

Hiyám Home Loan Program (HHLP)

Phase 1

Frequently Asked Questions

To support our mandate to bring the community home within a generation, the Sk̓wx̓wú7mesh Nation Council has announced the first phase of the home loan program. The HHLP program will provide Squamish Nation members that wish to apply for a guarantee in respect of a loan to construct a home on a lot the member owns on Squamish Nation reserve lands. The program is being administered by Hiyám ta Sk̓wx̓wú7mesh Housing Society (Hiyám Housing).

Applications for HHLP will be accepted from Monday, October 4, 2021, at 8:30am until Friday, October 29, 2021, at 4:30pm.

Applications will be mailed to all registered Squamish Nation Members. You can also find the application on the Squamish Nation website, or request one from Hiyám Housing by contacting our office.

Address

336 West 4th Street
North Vancouver, BC, V7M 1J1, Canada

Questions

604-210-9126
applications@Hiyámhousing.com

Applications to be submitted to:

Hiyám Housing office as a drop off, mail or email applications@Hiyámhousing.com

1) What are the eligibility requirements for HHLP?

To be eligible for HHLP, applicants must:

- Be a Squamish Nation registered member 19 years and older.
- Hold a certificate of possession (CP) or custom lot upon which a home is located or an eligible building lot for construction. Applicants with a CP lot will initiate a

transfer of the lot to the Squamish Nation, and the Nation will hold title and interest in the applicable CP lot until the loan is repaid in full.

- Apply to Bank of Montreal (BMO) Park Royal branch and meet the bank's lending criteria for a loan.
 - If the applicants are both Squamish Nation members or member has non-member spouse, eligibility to apply for this program will be based on joint income.
- Be able to contribute 5% equity required by the bank (5% of total loan amount).
- Be in good financial standing with the Nation and Hi'yám'. Applicants with outstanding accounts (money owing to) Squamish Nation or Hi'yám' Housing are not eligible to apply until:
 - The outstanding accounts have been paid in full; or
 - With the exception of an outstanding account related to tenant damage, the applicant has entered into a repayment agreement with the Nation or Hi'yám' Housing and has paid the agreed upon payments on the due date for a minimum of six consecutive months.
 - The outstanding account relates to tenant damage for a Squamish Nation or Hi'yám' Housing rental, or social housing home occupied by the applicant(s), this outstanding account must be paid in full.
- Occupy the new home as their principal residence.
- Agree if occupying an existing Nation or Hi'yám' rental or social housing home that will terminate housing agreement giving two months written notice of the intent to vacate the home prior to moving into their new home.
- Agree to participate in a basic home maintenance workshop offered by the Nation and complete within one year of move-in.
- Be capable of meeting their obligations under the loan (regular principal and interest payments, insurance premiums, etc.) and maintain full responsibilities for the physical and financial responsibilities and costs, expenses, fees, permits, licenses, services, utilities, applicable taxes and any other liability relating to ownership and occupancy.
- Designate a beneficiary of the home on approval.
- Obtain loan life insurance.
- Meet all other eligibility requirements in the HHLF policy and comply at all times with the terms of the same, the loan and the Nation guarantee agreement.
- Funds obtained through the loan may only be used to construct a home.

2) What is a CP and custom lot?

CP lot means a certificate of possession issued by the Minister of Indigenous Services Canada as evidence of the Member's right to possession of the land within Squamish Nation reserve lands issued in accordance with section 20(2) of the Indian Act (Canada), RSC 1985, 2.I-5. No member is lawfully in possession of land in Squamish Nation

unless, with the approval of the Minister, possession of the land has been allotted to him/her by the Council of Squamish Nation.

Custom lot means a lot which has been assigned under custom allocation and which is administered under custom of the Nation and not under the Indian Act land registry system.

Speak to Squamish Nation Member Services department for the status of your lot.

3) Who is not eligible to receive loan assistance?

Any applicant with outstanding account (money owing) to Squamish Nation or Hi'yám Housing will not be considered for loan assistance until the outstanding accounts have been paid off or until the applicant has entered into a repayment agreement with the Nation or Hi'yám Housing and paid the agreed upon monthly instalments on the due date of the instalments for a minimum of six consecutive months.

4) What are the minimum and maximum loan amounts?

To provide eligible Squamish Nation members with a loan guarantee to the bank:

- Minimum loan \$25,000
- Maximum loan \$500,000

5) How will you be notified about the status of your application?

Within 30 days of the deadline date for submission of applications, or Hi'yám Housing will:

- Review the application to confirm that it is complete.
- Verify information provided in the application.
- Conduct a meeting with the applicant(s).
- Provide written notification to the applicant to confirm eligibility.

If the application is ineligible, Hi'yám Housing will confirm the reason(s) for ineligibility.

6) How will the eligible applicants be selected?

For this to be a fair and transparent process, if a lottery selection needs to be done, HiYám Housing will be using a lottery selection software to manage and select from those who are eligible.

HHLP Lottery Selection processes will be as follows:

- Housing Application Panel reviews all the applications for eligibility.
 - If there are questions about the application or missing information, we will reach out and ask for a response within a required timeframe.
 - Applications that are not eligible will be notified.
 - Applications that are eligible will be notified and given a lottery reference number before the lotter is held.
- We will conduct the lottery virtually using lottery selection software.
 - Applicants are welcome to attend the lottery drawing virtually via Zoom.
 - HiYám will draw applicants' names.
- HiYám Housing will review the list again and the selected applicants will be notified.

7) What additional documents must I submit with the application?

The Bank of Montreal's pre-approval of the loan documents and Membership Verification Form.

8) Will you ask for further supporting information for my application?

HiYám Housing may follow up with your application to ensure all information is true and accurate, and any missing information and documentation.

9) What if I don't own my own lot and want to request from the Nation to allocate me a lot?

You are not eligible to apply in this phase. However, in the next phase of this program, the Nation will have more lot types available to allocate to members.

10) Why is this phase 1 and what is the future of the program?

The home loan program will be rolled out in phases to ensure its long-term success.

The Nation will be conducting research to determine what the future program phases will look like and adding capacity in future years to expand on it.

11) Can I build different housing types such as a tiny home or duplex?

No, not in phase 1 roll out. However, the housing options will be expanded in future phases.

12) When will phase 2 of this program be offered?

It is anticipated that members will be able to apply for phase 2 of this program sometime next year in 2022.

13) Am I making loan payments to the Nation or the bank?

As part of the application procedure, you must be pre-approved by the Bank of Montreal for a loan. A banking loan document will be signed by the applicant(s) and the applicant(s) will be paying the bank the loan payments.

14) What will be the length of the loan?

The maximum number of years the loan can be for is 25 years. This is called "amortization period" of the loan.

15)Can I go to any bank to get the pre-approval of the loan?

No, you have to go to Bank of Montreal (BMO) Park Royal branch for the pre-approval of the loan. In the next phase 2 of this program, we will be offering more lending options of banks and/or credit unions the applicant can go to.

16)What branch do I apply at and who do I speak to?

You apply at the Park Royal branch and speak to one of the personal bankers. The Park Royal branch phone number is 604-668-1277.

17)Why was only one bank chosen and why Bank of Montreal?

We evaluated several banks to partner with and BMO was chosen since it had the most experience with this program and the lowest interest rate offered. We also wanted to work with only one bank to start to ensure the proper processes are created, and the program is thriving.

18)Do I have to put a down payment on the loan?

Yes, it's required that the applicant(s) contribute a minimum of 5% equity of the total amount it will cost to construct the home.

19)Can I put more than 5% down payment on the loan?

Yes, you can contribute as much as you want but as long as the minimum loan amount is \$25,000.

20)Where do I go if I want to improve my credit?

Credit health depends on your financial history and income level. You can contact BMO Park Royal branch and ask to speak to a personal banker for assistance on how to improve your credit.

21)What is the interest rate and how long is it locked in for?

Today's special 5-year fixed interest rate is 2.44% at BMO but this special rate could stop being offered at any time by BMO. The interest rate offered by BMO under this program are the lower of:

- Special interest rate
- BMO Homeowner mortgage interest rate minus 75 basis points (0.75%)

When you go to get pre-approval for the loan, the bank will let you know the interest rate which is locked in for 130 days.

22)Why is this called a loan and not a mortgage?

We cannot call it a mortgage because the bank cannot register a mortgage for property on reserve. A loan has more flexibility in regard to no legal mortgage charges or registrations and can be prepaid at any time without fees or penalty.

23)Do I have to live in the new home?

Yes, it's required that the applicant occupy the new home as their principal residence.

24)Can I apply if I have an old home that I want to demolish and build a new one?

Yes, the applicant's loan will include the cost to demolish and build the new home.

25)How long do I have to build my home?

You must start the project (home) no later than 120 days after the bank confirms that the loan agreement documentation is in place. The project must be completed no later than 12 months from date of commencement of the project.

26)If I build a home under this program phase 1, will my name come off the Housing List?

Yes, your name will come off the Housing List.

The Housing List is managed by Squamish Nation Member Services department. If you have any questions, please contact Member Services department.

27)What happened to Squamish Nation's self-financing housing program?

The self finance home has been put on hold because the Squamish Nation doesn't have lots for this program yet. The Nation is working on the next subdivision and these lots will be ready to build on next year.

28)I previously talked to Squamish Nation Member Services department and expressed interest in getting a loan to build a home. Does Member Services have a waiting list?

No, Member Services did not create a formal waiting list. All members who previously contacted Member Services will need to apply for this home loan program.

29)What is Squamish Nation Member Services department role?

Member Services role is to provide information and services for residential lot ownership, transfer of ownership, estate issues and designate beneficiary. They will also provide

confirmation if applicant is occupying Squamish Nation rental or social housing home. They will provide member verification to the bank.

30)What is a beneficiary?

A beneficiary is the person(s) you name to receive your house and lot when you die.

31)What is Squamish Nation Planning and Capital Projects department role?

Planning and Capital Projects (PCP) role is management and oversight of the infrastructure and construction of the homes. The department's role will depend upon whether you choose to have PCP serve as your general contractor or whether you choose your own general contractor. If PCP serves as your general contractor, they will also provide guidance and support to the applicant throughout the whole process from:

- Preparation up to construction. Ie. survey, house plan, infrastructure, contractor, inspector, estimates for the budget, etc.
- During construction. Ie. inspections, oversight to ensure following house plan specifications and adhering to codes, standards, bylaws, regulations.

If you choose to use your own general contractor, PCP's role will be to ensure that any construction that is completed is done to all appropriate codes and standards.

Contact PCP if you have any questions about whether or not there's services (water, sewer, electrical) to your lot.

32)Who will be managing my budget?

If you choose Squamish Nation Planning and Capital Projects department as your general contractor, they will manage the budget. If you decide on selecting your own general contractor, you will manage the budget. You can hire a project manager to manage the budget and this would be covered as part of the loan from the bank.

33)If I can't make the payments (default) on the bank loan, will I be evicted from my home?

If an applicant does not make the required loan payment when it's due, the bank will contact the applicant to resolve the issue (breach). The bank will also notify the Nation and Hi'yám. Where the applicant does not resolve the breach to make the required loan payment, the bank will notify Hi'yám and we will contact the applicant to resolve the issue. Where the applicant does not resolve the breach to make the required loan payment, Hi'yám will notify Council and recommend action be taken against the applicant as per the HHLP policy. If the applicant fails to resolve the breach, Hi'yám shall notify their board and recommend that eviction action be taken.

34)If I default on the bank loan, can a family member apply to the bank to see if they qualify for the loan?

If an applicant defaults on the bank loan, a family member can apply to the bank to see if they meet the bank's lending criteria to qualify for the outstanding loan amount.

35)What does it mean to apply for a "guarantee" in respect of a loan?

The applicant must apply to the bank for a loan. If the applicant defaults on the bank loan (doesn't make the required payment when it's due), the bank cannot take ownership of the home and lot because it's reserve lands. Squamish Nation has to guarantee the applicant's loan from the bank. If the applicant defaults on the bank loan, Squamish Nation is required to make full payment of the loan to the bank.