



RBC On-Reserve Housing Loan Policy

Definitions

Appraisal: An assessment of a building to determine its estimated value.

Building Permit: A legal document to allow the construction of a building.

By-laws: A set of rules that are regulated by Millbrook First Nation.

Certificate of Possession is a document issued by Minister of Indian Affairs that certifies a Band member has a right to the possession of land.

Appraiser: An individual who assesses the value of something.

Completion Date: The date when all work will be completed.

Conditional: When required terms must be met.

Down-payment: An initial sum of money put towards the housing unit at the beginning. The down payment is usually a percentage of the purchase price or mortgage amount.

Building Inspector: Responsible for inspecting housing units to ensure compliance with the National Building Standards.

Home: a persons true, fixed and permanent residence to which they would regularly return and have established and be understood by others to be their main residence.

Infrastructure: Consists of fundamental structures, including buildings, roads, sewers, and water, that are necessary for the housing unit to function.

Inherited: Given to an individual from the previous deceased owner, for example, a house or property.

Inspection: A careful examination that is conducted throughout the construction of a housing unit or before the purchase of a housing unit. For example, six mandatory inspections are required during the construction of a new housing unit for the Royal Bank of Canada On-Reserve Housing Loan.

Joint Ownership: When both applicants share equal ownership of the housing unit.

MFN: Millbrook First Nation.

Millbrook Housing Department: Refers to the department that manages and delivers the housing programs and services on behalf of Millbrook First Nation.

Millbrook By-Law Department: Refers to the department that manages, implements and enforces Millbrook First Nation by-laws.

National Building Standards: Specific construction requirements that applies to new and renovated buildings.

On Reserve: To reside within the boundaries of the Millbrook First Nation or satellite communities of Beaver Dam, Cole Harbour, and Sheet Harbour.

On Reserve Housing Policy: A policy developed and implemented by Millbrook First Nation.

Primary Residence: An individual's main housing unit in which they would live most of the time.

Credit Agreement: A legal document, signed by the applicant(s), also known as the borrower, promising to pay an approved sum by a specified date, to the lender.

Royal Bank of Canada (RBC): The financial institution that administers the funds for the RBC On Reserve Housing Loan for Millbrook First Nation.

Receivable: An amount of money that is owed to Millbrook First Nation.

Renovating: The process of upgrading a housing unit to National Building Standards and to update to the owners' particular needs and/or wants.

Separation Agreement: A legal agreement between two parties who are separating. It divides all their assets and liabilities.

1. Application and Approval Process

The RBC On-Reserve Housing Loan Program is intended to assist the applicant(s) in constructing, purchasing, renovating, or repairing a single-family dwelling and all infrastructures.

To be eligible for a loan, an applicant must:

- i. Be a registered member of Millbrook First Nation (MFN).
- ii. Be nineteen years of age or older.
- iii. Be applying for a loan pertaining to a primary residence, which could be:
 - a. A new build on a vacant lot.
 - b. The purchase or renovation of a band member owned house or Certificate of Possession; or
 - c. The home considered the applicant's matrimonial home over which the applicant intends to assume sole ownership, as evidenced by a signed and executed Separation Agreement or court order confirming the applicant's ownership;

If an applicant currently resides in a Band-owned home, they must surrender said home back to the Band with no financial compensation for equity built within said home or its surrounding properties.

2. Lending Requirements

- a) The applicant(s) must receive approval by RBC to qualify for the On Reserve Housing Loan Program:
 - i. Proof of the applicant's homeowners insurance.
 - ii. Identification (i.e., driver's license, birth certificate, Social Insurance Number [SIN], passport).
 - iii. Proof of funds for a 5% down payment (i.e., confirmation of Millbrook subsidy, or bank or investment statement).
 - iv. Proof of employment and income (i.e., T4 from previous year or T4 for previous two years if income varies).
 - v. Construction contract (if building) or purchase agreement (if buying).
 - vi. Separation agreement (if applicable).
- b) Where two MFN members apply for an RBC On Reserve Housing Loan, a Joint Ownership Agreement for the house must be signed. The Joint Ownership Agreement is a legal document that determines how the property will be shared.
- c) No person(s) other than the MFN member(s) may possess, inherit, or sign documents for assignment of Certificate of Possession.
- d) All outstanding receivables with MFN must be paid in full prior to qualifying for a RBC On Reserve Housing Loan through MFN.
- e) Prior to final approval, each applicant must:
 - i. Submit a Letter of Intent (for an RBC loan) to the MFN Housing Department.

- ii. Have obtained written approval from the Millbrook Housing Department to build on a serviced lot (if a new build). The Millbrook Housing Department will only consider fully serviced building lots.
 - iii. Provide detailed house plans for approval from the Millbrook Housing Department and Housing Inspector.
 - iv. Have received a building permit from MFN By-Law in conjunction with the Housing Department.
 - v. Provide detailed cost estimates:
 - If construction costs are expected to exceed the maximum loan amount, the applicant must utilize their own resources before funds from RBC are released and provide proof that all funds have been utilized and paid. (RBC will determine lending procedures).
- f) Applicants approved for the RBC On-Reserve Housing Loan Program must sign a credit agreement with RBC prior to commencing construction. A completion date must be given and an agreed date for the first payment.
- g) Housing Loans:
- i. Loan advances are administered by RBC for the RBC On-Reserve Housing Loan Program.
 - ii. The total minimum and maximum loan allowable per applicant is \$50,000.00 to \$250,000.00.
 - iii. RBC will notify the Millbrook Housing Department in writing of conditional loan approval.

3. Construction and Inspections

- a) The MFN member(s) must apply for all appropriate permits.
- b) All building construction for single-family dwellings that are funded through the RBC On-Reserve Housing Loan Program must meet National Building Standards.
- c) All housing projects must be at least 800 sq ft. and/or meet the National Occupancy Standards for family size.
- d) All construction on MFN lands must comply with zoning and/or construction bylaws, including allowances and easements set out by the Housing Policy.
- e) All housing projects under the On-Reserve Housing Policy are subject to six (6) mandatory inspections by a qualified Housing Inspector before further monies are released including:
 - i. Site Plans
 - ii. Excavation before concrete poured in footings
 - iii. Foundation/footings before backfilling
 - iv. Framing/rough-in plumbing and electrical
 - v. Insulation/vapour barrier
 - vi. Final Inspection.
- f) The MFN member(s) is responsible for the cost and scheduling of the six (6) mandatory inspections by a qualified Housing Inspector.

4. Serviced Land

- a) MFN member(s) must build on a serviced lot, the MFN member is responsible for arranging and installing the following:
 - i. Driveway
 - ii. Lot development

- iii. Temporary power hook-up for construction.
- b) All houses constructed in a serviced subdivision will have a water line and sewer hook-up.

5. Septic System (if applicable)

- a) All septic systems installed on MFN lands must be designed, installed, and inspected by a qualified professional.
- b) All septic systems must receive:
 - i. A site inspection prior to construction
 - ii. Inspection prior to backfill
 - iii. Final inspection and approval from a health and safety inspector.
 - iv. All costs will be at the homeowner's expense.

6. Maintenance

- a) All maintenance of the house is the responsibility of the homeowner(s).

7. Insurance

- a) The homeowner(s) are responsible to purchase their own Homeowner's Insurance Policy. A copy of the policy is to be kept in the Millbrook Housing Department file until the total amount is paid in full.
- b) The homeowner(s) are responsible for the Builder's Risk Insurance during construction.
- c) RBC shall be listed as the first loss payee.
- d) Life insurance is strongly recommended.

8. Default Policy

- a) In the event of default of a loan through the RBC On-Reserve Housing Loan Policy, Millbrook First Nation reserves all rights for remedies available at law related to the property.
- b) RBC will report to MFN, as the guarantor of these loans to the On Reserve Housing Loan Policy, in the event of default of the loan.
- c) Should the loan fall into default, Millbrook First Nation will take the necessary steps to recover payments from the Band member in relation to the outstanding debt.

9. Distribution of Assets

- a) Millbrook Band Family Real Property Law- All applicants are subject to the Millbrook Band Family Real Property Law. <http://cmmns.com/wp-content/uploads/2014/01/Millbrook-Band-Family-Real-Property-Law.pdf>
- b) Determination of Heirs for Certificate of Possession
For an Intestacy:
 - 1. Spouse or common-law partner is the sole heir.
 - 2. No spouse or common-law partner – biological and/or adopted children of deceased are the heirs.
 - 3. No spouse/common-law or children – parents are the heirs – if there is only one surviving parent, that parent would be the sole heir.
 - 4. No spouse/common-law, children or parents – siblings are the heirs.
- c) The MFN house and Certificate of Possession must be in the possession of a MFN Band member in perpetuity.

- d) MFN will honor wills in accordance with Millbrook Housing Policy, section 14.1 Death of an Occupant.
