

Lending Guidelines

Commercial Mortgage Purchase Financing

Commercial Mortgage Purchase Financing uses a property as collateral to take out a loan on commercial real estate. Borrowers are usually companies or businesses (partnership, limited, or incorporated)



Commercial Property



Financing

Product Features

Property Type	<p>Residential real estate can be eligible for this program if it is an investment property. This includes properties that are:</p> <ul style="list-style-type: none"> • Multi-Unit apartment with 1-4 units • Multi-Unit apartment with 5 or more units • Residential-commercial mixed <p>Eligible commercial properties include:</p> <ul style="list-style-type: none"> • Offices • Places of Worship • Industrial properties • Retail spaces • Golf courses • And more
LTV	<ul style="list-style-type: none"> • Residential Commercial Mixed: 80% LTV Ratio • Multi-family residential with 1-4 units: 80% LTV Ratio • Multi-family residential with 5+ units: 85% LTV Ratio • Commercial plaza: 75% LTV Ratio • Offices: 75% LTV Ratio • Industrial properties: 75% LTV Ratio • Farm land: 55% LTV Ratio
LTV- Owner Occupied (specialty program)	<ul style="list-style-type: none"> • For strong business 90-100% financing can be arranged

Qualifications

- Commercial mortgages can take longer from term sheet to close than residential mortgages.
- To qualify for this loan, lenders will consider your:
 - Debt service coverage ratio
 - Credit history
 - Intended use for the property
 - Down payment amount
 - Current status and health of your business
- Interest rates can be slightly higher than residential rates
- Unlike residential properties, CMHC will not insure a property that is purely commercial
 - They will insure a residential commercial mixed property, with a minimum down payment of 15%
- On the other hand CMHC has terrific apartment building residential programs. Please reach out to your MA for more details.

