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**Subject:** How much is Mortgage Loan Insurance  
**Date:** May 16, 2020 at 10:06 AM  
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# Buying or Selling a Home



## How Much is Mortgage Loan Insurance

Article #12

To obtain CMHC Mortgage Loan Insurance, lenders pay an insurance premium. Typically, your lender will pass these costs on to you. Your lender will give you the exact price when you apply for a mortgage.

The CMHC Mortgage Loan Insurance premium is calculated as a percentage of the loan and is based on the size of your down payment. The higher the percentage of the total house price/value that you borrow, the higher percentage you will pay in insurance premiums.

Remember: Without mortgage insurance, you may avoid the insurance premium but you will typically pay much higher interest rates and additional administrative fees. At the end of the day, for the vast majority of borrowers, the cost of CMHC Mortgage Loan Insurance is more than fully offset by the savings achieved.

Up to 25% premium refund may be available when CMHC Mortgage Loan Insurance is used to finance an Energy-Efficient Home.

Loan-to-Value Ratio		
Premium Rate applied to Total Loan Amount	Premium on Increase to Loan Amount for Portability	
Up to and including 65%	0.60%	0.60%
65.01% to 75%	1.70%	5.90%
75.01% to 80%	2.40%	6.05%
80.01% to 85%	2.80%	6.20%
85.01% to 90%	3.10%	6.25%
90.01% to 95% Traditional down payment	4.00%	6.30%
90.01% to 95% — Non-Traditional Down Payment**	4.50%	6.60%

Premiums in Manitoba, Quebec, Ontario and Saskatchewan are subject to provincial sales tax. The provincial sales tax cannot be added to the loan amount.

\*\* Down Payment Requirements — Traditional sources of down payment include: Applicant's savings, RRSP withdrawal, funds borrowed against a liquid financial asset, equity in real property, funds borrowed against real property, proceeds from the sale of another property, non-repayable financial gift from a relative of the borrower, rent as equity, a government homeowner equity grant. (Non-traditional sources of down payment include any source that is arm's length and not tied to the purchase or sale of the property, such as borrowed funds.)

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