

LATEST MORTGAGE NEWS

INTEREST RATE UPDATE FOR JULY

The Bank of Canada (BoC) left its policy rate unchanged at 1.75% last week, as expected. Once again, “uncertainty” was the main theme pervading both the Bank’s policy statement and its accompanying Monetary Policy Report (MPR).

The next scheduled date for announcing the overnight rate target is September 4, 2019.

The Bank Rate has been unchanged at 1.75% since October 2018 and is broadly expected to stay unchanged until November or December of 2020.

FIRST-TIME HOME BUYER INCENTIVE (FTHBI)

The Canada Mortgage and Housing Corporation held an official announcement yesterday to release details of its First-Time Home Buyer Incentive (FTHBI).

- CMHC will contribute 5% or 10% of a down payment. But participants have to repay CMHC's 5% or 10% contribution within 25 years or when the property is sold.
- \$120,000 is the maximum household income accepted to apply.
- No monthly payments are required, and the amount can be paid back at any time.
- The insured mortgage plus incentive cannot be more than four times the participants’ household income.
- The program will start on September 2, 2019, and there will be around 100,000 first-time buyers over the next three years.

ALTERNATIVE LENDERS GAIN MARKET SHARE

Alternative lenders offer short term loans at higher interest, and held 1% of Canadian [mortgages](#) last year. These loans have terms between six months and two years. In 2018, they offered an average interest rate of 8.99%.

ALTERNATIVE
LENDERS' CLIENTS
SELF-EMPLOYED

INVESTORS CARRYING
MORE THAN ONE
PROPERTY

BORROWERS WITH POOR
CREDIT HISTORY, OR
OTHER ISSUES