



PROGRESS DRAW ADVANTAGESM

LENDER-MANAGED

The Progress Draw Advantage program is designed to assist borrowers who are constructing a new home or making major renovations to an existing property. Both contractor-built and self-built projects are eligible under the insured Progress Draw Advantage program.

Transaction Types

- Purchase transactions.
- Refinance transactions.
- Portable eligible.

NOTE: Builder loans are not eligible.

Amortization

- 25 year standard.
- Eligible for up to 35 years amortization.
- 20 bps incremental premium surcharge for each additional 5 years, to a maximum of 35 years.

Credit Score Requirements

- Minimum 650 credit score.

Loan-to-Value Criteria

- 95% maximum LTV for 1–2 units.
- 90% maximum LTV for 3–4 units.

NOTE: Maximum LTV is subject to adjustments based on local housing market conditions.

Property Types

- Maximum 4 units, with one unit owner-occupied.

Contractor-Built Criteria

- Title to land must be in borrower’s name on or before closing.
- Contractor and home are registered with an approved New Home Warranty program.

Self-Built Criteria

- When the borrower acts as own general contractor, individual contracts with sub-trades are each less than 50% of total construction cost.

Borrower Qualifications

- Down payment is from borrower’s own resources or gifted from an immediate family member.
- No third-party or non-occupying guarantors.
- The borrower is required to demonstrate the ability to cover closing costs of at least 1.5% of the purchase price.
- 650–679 credit score: GDS 35%; TDS 42%
- 680+ credit score: GDS 35%; TDS 44%

Lender Managed Draw Requirements

- Lender orders appraisal from AIG United Guaranty’s approved appraiser list.
- Lender orders inspections and authorizes draws according to established lender policy.

Documentation Requirements

- Title to land must be in borrower’s name on or before closing.
- Lender obtains plans, cost estimates, building contracts, and permits.
- Lender reviews construction cash flow requirements against draw schedule and addresses shortfalls.
- Maximum construction period of 12 months from first advance.
- Lender is responsible to manage holdbacks.

Applicable Premiums

Loan-to-Value Ratio	Single Premium	Top-Up Premium
Up to and including 65%	0.50%	0.50%
65.01%–75%	0.65%	2.25%
75.01%–80%	1.00%	2.75%
80.01%–85%	1.75%	3.50%
85.01%–90%	2.00%	4.25%
90.01%–95%	2.75%	4.25%

NOTE: Mortgage insurance premiums are non-refundable.

For more information, please call 1.877.244.8422 (1.877.AIGUG CA) today.

AIG United Guaranty Mortgage Insurance Company Canada

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