



The terms of this revised Home Loan Support Program apply to loan applications received on or after **July 1, 2019**.

The Home Loan Support Program applies to:

- (a) newly recruited full-time faculty members and librarians appointed to regular, tenured or tenure-track appointments at the university, and
- (b) newly recruited full-time senior excluded staff appointed to continuing appointments at the university,

who are eligible for relocation assistance. This assistance is available to faculty, librarians and senior excluded staff, who are commencing regular or continuing appointments **and** are relocating their primary residence from a distance of more than 50 kilometres from their primary work site.

This program does not apply to anyone with a limited term appointment.

Members of the above group are referred to below as “Eligible Member” or “Member” and they are eligible to apply for home loan support.

The loan will only be given to assist with the purchase of the Eligible Member’s first owner-occupied residence in lower Vancouver Island. The loan may not be used to refinance a purchase already made or to make a new purchase when the Member already owns a house within 50 kilometres of their primary university work site at the time of their appointment, subject to the provisions concerning transfer of existing loans (see Sale of Residence/Transfer of Loan below).

Application forms may be obtained from the Vice-President Academic and Provost’s website (<http://web.uvic.ca/vpac/>) or the Office of the General Counsel ([homeloan@uvic.ca](mailto:homeloan@uvic.ca)).

### **Application Deadline**

An Eligible Member must apply for home loan support no later than five years after the start date of their appointment. Requests to extend the eligibility period must be made prior to the expiry of the eligibility period and will be considered on a case-by-case basis by the applicable vice-president.

If the Eligible Member plans to purchase a residence prior to the effective date of their appointment, they may apply at any time after their appointment has been approved by the applicable vice-president or designate.

Where the Member has taken parental leave during the eligibility period, the eligibility period may be extended on request for a period up to the length of the parental leave taken during the eligibility period.

### **Terms of the Home Loan**

- The principal amount of the loan is set out in the Member’s Letter of Appointment or Letter of Offer, or a lesser amount at the option of the Member.

- The term of the loan is **15 years** or until the date on which the Member ceases to be employed by the university, whichever is earlier. Non-remunerated appointments such as adjunct or emeritus are not considered to be employment by the university.
- The loan is interest free during its term.
- The principal amount may be repaid at any time or in installments during the term of the loan. However, no repayment is required during the first five years of the loan. Repayment must commence no later than the 5<sup>th</sup> anniversary of the registration of the university's mortgage at the Victoria Land Title Office. Members who borrow funds under the Home Loan Support Program on or after July 1, 2019 will repay the loan by making semi-monthly payments by way of payroll deduction calculated based on the value of the loan (e.g. where the loan amount is \$50,000 semi-monthly payments are \$208.33 [\$416.66 per month]). The amount of the semi-monthly payments may be increased by the Member at any time. In exceptional circumstances, the university may permit the Member to reduce their semi-monthly payments.
- In the event there is an outstanding amount owing on the loan at the end of the term, it must be repaid on the last day of the term of the loan.
- A mortgage securing the loan will be registered against the title to the residence in the Victoria Land Title Office at the time of the purchase of the residence. The university will pay all legal fees and registration costs associated with the registration of the mortgage and will arrange for discharge of the mortgage when the university has received final payment of the loan.
- The total principal amounts of any registered first mortgage and the university's second mortgage must not exceed 95% of the purchase price of the residence, i.e. the loan to value ratio must not exceed 95%.
- The university will provide the loan proceeds to the Member's conveyancing lawyer prior to the completion date for the purchase transaction.
- Any exceptions to these terms must be approved in writing by the appropriate Vice-President or designate.

#### **Sale of Residence/Transfer of Loan**

- When a Member sells the residence for which the loan was originally made, the amount of the loan then unpaid must be repaid to the university.
- The university may in its discretion, agree to allow the Member to transfer the loan to a principal residence that the Member is purchasing after the sale of the original residence. In this circumstance, it is expected that the loan to value ratio on the new residence would not exceed 90% and that the Member would pay all legal costs associated with the transfer of the mortgage to the new residence. Any change to this requirement is at the university's sole discretion. Arrangements for the transfer of the loan must be individually approved and must be discussed in advance with the Office of the General Counsel.

#### **Income Tax Implications**

- Because the loan is interest free, the value of the interest foregone by the university will be reported on the Member's T-4 slip as a taxable benefit. The interest rate used to calculate the taxable benefit from the loan would be the quarterly rate set by Canada Revenue Agency for interest free loans.