

# bridge financing

## Radius Bridge Loan

Rate - Prime + 4.10%

### Loan amount

- Minimum: \$5,000
- Maximum:
  - The lesser of the down payment required OR
  - The net sale proceeds from the property being sold, where the applicable formula is:

The lesser of the following:

- $(\text{Purchase Price} - \text{Mortgage Amount}) = (\text{Down Payment})$
- $(\text{Sale Price} - \text{Existing Mortgage Balance(s)} - (7\% \text{ of Sale Price for estimated closing costs})) = \text{Net Equity}$
- When realtor's confirmed commission is <7% as specified on the Sale Agreement the formula can be adjusted accordingly

### Guideline, Term and Documentation

The maximum term is 120 days except Manitoba. If the property being sold is located in Manitoba, the maximum term is 90 days. See Figure 1.

Note:

- All bridge loans >\$150,000 regardless of the term must be secured by way of collateral mortgage on the property being sold
- If you are using less than 7% of commission fee in the net sale proceeds calculation, we would require either the sale property trust ledge OR Realtor Commission Statement

The following documents must be executed and received from the solicitor:

- The Solicitor's Acknowledgment
- The Declaration and Direction
- The Promissory Note
- The Assignment of funds
- Statement of Adjustments and Direction to Pay/Trust Ledger confirming net sale proceeds equal to or greater than the bridge loan

### Fees

- Bridge Loan Application Fee: \$300.00
- Discharge fee
  - For all Bridge Loans that are either in excess of \$150k or >45 days in age (or >60 days if the property being sold is located in Manitoba) the following discharge fee is applicable:
    - » All Provinces (excluding BC, AB, MB): \$330
    - » BC: \$75
    - » Alberta: \$0.00
    - » Manitoba: \$180
  - For all Bridge Loans that are NOT in excess of \$150k or >45 days in age (or >60 days if the property being sold is located in Manitoba) the discharge fee is applicable:
    - » All Provinces: \$85



Figure 1.

Number of days	Guideline and Documentation
Up to 45 days	<ul style="list-style-type: none"> <li>• Firm purchase and sale agreement for the previous property being sold</li> <li>• Existing mortgage statement</li> <li>• MLS listing for the property being sold</li> <li>• Repayment of bridge loan payment can be excluded from TDSR</li> </ul>
Greater than 45 days to a maximum of 90 days	<ul style="list-style-type: none"> <li>• Firm purchase and sale agreement for the previous property being sold</li> <li>• Existing mortgage statement</li> <li>• MLS listing for the property being sold</li> <li>• Bridge loan must be secured by way of collateral mortgage on the property being sold</li> <li>• Repayment of bridge loan payment can be excluded from TDSR</li> </ul>
Greater than 90 days to a maximum 120 days	<ul style="list-style-type: none"> <li>• Firm purchase and sale agreement for the previous property being sold</li> <li>• Existing mortgage statement</li> <li>• MLS listing for the property being sold</li> <li>• Bridge loan must be secured by way of collateral mortgage on the property being sold</li> <li>• Bridge loan payment must be included in calculation of the TDSR ratio using the outstanding balance, 5 year benchmark rate with a 25 year amortization</li> <li>• Calculation details and clear documented rationale must on file to support exception</li> </ul>
Manitoba only: Greater than 60 days to a maximum 90 days if the property being sold is located in Manitoba	<ul style="list-style-type: none"> <li>• Firm purchase and sale agreement for the previous property being sold</li> <li>• Existing mortgage statement</li> <li>• MLS listing for the property being sold</li> <li>• Bridge loan must be secured by way of collateral mortgage on the property being sold</li> <li>• Repayment of bridge loan payment can be excluded from TDSR</li> </ul>

Call us today to learn more!

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