



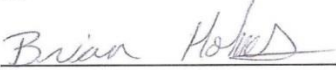




Upper Nicola Band

Market Based Housing Policy and Procedures



**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

	<h1 style="font-family: cursive;">Upper Nicola</h1>	<h2 style="font-size: 1.2em;">Band Council Resolution</h2>
The Council of the Upper Nicola Band	BCR Chronological No.: 2016-03-17-05	
Physical: 2225 Village Road, Douglas Lake, BC Mailing: Box 3700, Merritt, British Columbia V0K 1B8	File Reference (if applicable):	
Date: March 17, 2016		
<p>WHEREAS the Upper Nicola Band Housing mandates are to provide adequate and safe housing for the use of its members, to ensure that current building standards are met, and to ensure that financing, both existing and new construction, and housing responsibilities of community members are met.</p> <p>WHEREAS, Upper Nicola Band engaged Turtle Island Associates to assist to update existing Housing Policies under the capacity development initiative of the First Nation Market Housing Fund initiative.</p> <p>WHEREAS Upper Nicola Band will replace the Upper Nicola Band Housing Policy, approved July 4, 2013 with new policies:</p> <ol style="list-style-type: none"> 1. Rent – to own Housing Program Policy and Procedures 2. Rental Housing Policy and Procedures 3. Market Based Housing Policy and Procedures 4. Private Ownership Policy and Procedures <p>WHEREAS the Upper Nicola Band Housing Policies are consistent with the Upper Nicola Band Vision ‘A strong flourishing community in harmony with our Tmix’;</p> <p>THEREFORE BE IT RESOLVED that we accept the following Upper Nicola Band Housing Policies:</p> <ol style="list-style-type: none"> 1. Rent – to own Housing Program Policy and Procedures 2. Rental Housing Policy and Procedures 3. Market Based Housing Policy and Procedures 4. Private Ownership Policy and Procedures <p>as presented on March 17, 2016.</p>		
A quorum for this Band consists of (5) FIVE		
 Chief Harvey McLeod	 Councillor Brian Holmes	 Councillor David Lindley
 Councillor Dennis MacDonald	 Councillor Wallace Michel	 Councillor George Saddleman

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Table of Contents

1	Background and Purpose of the Policy	1
2	Loan Options - Overview	1
3	Policy Objectives	3
4	Definitions	3
5	Policy Administration	6
6	Amendments to the Housing Policy	6
7	Roles and Responsibilities	7
	7.1 Chief and Council.....	7
	7.2 Appeals Committee.....	8
	7.3 Housing Department.....	8
	7.4 Client.....	8
8	Appeals.....	9
	8.1 Eligibility to Make an Appeal	9
	8.2 Grounds for an Appeal.....	9
	8.3 Submitting an Appeal.....	9
	8.4 Review of the Appeal by the Housing Manager	10
	8.5 Review of the Appeal by the Band Administrator – Level 1 Review	10
	8.6 Review by the Appeals Committee – Level 2 Review.....	11
9	Individual Homeownership – New Construction (Construction to Occupancy).....	13
	9.1 Eligibility Criteria	13
	9.2 Maximum Loan Guarantee Amount and Maximum Amortization Period	13
	9.3 Pre-Approval Process	13
	9.4 Eligible Property	14

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

9.5	UNB Guarantee Collateral (Land Ownership/Entitlement)	14
9.6	Conditional Letter of Support.....	16
9.7	Housing Subsidy	17
9.8	Loan Application	17
9.9	Wills and Estate Planning	17
9.10	Unit Type Requirements (Stick Built, Modular, Manufactured)	18
9.11	Plot Plan, Building Permit.....	19
9.12	Contractor/Manufacturer Contract.....	19
9.13	Downpayment and Administration Fee.....	21
9.14	Insurance	21
9.15	Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG	22
9.16	Construction.....	23
9.17	Inspections	23
9.18	Loan Advances	24
9.19	Holdbacks.....	25
9.20	Interest Payments during Construction	25
9.21	Loan Administration (After the Bank Loan has been Fully Advanced)	25
10	Individual Homeownership - Purchase of an Existing Unit (Eligibility to Occupancy)	26
10.1	Eligibility Criteria	26
10.2	Maximum Loan Guarantee Amount and Maximum Amortization Period	27
10.3	Pre-Approval Process	27
10.4	Eligible Property	27
10.5	UNB Guarantee Collateral (Land Ownership/Entitlement)	27
10.6	Conditional Letter of Support.....	29
10.7	Housing Subsidy	30
10.8	Loan Application - Responsibilities.....	31
10.9	Wills and Estate Planning	31

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

10.10	Unit Inspection	31
10.11	Unit Appraisal.....	32
10.12	Septic and Water Certificates	32
10.13	Renovation Plan Review and Building Permit.....	33
10.14	Renovations Completed by the Applicant	34
10.15	Renovations Completed by a Contractor.....	34
10.16	Final Purchase and Sale Agreement, Possession Date	35
10.17	Downpayment and Administration Fee.....	36
10.18	Insurance	36
10.19	Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG.....	37
10.20	Completing Renovations	38
10.21	Inspections	38
10.22	Loan Advances	39
10.23	Holdbacks.....	40
10.24	Interest Payments	40
10.25	Loan Administration (After the Bank Loan has been Fully Advanced).....	41
11	Individual Homeownership Loan – Renovations (Eligibility to Completion of Renovations)	41
11.1	Eligibility Criteria	41
11.2	Maximum Loan Guarantee Amount and Maximum Amortization Period	41
11.3	Pre-Approval Process	42
11.4	Eligible Property.....	42
11.5	UNB Guarantee Collateral (Land Ownership/Entitlement).....	42
11.6	Land Encumbrance Check, Survey and Land Transfer.....	43
11.7	Conditional Letter of Support.....	43
11.8	Loan Application - Responsibilities.....	44
11.9	Wills and Estate Planning	45

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

11.10	Renovation Plan Review and Building Permit.....	45
11.11	Renovations Completed by the Applicant	46
11.12	Renovations Completed by a Contractor.....	46
11.13	Downpayment and Administration Fee.....	47
11.14	Insurance	47
11.15	Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG	48
11.16	Completing Renovations	49
11.17	Inspections	49
11.18	Loan Advances	50
11.19	Holdbacks.....	51
11.20	Interest Payments	51
11.21	Loan Administration (After the Bank Loan has been Fully Advanced).....	52
12	UNB Rental Loan – New Construction (Eligibility to Occupancy).....	52
12.1	Eligibility Criteria	52
12.2	Debt Service Coverage Ratio	52
12.3	Maximum Loan Guarantee Amount and Maximum Amortization Period	52
12.4	Eligible Property	53
12.5	Pre-Approval Process	53
12.6	UNB Guarantee Collateral (Land Ownership/Entitlement).....	53
12.7	Land Encumbrance Check, Survey and Land Transfer.....	53
12.8	Conditional Letter of Support.....	54
12.9	Housing Subsidy.....	55
12.10	Loan Application	55
12.11	Unit Type Requirements (Stick Built, Modular, Manufactured)	55
12.12	Plot Plan, Building Permit.....	57
12.13	Contractor/Manufacturer Contract.....	57
12.14	Downpayment and Administration Fee.....	58

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

12.15	Insurance	59
12.16	Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG	59
12.17	Construction	60
12.18	Inspections	60
12.19	Loan Advances	61
12.20	Holdbacks.....	62
12.21	Interest Payments during Construction	62
12.22	Loan Administration (After the Bank Loan has been Fully Advanced)	63
13	Loan Administration (After the Loan has been Fully Advanced).....	63
13.1	Insurance – Annual Renewal (Building and Life Insurance)	63
13.2	Access to the Unit.....	64
13.3	Use of the Residential Property (Home Based Business)	64
13.4	Absence from the Unit by the Client.....	64
13.5	Loan Renewal	65
13.6	Sale of the Unit by the Client	65
13.7	Right of First Refusal	66
13.8	Breach/Default on the Bank Loan.....	66
13.9	Abandoned Personal Property	67
13.10	Reacquired Unit – Sale to an Eligible Applicant	69
13.11	Reacquired Unit – UNB Operates the Unit as Rental/Non-Residential.....	70
13.12	Former Clients Equity	70
13.13	Full Payout of the Bank Loan	71
13.14	Land Transfer	71

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

1 Background and Purpose of the Policy

The housing mandates of the Upper Nicola Band are to provide adequate and safe housing for the use of its members, to ensure that current building standards are met, and to ensure that financing, both existing and new construction, and housing responsibilities of community members are met.

The market based housing program is designed to provide affordable loans to qualified Upper Nicola Band (UNB) members to construct, purchase or renovate a home or, for any legal entities of UNB to construct rental units.

The market based housing program criteria and procedures as outlined in this policy will be regulated by the UNB market housing policy and all other related UNB laws and policies including but not limited to the UNB Finance Administration Law and UNB Lands Policies. UNB Law will take precedent should UNB Market Based Housing Program criteria or procedures be questioned or in conflict.

The market based housing program applies to loans obtained through the First Nations Market Housing Fund (FNMHF) Credit Enhancement Facility and for Section 10 loans obtained with an Upper Nicola Band Ministerial Loan Guarantee.

This policy applies to all Upper Nicola Band market based units located within Upper Nicola Band lands. Chief and Council have approved this policy to guide the delivery and administration of this housing program.

2 Loan Options - Overview

The following loan options are offered by UNB through the market based housing program (for complete information on each loan option, please refer to the detailed policy and procedures contained within this housing policy):

2.1 Individual Homeownership Loans

a) New Construction

An eligible band member interested in building a home on UNB reserve lands may receive approval from UNB to apply to a bank through the FNMHF Credit Enhancement Facility, or for a Section 10 loan of up to \$200,000. An eligible band member may receive a housing subsidy available

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

through AANDC to assist with the loan subject to availability of funds/approval from Council.

b) Purchase of an Existing Unit With or Without Renovations

An eligible band member interested in purchasing an existing unit, with or without renovations, on UNB reserve lands may receive approval from UNB to apply to a bank through the FNMHF Credit Enhancement Facility, or for a Section 10 loan of up to \$200,000. If the home to be purchased has not previously received an AANDC subsidy, an eligible band member may receive a housing subsidy to assist with the loan subject to availability of funds/approval from Council.

c) Renovations

An eligible band member who occupies and has a Certificate of Possession (CP) for an existing single family dwelling located on property within UNB reserve lands who is interested in renovating that unit may receive approval from UNB to apply to a bank, through the FNMHF Credit Enhancement Facility or for a Section 10 loan of up to \$50,000 with a minimum loan amount of \$5,000.

For all individual homeownership loans, the eligible band member (client) will pay a cash downpayment equal to a minimum of 5% of the project costs to the bank plus a 1% administrative fee to UNB. The traditional land ownership or CP will be assigned to UNB (if UNB does not already hold ownership) as a condition of UNB guaranteeing the loan. UNB will hold the traditional land ownership/CP until the client's bank loan is paid in full and the guarantee is cancelled. Where a client defaults on the bank loan, UNB will seize the unit and property and the client will forfeit any downpayment and UNB will retain the traditional land ownership/CP. Neither the client, nor their heirs nor their estate will have any claim to traditional land ownership/CP that was transferred to UNB.

2.2 Upper Nicola Band Rental Loans – New Construction

An eligible legal entity owned in a majority manner by UNB which is interested in building a residential unit(s) for rental purposes within UNB reserve lands may receive approval from UNB to apply to a bank through the FNMHF Credit Enhancement Facility for a loan of up to \$200,000 per unit.

The legal entity (client) will pay a cash downpayment equal to a minimum of 5% of the construction/project costs to the bank plus a 1% administrative fee to UNB. The Certificate of Possession (CP) will be assigned to UNB (if UNB does

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

not already hold the CP) as a condition of UNB guaranteeing the loan. UNB will maintain entitlement to the property/lot.

3 Policy Objectives

The objectives of the market based housing program policy are to:

- a) Address the need and demand for housing by allocating market based housing in a fair and equitable manner; and
- b) Provide eligible clients access to mortgages and loans in order to build, purchase or renovate a home within Upper Nicola Band reserve lands; and
- c) Protect and enhance the Upper Nicola Band's investment in housing; and
- d) Confirm the roles and responsibilities of all parties involved with Upper Nicola Band market based housing.

4 Definitions

AANDC means Aboriginal Affairs and Northern Development Canada, formerly known as Indian and Northern Affairs Canada (INAC).

Applicant or **applicants** means the person(s) or entity applying for assistance through this program.

Band Council Resolution or **BCR** means a written resolution or authorizing document of Chief and Council adopted at a duly convened meeting of the Upper Nicola Band Chief and Council.

Bank or **the bank** means the lending/financial institution that will provide the bank loan to the client.

Bank loan means the loan provided by the bank, and guaranteed by Upper Nicola Band for the construction, purchase or renovation of a home located within Upper Nicola Band reserve lands.

Calendar day means any day of the week, month or year including weekend days (i.e. Saturday or Sunday).

Certificate of Possession means a certificate issued by the Minister of AANDC as evidence of the band member's right to possession of the land described within the Upper Nicola Band. No band member is lawfully in possession of land in Upper Nicola

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Band unless, with the approval of the Minister, possession of the land has been allotted to him/her by the Chief and Council of Upper Nicola Band.

Certified Inspector means an inspector certified by the Building Officials' Association of BC (BOABC) or by CMHC's Native Inspection Services Initiative (NISI) for new construction or renovation inspections.

Client means the eligible Upper Nicola Band member or, an Upper Nicola Band legal entity with majority ownership of Upper Nicola Band who has obtained a market based loan.

CMHC means Canada Mortgage and Housing Corporation.

CMHC mortgage insurance is a bank loan insurance premium calculated as a percentage of the bank loan amount.

Community or the community means Upper Nicola Band.

Council means the Upper Nicola Band Chief and Council.

Due diligence means to take reasonable care to confirm all of the facts and investigate all relevant aspects of an action before moving forward (e.g. foreclosure/termination of occupancy).

Engineered drawing means a technical drawing that defines the requirements for engineered items in the home such as building structure and mechanical systems. The drawing must be stamped as approved by an engineering professional.

FNMHF means the First Nations Market Housing Fund.

Foreclosure means the process to take away the right to own and occupy/rent the property, usually due to default on the bank loan agreement by the client.

General contractor means a qualified project manager who is responsible for all the aspects of a home building/renovation project including, but not limited to, preparation of the building site, hiring subcontractors, providing temporary utilities on site, disposing or recycling of construction waste, monitoring schedules and cash flows, maintaining accurate financial records and scheduling trades and material deliveries.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Health and safety standards means the minimum requirements for housing that are related to public health as defined in the BC Ministry of Health Public Health Act and safety and structural efficiency as defined in the British Columbia Building Code.

Housing department means the department responsible for the administration, management and enforcement of the housing policy and the day-to-day delivery and administration activities related to the Upper Nicola Band housing portfolio.

Housing manager means the individual responsible for the delivery and administration of Upper Nicola Band housing programs and services.

Immediate family means a spouse (married or common-law), parent, child, brother and/or sister.

Member means a member of the Upper Nicola Band whose name appears on Upper Nicola Band membership list.

Ministerial Loan Guarantee or **MLG** means a guarantee provided by Upper Nicola Band to AANDC which is used as security for a bank mortgage.

Plot plan means a written plan of the proposed construction project including property lines, distance from the proposed structure to the property line (setbacks), slopes, total footage of the unit, floor area, easements, grading, roads and driveways, topographic features such as streams, trees, etc.

Right of first refusal refers to a clause in the mortgage loan guarantee agreement between the client and Upper Nicola Band which requires the client to notify Upper Nicola Band if they intend to sell the unit so that Upper Nicola Band can consider whether it wishes to purchase the unit.

TDS ratio or **total debt service ratio** means a percentage of an applicant's gross annual income (before taxes and deductions) required to cover the monthly bank loan payment and other debts, such as car payments.

Termination of occupancy means the legal process taken by Upper Nicola Band to terminate the client's right to own and/or occupy the housing unit, usually due to default.

Unit refers to the housing unit owned by the client.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Upper Nicola Band or **UNB** means the eight Upper Nicola Band reserves which include Nicola Lake (I.R. #1), Hamilton Creek (I.R. #2), Douglas Lake (I.R. #3), Spahomin Creek (I.R. #4), Chapperon Lake (I.R. #5), Chapperon Creek (I.R. #6), Salmon Lake (I.R. #7) and Spahomin Creek (I.R. #8).

Working days means every official working day of the week which include the days between and including Monday to Friday and exclude weekends and public holidays.

Words used in the singular within this policy shall include the plural and vice versa.

5 Policy Administration

This policy applies to:

- All existing and future market based housing units located within UNB reserve lands; and
- All individuals who have made or will make an application for market based housing within UNB reserve lands; and
- All clients occupying or renting a market based unit.

The housing department is responsible for the day-to-day administration and enforcement of all housing programs and services.

6 Amendments to the Housing Policy

- 6.1 The housing manager shall present proposed policy amendments to Chief and Council for approval. Amendments shall be approved by a motion by Chief and Council at a duly convened Council meeting. Approved amendments shall be posted at the administration office and on the Upper Nicola Band website for a minimum of 30 days. Amendments shall be made as directed by Council and shall take effect on the date of the said meeting. The decision of Council shall be final.
- 6.2 The housing department shall note the amendment on a policy amendment list in the format noted below. The policy amendment list shall precede the table of contents within the policy. Amendments are numbered consecutively on the policy amendment list by date of approval by Council until a new issue of the policy is released which contains all amendments listed. The reissued policy

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

shall be identified by date and each reissue cancels and replaces all previous issues.

Amendment Number	Approval Date	Description

- 6.3 The policy, including the amendments, shall be available to members at the Upper Nicola Band office. Where the policy amendment is a change that impacts the client, they shall be notified of the change through a separate written notice within 30 working days of policy approval.
- 6.4 Once every two years, the housing policy shall be presented at a General Band Meeting.
- 6.5 In the event of a conflict between the current Upper Nicola Band housing policy and an earlier edition of an Upper Nicola Band housing policy, the most current Upper Nicola Band housing policy shall prevail.
- 6.6 Any matter contained herein this housing policy that conflicts with agreements not considered by this housing policy or any other Upper Nicola Band law, bylaw or policy, shall be decided individually by the band administrator with leave for an appeal under the procedures set out in the appeals section of this policy.

7 Roles and Responsibilities

7.1 Chief and Council

Chief and Council shall have the final decision-making authority for all housing program and services. Chief and Council is responsible to:

- a) Approve strategic plans and all budgets related to the delivery and administration of housing programs and services; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) Ensure all housing programs and services are provided; and
- c) Approve all applications for market based housing; and
- d) Approve all housing policies and related regulations; and
- e) Support housing policy enforcement.

7.2 Appeals Committee

The appeals committee consists of the band administrator, an Elder or band councillor and a person selected by the person appealing the housing decision that is not an immediate family member. The appeals committee shall hear appeals of a housing decision as submitted by an applicant/client according to the conditions of this housing policy. Decisions shall be rendered by a majority vote. If a member of the appeals committee is in a conflict of interest, an alternate person will be designated.

7.3 Housing Department

The key responsibilities of the housing department are to:

- a) Deliver and administer the market based housing program by applying and enforcing the program policy; and
- b) Review all applications for market based housing to ensure completeness and eligibility; and
- c) Provide information for applicants/clients requiring assistance in making the bank loan application to the bank and in understanding and assuming their housing responsibilities; and
- d) Monitor the effectiveness of housing policies and programs; and
- e) Recommend changes in policy as needed and review housing goals and priorities annually; and
- f) Prepare annual and other reports as required; and
- g) Plan and carry out community meetings on housing programs or services.

7.4 Client

The key responsibilities of the client are to:

- a) Meet the conditions of their bank loan agreement including making regular payments; and
- b) Abide by all UNB laws, codes, by-laws and this housing policy; and
- c) Carry out their responsibilities which include, but are not limited to, completing and paying the full cost of all required maintenance and repairs, paying utility and service costs, keeping the property free of health and safety hazards and, providing property and other insurance as required by the bank and UNB; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- d) Not interfere with or unreasonably disturb a neighbouring occupant and not jeopardize the health or safety or lawful right of a neighbouring occupant or UNB.

8 Appeals

8.1 Eligibility to Make an Appeal

An appeal of a housing decision may be made by an individual who is either an eligible applicant as described within this policy or by a client who has received a market based housing loan.

8.2 Grounds for an Appeal

An applicant/client may appeal a decision made under this housing policy where the appeal falls under one or more of the following categories:

- a) The policy was not applied which impacted the outcome of the decision being appealed; and/or
- b) There was a lack of procedural fairness which impacted the decision being appealed (i.e. any procedural error, improper investigation, or discrimination); and/or
- c) New information has come to light rendering the original decision unreasonable in light of the new information presented; and/or
- d) The policy is unreasonable (i.e. the policy cannot be rationally supported or there is a defect in the policy which is immediate and obvious).

8.3 Submitting an Appeal

- 8.3.1 An applicant/client who wishes to appeal a decision made under this housing policy shall submit their appeal in writing to the housing department within five (5) working days of having been advised of the decision which they are appealing. The notice of appeal form is available from the housing department.
- 8.3.2 The housing department shall acknowledge receipt of the appeal to the applicant/client in writing to the address provided in the notice within five (5) working days of receipt of the appeal and shall confirm to the applicant/client the date of the appeal review.
- 8.3.3 The applicant/client must make the appeal on their own behalf, an appeal by a family member or another person shall not be considered.
- 8.3.4 The housing department shall acknowledge receipt of the appeal, in writing and by phone, within five (5) working days of receipt of the appeal.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 8.4 Review of the Appeal by the Housing Manager
- 8.4.1 The housing manager shall review the appeal form submitted by the applicant/client to ensure that the form is complete and provides the required information.
- 8.4.2 The housing manager shall contact the applicant/client within the same 5 working days of receipt of the appeal to discuss and attempt to resolve the issue. A record of all written correspondence, telephone calls and meetings shall be maintained on the applicant/client file.
- 8.5 Review of the Appeal by the Band Administrator – Level 1 Review
- 8.5.1 **Review of the Appeal** - Where the issue being appealed cannot be resolved to the mutual satisfaction of the applicant/client and the housing manager, the appeal shall be passed to the band administrator on the sixth (6) working day following receipt of the appeal. The band administrator shall review the appeal within five (5) working days of receipt from the housing manager. The housing manager shall meet with the band administrator to present the appeal documentation and shall confirm the related housing policies and the processes that were followed regarding the decision that is being appealed.
- 8.5.2 **Meeting with the Applicant/client** - Within this same five day period, the band administrator shall arrange with the applicant/client a date to meet to discuss the appeal and shall offer two opportunities for the meeting. The applicant/client shall be advised that failure to participate in the meeting shall result in the appeal being denied. The band administrator shall meet with the applicant/client to discuss the appeal and work with them to resolve the appeal. The applicant/client must make the appeal on their own and cannot be represented by another person but they may bring another person with them to assist them in the appeal but shall do so at their own expense.
- 8.5.3 **Considering the Appeal** - In considering the appeal the band administrator shall decide whether the decision being appealed was made according to the housing policy, without bias or favoritism and without error in interpretation. The band administrator shall confirm whether:
- a) The decision being appealed has been revised in favour of the applicant/client; or
 - b) The housing policy was followed and there are no reasonable grounds for an appeal.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 8.5.4 **Action to be Taken Following the Appeal Decision** - The following action shall be taken by the housing manager on receipt of confirmation of the appeal decision by the band administrator:
- a) The housing manager shall provide written confirmation to the applicant/client to confirm the band administrator's decision regarding the appeal within four (4) working days of the appeal meeting; and/or
 - b) Where the band administrator has confirmed that the decision being appealed has been revised in favour of the applicant/client and where the appeal is based on the grounds that the policy is unreasonable, the band administrator shall recommend that the housing manager make an amendment to the housing policy in the matter of the decision being appealed; and/or
 - c) Where the band administrator has confirmed that the housing policy was followed and the applicant/client has no grounds for an appeal, no further action shall be taken on the matter of the appeal.

8.6 **Review by the Appeals Committee – Level 2 Review**

Where an appeal is denied after the Level 1 review, the applicant/client has the right to appeal to the Appeals Committee.

- 8.6.1 **Resubmitting the Appeal** - The applicant/client shall re-submit their appeal within five (5) working days of being provided a decision on their Level 1 appeal and the processes noted in 7.3 of this policy shall apply. A record of all written correspondence, telephone calls and meetings shall be maintained on the applicant/client file.
- 8.6.2 **Notification to the Committee of the Appeal** - The housing manager shall notify the Appeals Committee and set a date for a meeting to hear the appeal. The housing manager shall provide the appeal documentation to the Appeals Committee and shall confirm the related housing policies and the processes that were followed regarding the decision that is being appealed.
- 8.6.3 **Review of the Appeal** - Within five (5) working days of receipt of the appeal, the Appeals Committee shall review the appeal and the findings from the Level 1 review and may meet with the band administrator or the housing manager to review the decision being appealed.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 8.6.4 **Meeting with the Applicant/client** - Within this same five day period, the Appeals Committee shall arrange with the applicant/client a date to meet to discuss the appeal and shall offer two opportunities for the meeting. The applicant/client shall be advised that failure to participate in the meeting shall result in the appeal being denied, except where failure to participate is a result of a family emergency or other extenuating circumstances as approved by the Appeals Committee. The Appeals Committee shall meet with the applicant/client to discuss the appeal and work with them to resolve the appeal. The applicant/client must make the appeal on their own and cannot be represented by another person but they may bring another person with them to assist them in the appeal but shall do so at their own expense.
- 8.6.5 **Considering the Appeal** - In considering the appeal, the Appeals Committee shall decide whether the decision being appealed was made according to the housing policy, without bias or favoritism and without error in interpretation of the housing policy or community bylaws. the Appeals Committee shall confirm whether:
- a) The decision being appealed has been revised in favor of the applicant/client; or
 - b) The housing policy was followed and there are no reasonable grounds for an appeal.
- 8.6.6 **Action to be Taken Following the Appeal Decision** - The following action shall be taken by the housing manager on receipt of confirmation of the appeal decision:
- a) The housing manager shall provide written confirmation to the applicant/client to confirm the Appeals Committee's decision regarding the appeal within four (4) working days of the appeal meeting; and
 - b) Where the Appeals Committee has confirmed that the decision being appealed has been revised in favour of the applicant/client and where the appeal is based on the grounds that the policy is unreasonable, the Appeals Committee shall recommend that the housing manager to make an amendment to the housing policy in the matter of the decision being appealed; and/or
 - c) Where the Appeals Committee has confirmed that the housing policy was followed and the applicant/client has no grounds for an appeal, no further action shall be taken on the matter of the appeal; and
 - d) The decision of the Appeals Committee shall be final and no other appeal shall be heard.

9 Individual Homeownership – New Construction (Construction to Occupancy)

New construction is defined as the construction of a new stick-built or modular/ manufactured home on UNB reserve lands.

9.1 Eligibility Criteria

In order to be eligible an applicant shall meet the following criteria:

- a) An applicant shall be a registered member of Upper Nicola Band according to the Upper Nicola Band Membership List; and
- b) An applicant shall be 18 years of age or older; and
- c) An applicant shall confirm that there are no current arrears or outstanding payments on accounts (loans, housing payments or other services) and that there have been no arrears or outstanding payments on such accounts for a minimum one year period prior to submission of an application for a market based loan. This will be confirmed in writing by the UNB finance department and obtained by the applicant; and
- d) An applicant shall not have any current legal proceedings against UNB.

9.2 Maximum Loan Guarantee Amount and Maximum Amortization Period

- 9.2.1 The maximum loan guarantee will be \$200,000.00.
- 9.2.2 Where the applicant wishes to construct a home where costs exceed the maximum loan guarantee amount the applicant will demonstrate that they are able to obtain the additional funds from their own sources. These funds will be paid by the applicant to the bank before any bank loan funds are advanced.
- 9.2.3 UNB will guarantee only one market based loan at a time, per band member. A band member may apply for another market based loan only after the active market based loan has been paid in full.
- 9.2.4 The maximum amortization period will be 25 years.

9.3 Pre-Approval Process

An applicant interested in a market based loan will contact the housing department and request an application/orientation package. Within 15 calendar days of receipt of the request the housing department will forward an orientation package to the applicant confirming the eligibility requirements and include an application which must be completed and submitted to the bank in order to obtain the pre-approval documentation from the bank (confirming the applicant qualifies for a bank loan and the loan interest rate).

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

The applicant shall obtain the pre-approval documentation from the bank in order to obtain a conditional letter of support for the loan from UNB as described within this housing policy.

9.4 Eligible Property

In order to be eligible for a market based loan, the property where the unit is intended to be constructed must be:

- a) Located within UNB reserve lands; and
- b) Located on a surveyed lot with easement; and
- c) Located where confirmation is provided that fire insurance is available; and
- d) Approved for market based housing (meets requirements for services including but not limited to hydro, water and sewer as described within this policy).

9.5 UNB Guarantee Collateral (Land Ownership/Entitlement)

9.5.1 UNB Owned Property (Subdivision Land)

Where the property/lot is owned by UNB (i.e. within the subdivision) the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed UNB will contract the services of the surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances that will impact the loan the lands department will recommend to the housing manager that the property be made available to the applicant. UNB will maintain entitlement to the property until the bank loan is paid in full at which time UNB will issue a traditional land ownership document or Certificate of Possession to the UNB member, as determined by UNB.

The applicant will pay any purchase price of the property/lot as required by the land owner and any costs associated with the preparation and execution of the survey and any sale agreement.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

9.5.2 Member Owned Property – Traditional Land Owner

Where the applicant wishes to purchase a property owned by a UNB member that is a traditional land owner, the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed the applicant will contract the services of the surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens) and on receipt of a survey the land owner will execute a transfer in the form of a Traditional Land Holding to the applicant (the purchaser). UNB and the applicant will enter into a written agreement that will state that UNB will hold the traditional land ownership of the property/lot until the bank loan is paid in full. The agreements shall be executed by all parties prior to loan approval.

The applicant will pay any purchase price of the property/lot as required by the traditional land owner and any costs associated with the preparation and execution of the survey and any sale agreement.

9.5.3 Member Owned Property – Certificate of Possession (CP)

Where the applicant wishes to purchase a property/lot owned by a UNB member that holds a CP, the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System and confirms the location of the unit and all structures on the property. Where the lot is not surveyed the applicant will contract the services of the surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances, and on receipt of a survey, the land owner will execute a transfer of the CP to the applicant (the purchaser). The applicant will assign the CP to UNB and UNB will

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

hold the CP until the bank loan is paid in full. The agreements shall be executed by all parties prior to loan approval.

The applicant will pay any purchase price of the property/lot as required by the land owner and any costs associated with the preparation and execution of the survey and any sale agreement.

9.6 Conditional Letter of Support

9.6.1 Applicant Responsibilities

In order to obtain a conditional letter of support for a market based loan, the applicant is responsible to:

- a) Obtain written and dated confirmation from the bank to confirm that the applicant has applied for and is eligible to obtain a loan and the interest rate of the loan; and
- b) Make an application for market based housing to the housing department which will include:
 - i. UNB market housing application forms fully completed; and
 - ii. Copy of the applicant's UNB status card; and
 - iii. A legal description of the home lot or the application for a lot in the subdivision; and
 - iv. A copy of the percolation test for the lot (all costs pertaining to the First Nations Health Authority review and approval shall be paid for by the applicant); and
 - v. Documentation which confirms that the applicant has the funds required to pay the minimum downpayment and administration fee.
- c) Submit the completed application and supporting documentation in a sealed envelope addressed to the Upper Nicola Band. The application is to be submitted by mail, by courier, or by hand. An application submitted by hand shall be presented to the UNB office.

9.6.2 UNB Responsibilities

It is the responsibility of UNB to:

- a) Review the submission of the applicants market based application and supporting documentation; and
- b) Confirm the applicant's UNB membership; and
- c) Confirm with UNB finance department that the applicant has no arrears or outstanding payments on accounts with UNB as described within the eligibility criteria section of this policy; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- d) Submit a request to UNB lands department to proceed with a land status report (to verify ownership, liens and other encumbrances) on the lot identified in the application package; and
- e) Upon having confirmed that the applicant has met all of the above criteria, the housing department will issue a conditional letter of support to the applicant. The conditional letter of support will confirm that UNB is prepared to guarantee the bank loan on the condition that the applicant meets the criteria for the loan as required by the bank.

9.7 Housing Subsidy

- 9.7.1 Subject to availability of funds and approval from Council, a one-time housing subsidy may be available to qualifying band members through AANDC. Where the subsidy is made available, UNB will pay the subsidy directly to the bank.
- 9.7.2 The applicant and the housing department shall complete an application for the one time housing subsidy.
- 9.7.3 The subsidy is available only once per qualifying band member, per lifetime.
- 9.7.4 Where the subsidy is available, the applicant shall also be required to pay the minimum downpayment as described within this policy.
- 9.7.5 Where two UNB band members apply jointly for a bank loan, stacking of the subsidy is prohibited.

9.8 Loan Application

Where UNB has issued a conditional letter of support for a market based loan the following shall apply:

- a) The applicant shall be responsible to apply to the bank for the loan; and
- b) UNB shall be responsible to provide assistance to the applicant when requested to do so; and
- c) The bank shall be responsible to:
 - i. Assess the loan application; and
 - ii. Advise the applicant of assessment results in a timely manner; and
 - iii. On approval of the applicant's loan request, provide the loan documentation to the applicant; and
 - iv. Confirm to the housing department the status of the application either on approval of the application or, at the request of the housing department.

9.9 Wills and Estate Planning

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

The housing department may recommend that the applicant provide written instructions (e.g. a last will and testament or other documentation signed, dated and witnessed) to a family member or designator confirming their wishes regarding disposition of their estate with respect to the market based unit.

9.10 Unit Type Requirements (Stick Built, Modular, Manufactured)

9.10.1 Stick Built Home

9.10.1.1 Where the applicant will construct a stick-built home (constructed on the building site piece by piece) the applicant will obtain three sets of engineered drawings of the house plan for the unit and will provide one copy to the housing department and one copy to the bank. An engineered drawing is a technical drawing that defines the requirements for engineered items such as building structure and mechanical systems; the drawing must be stamped by an engineering professional. The following shall apply:

- a) Engineered plans must be provided; or
- b) A plan from a local hardware store may be accepted provided it has been stamped by an engineering professional.

9.10.1.2 The housing department will review the house plan in consultation with a certified inspector to ensure it meets, at a minimum, the current version of the BC Building Code {latest edition}. The housing department will advise the applicant of any modifications required as a result of the review. The applicant will ensure that all such modifications will be incorporated into the final house plan that is submitted to the housing department with the final quotation for construction.

9.10.2 Modular or Manufactured Home

9.10.2.1 Modular Home

A modular or pre-fab unit is defined as a factory-built unit constructed of pre-made parts and/or unit modules; the parts/modules are transported to the building site and are assembled and anchored on a full slab or pad concrete foundation. The modular home must conform to the building codes as outlined in this policy.

9.10.2.2 Manufactured Home

A manufactured home is defined as a factory-built unit that is mounted on a permanent steel chassis and transported to the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

building site where the wheels are removed, the chassis remains and the unit is assembled and anchored to a full slab or pad concrete foundation.

9.10.2.3 Blueprint/Specification Review

For either a modular or manufacture home, the following shall apply:

- a) The applicant will obtain three sets of blueprints and specifications for the unit from the manufacturer and, three sets of specifications for site preparation, foundation and anchoring of the unit and will retain one copy and provide one copy of each to the housing department and to the bank.
- b) The housing department will review the blueprints in consultation with a certified inspector to ensure it meets, at a minimum, at a minimum, the current version of the BC Building Code {latest edition}. The housing department will advise the applicant of any modifications required as a result of the review. The applicant will ensure that all such modifications will be incorporated into the final house plan that is submitted to the housing department with the final quotation.

9.11 Plot Plan, Building Permit

9.11.1 Plot Plan

The applicant will provide to the housing department and the bank a plot plan for the construction project that confirms utility service connections to confirm that the project conforms to UNB land policies and regulations and this housing policy.

9.11.2 Building Permit

The applicant shall apply to the lands department for a building permit as required in the UNB land policies.

9.12 Contractor/Manufacturer Contract

9.12.1 The applicant will obtain a fixed price contract quotation to complete the unit (without entering into a contract obligation) from a general contractor for new construction or, the manufacturer's quotation for a modular or manufactured home including site preparation, foundation and anchoring of the unit. The contract quotation will include all of the following:

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- a) The general contractor's/manufacturer's current WorkSafe BC (Workers Compensation) certification; and
- b) Confirmation of the contractor's BC Building Code Certification; and
- c) The general contractor's/manufacturer's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- d) Confirmation that the contract includes installation of all utility services (water, hydro) from the unit to the lot line, waste services/septic, plus road access. Waste and water services will be approved by UNB and the bank and will meet all applicable codes and regulations; and
- e) Agreement that all work will be in accordance with, at a minimum, the current version of the British Columbia Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- f) Confirmation that the contractor will be able to cover construction costs prior to bank loan advances (i.e. bridge financing) as advances prior to construction are prohibited; and
- g) For a modular or manufactured home the contract will confirm that the unit will be installed by the same builder/manufacturer that sold the home to the applicant; and
- h) The contractor shall supply three (3) written and dated references with contact information. References shall include one from a materials supplier to confirm all obligations have been met and two from previous clients to confirm projects have been completed on time, on budget and to the satisfaction of the client.

- 9.12.2 The applicant will submit the final contractors fixed price quotation and unsigned contract or, the manufacturer's sale agreement and contract to the housing department and to the bank.

The housing department will review the contract to confirm that the contract falls within the budget requirements and meets UNB requirements.

The total project costs, less the downpayment and any housing subsidy, will be equal to or less than the approved loan guarantee amount. Where the project costs exceed the loan guarantee amount, the applicant will pay this amount prior to the first advance.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

9.12.3 Fees for hydro and propane hook-ups are the responsibility of the applicant.

9.13 Downpayment and Administration Fee

9.13.1 Downpayment

An applicant will provide a cash downpayment equal to a minimum of 5% of the construction/project costs. The downpayment will be paid by the applicant to the bank before the first loan advance.

9.13.2 Administration Fee

An applicant will pay an administration fee of 1% of the construction/project costs to UNB in cash or, by certified cheque, bank draft or money order payable to UNB before the first loan advance. The 1% fee may be included in the loan amount.

9.14 Insurance

9.14.1 CMHC Mortgage Insurance

An applicant will obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the bank loan amount). The bank shall apply for the insurance on behalf of the applicant.

9.14.2 Construction Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that construction insurance has been obtained as required by the bank and will be carried until the unit is 100% complete. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

9.14.3 Life Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that life insurance (to cover the outstanding bank loan) has been obtained in an amount that is equal to or exceeds the amount of the bank loan. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

9.14.4 Building/Fire Insurance

Prior to the final loan advance the applicant will provide UNB and the bank with a copy of the building/fire insurance policy confirming that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained in an amount that is equal to or exceeds the amount of the bank loan or as required by the bank. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank and the second loss payee is UNB. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

9.15 Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG

9.15.1 Where the housing department and the finance department have confirmed that all requirements and criteria for a market based loan have been met, they will request that Council execute a Band Council Resolution (BCR) for the loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation and a copy provided of each document (e.g. loan agreement, security documentation, CMHC mortgage insurance, client construction, life and building/fire insurance); and
- b) The final signed contractors/manufacturers fixed price quotation; and
- c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- d) Confirmation that the land ownership has been assigned to UNB.

9.15.2 Where the bank loan is obtained through the FNMHF Credit Enhancement Facility, on receipt of the BCR:

- a) The housing department will provide a copy of the BCR to the bank and the FNMHF and will confirm to the applicant that the BCR has been issued; and
- b) The bank will request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan and will provide a copy of the BCR to the FNMHF. On receipt of the Credit Enhancement Certificate, the bank will provide a copy of same to UNB.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 9.15.3 Where the bank loan is obtained through the Section 10 program, after the BCR has been executed the housing department will submit a Ministerial Loan Guarantee (MLG) package to AANDC on behalf of the applicant. Subject to the AANDC requirements, the package may include:
- a) Original BCR; and
 - b) MLG application form; and
 - c) Copy of the loan agreement from the bank; and
 - d) Certificate of insurance from CMHC; and
 - e) Any other documents required by AANDC.

9.16 Construction

After the BCR, bank loan agreement and Credit Enhancement Certificate/MLG have been executed and the bank and UNB are satisfied that all requirements have been met, the housing department will confirm to the applicant (hereinafter referred to as the client) that they can proceed with unit construction. The client will ensure that construction will be completed within the deadlines imposed by the bank and UNB unless the client receives written approval from UNB and the bank for additional time to complete the work. Failure to complete the unit within the agreed upon period will result in cancellation of the bank loan agreement.

9.17 Inspections

- 9.17.1 The client will be responsible to arrange and pay for inspections by a certified inspector or the authority having jurisdiction in a timely manner.
- 9.17.2 The inspector will provide the client with a written inspection report and photographs to demonstrate all aspects of the required stage of completion.
- 9.17.3 The Protocol for Decentralized Water and Wastewater Systems in First Nation Communities (Decentralized Systems Protocol) provided by AANDC shall apply.
- 9.17.4 Inspections of all construction, water supply and plumbing, waste disposal, and electrical repairs/installations will be carried out by a certified inspector at appropriate stages of renovation to ensure compliance with standards of construction as referred to within this housing policy.
- 9.17.5 Inspections of all construction, water supply and plumbing, waste disposal, and electrical repairs/installations will be carried out by a certified inspector at appropriate stages of renovation to ensure

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

compliance with standards of construction as referred to within this housing policy.

- 9.17.6 Inspections will be performed in accordance with the current version of the BC Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards, any other bylaws codes and regulations applicable to the project.
- 9.17.7 The client will be responsible to cover fees/costs related to hydro and propane hook-up.
- 9.17.8 The client will provide the bank and the housing department with a copy of the inspection reports and related certificates as required by the bank and by the housing department.

9.18 Loan Advances

- 9.18.1 The client will meet the minimum time periods within which the bank will make the first and final advance (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
- 9.18.2 A client's downpayment, administration fee and housing subsidy (where available) and any additional project costs that are over and above the guaranteed loan amount, will be paid by the client to the bank prior to the first loan advance.
- 9.18.3 As part of the request for an advance from the bank the client will obtain and submit to the housing department and the bank:
 - a) An inspection report and photographs to confirm progress of construction on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where a septic system is being installed, confirmation/certification as required through the Protocol for Decentralised Water and Wastewater Systems in First Nations Communities in order to receive the related loan advance; and
 - c) Where a well is being installed, confirmation/certification as required through the Protocol for Decentralised Water and Wastewater Systems in First Nations Communities in order to receive the related loan advance.
- 9.18.4 The maximum number of progress loan advances on stick-built homes is four (4). The bank will not release funds until UNB confirms that the land transfer has been completed to UNB as described within this policy. Loan advances will be as follows:
 - a) First advance will be 40% of the loan amount; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) Second advance will be 30% of the loan when the previous 40% has been spent; and
- c) Third advance will be 20% of the loan when the previous 70% has been spent; and
- d) The final advance for the remaining 10% (the holdback) will be released after the client has confirmed to the housing department and the bank that the final inspection has been done and a written final inspection report has been provided that confirms there are no outstanding items or deficiencies.

9.18.5 The bank shall advise the housing department of loan advances within 5 working days of each draw.

9.18.6 For modular or manufactured homes four loan advances may not be required however the loan funds, less holdback, will not be released until the unit is in place (anchored to the foundation) and has been inspected and written confirmation provided to the housing department that confirms that there are no outstanding items or deficiencies.

9.19 Holdbacks

The housing department and the bank will require a holdback of 10% of all disbursements to be paid only after they have received written confirmation of the following:

- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed in writing by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

9.20 Interest Payments during Construction

The client shall be responsible to make interest payments to the bank where loan advances are made before the interest adjustment date (the date the mortgage amortization period begins). After the client has provided written confirmation that the unit is 100% complete, the client will meet with the bank to set the interest adjustment date and the client will be advised when blended payments will begin.

9.21 Loan Administration (After the Bank Loan has been Fully Advanced)

Details on loan administration are contained Section 13 of this policy. The loan administration policies confirm obligations of the client, the bank and UNB with respect to administration of a market based loan after it is fully advanced and until the loan is paid in full. Some of the activities included are insurance

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

renewal, absence from the unit, breach of agreement/default policies, and sale of the unit.

10 Individual Homeownership - Purchase of an Existing Unit (Eligibility to Occupancy)

Purchase is defined as the acquisition of an existing home on UNB reserve lands. The seller may be a UNB member or a UNB legal entity. Renovations may be included provided that the bank loan does not exceed the maximum loan amount.

10.1 Eligibility Criteria

10.1.1 Applicant

In order to be eligible an applicant will meet the following criteria:

- a) An applicant shall be a registered member of Upper Nicola Band according to the Upper Nicola Band Membership List; and
- b) An applicant shall be 18 years of age or older; and
- c) An applicant shall confirm that there are no current arrears or outstanding payments on accounts (loans, housing payments or other services) and that there have been no arrears or outstanding payments on such accounts for a minimum one year period prior to submission of an application for a market based loan. This will be confirmed in writing by the UNB finance department and obtained by the applicant; and
- d) An applicant shall not have any current legal proceedings against UNB.

10.1.2 Seller/Vendor of Property

The seller/vendor will have a credit history which confirms that there are no arrears or outstanding payments on accounts related to the property (loans, liens, housing payments or other services) and no arrears or outstanding accounts with UNB. This will be confirmed in writing by the UNB finance department and obtained by the seller/vendor.

Where the seller/vendor is in arrears on any account, including an accounts receivable with UNB, the following will apply:

- a) The seller/vendor must pay the UNB account arrears or outstanding debts in full; or

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) UNB will make arrangements with the applicant's bank to redirect the proceeds of the sale directly to UNB until the seller/vendor pays the arrears/outstanding accounts in full.

10.2 Maximum Loan Guarantee Amount and Maximum Amortization Period

- 10.2.1 The maximum loan guarantee will be \$200,000.00.
- 10.2.2 Where the applicant wishes to purchase a home where costs exceed the maximum loan guarantee amount the applicant will demonstrate that they are able to obtain the additional funds from their own sources. These funds will be paid by the applicant to the bank before any bank loan funds are advanced.
- 10.2.3 UNB will guarantee only one market based loan at a time, per band member. A band member may apply for another market based loan only after the active market based loan has been paid in full.
- 10.2.4 The maximum amortization period will be 25 years.

10.3 Pre-Approval Process

An applicant interested in a market based loan will contact the housing department and request an application/orientation package. Within 15 calendar days of receipt of the request the housing department will forward an orientation package to the applicant confirming the eligibility requirements and include an application which must be completed and submitted to the bank in order to obtain the pre-approval documentation from the bank (confirming the applicant qualifies for a bank loan and the loan interest rate).

The applicant shall obtain the pre-approval documentation from the bank in order to obtain a conditional letter of support for the loan from UNB as described within this housing policy.

10.4 Eligible Property

In order to be eligible the unit is intended to be purchased must be:

- a) Located within UNB reserve lands; and
- b) Located on a surveyed lot with easement; and
- c) Located where confirmation is provided that fire insurance is available; and
- d) Approved for market based housing (meets requirements for services including but not limited to hydro, water and sewer as described within this policy).

10.5 UNB Guarantee Collateral (Land Ownership/Entitlement)

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

10.5.1 UNB Owned Property (Subdivision Land)

Where the applicant wishes to purchase a unit located on property owned by UNB, the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed UNB will contract the services of the surveyor as required by the lands department. The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances that will impact the purchase the lands department will recommend to the housing manager that the property be made available to the applicant. UNB will maintain entitlement to the property until the bank loan is paid in full at which time UNB will issue a traditional land ownership document or Certificate of Possession to the UNB member, as determined by UNB.

The applicant will pay any purchase price of the property/unit as required by UNB and any costs associated with the preparation and execution of the survey and any sale agreement.

10.5.2 Member Owned Property – Traditional Land Owner

Where the applicant wishes to purchase a unit located on property owned by a UNB member who is a traditional land owner, the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System and that the survey confirms the location of the unit and all structures on the property. Where the lot is not surveyed the applicant will contract the services of the surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances, and on receipt of a survey, the land owner will execute a transfer in the form of a Traditional Land Holding to the applicant (the purchaser). UNB and the applicant will enter into a written agreement that will state that UNB will hold the traditional land ownership of the land/lot until the bank

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

loan is paid in full. The agreements shall be executed by all parties as of the date of closing.

The applicant will pay any purchase price of the property/unit as required by the traditional land owner and any costs associated with the preparation and execution of the survey and any sale agreement.

10.5.3 Member Owned Property – Certificate of Possession (CP)

Where the applicant wishes to purchase a unit located on property owned by a UNB member that holds a CP, the housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System and confirms the location of the unit and all structures on the property. Where the lot is not surveyed the applicant will contract the services of the surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances, and on receipt of a survey, the land owner will execute a transfer of the CP to the applicant (the purchaser). The applicant will assign the CP to UNB and UNB will hold the CP until the bank loan is paid in full. The agreements shall be executed by all parties as of the date of closing.

The applicant will pay any purchase price of the property/unit as required by the land owner and any costs associated with the preparation and execution of the survey and any sale agreement.

10.6 Conditional Letter of Support

10.6.1 Applicant Responsibilities

In order to obtain a conditional letter of support for a market based loan, the applicant is responsible to:

- a) Obtain written and dated confirmation from the bank to confirm that the applicant has applied for and is eligible to obtain a loan and the interest rate of the loan; and
- b) Make an application for market based housing to the housing department which will include:
 - i. UNB market housing application forms fully completed; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- ii. Copy of the applicant's UNB status card; and
 - iii. A legal description of the home lot; and
 - iv. A copy of the purchase and sale agreement between the seller and the applicant; and
 - v. Where renovations are included, a copy of the renovation plan/budget; and
 - vi. If required, a copy of the percolation test for the lot (all costs pertaining to the First Nations Health Authority review and approval shall be paid for by the applicant); and
 - vii. Documentation which confirms that the applicant has the funds required to pay the minimum downpayment and administration fee.
- c) Submit the completed application and supporting documentation in a sealed envelope addressed to the Upper Nicola Band. The application is to be submitted by mail, by courier, or by hand. An application submitted by hand shall be presented to the UNB office.

10.6.2 UNB Responsibilities

It is the responsibility of UNB to:

- a) Review the submission of the applicants market based application and supporting documentation; and
- b) Confirm the applicant's UNB membership; and
- c) Confirm with UNB finance department that the applicant and the seller/vendor have no arrears or outstanding payments on accounts with UNB as described within the eligibility criteria section of this policy; and
- d) Submit a request to UNB lands department to proceed with a land status report (to verify ownership, liens and other encumbrances) on the property identified in the application package; and
- e) Review the purchase and sale agreement to confirm that the amount and any conditions are acceptable to UNB; and
- f) Review the renovation plan/budget to confirm that the plan and budget are acceptable to UNB; and
- g) Upon having confirmed that the applicant has met all of the above criteria, the housing department will issue a conditional letter of support to the applicant. The conditional letter of support will confirm that UNB is prepared to guarantee the bank loan on the condition that the applicant meets the criteria for the loan as required by the bank.

10.7 Housing Subsidy

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 10.7.1 Subject to availability of funds and approval from Council, a one-time housing subsidy may be available to qualifying band members through AANDC. Where the subsidy is made available, UNB will pay the subsidy directly to the bank.
- 10.7.2 The applicant and the housing department shall complete an application for the one time housing subsidy.
- 10.7.3 The subsidy is available only once per qualifying band member, per lifetime.
- 10.7.4 Where the subsidy is available, the applicant shall also be required to pay the minimum downpayment as described within this policy.
- 10.7.5 Where two UNB band members apply jointly for a bank loan, stacking of the subsidy is prohibited.

10.8 Loan Application - Responsibilities

Where UNB has issued a conditional letter of support for a market based loan the following shall apply:

- a) The applicant shall be responsible to apply to the bank for the loan; and
- b) UNB shall be responsible to provide assistance to the applicant when requested to do so; and
- c) The bank shall be responsible to:
 - i. Assess the loan application; and
 - ii. Advise the applicant of assessment results in a timely manner; and
 - iii. On approval of the applicant's loan request, provide the loan documentation to the applicant; and
 - iv. Confirm to the housing department the status of the application either on approval of the application or, at the request of the housing department.

10.9 Wills and Estate Planning

The housing department may recommend that the applicant provide written instructions (e.g. a last will and testament or other documentation signed, dated and witnessed) to a family member or designator confirming their wishes regarding disposition of their estate with respect to the market based unit.

10.10 Unit Inspection

- 10.10.1 The applicant will arrange and pay the cost of an inspection of the unit by a qualified and certified building inspector to confirm the condition of the unit including any deficiencies that may negatively impact the value of the unit. The inspection is required for either a private sale or where UNB is the vendor. The inspection will confirm, at a minimum, any

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

deficiencies that affect the integrity and/or safe operation of the following areas and will include an estimate of costs to repair/replace same for:

- a) Building structure (e.g. foundation, exterior walls, roof structure); and
- b) Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
- c) Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
- d) Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

The applicant will provide a copy of the inspection report to the housing department and the bank.

- 10.10.2 Where the inspection report confirms deficiencies the applicant will advise the vendor to either:
- a) Deduct the cost to repair/replace the deficiencies from the sale price. The applicant can incorporate the cost to repair the deficiencies (after sale) into the bank loan provided that the costs do not exceed the maximum loan amount; or
 - b) Correct the deficiencies to the satisfaction of the inspector as a condition of sale.

10.11 Unit Appraisal

The applicant will arrange for and pay the cost of an appraisal to estimate the current market value of the unit and property. The appraisal will be completed by an independent qualified real estate appraiser. The appraisal is required for either a private sale or where UNB is the vendor. The applicant will provide a copy of the appraisal report to the housing department and the bank. Where the appraisal confirms that the sale price is not within current market value the housing department will advise the applicant of the maximum purchase price that will be guaranteed by UNB.

10.12 Septic and Water Certificates

Where the water for the property is provided by a well and where sewage services are provided through a septic/field bed sewage system, the following will apply:

10.12.1 Septic Inspection Certificate

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Where sewage services for the unit are provided through a septic/field bed system, the applicant will obtain from the vendor the BC Sewerage System Regulation (BC Public Health Act) certification for installation of the septic/sewage system. Where the certification is not available the applicant will obtain from the vendor a current certification/inspection report of the system completed by a registered onsite wastewater practitioner to confirm compliance with the BC Sewerage System Regulations.

10.12.2 Certificate of Water Potability

Where water to the unit is provided by a well the applicant will obtain from the vendor a current certificate of water potability with results meeting the BC Ministry of Health Drinking Water Standards or Health Canada Drinking Water Guidelines. The applicant will also obtain a copy of the well record from the vendor to confirm the location of the well, date of well drilling, depth and diameter, static water level, pumping water level (willow or deep well), recommended pumping rate (should be greater than 14 litres per minute), and the recommended pump setting.

10.13 Renovation Plan Review and Building Permit

10.13.1 Renovation Plan Review

Where the purchase includes renovations to be completed after purchase, the applicant will submit a renovation plan and budget to the housing department and the bank. The renovations can be included in the bank loan provided that the maximum loan amount is not exceeded. The housing department will arrange for a review of the renovation plan to confirm all of the following:

- a) Which aspects of the renovation will be completed by a qualified contractor or equivalent and such items may include work to repair/replace:
 - i. Building structure (e.g. foundation, exterior walls, roof structure); and
 - ii. Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - iii. Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - iv. Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) Whether the scope of the renovations requires the work to be completed by a general contractor; and
- c) That the renovation plan meets, at a minimum, the current version of the British Columbia Building Code.

The housing department will advise the applicant and the bank of any modifications required as a result of the review. The applicant will ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing department and the bank with the final quotation for renovations.

Any renovation work carried out prior to bank loan approval will not be eligible.

10.13.2 Building Permit (Where Applicable)

The applicant will apply to the lands department for a building permit as required in the UNB land policy.

10.14 Renovations Completed by the Applicant

Where the housing department has confirmed that aspects of the renovations can be completed by the applicant, the applicant will obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing department and the bank. The applicant will not be paid for their labour.

10.15 Renovations Completed by a Contractor

10.15.1 Where the housing department has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant will obtain a fixed price contract quotation from a contractor/general contractor to complete the renovations. The contract quotation will include all of the following:

- a) The general contractor's current WorkSafe BC (Workers Compensation) certification; and
- b) Confirmation of the contractor's BC Building Code Certification; and
- c) The general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- d) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) such renovations will be approved by UNB and the bank and must meet

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- all applicable codes and regulations and the requirements set out within this housing policy; and
- e) Agreement that all work will be in accordance with, at a minimum, the current version of the British Columbia Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
 - f) Confirmation that the contractor will be able to cover construction costs prior to bank loan advances (i.e. bridge financing) as advances are prohibited; and
 - g) The contractor shall supply three (3) written and dated references with contact information. References shall include one from a materials supplier to confirm all obligations have been met and two from previous clients to confirm projects have been completed on time, on budget and to the satisfaction of the client.

10.15.2 The applicant will submit the final contractors fixed price quotation and unsigned contract to the housing department and to the bank.

The housing department will review the contract to confirm that the contract falls within the budget requirements and meets UNB requirements.

The total project costs, less the downpayment and any housing subsidy, will be equal to or less than the approved loan guarantee amount. Where the project costs exceed the loan guarantee amount, the applicant will pay this amount prior to the first advance.

10.16 Final Purchase and Sale Agreement, Possession Date

10.16.1 Final Purchase and Sale Agreement

On receipt of confirmation from the lands department that the property has no encumbrances that will negatively impact the purchase and on receipt of the survey, the housing department will contact the applicant and request that they execute a final purchase and sale agreement with the vendor. The final purchase and sale agreement will be duly executed by all parties and will reflect the sale price as agreed to by UNB and the bank, the findings of the inspection, the appraisal and any other direction provided by the housing department and the bank. The applicant will be responsible to pay the purchase price of the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

property/unit and any costs associated with the preparation and execution of the sale agreement.

10.16.2 Possession Date

The possession date for the unit will be the date that the loan proceeds for purchase of the unit are paid by the bank.

10.17 Downpayment and Administration Fee

10.17.1 Downpayment

An applicant will provide a cash downpayment equal to a minimum of 5% of the purchase/project costs. The downpayment will be paid by the applicant to the bank before the first loan advance.

10.17.2 Administration Fee

An applicant will pay an administration fee of 1% of the purchase/project costs to UNB in cash or, by certified cheque, bank draft or money order payable to UNB before the first loan advance. The 1% fee may be included in the loan amount.

10.18 Insurance

10.18.1 CMHC Mortgage Insurance

An applicant will obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the bank loan amount). The bank shall apply for the insurance on behalf of the applicant.

10.18.2 Construction Insurance (Where Renovations are Included in the Loan)

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that construction insurance has been obtained as required by the bank and will be carried until the renovations are 100% complete. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

10.18.3 Life Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that life insurance (to cover the outstanding bank loan) has been obtained in an amount that is equal to or exceeds the amount of the bank loan. The insurance policy shall be written so that that the first loss payee (the order in which a

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

person/entity is entitled to receive the proceeds of a claim on the policy) is the bank. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

10.18.4 Building/Fire Insurance

Prior to the final loan advance or, prior to occupancy, the applicant will provide UNB and the bank with a copy of the building/fire insurance policy confirming that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained in an amount that is equal to or exceeds the amount of the bank loan or as required by the bank. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank and the second loss payee is UNB. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

10.19 Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG

10.19.1 Where the housing department and the finance department have confirmed that all requirements and criteria for a market based loan have been met, they will request that Council execute a Band Council Resolution (BCR) for the loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation and a copy provided of each document (e.g. loan agreement, security documentation, CMHC mortgage insurance, client construction, life and building/fire insurance); and
- b) The final purchase and sale agreement; and
- c) Where renovations are included, the contractors fixed price quotation or where the applicant is completing the renovations, the final quotes for building supplies/materials from a retail building supply store; and
- d) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- e) Confirmation that the land ownership has been assigned to UNB.

10.19.2 Where the bank loan is obtained through the FNMHF Credit Enhancement Facility, on receipt of the BCR:

- a) The housing department will provide a copy of the BCR to the bank and the FNMHF and will confirm to the applicant that the BCR has been issued; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) The bank will request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan and will provide a copy of the BCR to the FNMHF. On receipt of the Credit Enhancement Certificate, the bank will provide a copy of same to UNB.

10.19.3 Where the bank loan is obtained through the Section 10 program, after the BCR has been executed the housing department will submit a Ministerial Loan Guarantee (MLG) package to AANDC on behalf of the applicant. Subject to the AANDC requirements, the package may include:

- a) Original BCR; and
- b) MLG application form; and
- c) Copy of the loan agreement from the bank; and
- d) Certificate of insurance from CMHC; and
- e) Any other documents required by AANDC.

10.20 Completing Renovations

Where renovations are included, after the BCR, bank loan agreement and Credit Enhancement Certificate or MLG have been executed, UNB and the bank are satisfied that all requirements have been met and, the applicant (the client) has completed the unit purchase, the client will proceed with renovations.

The client will ensure that renovations will be completed within the deadlines imposed by the bank and UNB unless the client receives written approval from the bank and UNB for additional time to complete the work. Failure to complete the work within the agreed upon period will result in cancellation of the bank loan agreement.

10.21 Inspections

- 10.21.1 The client will be responsible to arrange and pay for inspections by a certified inspector or the authority having jurisdiction.
- 10.21.2 The inspector will provide the client with a written inspection report and photographs to demonstrate all aspects of the required stage of completion.
- 10.21.3 Inspections of all renovations, water supply and plumbing, waste disposal, and electrical repairs/installations will be carried out by a certified inspector at appropriate stages of renovation to ensure compliance with standards of construction as referred to within this housing policy. In addition the following will apply:

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- a) For installation/repairs to a well system, the client will provide written confirmation that the well meets the standards of the BC Ministry of Environment (installed/repared by a qualified well driller and well pump installer) and a copy of the certificate of water potability with results meeting the BC Ministry of Health Drinking Water Standards or Health Canada Drinking Water Guidelines; and
- b) For installation/repairs to septic systems photographs are required at each stage of installation/repair in addition to percolation tests and a current certification/inspection report of the system completed by a registered onsite wastewater practitioner to confirm compliance with the BC Sewerage System Regulations.

10.21.4 Inspections will be performed in accordance with the current version of the British Columbia Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.

10.22 Loan Advances

- 10.22.1 The client will meet the minimum time periods within which the bank will make the first and final advance (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
- 10.22.2 A client's downpayment, administration fee, housing subsidy (where available) and any additional project costs that are over and above the guaranteed loan amount, will be paid by the client to the bank prior to the first loan advance.
- 10.22.3 The bank will notify the housing department of each advance within five (5) working days of each advance.
- 10.22.4 Where no renovation work is included in the purchase, the bank will issue one (1) loan advance on completion of the sale prior to the possession date. For a private sale (where the vendor is not UNB) the bank will not release funds until UNB confirms that the land transfer to UNB has been completed as described within this policy.
- 10.22.5 Where there are renovations included in the project, the bank will issue a maximum of three (3) loan advances, subject to the bank requirements.
- 10.22.6 Where the client is completing the renovations, as part of the request for the loan advance they will submit invoices for renovation supplies/materials, the inspection report and photographs of the completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 10.22.7 Where a contractor is completing the renovations, as part of the request for the loan advance, the client will obtain and submit to the housing department and the bank:
- a) An inspection report and photographs to confirm the progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where the renovation work includes septic repairs/installation photographs are required in addition to percolation tests and a current certification/inspection report of the system completed by a registered onsite wastewater practitioner to confirm compliance with the BC Sewerage System Regulations in order to receive the related loan advance; and
 - c) Where the renovation work includes well installation/repairs confirmation that the well meets the standards of the BC Ministry of Environment (installed/repaired by a qualified well driller and well pump installer) and a copy of the certificate of water potability with results meeting the BC Ministry of Health Drinking Water Standards or Health Canada Drinking Water Guidelines in order to receive the related loan advance. The client will also provide a copy of the well record to confirm the location of the well, date of well drilling, depth and diameter, static water level, pumping water level, recommended pumping rate (should be greater than 14 litres per minute), and the recommended pump setting.

10.23 Holdbacks

Where renovation work is completed by a general contractor, UNB and the bank will require a holdback of 10% of all disbursements to be paid only after they have received written confirmation of the following:

- a) That the renovations are 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

10.24 Interest Payments

The client will be responsible to make interest payments to the bank where loan advances are made before the interest adjustment date (the date the mortgage amortization period begins). After the client has provided written confirmation that the unit is 100% complete, the client will meet with the bank to set the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

interest adjustment date and the client will be advised when blended payments will begin.

10.25 Loan Administration (After the Bank Loan has been Fully Advanced)

Details on loan administration are contained Section 13 of this policy. The loan administration policies confirm obligations of the client, the bank and UNB with respect to administration of a market based loan after it is fully advanced and until the loan is paid in full. Some of the activities included are insurance renewal, absence from the unit, breach of agreement/default policies, and sale of the unit.

11 Individual Homeownership Loan – Renovations (Eligibility to Completion of Renovations)

Renovation is defined as structural (i.e. changes to roofing, plumbing, wiring or foundation work) or cosmetic (i.e. to improve or modernize the home's appearance or features) improvement or modifications of an existing home on UNB reserve lands.

11.1 Eligibility Criteria

In order to be eligible an applicant will meet the following criteria:

- a) An applicant shall be a registered member of Upper Nicola Band according to the Upper Nicola Band Membership List; and
- b) An applicant shall be 18 years of age or older; and
- c) An applicant shall confirm that there are no current arrears or outstanding payments on accounts (loans, housing payments or other services) and that there have been no arrears or outstanding payments on such accounts for a minimum one year period prior to submission of an application for a market based loan. This will be confirmed in writing by the UNB finance department and obtained by the applicant; and
- d) An applicant shall not have any current legal proceedings against UNB.

11.2 Maximum Loan Guarantee Amount and Maximum Amortization Period

- 11.2.1 The maximum loan guarantee will be \$50,000.00 and the minimum loan amount shall be \$5,000.00.
- 11.2.2 Where the renovation costs exceed the maximum loan guarantee amount the applicant will demonstrate that they are able to obtain the additional funds from their own sources. These funds will be paid by the applicant to the bank before any bank loan funds are advanced.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

11.2.3 UNB will guarantee only one market based loan at a time, per band member. A band member may apply for another market based loan only after the active market based loan has been paid in full.

11.2.4 The maximum amortization period will be 10 years.

11.3 Pre-Approval Process

An applicant interested in a market based loan will contact the housing department and request an application/orientation package. Within 15 calendar days of receipt of the request the housing department will forward an orientation package to the applicant confirming the eligibility requirements and include an application which must be completed and submitted to the bank in order to obtain the pre-approval documentation from the bank (confirming the applicant qualifies for a bank loan and the loan interest rate).

The applicant shall obtain the pre-approval documentation from the bank in order to obtain a conditional letter of support for the loan from UNB as described within this housing policy.

11.4 Eligible Property

In order to be eligible the unit is intended to be purchased must be:

- a) Located within UNB reserve lands; and
- b) Located where confirmation is provided that fire insurance is available; and
- c) Approved for market based housing (meets requirements for services including but not limited to hydro, water and sewer as described within this policy).

11.5 UNB Guarantee Collateral (Land Ownership/Entitlement)

11.5.1 Member Owned Property – Traditional Land Owner

Where the applicant wishes to renovate a unit located on property owned by the applicant as a traditional land owner, the applicant (land owner) will execute a transfer in the form of a Traditional Land Holding to the applicant (the purchaser). UNB and the applicant will enter into a written agreement that will state that UNB will hold the traditional land ownership of the land/lot until the bank loan is paid in full. The agreement shall be executed by all parties prior to loan approval.

11.5.2 Member Owned Property – Certificate of Possession (CP)

Where the applicant wishes to renovate a unit located on property owned by the applicant and the applicant holds a CP the applicant (CP holder) will assign the CP to UNB and UNB will hold the CP until the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

bank loan is paid in full. The agreements shall be executed by all parties prior to loan approval.

11.6 Land Encumbrance Check, Survey and Land Transfer

The housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed the applicant will contract the services of a surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC that there are no encumbrances that will impact the loan (i.e. outstanding liens). Where AANDC confirms there are no encumbrances that will impact the transfer and on receipt of a survey, the applicant (traditional land holder or CP holder) will execute a land transfer to UNB as described within this policy. UNB will hold traditional land ownership/the CP until the bank loan is paid in full. The transfer shall be executed by all parties prior to loan approval.

The applicant will pay any costs associated with the preparation and execution of the survey and any transfer agreement.

11.7 Conditional Letter of Support

11.7.1 Applicant Responsibilities

In order to obtain a conditional letter of support for a market based loan, the applicant is responsible to:

- a) Obtain written and dated confirmation from the bank to confirm that the applicant has applied for and is eligible to obtain a loan and the interest rate of the loan; and
- b) Make an application for market based housing to the housing department which will include:
 - i. UNB market housing application forms fully completed; and
 - ii. Copy of the applicant's UNB status card; and
 - iii. A legal description of the home lot; and
 - iv. A copy of the renovation plan/budget; and
 - v. If required, a copy of the percolation test (all costs pertaining to the First Nations Health Authority review and approval shall be paid for by the applicant); and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- vi. Documentation which confirms that the applicant has the funds required to pay the minimum downpayment and administration fee.
- c) Submit the completed application and supporting documentation in a sealed envelope addressed to the Upper Nicola Band. The application is to be submitted by mail, by courier, or by hand. An application submitted by hand shall be presented to the UNB office.

11.7.2 UNB Responsibilities

It is the responsibility of UNB to:

- a) Review the submission of the applicants market based application and supporting documentation; and
- b) Confirm the applicant's UNB membership; and
- c) Confirm with UNB finance department that the applicant has no arrears or outstanding payments on accounts with UNB as described within the eligibility criteria section of this policy; and
- d) Submit a request to UNB lands department to proceed with a land status report (to verify ownership, liens and other encumbrances) on the property identified in the application package; and
- e) Review the renovation plan/budget to confirm that the plan and budget are acceptable to UNB; and
- f) Upon having confirmed that the applicant has met all of the above criteria, the housing department will issue a conditional letter of support to the applicant. The conditional letter of support will confirm that UNB is prepared to guarantee the bank loan on the condition that the applicant meets the criteria for the loan as required by the bank.

11.8 Loan Application - Responsibilities

Where UNB has issued a conditional letter of support for a market based loan the following shall apply:

- a) The applicant shall be responsible to apply to the bank for the loan; and
- b) UNB shall be responsible to provide assistance to the applicant when requested to do so; and
- c) The bank shall be responsible to:
 - i. Assess the loan application; and
 - ii. Advise the applicant of assessment results in a timely manner; and
 - iii. On approval of the applicant's loan request, provide the loan documentation to the applicant; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- iv. Confirm to the housing department the status of the application either on approval of the application or, at the request of the housing department.

11.9 Wills and Estate Planning

The housing department may recommend that the applicant provide written instructions (e.g. a last will and testament or other documentation signed, dated and witnessed) to a family member or designator confirming their wishes regarding disposition of their estate with respect to the market based unit.

11.10 Renovation Plan Review and Building Permit

11.10.1 Renovation Plan Review

The applicant will submit a renovation plan and budget to the housing department. The housing department will arrange for a review of the renovation plan to confirm all of the following:

- a) Which aspects of the renovation will be completed by a qualified contractor or equivalent and such items may include work to repair/replace:
 - i. Building structure (e.g. foundation, exterior walls, roof structure); and
 - ii. Building envelope (e.g. exterior finishes, windows, exterior doors, roof shingles); and
 - iii. Mechanical systems (e.g. heating and electrical systems, HVAC, interior plumbing and waste water systems); and
 - iv. Occupant health and safety (e.g. uneven or damaged flooring, damaged hardware on doors, windows).
- b) Whether the scope of the renovations requires the work to be completed by a general contractor; and
- c) That the renovation plan meets, at a minimum, the current version of the British Columbia Building Code.

The housing department will advise the applicant and the bank of any modifications required as a result of the review. The applicant will ensure that such modifications are incorporated into the final renovation plan that is submitted to the housing department and the bank with the final quotation for renovations.

Any renovation work carried out prior to bank loan approval will not be eligible.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

11.10.2 Building Permit (Where Applicable)

The applicant will apply to the lands department for a building permit as required in the UNB land policy.

11.11 Renovations Completed by the Applicant

Where the housing department has confirmed that aspects of the renovations can be completed by the applicant, the applicant will obtain final quotes for building supplies/materials from a retail building supply store and provide these to the housing department and the bank. The applicant will not be paid for their labour.

11.12 Renovations Completed by a Contractor

11.12.1 Where the housing department has confirmed that aspects of the renovations are to be completed by a contractor or a general contractor, the applicant will obtain a fixed price contract quotation from a contractor/general contractor to complete the renovations. The contract quotation will include all of the following:

- a) The general contractor's current WorkSafe BC (Workers Compensation) certification; and
- b) Confirmation of the contractor's BC Building Code Certification; and
- c) The general contractor's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- d) Where the renovations include repair of utility services (e.g. electrical, water supply, waste water/septic services) such renovations will be approved by UNB and the bank and must meet all applicable codes and regulations and the requirements set out within this housing policy; and
- e) Agreement that all work will be in accordance with, at a minimum, the current version of the British Columbia Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- f) Confirmation that the contractor will be able to cover construction costs prior to bank loan advances (i.e. bridge financing) as advances are prohibited; and
- g) The contractor shall supply three (3) written and dated references with contact information. References shall include one from a materials supplier to confirm all obligations have been met and two from previous clients to confirm projects have been completed on time, on budget and to the satisfaction of the client.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

11.12.2 The applicant will submit the final contractors fixed price quotation and unsigned contract to the housing department and to the bank.

The housing department will review the contract to confirm that the contract falls within the budget requirements and meets UNB requirements.

The total project costs, less the downpayment and any housing subsidy, will be equal to or less than the approved loan guarantee amount. Where the project costs exceed the loan guarantee amount, the applicant will pay this amount prior to the first advance.

11.13 Downpayment and Administration Fee

11.13.1 Downpayment

An applicant will provide a cash downpayment equal to a minimum of 5% of the project costs. The downpayment will be paid by the applicant to the bank before the first loan advance.

11.13.2 Administration Fee

An applicant will pay an administration fee of 1% of the project costs to UNB in cash or, by certified cheque, bank draft or money order payable to UNB before the first loan advance. The 1% fee may be included in the loan amount.

11.14 Insurance

11.14.1 CMHC Mortgage Insurance

An applicant will obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the bank loan amount). The bank shall apply for the insurance on behalf of the applicant.

11.14.2 Construction Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that construction insurance has been obtained as required by the bank and will be carried until the renovations are 100% complete. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

11.14.3 Life Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that life insurance (to cover the outstanding bank loan) has been obtained in an amount that is equal to or exceeds the amount of the bank loan. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

11.14.4 Building/Fire Insurance

Prior to the final loan advance the applicant will provide UNB and the bank with a copy of the building/fire insurance policy confirming that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained in an amount that is equal to or exceeds the amount of the bank loan or as required by the bank. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank and the second loss payee is UNB. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

11.15 Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG

11.15.1 Where the housing department and the finance department have confirmed that all requirements and criteria for a market based loan have been met, they will request that Council execute a Band Council Resolution (BCR) for the loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation and a copy provided of each document (e.g. loan agreement, security documentation, CMHC mortgage insurance, client construction, life and building/fire insurance); and
- b) The contractors fixed price quotation or where the applicant is completing the renovations, the final quotes for building supplies/materials from a retail building supply store; and
- c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- d) Confirmation that the land ownership has been assigned to UNB.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 11.15.2 Where the bank loan is obtained through the FNMHF Credit Enhancement Facility, on receipt of the BCR:
- a) The housing department will provide a copy of the BCR to the bank and the FNMHF and will confirm to the applicant that the BCR has been issued; and
 - b) The bank will request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan and will provide a copy of the BCR to the FNMHF. On receipt of the Credit Enhancement Certificate, the bank will provide a copy of same to UNB.

- 11.15.3 Where the bank loan is obtained through the Section 10 program, after the BCR has been executed the housing department will submit a Ministerial Loan Guarantee (MLG) package to AANDC on behalf of the applicant. Subject to the AANDC requirements, the package may include:
- a) Original BCR; and
 - b) MLG application form; and
 - c) Copy of the loan agreement from the bank; and
 - d) Certificate of insurance from CMHC; and
 - e) Any other documents required by AANDC.

11.16 Completing Renovations

After the BCR, bank loan agreement and Credit Enhancement Certificate or MLG have been executed, UNB and the bank are satisfied that all requirements have been met the client will proceed with renovations.

The client will ensure that renovations will be completed within the deadlines imposed by the bank and UNB unless the client receives written approval from the bank and UNB for additional time to complete the work. Failure to complete the work within the agreed upon period will result in cancellation of the bank loan agreement.

11.17 Inspections

11.17.1 The client will be responsible to arrange and pay for inspections by a certified inspector or the authority having jurisdiction.

11.17.2 The inspector will provide the client with a written inspection report and photographs to demonstrate all aspects of the required stage of completion.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 11.17.3 Inspections of all renovations including work to water supply and plumbing, waste disposal, and electrical repairs/installations will be carried out by a certified inspector at appropriate stages of renovation to ensure compliance with standards of construction as referred to within this housing policy. In addition the following will apply:
- a) For installation/repairs to a well system, the client will provide written confirmation that the well meets the standards of the BC Ministry of Environment (installed/repaired by a qualified well driller and well pump installer) and a copy of the certificate of water potability with results meeting the BC Ministry of Health Drinking Water Standards or Health Canada Drinking Water Guidelines; and
 - b) For installation/repairs to septic systems photographs are required at each stage of installation/repair in addition to percolation tests and a current certification/inspection report of the system completed by a registered onsite wastewater practitioner to confirm compliance with the BC Sewerage System Regulations.
- 11.17.4 Inspections will be performed in accordance with the current version of the British Columbia Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
- 11.18 Loan Advances
- 11.18.1 The client will meet the minimum time periods within which the bank will make the first and final advance (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
 - 11.18.2 A client's downpayment, administration fee and any additional project costs that are over and above the guaranteed loan amount will be paid by the client to the bank prior to the first loan advance. The bank will not release funds until UNB confirms that the land transfer has been completed to UNB as described within this policy.
 - 11.18.3 The bank will notify the housing department of each advance within five (5) working days of each advance.
 - 11.18.4 The bank will issue a maximum of three (3) loan advances, subject to the bank requirements.
 - 11.18.5 Where the client is completing the renovations, as part of the request for the loan advance they will submit invoices for renovation supplies/materials, the inspection report and photographs of the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

completed renovation work (photographs must adequately demonstrate all aspects of the required stage of completion).

11.18.6 Where a contractor is completing the renovations, as part of the request for the loan advance, the client will obtain and submit to the housing department and the bank:

- a) An inspection report and photographs to confirm the progress of renovation work on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
- b) Where the renovation work includes septic repairs/installation photographs are required in addition to percolation tests and a current certification/inspection report of the system completed by a registered onsite wastewater practitioner to confirm compliance with the BC Sewerage System Regulations in order to receive the related loan advance; and
- c) Where the renovation work includes well installation/repairs confirmation that the well meets the standards of the BC Ministry of Environment (installed/repaired by a qualified well driller and well pump installer) and a copy of the certificate of water potability with results meeting the BC Ministry of Health Drinking Water Standards or Health Canada Drinking Water Guidelines in order to receive the related loan advance. The client will also provide a copy of the well record to confirm the location of the well, date of well drilling, depth and diameter, static water level, pumping water level, recommended pumping rate (should be greater than 14 litres per minute), and the recommended pump setting.

11.19 Holdbacks

Where renovation work is completed by a general contractor, UNB and the bank will require a holdback of 10% of all disbursements to be paid only after they have received written confirmation of the following:

- a) That the renovations are 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed by a qualified inspector; and
- b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.

11.20 Interest Payments

The client will be responsible to make interest payments to the bank where loan advances are made before the interest adjustment date (the date the mortgage

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

amortization period begins). After the client has provided written confirmation that the unit is 100% complete, the client will meet with the bank to set the interest adjustment date and the client will be advised when blended payments will begin.

11.21 Loan Administration (After the Bank Loan has been Fully Advanced)

Details on loan administration are contained Section 13 of this policy. The loan administration policies confirm obligations of the client, the bank and UNB with respect to administration of a market based loan after it is fully advanced and until the loan is paid in full. Some of the activities included are insurance renewal, absence from the unit, breach of agreement/default policies, and sale of the unit.

12 UNB Rental Loan – New Construction (Eligibility to Occupancy)

New construction is defined as the construction of a new stick-built or modular/ manufactured home on UNB reserve lands.

12.1 Eligibility Criteria

In order to be eligible an applicant shall meet the following criteria:

- a) An applicant shall be a legal entity owned in a majority manner by Upper Nicola Band (UNB); and
- b) An applicant may be required, at the discretion of UNB Administration and/or Chief and Council or the bank, to submit a business plan and/or a UNB rental feasibility report that confirms a viable rental market and sufficient demand for the unit(s) at the proposed rental rates for the unit(s).

12.2 Debt Service Coverage Ratio

The bank shall confirm to the applicant the debt service coverage ratio (i.e. the amount of cash flow required to meet annual interest and principal payments) required to meet debt servicing.

12.3 Maximum Loan Guarantee Amount and Maximum Amortization Period

12.3.1 The maximum loan guarantee will be \$200,000.00.

12.3.2 Where the applicant wishes to construct a unit where costs exceed the maximum loan guarantee amount the applicant will demonstrate that they are able to obtain the additional funds from their own sources.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

These funds will be paid by the applicant to the bank before any bank loan funds are advanced.

12.3.3 The maximum amortization period will be 25 years.

12.4 Eligible Property

In order to be eligible for a market based loan, the property where the unit is intended to be constructed must be:

- a) Located within UNB reserve lands; and
- b) Located on a surveyed lot with easement; and
- c) Located where confirmation is provided that fire insurance is available; and
- d) Approved for market based housing (meets requirements for services including but not limited to hydro, water and sewer as described within this policy).

12.5 Pre-Approval Process

An applicant interested in a market based loan will contact the housing department and request an application/orientation package. Within 15 calendar days of receipt of the request the housing department will forward an orientation package to the applicant confirming the eligibility requirements and include an application which must be completed and submitted to the bank in order to obtain the pre-approval documentation from the bank (confirming the applicant qualifies for a bank loan and the loan interest rate).

The applicant shall obtain the pre-approval documentation from the bank in order to obtain a conditional letter of support for the loan from UNB as described within this housing policy.

12.6 UNB Guarantee Collateral (Land Ownership/Entitlement)

UNB will maintain entitlement to the property/lot(s).

12.7 Land Encumbrance Check, Survey and Land Transfer

The housing department shall request that the lands department complete a Lands Status Report. This may include a land title search with AANDC to confirm encumbrances and to confirm that the property/lot has been surveyed and registered under the Canada Lands Survey System. Where the lot is not surveyed the applicant will contract the services of a surveyor as required by the lands department.

The lands department shall obtain confirmation from AANDC to confirm there are no encumbrances that will impact the loan (i.e. outstanding liens) and on

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

receipt of a survey, the land department will confirm to the housing department that the property/land meets the requirements for new construction.

12.8 Conditional Letter of Support

12.8.1 Applicant Responsibilities

In order to obtain a conditional letter of support for a market based loan, the applicant is responsible to:

- a) Obtain written and dated confirmation from the bank to confirm that the applicant has applied for and is eligible to obtain a loan and the interest rate of the loan; and
- b) Make an application for market based housing to the housing department which will include:
 - i. UNB market housing application forms fully completed; and
 - ii. Copy of the applicant's UNB status card; and
 - iii. A legal description of the home lot or the application for a lot in the subdivision; and
 - iv. Documentation confirming ownership structure including Articles of Incorporation; and
 - v. A copy of the percolation test for the lot (all costs pertaining to the First Nations Health Authority review and approval shall be paid for by the applicant); and
 - vi. If required, a business plan and/or a UNB rental feasibility report that confirms a viable rental market and sufficient demand for the unit(s) at the proposed rental rates for the unit(s); and
 - vii. Documentation which confirms that the applicant has the funds required to pay the minimum downpayment and administration fee.
- c) Submit the completed application and supporting documentation in a sealed envelope addressed to the Upper Nicola Band. The application is to be submitted by mail, by courier, or by hand. An application submitted by hand shall be presented to the UNB office.

12.8.2 UNB Responsibilities

It is the responsibility of UNB to:

- a) Review the submission of the applicants market based application and supporting documentation; and
- b) Obtain from the applicant a UNB rental feasibility report and/or business plan from the applicant where required by UNB Administration, Chief and Council or the bank; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- c) Submit a request to UNB lands department to proceed with a land status report (to verify ownership, liens and other encumbrances) on the lot identified in the application package; and
- d) Upon having confirmed that the applicant has met all of the above criteria, the housing department will issue a conditional letter of support to the applicant. The conditional letter of support will confirm that UNB is prepared to guarantee the bank loan on the condition that the applicant meets the criteria for the loan as required by the bank.

12.9 Housing Subsidy

- 12.9.1 Subject to availability of funds and approval from Council, a one-time housing subsidy may be available through AANDC. Where the subsidy is made available, UNB will pay the subsidy directly to the bank.
- 12.9.2 The applicant and the housing department shall complete an application for the one time housing subsidy.
- 12.9.3 Where the subsidy is available, the applicant shall also be required to pay the minimum downpayment as described within this policy.

12.10 Loan Application

Where UNB has issued a conditional letter of support for a market based loan the following shall apply:

- a) The applicant shall be responsible to apply to the bank for the loan; and
- b) UNB shall be responsible to provide assistance to the applicant when requested to do so; and
- c) The bank shall be responsible to:
 - i. Assess the loan application; and
 - ii. Advise the applicant of assessment results in a timely manner; and
 - iii. On approval of the applicant's loan request, provide the loan documentation to the applicant; and
 - iv. Confirm to the housing department the status of the application either on approval of the application or, at the request of the housing department.

12.11 Unit Type Requirements (Stick Built, Modular, Manufactured)

12.11.1 Stick Built Home

- 12.11.1.1 Where the applicant will construct a stick-built home (constructed on the building site piece by piece) the applicant will obtain three sets of engineered drawings of the house plan for the unit and will provide one copy to the housing

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

department and one copy to the bank. An engineered drawing is a technical drawing that defines the requirements for engineered items such as building structure and mechanical systems; the drawing must be stamped by an engineering professional. The following shall apply:

- a) Engineered plans must be provided; or
- b) A plan from a local hardware store may be accepted provided it has been stamped by an engineering professional.

12.11.1.2 The housing department will review the house plan in consultation with a certified inspector to ensure it meets, at a minimum, the current version of the BC Building Code {latest edition}. The housing department will advise the applicant of any modifications required as a result of the review. The applicant will ensure that all such modifications will be incorporated into the final house plan that is submitted to the housing department with the final quotation for construction.

12.11.2 Modular or Manufactured Home

12.11.2.1 Modular Home

A modular or pre-fab unit is defined as a factory-built unit constructed of pre-made parts and/or unit modules; the parts/modules are transported to the building site and are assembled and anchored on a full slab or pad concrete foundation. The modular home must confirm to the building codes as outlined in this policy.

12.11.2.2 Manufactured Home

A manufactured home is defined as a factory-built unit that is mounted on a permanent steel chassis and transported to the building site where the wheels are removed, the chassis remains and the unit is assembled and anchored to a full slab or pad concrete foundation.

12.11.2.3 Blueprint/Specification Review

For either a modular or manufacture home, the following shall apply:

- a) The applicant will obtain three sets of blueprints and specifications for the unit from the manufacturer and, three sets of specifications for site preparation, foundation and anchoring of the unit and will retain one copy and provide one copy of each to the housing department and to the bank.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) The housing department will review the blueprints in consultation with a certified inspector to ensure it meets, at a minimum, at a minimum, the current version of the BC Building Code {latest edition}. The housing department will advise the applicant of any modifications required as a result of the review. The applicant will ensure that all such modifications will be incorporated into the final house plan that is submitted to the housing department with the final quotation.

12.12 Plot Plan, Building Permit

12.12.1 Plot Plan

The applicant will provide to the housing department and the bank a plot plan for the construction project that confirms utility service connections to confirm that the project conforms to UNB land policies and regulations and this housing policy.

12.12.2 Building Permit

The applicant shall apply to the lands department for a building permit as required in the UNB land policies.

12.13 Contractor/Manufacturer Contract

12.13.1 The applicant will obtain a fixed price contract quotation to complete the unit (without entering into a contract obligation) from a general contractor for new construction or, the manufacturer's quotation for a modular or manufactured home including site preparation, foundation and anchoring of the unit. The contract quotation will include all of the following:

- a) The general contractor's/manufacturer's current WorkSafe BC (Workers Compensation) certification; and
- b) Confirmation of the contractor's BC Building Code Certification; and
- c) The general contractor's/manufacturer's current general liability and comprehensive liability insurance coverage of \$1.5 million; and
- d) Confirmation that the contract includes installation of all utility services (e.g. water, hydro) from the unit to the lot line, waste services/septic, plus road access. Waste and water services will be approved by UNB and the bank and will meet all applicable codes and regulations; and
- e) Agreement that all work will be in accordance with, at a minimum, the current version of the British Columbia Building Code {latest

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards and any other bylaws codes and regulations applicable to the project; and
- f) Confirmation that the contractor will be able to cover construction costs prior to bank loan advances (i.e. bridge financing) as advances prior to construction are prohibited; and
 - g) For a modular or manufactured home the contract will confirm that the unit will be installed by the same builder/manufacturer that sold the home to the applicant; and
 - h) The contractor shall supply three (3) written and dated references with contact information. References shall include one from a materials supplier to confirm all obligations have been met and two from previous clients to confirm projects have been completed on time, on budget and to the satisfaction of the client.
- 12.13.2 The applicant will submit the final contractors fixed price quotation and unsigned contract or, the manufacturer's sale agreement and contract to the housing department and to the bank.

The housing department will review the contract to confirm that the contract falls within the budget requirements and meets UNB requirements.

The total project costs, less the downpayment and any housing subsidy, will be equal to or less than the approved loan guarantee amount. Where the project costs exceed the loan guarantee amount, the applicant will pay this amount prior to the first advance.

- 12.13.3 Fees for hydro and propane hook-ups are the responsibility of the applicant.

12.14 Downpayment and Administration Fee

12.14.1 Downpayment

An applicant will provide a cash downpayment equal to a minimum of 5% of the construction/project costs. The downpayment will be paid by the applicant to the bank before the first loan advance.

12.14.2 Administration Fee

An applicant will pay an administration fee of 1% of the construction/project costs to UNB in cash or, by certified cheque, bank

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

draft or money order payable to UNB before the first loan advance. The 1% fee may be included in the loan amount.

12.15 Insurance

12.15.1 CMHC Mortgage Insurance

An applicant will obtain CMHC mortgage insurance through the bank (the mortgage insurance premium is calculated as a percentage of the bank loan amount). The bank shall apply for the insurance on behalf of the applicant.

12.15.2 Construction Insurance

Prior to the first loan advance an applicant will provide UNB and the bank with written confirmation that construction insurance has been obtained as required by the bank and will be carried until the unit is 100% complete. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

12.15.3 Building/Fire Insurance

Prior to the final loan advance the applicant will provide UNB and the bank with a copy of the building/fire insurance policy confirming that building insurance (protection against property damage from risks such as fire, flood, etc.) has been obtained in an amount that is equal to or exceeds the amount of the bank loan or as required by the bank. The insurance policy shall be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank and the second loss payee is UNB. Insurance may be obtained from the bank or from an independent insurance broker, at the discretion of the applicant.

12.16 Band Council Resolution, FNMHF Credit Enhancement Certificate/MLG

12.16.1 Where the housing department and the finance department have confirmed that all requirements and criteria for a market based loan have been met, they will request that Council execute a Band Council Resolution (BCR) for the loan guarantee subject to receipt of the following:

- a) The bank's confirmation regarding receipt of all required loan documentation and a copy provided of each document (e.g. loan agreement, security documentation, CMHC mortgage insurance, client construction, life and building/fire insurance); and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- b) The final signed contractors/manufacturers fixed price quotation;
and
- c) Confirmation that the applicant has met all conditions outlined in this housing policy; and
- d) Confirmation that the land ownership has been assigned to UNB.

12.16.2 Where the bank loan is obtained through the FNMHF Credit Enhancement Facility, on receipt of the BCR:

- a) The housing department will provide a copy of the BCR to the bank and the FNMHF and will confirm to the applicant that the BCR has been issued; and
- b) The bank will request that the FNMHF issue a Credit Enhancement Certificate to confirm it's backing of the bank loan and will provide a copy of the BCR to the FNMHF. On receipt of the Credit Enhancement Certificate, the bank will provide a copy of same to UNB.

12.16.3 Where the bank loan is obtained through the Section 10 program, after the BCR has been executed the housing department will submit a Ministerial Loan Guarantee (MLG) package to AANDC on behalf of the applicant. Subject to the AANDC requirements, the package may include:

- a) Original BCR; and
- b) MLG application form; and
- c) Copy of the loan agreement from the bank; and
- d) Certificate of insurance from CMHC; and
- e) Any other documents required by AANDC.

12.17 Construction

After the BCR, bank loan agreement and Credit Enhancement Certificate/MLG have been executed and the bank and UNB are satisfied that all requirements have been met, the housing department will confirm to the applicant (hereinafter referred to as the client) that they can proceed with unit construction. The client will ensure that construction will be completed within the deadlines imposed by the bank and UNB unless the client receives written approval from UNB and the bank for additional time to complete the work. Failure to complete the unit within the agreed upon period will result in cancellation of the bank loan agreement.

12.18 Inspections

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 12.18.1 The client will be responsible to arrange and pay for inspections by a certified inspector or the authority having jurisdiction in a timely manner.
 - 12.18.2 The inspector will provide the client with a written inspection report and photographs to demonstrate all aspects of the required stage of completion.
 - 12.18.3 The Protocol for Decentralised Water and Wastewater Systems in First Nation Communities (Decentralized Systems Protocol) provided by AANDC shall apply.
 - 12.18.4 Inspections of all construction, water supply and plumbing, waste disposal, and electrical repairs/installations will be carried out by a certified inspector at appropriate stages of renovation to ensure compliance with standards of construction as referred to within this housing policy.
 - 12.18.5 Inspections will be performed in accordance with the current version of the BC Building Code {latest edition}, UNB construction standards, bylaws, codes, regulations and policies specifying building or other standards; any other bylaws codes and regulations applicable to the project.
 - 12.18.6 The client will be responsible to cover fees/costs related to hydro and propane hook-up.
 - 12.18.7 The client will provide the bank and the housing department with a copy of the inspection reports and related certificates as required by the bank and by the housing department.
- 12.19 Loan Advances
- 12.19.1 The client will meet the minimum time periods within which the bank will make the first and final advance (i.e. first advance within 90 days of approval and the last advance within 180 days of approval).
 - 12.19.2 A client's downpayment, administration fee and housing subsidy (where available) and any additional project costs that are over and above the guaranteed loan amount, will be paid by the client to the bank prior to the first loan advance.
 - 12.19.3 As part of the request for an advance from the bank the client will obtain and submit to the housing department and the bank:
 - a) An inspection report and photographs to confirm progress of construction on the unit (photographs must adequately demonstrate all aspects of the required stage of completion); and
 - b) Where a septic system is being installed, confirmation/certification as required through the Protocol for Decentralised Water and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- Wastewater Systems in First Nations Communities in order to receive the related loan advance; and
- c) Where a well is being installed, confirmation/certification as required through the Protocol for Decentralised Water and Wastewater Systems in First Nations Communities in order to receive the related loan advance.
- 12.19.4 The maximum number of progress loan advances on stick-built homes is four (4). Loan advances will be as follows
- a) First advance will be 40% of the loan amount; and
 - b) Second advance will be 30% of the loan when the previous 40% has been spent; and
 - c) Third advance will be 20% of the loan when the previous 70% has been spent; and
 - d) The final advance for the remaining 10% (the holdback) will be released after the client has confirmed to the housing department and the bank that the final inspection has been done and a written final inspection report has been provided that confirms there are no outstanding items or deficiencies.
- 12.19.5 The bank shall advise the housing department of loan advances within 5 working days of each draw.
- 12.19.6 For modular or manufactured homes four loan advances may not be required however the loan funds, less holdback, will not be released until the unit is in place (anchored to the foundation) and has been inspected and written confirmation provided to the housing department that confirms that there are no outstanding items or deficiencies.
- 12.20 Holdbacks
- The housing department and the bank will require a holdback of 10% of all disbursements to be paid only after they have received written confirmation of the following:
- a) That the unit is 100% complete and any/all deficiencies have been corrected according to the requirements of this housing policy as confirmed in writing by a qualified inspector; and
 - b) That any and all sub-contractor(s) on the project have been paid in full as confirmed by a statutory declaration from the general contractor.
- 12.21 Interest Payments during Construction
- The client shall be responsible to make interest payments to the bank where loan advances are made before the interest adjustment date (the date the

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

mortgage amortization period begins). After the client has provided written confirmation that the unit is 100% complete, the client will meet with the bank to set the interest adjustment date and the client will be advised when blended payments will begin.

12.22 Loan Administration (After the Bank Loan has been Fully Advanced)

Details on loan administration are contained Section 13 of this policy. The loan administration policies confirm obligations of the client, the bank and UNB with respect to administration of a market based loan after it is fully advanced and until the loan is paid in full. Some of the activities included are insurance renewal, absence from the unit, breach of agreement/default policies, and sale of the unit.

13 Loan Administration (After the Loan has been Fully Advanced)

13.1 Insurance – Annual Renewal (Building and Life Insurance)

13.1.1 The client will maintain building insurance (fire and other damage) and life insurance (except for UNB rental loans) to cover the outstanding bank loan in an amount exceeding the outstanding loan balance until the bank loan has been paid in full and the loan guarantee has been cancelled.

13.1.2 The insurance policy will be written so that that the first loss payee (the order in which a person/entity is entitled to receive the proceeds of a claim on the policy) is the bank and the second loss payee is the UNB. Insurance may be obtained from the bank or, from an independent insurance broker.

13.1.3 On an annual basis, the client will provide the housing department and the bank a copy of the insurance certificate to confirm building insurance and life insurance is in place including confirmation of the dollar limit of coverage and the limits of coverage.

13.1.4 Where the client fails to provide confirmation of insurance coverage as noted above, the housing department will contact the bank to confirm whether insurance coverage has been obtained by the client. Where the bank confirms that insurance coverage is outstanding, the housing department will provide a written notice to the client requiring them to confirm that the required insurance coverage is in place, within 15 days of the notice. The housing department will also follow up by phone with the client to confirm the requirements for annual verification of insurance coverage.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 13.1.5 Where the client fails to provide confirmation of the required insurance coverage, they will be in default of the bank loan and this housing policy and UNB will proceed with foreclosure/ termination of occupancy as confirmed within this housing policy.
- 13.2 Access to the Unit
- 13.2.1 The client is responsible to ensure reasonable road access to the unit is available at all times for provision of band services (e.g. garbage removal, snow plowing) and for emergency vehicles.
- 13.2.2 The client will permit a representative of the housing department to enter the unit at all reasonable times to examine the condition of the unit. The housing department shall not enter the unit unless either:
- a) The client consents at the time of entry; or
 - b) The client gives consent, not more than one month before the time of entry, to enter for a specific purpose; or
 - c) The housing department has given written notice of entry for a reasonable purpose not less than 24 hours before the time of entry;
 - d) The housing department has reasonable grounds to believe that a client has abandoned the unit.
- The housing department shall enter the unit only between the hours of 8:00 a.m. and 5:00 p.m.
- 13.3 Use of the Residential Property (Home Based Business)
- 13.3.1 The unit and property are intended to be used only for the purpose of a private family residential dwelling by the authorized occupants.
- 13.3.2 A client wishing to operate a home-based business from the unit may not do so unless they have received prior written approval from the housing manager. The tenant shall submit a written request to Upper Nicola Band which details the activities of the business and potential impact on the unit (e.g. increase in use of services) and property (e.g. signage, work areas, equipment storage) and surrounding area (e.g. increased traffic, parking, noise and disturbance to neighbouring properties).
- 13.3.3 The client shall follow all applicable Upper Nicola Band by-laws and policies regarding operating a home based business.
- 13.4 Absence from the Unit by the Client

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- 13.4.1 Where the client will be away from the unit, the client is responsible to verify with their insurance provider the action that the client must take to ensure that their building/fire insurance policy remains in effect during their absence (i.e. arrange for an on-site/interior visit at least every 3 days by a responsible adult). The client is responsible to arrange for such action to be taken as required by the insurance provider.
- 13.4.2 Where the client will be away from the unit, during their absence, the client will be responsible to:
- a) Pay all housing costs including bank loan payments, payment of insurance premiums, hydro/utilities/heat and other service charges, maintenance, repairs; and
 - b) Maintain the exterior of the property to ensure no fire or safety hazards (i.e. lawn maintenance, snow removal); and
 - c) Provide the adult person caring for the unit with contact information (e.g. telephone or email address) for the period of their absence.

13.5 Loan Renewal

13.5.1 Bank Responsibilities

The bank shall notify the client and the housing department of the loan renewal no later than 6 months prior to the renewal and shall confirm the terms and conditions of the renewal.

13.5.2 Client Responsibilities

It is the responsibility of the client to renew the mortgage with the bank at the scheduled mortgage renewal date.

Where the client wishes to negotiate the bank loan with a new bank, for a loan secured through the FNMHF's Credit Enhancement Facility the loan must be secured through a participating FNMHF bank.

The client shall meet all of the requirements of the bank at the time of loan renewal and shall provide UNB with a copy of all loan documentation with 14 working days of execution of the loan renewal.

13.6 Sale of the Unit by the Client

The client has the right to sell the unit under the following conditions:

- a) The Mortgage Loan Agreement executed between the client and UNB for the unit/property includes a right of first refusal clause and UNB has

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- confirmed in writing to the client that UNB does not wish to purchase the unit (refer to the policy related to Right of First Refusal, below); and
- b) The purchaser will be a member of UNB or, for UNB rental unit a legal entity owned in a majority manner by UNB or UNB members; and
 - c) The client will notify the housing department, in writing, that they intend to sell the unit; and
 - d) On sale of the unit, the client is responsible to pay the outstanding bank loan balance in full, along with all related sale and closing costs at the date of closing of the sale.

13.7 Right of First Refusal

- 13.7.1 The UNB Mortgage Loan Guarantee Agreement includes a right of first refusal clause. This clause requires the client to notify UNB if they intend to sell the unit so that UNB can consider whether it wishes to purchase the unit.
- 13.7.2 UNB shall consider exercising the right of first refusal where UNB wishes to acquire the unit to retain within its housing portfolio.
- 13.7.3 Where UNB wishes to exercise the right of first refusal, they shall obtain an 'as is' value estimate completed by an accredited appraiser. The purchase price to be paid by UNB to the client shall be the same price as offered by a bona fide third party purchaser provided that the appraisal supports this price. The sale price shall not exceed the 'as is' appraised value by more than 10%. Where the bona fide third party offer exceeds the appraised value by more than 10%, UNB may not exercise the right of first refusal.
- 13.7.4 Where UNB chooses to exercise the right of first refusal, this shall be done within 30 days of receipt of the bona fide offer provided to UNB from the client. The housing manager shall notify the lands department that UNB is exercising the right of first refusal.
- 13.7.5 The client is responsible to pay the outstanding bank mortgage/loan balance in full, plus all related legal and closing costs at the date of closing of the sale.
- 13.7.6 Where the client entered into a listing agreement with a real estate agent, and where UNB exercises the right of first refusal, UNB member is responsible to pay the fee/commission due the agent from their profit on sale. UNB shall not pay these costs.

13.8 Breach/Default on the Bank Loan

Where the client has committed a breach or default of the bank loan agreement the following will apply immediately after a payment is missed:

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Scenario 1: The bank and the client will work together to bring account current within 90 days.

- a) The bank takes action immediately, by phoning and/or writing a letter to the client; and
- b) The client and the bank work together to bring loan account current; and
- c) The client continues to maintain loan account in good standing.

Scenario 2: The bank, UNB and the client brings the account current after 90 days.

- a) The bank takes action immediately, by phoning and/or writing a letter to the client; and
- b) The client is unable to catch up on missed payment and go days lapses; and
- c) The bank advises UNB that further action is required; and
- d) The client, the bank and UNB work together to determine successful process to bringing account current. All three parties must agree to one of the following:
 - i. Special Payment Plan, or
 - ii. Capitalize on loan arrears, or
 - iii. Re-amortize loan account.
- e) Client continues to maintain loan account in good standing.

Scenario 3 – The bank, UNB, and the client determine account is not recoverable. The bank takes action immediately, by phoning and/or writing a letter to the client.

- a) The client is unable to catch up on missed payment and go days lapses; and
- b) The bank advises UNB that further action is required; and
- c) The client, bank and UNB work together to determine successful process to bringing account current. It is determined that loan account cannot be maintained and/or restructured; and
- d) The bank formally advises the client and UNB of default, and calls upon the UNB guarantee; and
- e) UNB advises the client that conditional land allotment (CP or traditional land holding) will be permanently transferred to UNB; and
- f) UNB determines if the client is to vacate the home or enter into a rental agreement with UNB; and
- g) UNB and the bank mutually agree on loan account to be brought up to date, assumed by UNB or paid out by UNB.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

Where the former client/occupant has left personal property in the unit/on the property, the following will apply:

- 13.9.1 The housing department will remove the personal property and place it in storage for 30 days and will keep an inventory (written or photographic) of the property. The housing department will invoice the former client for the cost of removal of their possessions and other related charges as noted below.
- 13.9.2 The housing department will post a notice on the front door of the unit to notify the former client/occupant that the property is in storage and will provide contact information for them to reimburse UNB for costs related to removal/storage of same and to retrieve their belongings.
- 13.9.3 Where the former client/occupant does not contact the housing department to reclaim the personal property within the 30 day period, the housing department may dispose of the property in such a manner as may be determined by UNB. The housing department will maintain the inventory record and details of the disposal of the property for 2 years following the date of disposal.
- 13.9.4 Notwithstanding the above, the housing department may dispose of the personal property if the housing department believes that:
 - a) The personal property has a total value of less than \$2,000; or
 - b) The cost of removing, storing and selling the property would be more than the proceeds of its sale; or
 - c) The storage of the property would be unsanitary or unsafe.
- 13.9.5 Where UNB incurs expenses as a result of action taken above, including but not limited to repairs and the cost of the removal of the personal property, the housing department will note these costs on the former client's file and cost recovery will be pursued by the housing department.
- 13.9.6 Where UNB proceeds with foreclosure/termination of occupancy UNB will consider action to deal with the reacquired unit which can include:
 - a) Where an alternate eligible applicant is identified, contact the bank to confirm whether the new applicant is eligible to qualify for a bank loan and to assume the outstanding loan balance; or
 - b) Where either the bank declines to allow a mortgage assumption or, there is no eligible applicant that can assume the outstanding loan balance, the following will apply:
 - i. Where the loan was made through the First Nations Market Housing Fund (the Fund), contact the Fund to confirm whether alternate loan repayment arrangements may be authorized; or

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- ii. UNB will continue to make monthly bank loan payments or pay the outstanding bank loan balance in full plus any penalties and UNB will retain the traditional land holding/CP (refer to the section on reacquired units within this policy for options on dealing with reacquired units).

13.10 Reacquired Unit – Sale to an Eligible Applicant

Where UNB reacquires a unit/property they reserve the right to sell the unit/property to an eligible applicant (UNB will be the lender) and the following will apply:

13.10.1 Eligibility Criteria

- a) An applicant shall be a registered member of Upper Nicola Band according to the Upper Nicola Band Membership List or, for a UNB rental property, a legal entity owned in a majority manner by UNB; and
- b) An applicant shall be 18 years of age or older (excluding a UNB legal entity); and
- c) An applicant shall confirm that there are no current arrears or outstanding payments on accounts (loans, housing payments or other services) and that there have been no arrears or outstanding payments on such accounts for a minimum one year period prior to submission of an application for a market based loan. This will be confirmed in writing by the UNB finance department and obtained by the applicant; and
- d) An applicant shall not have any current legal proceedings against UNB.

13.10.2 Application Process

The eligible applicant will complete an application including written confirmation of their annual household income, confirmation of their ability to afford monthly loan payments and related housing charges.

13.10.3 Sale Price

The housing department will obtain the following information to assist in determining the sale price:

- a) The remaining bank loan balance at the time of the new interest adjustment date, plus repair costs required to bring the unit to

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

- minimum property standards, plus legal fees and all other closing costs, less any downpayment; and
- b) Current value as determined by a qualified real estate appraiser, plus legal fees and all other closing costs.

The housing department will present this information to Council and Council shall confirm the sale price.

13.10.4 Amortization Period

The amortization period for the loan will be based on not more than the remaining useful life of the property, as determined by a qualified real estate appraiser.

13.10.5 Loan Payment

The monthly loan payment will be determined by the housing department based on the sale price and amortization period of the unit.

13.11 Reacquired Unit – UNB Operates the Unit as Rental/Non-Residential

Where UNB reacquires a unit/property they reserve the right to:

13.11.1 Operate the Unit as a Rental Unit

Where the unit will be operated as a rental unit, the eligibility criteria, application process, rental agreement, and the housing policy for the UNB Rental Housing Program will apply.

13.11.2 Operate the Unit as a Non-Residential Unit (e.g. UNB Administration Office)

Where the unit will be operated as a non-residential unit, UNB will operate and manage the unit in accordance with related UNB practices.

13.12 Former Clients Equity

Where UNB reacquires a unit/property Council may consider payment of any equity remaining to the former client (sale price minus all costs). All costs related to reacquisition and sale of the unit will be deducted from the sale price to determine equity and such costs may include but are not limited to:

- a) Outstanding bank loan balance and any related penalties or fees; and
- b) Utilities and service fees; and
- c) Maintenance, costs to secure the unit and repairs required to bring the unit to a marketable condition; and
- d) Legal fees, appraisal and inspection fees and real estate commissions, where applicable; and

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

e) An administration fee of 1% of sale costs payable to UNB.

13.13 Full Payout of the Bank Loan

When the bank loan has been paid in full, the following shall apply:

13.13.1 Bank Responsibilities

The bank will be responsible to:

- a) Provide written confirmation to the client and UNB that the bank loan has been paid in full; and
- b) Contact the FNMHF to cancel the Credit Enhancement Certificate; and
- c) Cancel the CMHC loan insurance.

13.13.2 Client Responsibilities

The client will be responsible to:

- a) Consider the requirements for building and life insurance; and
- b) Contact UNB to request a land transfer.

13.13.3 UNB Responsibilities

UNB will be responsible to:

- a) Obtain written confirmation from the bank that the loan has been paid in full and all conditions of the loan agreement have been met; and
- b) Proceed with the land transfer at the request of the client.

13.14 Land Transfer

When the bank provides written confirmation to the housing department that client has repaid the bank loan in full, UNB will issue a formal land transfer (i.e. release of the traditional land ownership or Certificate of Possession) transferring the unit and property to the client and the following will apply:

13.14.1 Eligibility for a Land Transfer

In all cases the following requirements will be met in order for UNB to transfer the unit and property to the client:

- a) The client will submit a written notice to UNB to request that the land transfer be completed; and
- b) The client being issued the traditional land ownership/CP must be a member of UNB and entitled to hold a CP on UNB reserve lands; and
- c) The client must meet the requirements of the UNB land policy regarding issuance of a traditional land holding/CP.

**Upper Nicola Band
Market Based Housing Policy & Procedures**

Effective Date: March 17 2016

13.14.2 Issuing the Land Transfer

After the housing department receives the clients' written request to issue a land transfer, UNB do so providing that:

- a) The client provides written confirmation from the bank that the bank loan has been repaid in full; and
- b) The UNB lands department has confirmed that there are no liens or encumbrances attached to the property; and
- c) The client has complied with all of their obligations under the bank's loan agreement; and
- d) The client has no arrears on any accounts with UNB.

13.14.3 Band Council Resolution (BCR)

The land transfer will be confirmed through a BCR no later than 90 days after receipt of the request and confirmation that all conditions have been met. The loan guarantee will be cancelled.

13.14.4 Responsibilities of UNB and the Client

After UNB has passed the BCR and the land transfer has been issued:

- a) UNB will have no further interest in the unit(s) and land; and
- b) The client will continue to be responsible for all costs associated with the unit and the land including but not limited to maintenance, repairs and insurance; and
- c) The Upper Nicola Band Private Ownership Policy shall apply.