

REFERENCE GUIDE

Structuring alternative deals

This guide will help make it easier to achieve efficient approvals,
accurate commitments and smooth closings.

With easy to follow checklists and a simple fulfilment process, this Broker Guide is designed to help you structure Home Trust Classic deals quickly, efficiently and accurately to ensure smooth closings.

At Home Trust, the story behind your client and property we are lending on is a very important factor in our review process, especially with respect to LTV and rate.

Effectively assessing your client and clearly explaining the overall scope of the deal will better equip our underwriting team with the tools needed to understand and approve your deal.

Ask the right questions to understand your clients' story

Use this guide as a reminder to ask the right questions and guide difficult conversations for specific client programs. The answers provided will help ensure you have the supporting information in your notes and documentation to explain your clients' story.

BRUISED CREDIT PROGRAM

- What was the cause for the lower Beacon score?
- Is there an explanation if current tradelines are not repaid well?
- If there are mortgage arrears: are they current or past?
- If there are collections or judgements: is there proof that they are paid off?
- If there are consumer proposals: is paperwork available?
- If there are discharged bankrupts: is paperwork available?
- What is the cure for the client to remediate their situation?
- Overall, does the client's story make sense?

NEW TO CANADA PROGRAM

- What is the client's status in Canada?
- Is the client in the process of getting their landed immigrant status?
- What was the client's occupation before moving to Canada?
- Is the client looking to purchase or refinance?
- If there is any foreign income or down payment, can the client provide an audit trail?
- Is any of the down payment gifted?
- Is the client able to provide us with a work visa?

BUSINESS FOR SELF PROGRAM

Business setup

- How long has the client owned and operated the business?
- What type of business is it?
- Is the business in a stable industry?
- How is the business registered?
- If the business has multiple owners, what is the split of shared ownership?
- Prior to starting their business, was the client in a related field/industry?
- Describe any specific skills the client has to support the business
- Is there a storefront or does the client operate from home?
- What is the average annual gross income revenues and expenses?

Business operations

- Is the business seasonal?
- Are there any employees?
- Does the business own tools, equipment or vehicles?
- How is business generated?
- If there is a business account, are the revenues deposited in it?
- Are there any contracts or invoices to support the business?
- Is there a cash component to the business?
- Are there any foreign connections?
- Are there any ATMs on the premises?
- Do they have a professional license?
- If they use transportation, what do they transport and where?

TIP: To validate business operations: do a Google search or check their company website to ensure legitimacy and understand the business operations.

Ask the right questions to learn more about the property

These additional questions will help you gain insightful property information that goes beyond the deal details.



LOCATION

- Is the property in an urban or rural area?
- What is the property zoning?
- What service is the property on? (municipal, well or septic?)



MARKETABILITY

- Is the property owner occupied or a rental?
- Is the property a detached/semi-detached/condo?
- Is the property a new construction?
- What condition is the property in?
- Has the property been recently renovated?
- Are there any repairs or updates required?
- What is the lot size and property square footage?
- If it is a condo, what are the fees?



DOWNPAYMENT

- What is the source of the down payment?
- If the down payment was gifted, who is it from? How much is it for? From where is it coming (location)?
- If there is a gift over \$100,000, can the client provide a source account?
- Can the client provide a 3-month history of the funds?
- Is the downpayment coming from another country?



FINANCIAL

- Is the deal type a purchase or refinance?
- If it's a refinance, what are the funds being used for?
- What are the property taxes?
- Was this property refinanced in the last 18 months?
- If the property was refinanced - what was the date, original purchase price and purpose of the refinance?

TIP: Provide rationalization for recommending this property for approval.

Remember the **documentation** and fulfilment process

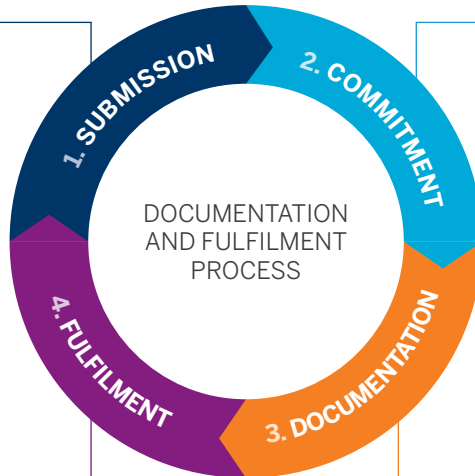
Being mindful of Home Trust's documentation and fulfilment process will help you organize your information to move through our process more quickly and efficiently.

1. SUBMISSION

- All deals must be sent in via Finastra with fully completed applications, credit bureau and notes.
- For purchases: upfront purchase agreement and MLS are required upon submissions in Loft.
- For rush closes: deals funding within 10 business days must have a complete package up front. Please call your BDM before submitting.

4. FULFILMENT

Files must be "broker document complete" **five business days prior to closing.**



2. COMMITMENT

Signed back commitments are due within **five business days** from date of issue.

3. DOCUMENTATION

- Review your documents to ensure you have gathered all required and relevant information.
- Organize your documents and upload them to the appropriate conditions tab in Loft **10 days prior to closing.**
 - underwriters can understand and approve the conditions with more efficiency when documents are organized accordingly.

TIP: Always message your Underwriter on specific deals through Loft.

Contact your Business Development Manager to learn more.
hometrusted.ca/lifehappens