

# MORTGAGE LOAN INSURANCE AND PREMIUMS



Mortgage Loan Insurance from Canada Mortgage and Housing Corporation (CMHC) can help bring homeownership within reach.

## What is Mortgage Loan Insurance?

Mortgage loan insurance is typically required by lenders when homebuyers make a down payment of less than 20% of the purchase price. Mortgage loan insurance helps protect lenders against mortgage default, and enables consumers to purchase homes with a minimum down payment starting at 5%\* — with interest rates comparable to those offered with a larger down payment.

To obtain mortgage loan insurance, lenders pay an insurance premium. Typically, your lender will pass this cost on to you. The premium is based on the loan-to-value ratio (mortgage loan amount divided by the purchase price). The premium can be paid in a single lump sum or it can be added to your mortgage and included in your monthly payments.

## How Much Does it Cost?

The following table provides you with a general idea of the premiums charged by CMHC. The exact premium will be calculated when you apply for a mortgage and provincial sales tax may apply.

Loan-to-Value	Premium on Total Loan**
	Standard Purchase Premium
Up to and including 65%	0.60%
Up to and including 75%	0.75%
Up to and including 80%	1.25%
Up to and including 85%	1.80%
Up to and including 90%	2.40%
Up to and including 95%	3.60%
Traditional Down Payment	3.85%
Non-Traditional Down Payment	3.85%

CMHC's online [Premium Calculator](#) can also help you with your estimations.

\*The minimum down payment requirement for mortgage loan insurance depends on the purchase price of the home. For a purchase price of \$500,000 or less, the minimum down payment is 5%. When the purchase price is above \$500,000, the minimum down payment is 5% for the first \$500,000 and 10% for the remaining portion. Mortgage loan insurance is available only for properties with a purchase price or as-improved/renovated value below \$1,000,000.

\*\*The maximum loan-to-value for refinance is 80%. Premium savings may be available if you are porting an existing CMHC-insured mortgage or if you are using CMHC-insured financing to purchase an energy-efficient home or make energy-saving renovations. Ask your mortgage professional or visit [www.cmhc.ca](http://www.cmhc.ca) for more details about mortgage loan insurance, such as down payment requirements, portability, etc.



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Canada Mortgage and Housing Corporation (CMHC) offers a variety of publications, calculators and online tools to help you make informed and responsible homebuying decisions.