my Financial Worksheet available on the IRP Transferee Secure Website accessible through www.irp-pri.com.

I am aware that I must provide BGRS and my Solicitor a copy of this completed and signed form no later than **fifteen (15) business days prior to closing date**. Incomplete or late submission of this document may delay the purchase transaction for which BGRS will not be held responsible.

I have read this form and fully understand the contents. I hereby authorize BGRS to process as per my instructions upon receipt of this authorization form.

Please select **one** of the following options:

- My Solicitor is a Participating Third Party Supplier with the IRP. Please send MIB funds to my Solicitor.
- My Solicitor is not a participating supplier. Please send MIB funds to my Financial Institution/Lender.

Solicitor's Name:	Phone:
Name of Firm:	Fax Number is required :
Address:	E-mail Address is required :

Member's Signature

Date

Action Required by BGRS Advisor upon receipt of this completed and signed form:

- Confirm entitlements as per CF IRP Policy 2009 -2012 and CANFORGEN 145/12, published July 30, 2012
- Process transaction as per above request to the maximum of funds available
- Adjust Financial Worksheet (Entitlements Calculator) to reflect the final amounts disbursed
- Place document on Member's file

Please note: For Administration of MIB with non GMP Lender please use CF IRP MIB Form 3047

BGRS Advisor:	Phone:
Office Location:	Fax: