



RBC HOMELINE PLAN MORTGAGES ADDITIONAL INSTRUCTIONS

Applicable for RBC Homeline Plan Mortgages where funds will be used to purchase a newly constructed property, or to fund renovations

If the Special Conditions in the Specific Instruction indicate a holdback is required, conduct at the time of the advance, all searches that you consider necessary or appropriate to give the Mortgagee an opinion that the Mortgage constitutes a first mortgage against the mortgaged lands to the extent of monies advanced. For the advance, advise your client(s) to contact you. On advice from your client(s), submit your Request for RBC Homeline Plan Funds (Form 3958). Most documents mentioned in these instructions are available and may be downloaded from our legal documents web site.

We must obtain our own satisfactory inspection report before the advance can be made. You are to ensure that the appropriate holdback is maintained for all advances, including the final one, as required in your jurisdiction.

The builders' or mechanics' lien (legal hypothec in Quebec) holdback, in the amount specified by provincial statute, must be applied to each advance, as required. We have summarized the holdbacks applicable in your province or territory as follows:

Alberta	10%
British Columbia	10%
Manitoba	7.5%
New Brunswick	15% to 20%
Newfoundland	10%
N.W.T. and Nunavut	10%
Nova Scotia	10%
Ontario	10%
Quebec	15%
Prince Edward Island	20%
Saskatchewan	10%
Yukon	10%

For purchase transactions of a new construction, obtain a new home warranty certificate that complies with provincial legislation evidencing completion.

If the mortgage funds will be used to fund renovations, the Special Conditions section of the Specific Instructions will indicate the amount advanced for that purpose. You are to ensure the holdback is maintained in respect of that amount.

Alberta, Saskatchewan, Manitoba, Northwest Territories and Nunavut, only

If this is a newly constructed property, you must ensure that a satisfactory final inspection has been obtained by the Mortgagee before the mortgage is advanced. If the builder is a member of a new home warranty program, obtain the unit enrolment number and once construction is completed, a certificate of possession signed by the builder and the Mortgagor(s). If the builder is not a member of a new home warranty program, obtain a certificate of substantial completion. These certificates must either disclose no deficiencies, or only those deficiencies, which would not materially adversely affect the marketability of the mortgaged property. You must be in possession of these certificates prior to requesting the advance.

B.C. only

As you know, the Mortgagor may be required to establish a holdback account. If a holdback account is required to be established, 10% of the total mortgage amount should be deposited into the Mortgagor(s)'s holdback account(s) at the time of the advance. If the value of the construction/renovation project is less than \$100,000, then you may advance all draws to the Mortgagor(s) after reminding the Mortgagor(s) of their obligation to holdback under the *Builders Lien Act*. In all instances, a Builders Lien Statutory Declaration & Direction to Pay (Form 29955) should be downloaded from our legal documents web site, prepared, signed by the Mortgagor and a signed copy provided to the Mortgagee at the time of the advance. Please note, you are not to holdback monies on behalf of the Mortgagee for the purposes of builders' lien holdbacks.

Manitoba only

As you know, the Mortgagor may be required to establish a holdback account. If a holdback account is required to be established, the holdback amount should be deposited into the Mortgagor(s)'s holdback account(s) at the time of the advance. If the value of the construction/renovation project is less than \$200,000, then you may advance the mortgage to the Mortgagor(s) after reminding the Mortgagor(s) of their obligation to holdback under the *Builders' Lien Act*.

Saskatchewan only

As you know, the Mortgagor may be required to establish a holdback account. If a holdback account is required to be established, the holdback amount should be deposited into the Mortgagor(s)'s holdback account(s) at the time of the advance. Please note, you are not to holdback monies on behalf of the Mortgagee for the purposes of builders' lien holdbacks.

Quebec only

The holdback amount may be released by you 30 days following the date of the final advance. Any costs incurred or fees charged by you for maintaining and managing the holdback account are the responsibility of our mutual client.