# *Verification of Down Payment and Closing Costs*

THE MOST COMMON CAUSE OF DELAY, IN THE CLOSING
OF A REAL ESTATE TRANSACTION

To comply with the guidelines of the Lending Institutions together with Mortgage Insurance Companies such as Canada Mortgage and Housing Corporation, AIG or Genworth, a condition of approval included in your commitment, you will be asked to provide "Confirmation of Down Payment" from non-borrowed funds in one of the following forms:

**Down Payment from the sale of an Existing Property:** You will be required to provide a copy of the unconditional "Purchase and Sale Agreement" on your existing property. This needs to be accompanied by a copy of a statement of the outstanding balance on any mortgages presently held against the property. The difference between the sale price, the mortgage owing with consideration for real estate commissions and expenses will substantiate the funds available for your down payment.

**Down Payment from a Gift:** In the event that the down payment is in the form of a gift from an immediate relative, you will need to supply a letter from the Giver of the gift indicating that "The down payment is not a loan and that there are no terms of repayment by the recipient" Your Mortgage Intelligence Consultant will supply you with a form acceptable to meet this condition.

The Gifted Funds must be on deposit with the Purchaser for a minimum period of 30 days prior to the closing of the transaction. The Gift Giver and the Purchaser must supply copies of Bank State ments (pass books) showing the funds being withdrawn from the Giver and deposited to the Purchaser confirming that the gift transaction took place at least 30 days prior to closing. Copies of said documents must be attached to the "Gift Letter"

**Down Payment from Own Resources:** You must supply verification satisfactory to C.M.H.C. Genworth or AIG and the Lender of accumulated savings from non-borrowed funds. This may be in the form of a copy of your bank book confirming equivalent to your down payment including the amount of the deposit cheque and must verify savings for a period of not less than 90 days. Should a substantial deposit have been made within the 90 day period, the source of such funds, i.e. Bonds, Stocks, GIC's or RRSP receipts will also be required.

**Closing Costs:** Confirmation of your down payment must also include an additional amount equivalent to 1.5% of the purchase price representing the closing costs (lawyers fees, land transfer tax etc.) and must indicate the withdrawal of your initial deposit cheque from your account.

*To avoid any delay in funding your transaction we recommend that you provide a form of the above noted confirmation within 10 days of signing your commitment.*


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I / We acknowledge receipt of this information on: _____

Applicant: _____ Co-Applicant: _____