Kwanlin Dün First Nation
Macaulay Road and Identified Lots
First Nation Market Based Housing Policy

Initial Approval Date: March 3, 2022	**Revised Date**: November 1, 2022
Legislative Authority: *Lands Act* and *Regulations*	**Policy Authority:** OIC-2022-13 and OIC-2022-23
Administrative Authority: Heritage, Lands and Resources & Finance	

PURPOSE

The purpose of the Macaulay Road and Identified Lots First Nation Market Based Housing Policy (the "Policy") is to provide opportunity for financing through the First Nation Market Based Housing program to Kwanlin Dün First Nation ("KDFN") Citizens and Beneficiaries who are interested in purchasing one of the five (5) houses and lots located on Macaulay and Wylie Roads, in the McIntyre subdivision and any other lots that may be made subject to this Policy from time to time (a "Subject Property").

SCOPE

This policy applies to administration of loans that rely on the First Nation Market Housing Fund and Program ("FNMH Loans") in connection with the purchase of a Subject Property.

Subject Properties are listed in Appendix A. The Director of the Department of Finance may, on the advice of the Director of the Department of Heritage, Lands & Resources, add or remove lots from Appendix A.

The Kwanlin Dün First Nation Market Based Housing Policy, June 2016 does not apply to the administration of a FNMH Loan made in respect of a Subject Property.

DEFINITIONS

"Allocation" means the same as in the *Lands Act.*

"Applicant" is a Citizen or Beneficiary who applies for a FNMH Loan in respect of a Subject Property.

"Authorization" means the same as in the *Lands Act*.

"Beneficiary" means the same as in the *Lands Act.*

"Borrower" is a Citizen or Beneficiary and any spouse of a Citizen or Beneficiary that has met the loan underwriting criteria of a Lender and the terms of this Policy.

"Citizen" means the same as in the *Lands Act*.

"CMHC Mortgage Insurance" is insurance to protect the Lender in the event of default by the Borrower.

"FNMHF" refers to the First Nation Market Housing Fund.

"Gross Debt Service" is the percentage of the Borrower's income that is needed to pay all required monthly housing costs (loan/mortgage payments, property tax, heat, insurance, etc.).

"Guarantee Agreement" is the guarantee agreement between KDFN and a Lender in connection with a FNMH Loan.

"Lender" is a financial institution that has entered into a Credit Enhancement Agreement with the FNMHF and is authorized to make loans under the FNMH Program.

"License of Occupation" is an Authorization authorizing the temporary exclusive occupation and use of land for a period of time.

"Loan Guarantee Agreement" is the agreement signed between KDFN and the Borrower in connection with a FNMH Loan.

"Purchaser" is a Citizen or Beneficiary who purchases or has purchased a Subject Property financed by a FNMH Loan.

"Total Debt Service" is the percentage of the Borrower's income that is needed to cover housing costs (GDS) plus any other monthly obligations that an individual has, such as credit card payments and car payments.

OVERVIEW

An Applicant will not be eligible for an FNMH Loan unless they meet KDFN's requirements under this Policy and the Lender's lending requirements.

The purchase of a Subject Property that is financed by a FNMH Loan is somewhat contractually complicated and will involve the following significant steps, among other things:

1. On Closing:
    a. The Purchaser will pay the purchase price to KDFN and KDFN will grant the Purchaser an Allocation for the Subject Property being sold;
    b. The Purchaser will immediately surrender the Allocation to KDFN, in accordance with the terms of the Loan Guarantee Agreement; and
    c. KDFN will issue to the Purchaser a License of Occupation for the Subject Property.

2. Once the loan has been paid in full, KDFN will issue a new Allocation on substantially the same terms as the original Allocation to the Purchaser.

Should a Lender call on KDFN to make a payment under the Guarantee due to a Borrower's default on the FNMH Loan, KDFN will cancel the License of Occupation and take full ownership of the Subject Property. A Purchaser will not be entitled to recover any equity held in the Subject Property except to the extent that it is set out in the Loan Guarantee Agreement.

FNMH Loans may not be used for equity borrowing, 2nd loan (mortgage) borrowing, debt consolidation, and purchase of vehicles.

DETAILS AND CRITERIA

Maximum Loan	$300,000
Maximum Amortization	25 years
Minimum Down Payment	5% cash equity
Life Insurance Mandatory	Loss payable firstly to Lender, secondly to KDFN
Home Insurance Mandatory	Loss payable firstly to Lender, secondly to KDFN
CMHC Loan Insurance	Mandatory
Collateral Held by KDFN	KDFN to hold an option to terminate the License of Occupation upon default by the Borrower, along with any other security that KDFN identifies in the Loan Guarantee Agreement.
Gross Debt Service Ratio	Not to exceed 32%
Total Debt Service Ratio	Not to exceed 40%
Debts Owed to KDFN	Any debt in arrears owed to KDFN must be repaid in full before loans will be guaranteed by KDFN. Repayment of any arrears debt will result in a minimum six (6) months probation prior to qualification.

Pre-Qualification Requirement

The Department of Finance must review and approve as pre-qualified any Applicant. The application submitted to the Department of Finance must include:

- KDFN Market Housing Application form with all required information;
- photo identification;
- proof of citizenship or beneficiary status;
- information about any debts or arrears of accounts due to KDFN or any payment plans;
- proof of eligibility to participate in the Subject Property lottery as set out in the specific terms of that lottery; and
- identification of any loan co-applicant and proof of eligibility.

If the Applicant meets pre-qualification criteria, the Department of Finance will issue a

conditional approval letter that the Applicant may provide to a Lender.

Pre-Approval of Loan and Lottery Eligibility

KDFN will not approve a FNMH Loan unless the Applicant has provided proof of Lender pre-approval for a specified amount at the time of submitting an application to enter the land disposition process for the Subject Property. KDFN will not approve an Applicant for an FNMH Loan in an amount greater than identified in the Lender pre-approval.

Approval by KDFN for Loan Guarantee

Where an Applicant is selected through a land disposition process, KDFN will enter into a conditional sale agreement with that Applicant. If the Applicant intends to finance the purchase of a Subject Property with a FNMH Loan, the Applicant must finalize and secure financing approval from a Lender within the time period set out in the conditional sale agreement.

Upon KDFN's receipt of proof of loan approval and amount of approved funds from the Lender, the Department of Finance will seek formal Council approval of the Guarantee Agreement and the Loan Guarantee Agreement.

Upon Council approval, the Department of Finance will advise the Lender of the approval and provide copy of the Council decision.

The Lender and the Borrower will then sign the FNMH Loan agreement and KDFN will make arrangements for execution of all other closing documents with the Purchaser, as outlined briefly above.

Default Provisions

The FNMH Loan will detail the default provisions relating to the loan.

KDFN will become involved in a loan default where the Lender has called on KDFN to make a payment under the Guarantee Agreement. This will normally occur where the Lender has exhausted the mechanisms available under the terms of the FNMH Loan.

KDFN will then rely upon the Loan Guarantee Agreement in order to cancel the License of Occupation.

APPENDIX A

Legal description of Subject Properties:

C-41 B Lot 331, Hillcrest Subdivision (McIntyre), City of Whitehorse, Plan 66606 CLSR, 58624 LTO;

C-41 B Lot 332, Hillcrest Subdivision (McIntyre), City of Whitehorse, Plan 66606 CLSR, 58624 LTO;

C-41 B Lot 333, Hillcrest Subdivision (McIntyre), City of Whitehorse, Plan 66606 CLSR, 58624 LTO;

C-41 B Lot 430, Hillcrest Subdivision (McIntyre), City of Whitehorse, Plan 66606 CLSR, 58624 LTO; and

C-41 B Lot 432, Hillcrest Subdivision (McIntyre), City of Whitehorse, Plan 66606 CLSR, 58624 LTO.

Lot 1, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 2, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 3, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 4, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 5, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 21, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 22, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 23, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR

Lot 24, Crow Street Subdivision, City of Whitehorse, Yukon, Plan 89993 CLSR