



Affordable Home Ownership Program

Put less down. Pay less monthly. Access homeownership.

Affordable Home Ownership Program (AHOP) is an innovative program from BC Housing. AHOP helps put homeownership in reach for middle-income British Columbians.

BC Housing covers roughly 10% of the purchase price.

For the buyer this means:

- ▼ total first mortgage is less
- ▼ monthly mortgage payments are lower
- ▼ lower income requirements for stress test and qualifications for the first mortgage

How does it work?

The program provides buyers approximately a 10% interest-free second mortgage – known as an AHOP Mortgage – toward the purchase of their home. As an interest-free mortgage, this essentially credits buyers with 10% of their home's value. The AHOP second mortgage means:

Eligible homeowners only need a 5% down payment

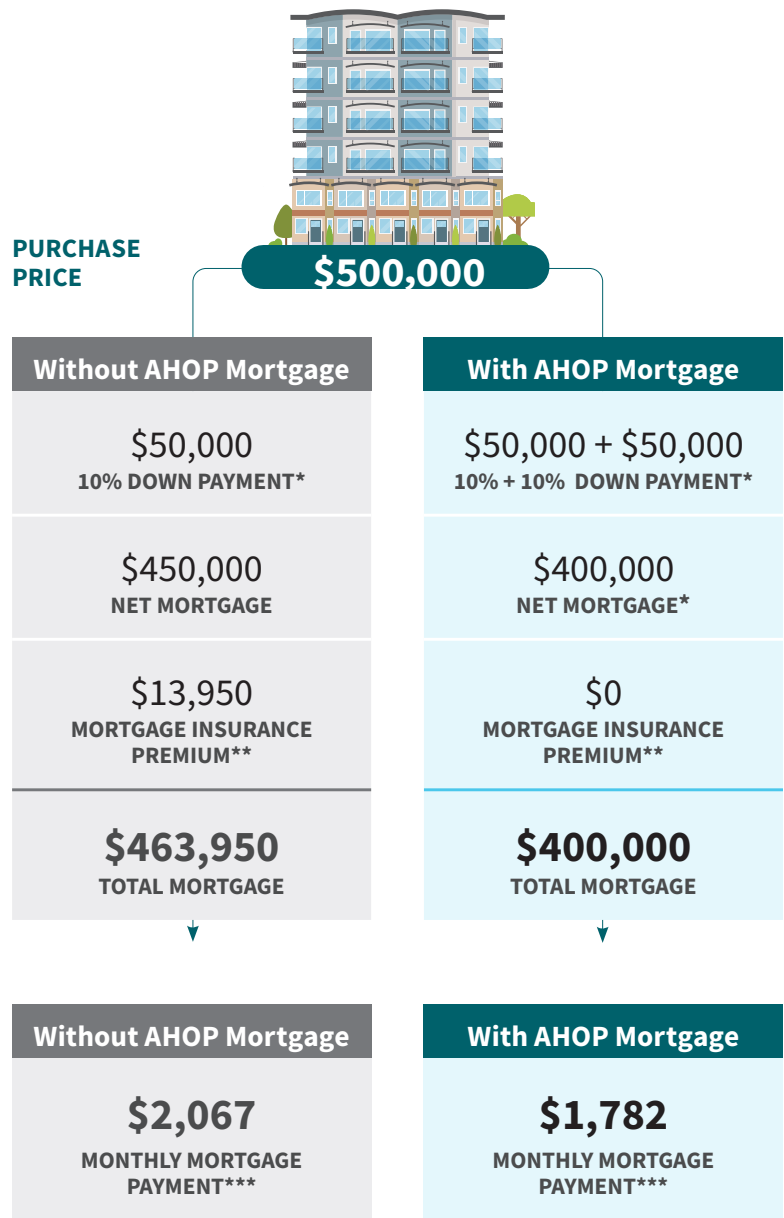
Buyers only need to put the minimum 5% down to purchase their home. That 5% deposit equates to a 15% down payment when combined with the 10% AHOP Mortgage.

Lower or no insurance premium

With the down payment now 15% due to the AHOP Mortgage, there is a reduced CMHC insurance premium. If the buyer increases their deposit from 5% to 10% there is no CMHC insurance premium. In the case of a \$500,000 home, this saves about \$15,000 over the life of the mortgage.

Lower mortgage amount

Because the down payment is now high enough, the primary mortgage can be extended from 25 to 30 years. With a lower primary mortgage amount and by extending the amortization, monthly mortgage payments are about \$500 less. This lowers the cost of homeownership by \$6,000 per year. That is \$30,000 less over the 5-year mortgage term.



* Based on a 10% deposit without an AHOP Mortgage, and a 10% deposit + 10% secondary mortgage with an AHOP Mortgage.

** Based on 3.10% CMHC Mortgage Insurance Premium for mortgages with 10% down.

*** Based on standard 5-year market financing at 2.45%. 25-year amortization period applied to high ratio mortgages with 10% down. 30-year amortization period applied to conventional mortgages with 10% down and 10% AHOP Mortgage.

Same end return

A purchaser who buys a \$500,000 home and then sells that home five years later for \$600,000, pays a lot less over the life of the mortgage but walks away with about the same return.

**SELLING PRICE
AFTER 5 YRS**

\$600,000

Without AHOP Mortgage	With AHOP Mortgage
- \$174,008 10% DOWN PAYMENT PLUS MORTGAGE PAYMENTS	- \$206,915 10% + 10% DOWN PAYMENT PLUS MORTGAGE PAYMENTS
- \$381,811 MORTGAGE BALANCE REPAYMENT	- \$339,387 MORTGAGE BALANCE REPAYMENT
\$44,181 RETURN	\$53,697 RETURN

Eligibility

- ✓ Canadian citizen or permanent resident;
- ✓ Lived in British Columbia for the past 12 months;
- ✓ Not own other property anywhere in the world;
- ✓ Currently live in rental housing or other non-ownership housing (e.g., living with family);
- ✓ Combined gross household income of those on title must not exceed the Middle Income Limit defined as:

Units with two or more bedrooms:

Middle-income households are those whose gross household income does not exceed the 75th income percentile for families with children, as determined by BC Housing.

Units with less than two bedrooms:

Middle-income households are those whose gross household income does not exceed the 75th income percentile for families without children, as determined by BC Housing.

For more information about BC Housing's Affordable Homeownership Program, visit: bchousing.org/housinghub, call 604-439-4757 or email: housinghub@bchousing.org