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YUKON HOUSING CORPORATION ADJUSTS AFFORDABILITY THRESHOLD

WHITEHORSE – The Yukon Housing Board has approved three initiatives which will assist qualifying first time home buyers to access mortgage financing in the Yukon’s rising real estate market.

Yukon Housing Corporation (YHC) will now be offering to qualifying first time home buyers a better interest rate, extended amortization terms and an increased financial limit on their mortgage.

“These three changes should assist more young families in purchasing their first home,” Jim Kenyon, minister of Yukon Housing Corp., said. “The increased vitality of the Yukon real estate market prompted the corporation to examine its funding thresholds with the goal of making them more meaningful in today’s marketplace.”

At their December 2005 meeting, YHC’s Board approved a new interest rate for ‘first mortgage’ and ‘owner-build’ clients. The new interest rate is one per cent less than the average posted five-year term interest rate of the major Canadian banks. These clients may also now amortize their mortgage to a maximum of 30 years instead of 25 years, and the allowable financing limit has been increased from \$175,000 to a maximum of \$195,000.

“As the real estate market grows and home prices increase we must assess these market impacts in relation to our programs,” Yukon Housing Board chair Rudy Couture said. “By making these adjustments to the interest rate, amortization period and allowable mortgage maximum, families who would not otherwise be eligible for financing will now be better able to purchase their first home.”

Yukon Housing Corp. offers home ownership programs and mortgages for qualified applicants looking to build energy efficient homes, accommodating homes and for those who do not qualify for mortgages from the charter banks.

To learn more about the many programs and services offered by the Yukon Housing Corp., drop by at 410H Jarvis St. or follow the links on the Yukon government website: www.gov.yk.ca.

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Attachment: YHC program information

Contact:
Peter Carr
Cabinet Communications Advisor
(867) 667-8688
peter.carr@gov.yk.ca

Doug Caldwell
Communications, Community Services
(867) 667-8065
doug.caldwell@gov.yk.ca

Yukon Housing Corporation Home Ownership Programs

Yukon Housing Corporation offers Home Ownership Programs to bridge market gaps in the availability of home ownership financing for Yukon residents.

Clients who cannot receive mortgage financing from banks for reasons such as insufficient down payment, seasonal or self employment, but have good credit history and an income capable of supporting regular mortgage payments may qualify for first mortgage financing through YHC.

YHC's first mortgage program requires a 2.5 per cent down payment and a minimum 5 year term.

Recent changes to the program allow clients to access up to 30 year amortization period and a reduced interest rate. The mortgage rate is calculated at 1 per cent below the calculated average of the five major banks' five-year posted rates. In addition, clients can finance homes up to \$195,000. This is an increase from the previous financing limit of \$170,000.

The changes will allow more Yukoners to access home ownership. As an example, to qualify for a \$150,000 mortgage with an interest rate of 5.5 per cent amortized over 25 years, clients used to need an income of \$42,772 and carry a monthly payment of \$916. With the changes, clients can access a \$150,000 mortgage with an interest rate of 4.5 per cent amortized over 30 years with an income of \$36,800 and carry a monthly payment of \$756.