

EQRAZ INC. Mortgage Qualification Criteria

Financing Purpose	Purchase / Refinance
Maximum FTV	80%
Down Payment	Minimum 20% down payment from own resources. Gifted funds also acceptable Payments ONLY through a Canadian bank account; NO cash or overseas transfers
Beacon and Credit History	Minimum 700 beacon / FICO score Derogatory credit history to be supported with a reasonable explanation Only one major credit occurrence (bankruptcy, consumer proposal, orderly payments, or debts, etc.)
Income	<p>Standard salaried income guidelines apply for all full-time employment</p> <ul style="list-style-type: none"> - Two recent paystubs - Two years T4 slips - Employment letter - 90-day bank account history confirming deposit of earnings <p>Business for self requires:</p> <ul style="list-style-type: none"> - 2 Years T1 – Generals with NOA and Statement of Business activities - 2 Years T4s and T5s - Last 3 months business bank statements - Articles of Incorporation - Valid Business License - Commission sales letter or employment contract confirming commission arrangement <p>Proof of income requires:</p> <ul style="list-style-type: none"> - Two most recent NOA's or - Customer must provide a signed affidavit declaring the income used to qualify - In addition, the declared income must be supported by: - 6 months bank statements and - Sales order contracts, invoices, or employment contract to confirm income generated
Maximum Financing Amount	CAD 750,000
Debt Service Ratios	Maximum GDS: N/A Maximum TDS: 44%
Amortization	300 Months
Term	Up to 60 months, renewable
Stress Test Requirement	Customers will be qualified in accordance with OSFI requirements
Appraisal	Appraisal ordered from EQRAZ approved appraisers list
Prepayment Options	Up to 20% of original financing amount each year; AND/OR up to 20% increase in monthly payment amt.
Early Payout	Greater of 3 Months profit or Profit Rate Differential ("PRD") <see note 1>
Property Type	<p>Primary owner-occupied residential property located in major urban centers with demonstrated ongoing resale demand. Maximum 4 units with 1 owner occupied.</p> <p>Minimum property size: 700 Sq ft – single family dwellings 500 Sq ft - condominiums</p> <p>Property MUST be in one of the following areas: GTA (inc. Kitchener/Waterloo and London areas), Greater Vancouver Area, Edmonton and Calgary.</p>

Note 1: PRD is defined as the difference between A and B (i.e., **PRD = A – B**) where:

- A** = Remaining profit payable at the posted Murabaha profit rate at time of prepayment, and
- B** = Remaining profit payable at the customer's existing Murabaha profit rate

DISCLAIMER:

These are draft guidelines for internal use only, subject to change in accordance with EQRAZ Inc.'s risk management guidelines and policies. Ultimately, EQRAZ retains the right to approve or reject all applications at its own discretion.