

First Home Savings **Commitment** Account

While we wait for the new registered FHSA accounts to become available, Oshawa Community Credit Union is offering future first-time homebuyers an innovative savings option: the First Home Savings Commitment Account. This account is simply your commitment that when the FHSA becomes accessible, the funds will be transferred into the registered plan. This is NOT an official FHSA, meaning your interest earned is not tax sheltered, and your contribution is not tax deductible, however when the rollover occurs, these benefits will be applicable.

This account will yield a variable interest rate of 10.00%, paid annually, or when moved to your FHSA, whichever is sooner. The interest earned during this period can either be used toward your contribution, taken in cash, or added to your FHSA as accrued interest. These funds will be locked in until the FHSA is available, and the transfer can be completed.

Our goal is that this *limited time* special account will help first time home buyers make their dreams of becoming a homeowner a reality.

As the holder of a FHSA with Oshawa Community Credit Union you also get to participate in our Mortgage Rate Discount Credits program, potentially earning you Rate Discount Credits of up to 1.44%.

Terms and Conditions

FHSCA*

- The FHSC Account will only be available until the introduction of the formal FHSA.
- The formal FHSA is expected to be available in early December of 2023
- A Commitment letter must be signed by the account holder pledging that the money held in their FHSCA will be transferred into their a FHSA once available.
- Funds are locked in with withdrawals being subject to Canada Revenue guidelines, such as purchasing a “qualifying home” (see <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/first-home-savings-account/withdrawing-money-from-your-fhsa.html>).
- Interest paid on this account will be deposited to the FHSA fund where the FHSCA funds are pledged.
- Commitment that OCCU will handle the transfer from the FHSCA into the official FHSA when it becomes available.
- Members must be in good standing, with their \$100 share requirement in place.

FHSA*

- If members hold a joint membership, and both members would like to contribute to a FHSA, two individual FHSAs must be opened, one for each person. A FHSA cannot not be held jointly.
- If membership is joint and only one member would like to contribute, only that member will be able to have access to the FHSCA or FHSA.
- On joint memberships, members will need to sign an agreement form stating the funds deposited by any person belong solely to the owner of the FHSCA or FHSA.

Mortgage Rate Discount Credits*

- OCCU FHSA holders are entitled to participate in the Mortgage Rate Discount Credits program.
- Mortgage Rate Discount Credits are earned monthly and calculated daily, at a rate of 0.000001% for each \$1 on deposit in your FHSA per year.
- The maximum Mortgage Rate Discount Credits one can earn is 1.44%
 - Year 1 \$8,000 x 12 months = 0.096%
 - Year 2 \$16,000 x 12 months = 0.192%
 - Year 3 \$24,000 x 12 months = 0.288%
 - Year 4 \$32,000 x 12 months = 0.394%
 - Year 5 \$40,000 x 12 months = 0.480%
 - Total Mortgage Rate Discount Credits earned over the period = 1.44%
- Mortgage Rate Discount Credits hold no redemption value.
- Mortgage Rate Discount Credits are non-transferable.
- If an OCCU FHSA holder(s) obtain(s) their mortgage with OCCU, Mortgage Rate Discount Credits may be applied against their new mortgage rate.
- Mortgage Rate Discount Credits may only be applied against a mortgage rate where the mortgage is to purchase a "Qualifying property" as defined by the FHSA guidelines.
- Joint mortgage applicants may combine individually earned Mortgage Rate Discount Credits but only to the individual maximum Mortgage Rate Discount Credit ceiling of 1.44%.
- Where only one joint mortgage applicant has an OCCU FHSA, the resulting mortgage rate discount will be prorated based on the number of applicants if all applicants do not have an OCCU FHSA.

- The FHSA(s) must be liquidated and form part of the purchase of the property for which the mortgage is being issued for to be able to apply your Mortgage Rate Discount Credits
- Mortgage Rate Discount Credits may only be applied against an OCCU *posted* five-year fixed rate mortgage.
- Mortgage Rate Discount Credits are only applied against the first five-year term of the mortgage, no benefit is carried forward for future terms.
- The maximum mortgage rate discount is a reduction of 10% of the *posted* five-year fixed rate mortgage.

*Terms, Conditions and Rates are subject to change.