

MOHAWKS OF THE BAY OF QUINTE

Purchase of an Existing Home Policy and Procedures

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DATES OF COMPLETION AND REVISION

	DATE	MOTION #	SECTION
COMPILED	April 30, 2008		All
ACCEPTED	May 9, 2008		ALL
REVISED	November 2, 2012	1	Purpose, 1.a., 1.b., 1.c., 2.a.iv., 2.c., 3.b., 4.a., 4.b., 4.c., 4.d., 4.e., 4.f., 4.h., 4.j., Section 5 Estates (new), 6.b., 7.a., Section 8 Appeals Process (new), removed Section: Applicants Agreement
REVISED	August 30, 2013	1	Approved for Signature.

PURPOSE

The primary purpose of this Purchase of an Existing Home Policy is to provide guidelines for registered members of the Mohawks of the Bay of Quinte who wish to purchase an existing home on the Tyendinaga Mohawk Territory.

The Mohawks of the Bay of Quinte and the Bank of Montreal offer mortgage programs to finance for the construction of a new home or for the purchase of an existing home. The Mohawks of the Bay of Quinte offer amortization periods of up to 35 years at a fixed interest rate of 6% per annum, for the duration of the mortgage. The Bank of Montreal offers amortization periods of up to 25 years and has a five-year fixed interest rate that fluctuates with the market. Both financing options are open, and can be paid off at any time.

For a new construction or for the purchase an existing home, the Mohawks of the Bay of Quinte require a 1% deposit on the total amount of the Applicant's financing that is due upon accepting a mortgage offer.

For Bank of Montreal (BMO) financing, BMO requires up to a 25% down payment depending on mortgage amount. The down payment requirements are as follows for amounts:

- Less than \$75,000, a 5% down payment is required;*
- Between \$75,000 to \$100,000, a 10% down payment is required; and,*
- For \$100,000 to \$125,000, a 25% down payment is required.*

BMO also requires the down payment at the time of mortgage acceptance.

Each financing option requires that the Applicant show proof of available financial resources and they must expend their financial resources for any amount above the allotted mortgage limit, prior to any financial disbursement of the mortgage loan.

All mortgages must be repaid according to the repayment schedule outlined when signing the mortgage agreement.

This policy references the Mohawks of the Bay Quinte Mortgage Application Policy, which precedes this policy in the natural order of financing and purchasing.

1.

ELIGIBILITY

- a. Applicant(s) must be registered member(s) of the Mohawks of the Bay of Quinte who wish to reside on the Tyendinaga Mohawk Territory.
- b. Total household income will be considered for affordability purposes.
- c. The existing home that the Applicant(s) intends to purchase must become the Applicants' primary residence.
- d. Applicant(s) must also fully comply with the MBQ Mortgage Application Policy and Procedures.

2.

CONDITIONS

- a. Applicant(s) must provide the Mohawks of the Bay of Quinte Housing Administration formal notice of the following, within 30 days of mortgage approval:
 - i. Applicant(s) must obtain and submit a written notice from the homeowner stating the cost of the home and the agreement to sell to the Applicant(s).
 - ii. A site inspection report (written) from Health Canada of the proposed purchased home.
 - iii. The Applicant must coordinate with the homeowner an inspection of the home for Health & Safety issues. This inspection will be completed by the Mohawks of the Bay of Quinte Housing Inspector who will submit a report to the homeowner, Applicant and the Mohawks of the Bay of Quinte Housing Accounts Manager.
 - iv. An official appraisal of the house must be completed and submitted to the MBQ Housing Administration office. The appraisal must be conducted by a qualified appraiser and the cost of the appraisal is not the responsibility of Mohawks of the Bay of Quinte.
 - v. Any health and safety issues that require renovations must be reported on the Construction Cost Sheet (Appendix A) with quotes attached.
- b. If after the 30 days the Applicant(s) do not meet all of these requirements, the MBQ Housing Accounts Manager will contact the Applicant(s) to set up a housing review meeting. If after 60 days the requirements have not been met, the financial allotment will be reallocated.
- c. The existing homeowner must sign a Land Transfer Form at the MBQ Lands Department. The signed form must be submitted to the MBQ Finance Department.

- i. If the land transfer is part of an Estate, please refer to Section 5.

3.

LIABILITY

- a. The Applicant(s) is responsible and liable for all aspects pertaining to the purchase of an existing home on the Tyendinaga Mohawk Territory.
- b. All agreements to purchase an existing home, including Estate settlements, are the responsibility of the Applicant(s) and existing homeowner(s). The sole responsibility of the MBQ Administration is the mortgage application approval process.

4.

FINANCING

- a. The Mohawks of the Bay of Quinte will provide a repayable mortgage loan at six per cent (6%) interest per annum to an allotted maximum as determined by the Mohawks of the Bay of Quinte Housing Administration and the Tyendinaga Mohawk Council.
- b. The Applicant(s) or Mortgagor(s) have an option of financing their mortgage for an amortization period of up to 35 years.
- c. Payment on the mortgage will commence three (3) months after the mortgage document is signed by the Applicant(s) / Mortgagor(s).
- d. At the time of signing the mortgage, a Land Transfer to Mohawks of the Bay of Quinte must also be signed by the Mortgagor(s).
- e. Costs associated with health and safety deficiencies must be listed on the Construction Cost Sheet (Appendix A) and addressed. Any costs over and above the approved mortgage limit are the responsibility of the Mortgagor(s).
- f. If the Mortgagor(s) has not reached their allotted mortgage limit, the remainder of the funds may be accessed for renovations to the purchased home. It may also be considered that the remainder be accessed for the demolition costs.
- g. Financial advances will not be issued. Reimbursements may be considered with receipts.
- h. Financing is available for construction materials (lumber, screws, fasteners, cable, flooring etc) and household fixtures (vanity, cabinets, etc) as outlined on the Construction Cost Sheet. Financing is *not* to be used to purchase tools or equipment necessary to conduct the work involved in building or renovations

- i. Purchase Orders submitted for approval and payment for all expenditures must be obtained from the Mohawks of the Bay of Quinte Housing Administration. Invoices must have Purchase Order number included. Invoices can only be signed by the Applicant(s) before the invoice is paid.
- j. Funding will not be released until all necessary documentation is complete and submitted to the Mohawks of the Bay of Quinte Housing Administration office. This includes the Land Transfer Form mentioned in Section 2. c. of this policy.

5.

ESTATES

In the event of an Estate, with an existing MBQ mortgage, being willed, or otherwise left, to a registered MBQ Member, an MBQ Mortgage Application through this policy will be considered under the following conditions:

- a. A Transfer of Land by Personal Representative Form is signed by the Administrator/Executor and submitted to Aboriginal Affairs and Northern Development Canada (AANDC).
- b. Applicant is approved for an MBQ mortgage as outlined in the MBQ Mortgage Application Policy and Procedures. This involves completing a Housing Affordability Scale form and obtaining a positive credit reference check.
- c. An official appraisal of property is required and the application cannot exceed the property value as determined by the appraisal or the maximum mortgage limit.
- d. Existing MBQ mortgages are priority and outstanding balance owed to MBQ must be paid in full upon selling an Estate property.
- e. If an Applicant(s) makes an agreement to settle an estate with all heirs to the property named in a Last Will and Testament (Will), this will be treated as a new application through the MBQ Mortgage Application Policy and this Policy.
- f. If no Will exists, Applicant(s) may make agreements to settle an estate with all individuals necessary as determined by the Estate Administrator. Agreements to settle an estate cannot exceed the maximum mortgage limit through the MBQ Mortgage Application Policy and Procedures.
 - i. A letter from individuals, who received a settlement payment through this agreement, stating that no additional monies will be requested regarding this specific property.
- g. All Estate issues are handled by the department of AANDC. The MBQ Lands office will provide contact information to the appropriate AANDC department.

6.

OCCUPANCY

- a. Occupancy will not be permitted until all above conditions and financing has been met as outlined in Sections 2 and 4 of this policy.
- b. Proof of Homeowner's insurances is required prior to occupancy and maintained on a yearly basis. Homeowner's insurance must be maintained and an up-to-date copy must be submitted to the MBQ Finance department on an annual basis by the Mortgagor(s).

7.

COMPLIANCE

- a. Applicant(s) who fail to comply with any of the terms or requirements set out in this policy will not be advanced any mortgage funds.

8.

APPEALS PROCESS

In the event that an Applicant(s) wishes to appeal a decision made under this policy:

- a. The Applicant(s) are encouraged to request a meeting with the Mohawks of the Bay of Quinte Housing Administration to discuss any decision relating to their application.
- b. If the Applicant(s) are not satisfied with the decision of the MBQ Housing Administration, the Applicant(s) are encouraged to request a meeting with the MBQ Chief Administrative Officer and representatives of the MBQ Housing Administration.
- c. If the Applicant(s) are not satisfied with the outcome of this meeting, they may choose to submit a Notice of Appeal to the Appeal Board.
- d. The Appeal Board shall consist of **Tyendinaga Mohawk Council**.
- e. Appeal Notices must be in writing and submitted within thirty (30) business days of the initial notification of the MBQ Chief Administrative Officer's decision. Copies of the Appeal Notice will be sent to all the members of the Appeal Board.
- f. The Appeal Board shall review the Appellant's position and circumstance as presented in the Notice of Appeal. The Appeal Board will also give consideration to the MBQ Housing Administration decision and decision making process.
- g. The Appeal Board will acknowledge the Appeal Notice within twenty (20) business days and will, if necessary, request a meeting and notify the Appellant of the date, time and place of the meeting.

- h. The Appeal Board will make their decision in private and render their decision in writing to the Appellant within ten (10) business days of the decision.
- i. All decisions of the Appeal Board are final. However, should the circumstances change; the Appellant will be notified that they may re-apply to the program or service at the MBQ Housing Administration office.

9.

AMENDMENTS

- a. The Mohawks of the Bay of Quinte Housing Administration and the Tyendinaga Mohawk Council reserve the right to amend this policy to adhere to the changing needs of the membership of the Mohawks of the Bay of Quinte.

10.

ACCEPTANCE

- a. Duly accepted by a quorum of the Tyendinaga Mohawk Council this 9th day of May 2008.
- b. Duly accepted by a quorum of the Tyendinaga Mohawk Council this 2nd day of November 2012.
- c. Revisions duly accepted by a quorum of the Tyendinaga Mohawk Council this 30th day of August, 2013

R. Donald Maracle
R. Donald Maracle, Chief

APPENDIX A: Construction Cost Sheet

CONSTRUCTION COST SHEET		LABOUR
Purchase of Existing Home	\$	
Health & Safety issues	\$	
Renovations: please list	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
TOTAL	\$	
MINUS MORTGAGE AMOUNT	\$	
TOTAL AMOUNT OF COST OVERRUN	\$	
1% DOWN PAYMENT	\$	
NOTE:	<p>If total amount is over mortgage limit you will have to pay the overrun before funds are released from the Tyendinaga Mohawk Council.</p> <p>Please indicate labour included (contractor) Please indicate if no labour included (self)</p> <p><u>Construction Cost sheets must be completed in their entirety with attached quotes before the release of any funds.</u></p>	

APPENDIX B: HOUSING CHECKLIST

HOUSING CHECKLIST PURCHASING EXISTING		
DATE	INITIALS	TASK TO BE COMPLETED
		TMC Approved Date _____ Amt. _____
		Application
		Letter of Approval
		1% Down payment Date submitted _____
		Cost Construction Sheet Completed
		Inspectors Report
		Appraisal
		Letter from Seller
		Land Transfers signed
		Mortgage Signed
Comments:		

Name: _____

Band Number: _____

Lot & Con: _____

APPENDIX C: PURCHASE ORDER FORM

PURCHASE ORDER REQUISITION

DATE:	
NAME OF SUPPLIER:	
CHEQUE WILL BE ISSUED IN THIS NAME	
ACCOUNT CODE:	
PURPOSE:	

PLEASE GIVE MORE THAN 2 DAYS FOR RECEIPT OF CHEQUE AFTER INVOICE IS RECEIVED.

ITEM DESCRIPTION	QTY	PRICE	TOTAL

TAX BREAKDOWN			
PST:	GST:	TAX TOTAL: \$	TOTAL TAXES HERE
\$	\$		
TOTAL			

<p>ARE THE FINANCES AVAILABLE TO COVER THIS EXPENDITURE? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p style="text-align: center;">I hereby certify that funds are available in this program to purchase the above items.</p>	
<p>_____ REQUISITIONED BY</p> <p>_____ MANAGER/DIRECTOR</p> <p>_____ CHEQUE SIGNING AUTHORITY</p>	<p>COPY REQUIRED <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>CHEQUE REQUIRED <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p style="text-align: center;"><i>(Please check each for efficient service)</i></p>