

Qualifying Rates	Fixed terms and all variable terms are qualified on the greater of the Bank of Canada 5-year benchmark rate or contract rate plus 2%.
Debt Servicing Ratios	GDS & TDS = Maximum 35 & 42 for beacon < 680 GDS & TDS = Maximum 39 & 44 for beacon ≥ 680 <u>Note:</u> Debt service flexibilities are based on an assessment of the strength of the overall application, in addition to satisfying the minimum credit score of 680. <i>Exceptions may be considered for LTV ≤ 80%.</i>
Consumer Credit	For calculation of the monthly obligation, the greater of the actual minimum payment or 3% of the outstanding balance will be used for unsecured revolving credit (credit cards, LOC) and 0.65% of the outstanding balance for secured credit.
Installment Loans & Other Mortgages	The installment payment must be included in the TDS with confirmation obtained from the credit bureau report or one of the following sources: 1. Cost of Borrowing 2. Approval Letter 3. Bank Statement 4. Loan Statement
Condo Fees	100% of the condo fees are to be disclosed on the initial application with 50% being used to calculate GDS and TDS. For non-subject rentals, please include 100% of the condo fees in the net rental work sheet.
Heating Component	The greater of \$100/month or \$0.75 per livable square footage (above grade) of subject property must be used to calculate the heating cost. For non-subject rental properties, the heating component may be excluded if it can be proven that the tenant bears its cost.
Net Rental Income from Existing Non-Subject Rentals	A net rental income analysis will be used to determine if there is a deficit or a surplus. For TDS, add surpluses to gross income or include deficits to the liabilities.
Student Loans Not Yet in Repayment	The greater of the contract payment indicated on the borrower's credit report or 1.5% of the outstanding balance must be used in the TDS.
Support Payments (paid by the Borrower)	If the Borrower is paying Child Support and/or Spousal Support it must be confirmed by way of a separation agreement, court order or spousal consent document outlining the terms of the separation. The monthly obligation will be added to the liabilities.

TDS Formula	$\frac{\text{PITH} + \text{other shelter costs} + \text{liabilities}}{\text{Gross Monthly Income}}$
GDS Formula	$\frac{\text{PITH} + \text{other shelter costs}}{\text{Gross Monthly Income}}$