



Housing Services Notice

Date: June 1, 2020

HSN#: 2020-10

This applicable legislation/policy is to be implemented effective this date by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change does not apply to your project.

- Federal Non-Profit Housing Program
- Federal Section 26/27 Housing Program
- Federal Urban Native Non-Profit Housing Program
- Private Non-Profit Housing Program
- Municipal Non-Profit Housing Program (Pre-1986)
- Local Housing Corporation
- Local Housing Corporation—Rent Supplement Programs
- Affordable Housing Programs (AHP, IAH, SIF, OPHI)
- Housing Access (Centralized Waiting List Services)

Subject: Mortgage payment deferrals for social housing mortgages

Reference:

- *Letter from Joshua Paul, Assistant Deputy Minister, Housing Division, Ministry of Municipal Affairs and Housing, to Service Managers, May 13, 2020*

Background:

On May 13, 2020 the DNSSAB received a letter from Joshua Paul, Assistant Deputy Minister, Housing Division, Ministry of Municipal Affairs and Housing. The letter provides direction for service managers and housing providers experiencing difficulties meeting their mortgage obligations due to the impact of the COVID-19 pandemic.

Since first learning of COVID-19, Ontario has taken decisive action to stop the spread of this deadly virus. The Ministry of Municipal Affairs and Housing is closely monitoring the impact of COVID-19 on the community housing sector. They recognize that many social housing providers are experiencing difficulties making their mortgage payments due to the financial challenges faced by tenants.

The ministry has received several inquiries from social housing providers and lending institutions about social housing mortgage deferrals. The ministry supports the request for up to six months of mortgage payment deferrals for social housing projects.

Action:

This is not a blanket deferral. Deferrals must be requested by housing providers and they must provide supporting documentation as required by their lending institution.

Lending institutions will evaluate each request on its own merit, utilizing similar criteria as those used for evaluating other CMHC-insured mortgages. The decision to grant mortgage payment deferral requests rests with the lending institution.

Social housing providers with CMHC-financed mortgages should make their mortgage payment deferral request through the service manager (the DNSSAB). The DNSSAB will then forward these requests to the ministry for submission to CMHC.

Social housing providers with private lending institution-financed mortgages should first seek DNSSAB approval and then make their mortgage payment deferral request directly to their lending institution.

The opportunity to temporarily defer mortgage payments may prevent housing providers from going into default as a result of non-payment. After the deferral period ends, the housing provider's mortgage payments resume and the deferred payments must be repaid.

The housing provider and the lender should establish an appropriate repayment structure when the deferral is granted. The original amortization period associated with social housing mortgages cannot be altered and mortgage maturity dates cannot be changed.

This information has been shared with lending institutions that finance social housing projects.

Mortgage payment deferral is a temporary measure and the ministry will continue to monitor and provide additional information to service managers. The DNSSAB will share any new information received.

If you have any questions or concerns regarding this or any other Housing Services Notice, please contact the Housing Programs Administrator assigned to your portfolio:

Dan Malette, (705) 474-2151, extension 3351, dan.malette@dnssab.ca
Bill Guilfoyle, (705) 474-2151, extension 3351, bill.guilfoyle@dnssab.ca

Tyler Venable,
Supervisor, Housing Programs
Housing Services, DNSSAB