

Asset and Financial Planning Services

Building solutions
for your co-op's future

Using a new mortgage to repair and modernize your co-op

Sometimes the most affordable way for co-ops to handle major renovations and repairs is to arrange a new mortgage to supplement their reserves.

Your co-op's decision about whether to borrow and how much money you need is based on your Asset Management Plan (AMP). The AMP is a detailed analysis of your buildings and your co-op's financial capacity. You can borrow exactly what you need to keep your buildings in good repair.

Arranging new mortgages can be complicated and time-consuming. You need technical reports, government/Agency/CMHC approvals, member approval, and detailed discussions with lenders.

Here's a quick overview of how it works:

- ▶ **Getting started** – Update your Building Condition Assessment. We will check whether government funding is available to help you with the costs of the reports and professional support you'll need. Round up three years of audited financial statements and then sign an engagement letter with CHF Canada.
- ▶ **Asset planning** – Complete an Asset Management Plan covering the next 30 years. It will show the costs of all the repairs you'll need, and the most affordable way to pay for them. AMPs are prepared by CHF Canada's Asset and Financial Services team, working with your board of directors.
- ▶ **Involve the lender** – When a new mortgage is the right decision, CHF Canada's team will prepare your proposal to a lender. In turn, the lender will provide you with a Letter of Interest, agreeing to finance your co-op when certain conditions are met.
- ▶ **Members meeting** – Your members must approve new borrowing. CHF Canada will lead your board's presentation at a member meeting to consider the AMP and the proposal from the lender, and prepare a legal resolution for you.
- ▶ **Funding the loan** – CHF Canada and your lawyer help you meet the conditions in your lender's

commitment letter. We take the lead role in getting the government, Agency and/or CMHC approvals that are needed, especially if your new mortgage is to be insured by CMHC. There can be a lot of paperwork at this step.

- ▶ **Arranging project management** – Lenders normally require that a qualified project manager supervise major projects. CHF Canada's team will help you establish the scope of work and the Request for Proposals that you send to engineering firms. We will help evaluate the bids you receive.
- ▶ **Help going forward** – If you need advice or support at any time while the work is being done, we are at your service.

Why CHF Canada?

Knowhow – Since 2010, more than 50 member co-ops have arranged more than \$200 million in new borrowing through CHF Canada services. These co-ops have renovated and improved more than 3500 co-op homes using these funds. Although every refinancing is unique, on average co-ops in our program are paying less on their new mortgages than before they refinanced.

Transparent process – You can count on a transparent step-by-step process that aims for no surprises. Our lenders support co-op housing and can usually make flexible financial arrangements to fit your co-op. Our working relationships with CMHC and the Agency are the best you can find.

Membership counts – With CHF Canada, your co-op is not a "customer" or a "client." You are a "member," and a part owner of CHF Canada. Our only goal in providing this service is to help you make the best decisions for your co-op's future.

To find out more, please contact:

Dave Howard 416-624-7511
dhoward@chfcanada.coop