



**CHATTEL LOAN INSURANCE PROGRAM (CLIP) – Site Lease Property
ADDITIONAL INSTRUCTIONS**

Applicable to all Residential Mortgages/Hypothecs

We have approved an application by the Borrower(s) named in the Specific Instructions for an insured loan under CMHC's Chattel Loan Insurance Program. The proceeds of the loan are to be used to finance the purchase of the mobile or float home (the "Property") described in the Specific Instructions. The Loan Agreement (Form 1092 or 1089) has been prepared by us and will be enclosed with the Specific Instructions. This document must be signed by the Borrower(s). Please act on our behalf to prepare and have signed the following documents: the Assignment of Site Lease (Form 1093), Landlord Consent (Form 1097) and the Security Agreement (Security Interest in Consumer Goods) (Form 944), in B.C. the Security Agreement (Chattel Mortgage for Consumer Goods) (Form 950) or in Quebec the Deed of Movable Hypothec (Form 805). The Security Agreement must be registered under the applicable personal property security legislation. If there is a guarantor of the loan, the Guarantor(s) are to sign the Guarantee (Form 3937 for Prime Rate loans and Form 3936 for Fixed Rate loans), except in Quebec where they are to sign the Suretyship and Subordination of Claim (Form 4164 for Prime Rate loans and Form 3922 for Fixed Rate loans). Please complete the Guarantee or Suretyship to include the principal amount and interest rate contained in the Loan Agreement. The documents you are to prepare are available and may be downloaded from our legal documents web site. **Note:** For electronic mandates transmitted through Assyst Real Estate (the "Platform"), all required documents are available on the Platform. This means you should not download any documents from our legal documents web site.

As the Borrower(s) under a CLIP Loan do(es) not own the land upon which the mobile home is or will be located, or in the case of a float home, the land adjacent to the dock to which the float home is or will be moored, a mortgage/ immovable hypothec will not be registered against the land and the sections of the General Instructions that apply solely to a mortgage/immovable hypothec are not applicable (for example, Sections 2-4, 7, 8, 10, 12, 13 and 14 do not apply). Please note that the sections of the General Instructions dealing with insurance (Section 5) and septic systems (Section 6) are applicable to CLIP Loans. If the Borrower(s) under a CLIP Loan own the land upon which the mobile home is or will be located, or in the case of a float home, the land adjacent to the dock to which the float home is or will be moored, a mortgage/ immovable hypothec will be registered against the land and our General Instructions will apply.

However in Quebec, if in your opinion the Property could be considered "immovable", the Lender must obtain both an immovable and a movable hypothec. You must ensure that the Mortgagor(s) obtain(s) title to the Property from the vendor. You must also comply with the provisions of the General Instructions dealing with immovable hypothecs, in addition to complying with these instructions. If the Mortgagor(s) cannot give the Lender an immovable hypothec you must contact our Personal Service Centre immediately.

You are to assume sole responsibility for the preparation and registration of the Security as required at law including, confirming the identity of the Mortgagor(s), ensuring that the Mortgagor(s) obtain(s) title to the Property from the vendor(s), undertaking such searches in connection with the Property as may be required to ensure that there are no security interests in respect of the Property that may affect our Security and to register notice of our security interest, prior to the advance. The notice of security interest must be registered for the amortization period, unless a shorter period is required at law. A notice of the security interest is not to be registered against the real property upon which the Property is/will be situated.

Where payment is required prior to delivery of the unit to the site, the first advance will be 85% of the approved loan amount. This amount will be advanced on delivery of the unit to site and as recommended by CMHC.

Funds are not to be advanced until you have received written confirmation that the mobile home has been blocked, anchored and skirted in accordance with the provincial building code or municipal requirements or in the absence of such requirements in accordance with the CSA standards for manufactured homes.

These instructions shall be adapted to float homes, except that float homes cannot be set up on land and must be located in a marina or port authority. Ensure that a moorage agreement has been signed giving the Mortgagor the right to moorage by way of a site lease on the water lot adjacent to the dock where the float home is moored. Obtain the rules and regulations of the marina, the insurance binder and any discharges, if required. Ensure that the float home has been de-registered with the Ships' Registry (Transport Canada Vessel Registration under the *Shipping Act (Canada)*), if applicable.

1. The following pre-disbursement conditions apply to CLIP Loans:
 - (a) a copy of the applicable Approval of Loan and Cost of Borrowing Statement of Disclosure has been signed by the Mortgagor(s) and, if applicable, the Guarantor(s);
 - (b) if the Property is not serviced by municipal sewage systems, you have obtained the appropriate certificate regarding the septic system. This does not apply to float homes;
 - (c) you are satisfied that the matters referred to in this document, the General Instructions and any additional instructions applicable to the transaction have been completed, including the signature of the Security Agreement (Form 944 or 950), the Loan Agreement (Form 1092 or 1089), Assignment of Site Lease (Form 1093), and Landlord Consent (Form 1097) and the Guarantee/Suretyship (Form 3936, 3937, 3922 or 4164), if applicable, by the appropriate parties and the registration of the security interest confirming no other security interest affects the mobile or float home; and
 - (d) in the case of a float home, the unit has been de-registered with the Ships' Registry, if applicable.

2. Final paper documents that must be forwarded to us:
 - (a) Loan Agreement (Form 1092 or 1089);
 - (b) Executed Security Agreement (Security Interest in Consumer Goods) (Form 944) or in B.C. the Security Agreement (Chattel Mortgage for Consumer Goods) (Form 950) or in Quebec, the Deed of Movable Hypothec (Form 805)
 - (c) Proof of registration of the security interest under the applicable provincial personal property security legislation
 - (d) Assignment of Site Lease (Form 1093)
 - (e) Landlord Consent (Form 1097); and
 - (f) Guarantee (Form 3937 - Prime Rate or Form 3936 - Fixed Rate) or in Quebec the Suretyship and Subordination of Claim (Form 4164 - Prime Rate or Form 3922- Fixed Rate).

3. Electronic Mandates transmitted using the Platform

Our General Instructions continue to apply to this mandate. We also draw your attention to the Instructions for electronic mandates transmitted using the Platform contained on page 2 and following of our General Instructions. In addition, the following provisions apply to electronic mandates transmitted through the Platform:

- (a) Reference to the Mortgage shall mean the Security Agreement (Form 944 or 950) or, in Quebec, the Deed of Moveable Hypothec (Form 805). Please ensure the information displayed in this document conforms with the information displayed in clause 1 of the Specific Instructions.
- (b) Reference to the Approval of Mortgage and Cost of Borrowing Disclosure Statement shall read Approval of Loan and Cost of Borrowing Disclosure Statement. This document is to be retained in your file. We do not require a copy.
- (c) We require the final documents listed above in clause 2 to be forwarded to us.
- (d) Clauses 8(f)(i) and 9(a) of the General Instructions are modified to the extent necessary by the following. You will not receive the cheque representing the loan proceeds until you have completed a Request for Mortgage Funds (Form 3328), signed it by digital signature issued by an organization/body listed in our General Instructions and sent it via the Platform, at least 3 days before funds are required. **In submitting a Request for Funds through the Platform, you are representing to the Mortgagee that you have complied with these and any other instructions applicable to the transaction and are satisfied that all matters referred to other than signature and registration of the Security Agreement (in Quebec, the Deed of movable hypothec) and forwarding of the documents, are completed.**
- (e) You are authorized to deposit the cheque representing the loan proceeds into your trust account once all pre-disbursement conditions, except for signature of the Loan Agreement, the Assignment of Site Lease and signature and registration/publication of the Security Agreement (in Quebec, the Deed of Moveable Hypothec), have been met. The cheque representing the proceeds of the mortgage may be deposited into your trust account before the movable hypothec has been signed and published.
- (f) Funds must not be disbursed until you are satisfied that all matters referred to in these and any other instructions applicable to the transaction have been followed, including registration of a first-ranking Security Agreement/Deed of Moveable Hypothec in the appropriate registry office.