

# How Does Your Down Payment Impact Your Mortgage Options?



To assess the best mortgage option for you when purchasing a home, you should consider how much money you have for a down payment.

**20% Down Payment:** Qualifies you for a conventional mortgage, which is a mortgage that does not require mortgage insurance.

**Less than 20% Down Payment:** If you do not have the 20% down payment you could qualify for a High Ratio mortgage. This mortgage is a loan above 80% up to 95% of the purchase price, or appraised value of the home, whichever is less. CMHC, a Federal Government Corporation, or Genworth Financial Canada, a private insurer, would insure these loans. With an insured loan, the down payment could be as low as 5%.

**Home Buyers Plan:** If you are a first time homebuyer, you (and your spouse) can use your RRSP investments to finance your down payment through the Federal Government's Home Buyers' Plan. You and your spouse can each contribute up to \$25,000. These funds are paid back over a period of 15 years.