



Frequently Asked Questions

INCOME/INCOME/INCOME

Q: Is WealthONE flexible on verifying income and providing a “bigger box” for clients to fit into?

A: WealthONE reviews all applications on a case by case basis and will explore ways to consider applications that do not “fit in the box”. We do require sufficient verified income to meet debt servicing ratios, we do however accept many forms of verified income.

Q: Cash flow lending – can we use six months deposits in bank accounts to confirm income?

A: We do not currently use bank statements to confirm income, however this is a policy change we are exploring and currently can be considered on an exception basis with 6 to 12 months bank statements and standard income documentation.

Q: Corporate income – add back retained earnings?

A: WealthONE is able to use 50% of the business net income for the applicants operating companies when qualifying.

Q: Rentals – More than 5 doors with one lender?

A: WealthONE has no limit regarding the number of properties and/or doors that the applicants own.

Q: Rentals – DCR of 1.1 or 1.2 using 100% of rental income?

A: Residential products do not rely on a DCR method but we use a rental cash flow calculator for non-subject rental properties and 50% rent for the subject property. It should be noted that the rental income from the subject property is not required to be legal if the rental usage is typical for the area.

Q: Do you allow the use of Child Tax Credit for qualifying a deal?

A: Yes, we allow the use of Child Tax Credit income.

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RATIOS/LTV'S

Q: Given strong credit and ability to prove income, will you allow ratios at or above 50% GDS/TDS?

A: Applications will be considered on an exception basis.

Q: Calculate DSR based on contract rate vs benchmark or posted?

A: Debt service ratios are calculated using the greater of the 5 year Bank of Canada qualifying rate or the contract rate plus 2%.

Q: More flexibility on ratios based on LTV?

A: Yes, this is a common sense approach to lending. We weigh all aspects of the deal (higher credit score, net worth etc.) when coming to a decision. A lower LTV certainly mitigates risk in other areas. Applications are reviewed on a case by case basis.

Q: 80% LTV in major cities?

A: Major urban markets permit 80% loan to value on principal residences and up to 75% on rental properties. Typically in Toronto, Ottawa, Hamilton, Vancouver, Victoria – we will go up to 80% depending on the property and the location within the major city.

Q: Opportunity in non GTA/GVA markets to do 80% LTV?

A: Typically up to 75% outside of major metropolitan centres. Depends on the location and the “health” of that part of the country. Our LTV's are dynamic and are revisited at least twice a year.

Q: Is there a max loan amount requirement?

A: No maximum loan amount but there is a sliding scale in place.

Q: Beacon Scores - Alt-A minimums range from 650 – 700, is there a minimum with WealthONE?

A: Our minimum score is 620, we prefer credit scores of 680 or higher.

Frequently Asked Questions

GEOGRAPHICS

Q: What are the population guidelines ie. within 50kms of Urban Centres?

A: No standard guidelines. Locations are reviewed on a case by case basis.

Q: What cities do you do and not do in Ontario and BC?

A: WealthONE does not have a DNL list but will consider each property based on where it is. Normally properties must have year round road access but exceptions can be considered.

Q: What is your LTV restrictions based on Geographic's?

A: Depending upon the location and use of the property, the LTV can range between 50% and 80%. Each property is reviewed based upon its location and use as well as the quality of the covenant.

OTHER

Q: Will you allow mortgages in the name of a business or holdco with personal guarantees?

A: Mortgages in a holding company are permitted on either rental or principal residences.

Q: What is the turn-around times?

A: Response to brokers is generally within 1 to 2 hours and never more than 24 hours. The underwriter also works on the deal until funding – IE; they underwrite and satisfy all conditions. The broker has one point of contact for the transaction.

Q: Opportunity with well/septic properties for clients with great credit and income?

A: We will consider properties on well and septic.

Q: Does WealthONE allow for Switch/Transfer-in's?

A: Currently, we are not doing straight transfer-ins. We would treat these as refinances.

Q: What are the details of your Bridge Financing program?

A:

- There may be a rate premium for larger bridge loans depending upon the # of days required and the mortgage loan amount.
- The maximum # of days is 30 but longer term bridge loans are considered.
- The fee is \$300 but can vary depending on other factors.
- The rate is WealthONE Prime +2%.



Frequently Asked Questions

TERMS/RATES/FEES

Q: TERMS/RATES/FEES

A: Yes.

Q: Do you offer Interest Only mortgage for Rentals?

A: Not available.

Q: Does WealthONE cover appraisal fees?

A: No, appraisal fees are the responsibility of the client.

Q: For Application fees: Other than the Standard Fee Program, a No Fee Program and a Broker Plus Program. Are there any other application fees?

A: We do charge a small fee (typically around 25 bps) when dealing with applications with multiple rentals. This is more of an underwriting fee to compensate for the complexity in underwriting these deals.



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Mortgage Applications:

1. Please call or email our BDM or UW team to discuss your deal PRIOR to submitting the application, credit bureau and client documents.
2. The Solicitor is instructed once the file is 100% broker complete but exceptions can be made depending on documents required.
3. All appraisals must be ordered by the broker through NAS, Solidifi, RPS or Value Connect. Appraisal costs are the responsibility of the client.
4. WealthONE uses a rental calculator for “other” rental properties owned by the applicant(s). For calculation purposes, the rental surplus is added to the application income and the rental deficit is calculated as a monthly debt obligation. Non-subject rental income is used at 100% less PITHC and 15% vacancy/bad debt. For the subject property, 50% of the rental income is utilized when qualifying.
5. Property Taxes: WealthONE does not collect and pay property taxes on the clients behalf.