



CURVE LAKE FIRST NATION

LOANS FOR NEW HOUSING POLICY

NOVEMBER, 2006

WHEREAS:

1. Curve Lake First Nation has developed and administered a Housing Loan Program for a number of years and by this Policy wishes to amend and revise all previous Housing Loan Policies.
2. This program provides financial assistance in the form of a loan with interest rates and repayment terms determined by Council from time to time, to members of Curve Lake First Nation who wish to construct a new home on lands within the boundaries of First Nation lands for which they hold a registered Certificate of Possession.
3. It is in the best interests of the First Nation community that the eligibility and selection criteria, the approval process, the security and the enforcement of repayment of such loans be clearly established and communicated to all First Nation members.
4. It is only through the repayment of outstanding loans and the use of federal capital contributions that funds will be available to other members of Curve Lake First Nation who wish to construct a home in the future.
5. It is in the best interests of and will strengthen the whole Curve Lake First Nation community if those who benefit from this program faithfully repay

the loan so that the funds available for new housing in the First Nation is supplemented and available to future generations.

NOW THEREFORE the Council of Curve Lake First Nation adopts the following as its Loans for New Housing Policy effective as of the date herein.

1. DEFINITIONS

- (a) **“Active Application”** is an Application which is updated or confirmed in writing by the Applicant to be current no later than January 31st in each and every year.
- (b) **“Applicant”** means the CLFN member making an application for a Housing Loan or in the case of a joint application, means each Applicant jointly and severally.
- (c) **“Code”** means *The Building Code Act 1992, S.O. 1992, c.23.*
- (d) **“Complete Construction” or “Construction is Complete”** means that the House, at the sole discretion of CLFN, is 97% complete and ready for occupation.
- (e) **“Construct”** means to build, erect, assemble or install a new single family dwelling and without limitation, includes the installation of a new single family unit fabricated elsewhere and relocated to the First Nation lands and the partial construction, erection or building of a single family dwelling.
- (f) **“Council”** means the Chief and Councilors’ from time to time of Curve Lake First Nation.
- (g) **“CLFN”** means Curve Lake First Nation as represented by Council.
- (h) **“Complete Application”** means that all documentation and information required by the Application has been provided to the responsible employee at CLFN and the Application has been signed, sworn and dated.
- (i) **”Dependent”** shall mean:
 - (i) a member of Curve Lake First Nation who is the Applicant’s spouse, either common law or by marriage; or

- (ii) a member of Curve Lake First Nation who is a child of the Applicant or of the Applicant's spouse and who resides with the Applicant, is under the age of 21 years and is in full time attendance at school; or
 - (iii) a member of Curve Lake First Nation who is a developmentally challenged child and who resides with the Applicant and is dependent for support on the Applicant; or
 - (iv) a member of Curve Lake First Nation who is a parent of the Applicant or the Applicant's spouse and who resides or intends to reside with the Applicant and is dependent on the Applicant for support.
- (j) **"Down payment"** means the difference between the projected cost of the House and the amount of the Mortgage being advanced by CLFN under this Policy.
 - (k) **"Home Occupation Business"** means a business operated by the Applicant or Dependant of the Applicant where it is conducted in the House and there are no employees of the Business;
 - (l) **"House"** means the House which is the subject of the Housing Loan and which is or will be situated on the Land to be subject to the Mortgage.
 - (m) **"Housing Committee"** means a Standing committee of CLFN Council.
 - (n) **"Housing Policy"** means this Loan for New Housing Policy.
 - (o) **"Housing Loan"** means a loan from CLFN to the successful Applicant to be used in the construction of a single family dwelling on Curve Lake First Nation.
 - (p) **"Improvements"** means any additional structures on the Land or any improvements made to the Land or House by the Applicant.
 - (q) **"INAC"** means the department of Indian and Northern Affairs Canada as represented by Her Majesty the Queen in Right of Canada.
 - (r) **"Land"** means the CLFN lands for which the Applicant holds a registered Certificate of Possession and upon which the House is to be constructed.
 - (s) **"Mortgage"** means a Mortgage on the Land securing a Housing Loan made under this Policy.

- (t) **“Policy”** or **“Housing Policy”** means this Housing Loan Policy as amended from time to time.
- (u) **“Spouse”** means a spouse under the *Family Law Act*, R.S.O. 1990, c. F.3 or a common law spouse of the Applicant.
- (v) **“Selected Priority List”** means a list maintained by CLFN of Active Applications for Housing Loans.

2. GENERAL CRITERIA

All Applicants shall meet the following criteria:

- (a) The Applicant must be a member of Curve Lake First Nation at the time the Application is made.
- (b) The Spouse of the Applicant must sign the Housing Loan Agreement and all other security documentation as a party, if the Spouse is a member of CLFN or as a guarantor, if the Spouse is not a member of CLFN.
- (c) The Applicant must be 18 years or over at the time of the Application.
- (d) Housing Loans shall only be used in the construction of a new single family residence for the Applicant and Dependents of the Applicant.
- (e) The Applicant must have completed the CLFN Application Form and have provided up to date information as required by the Application, supported by documentation as required by CLFN.
- (f) The Applicant must have been in the Selected Priority List for at least one (1) year prior to his Application being submitted under Section 4 – Approval Process.
- (g) Any Applicant who:
 - (i) already owns a house in CLFN and the House does not pose a health, safety or fire hazard in the opinion of CLFN or is not over crowded as defined in this Policy; or
 - (ii) has been approved for a Housing Loan under this Policy, has signed the Acceptance Notice, but failed to complete construction within one (1) year of the date of the Acceptance Notice; or

- (iii) does not have sufficient income to maintain a Mortgage; or
- (iv) has been approved for a previous Housing Loan, Renovation Loan or Mortgage and has either defaulted on the terms or conditions of that Loan or through his willful neglect or intentional malice allowed his previous home to fall into disrepair to the extent that the same was not fit for habitation or was condemned; or
- (v) has defaulted on any other loan from the CLFN including, without limiting the foregoing, economic development or renovation loans;

shall be ineligible for a Housing Loan or Mortgage under this Policy.

- (h) The Applicant must have;
 - (i) a good credit rating with the First Nation or a good credit rating generally, and
 - (ii) a demonstrated income level sufficient to maintain the Mortgage in good standing.
- (i) Any Applicant who lies or provides false or misleading information on his Application shall be immediately removed from the Selected Priority List and his Application shall be deemed "inactive" for a period of at least three (3) years.
- (j) Any Applicant who intends to act as his own General Contractor must demonstrate to the Capital Projects Co-coordinator that the Applicant has the requisite knowledge, skills and experience necessary to supervise, manage and undertake construction of the House. In the event that the Capital Projects Co-coordinator is of the opinion that the Applicant does not possess such knowledge, skills or experience, the Capital Projects Co-coordinator shall require the Applicant to take appropriate training or retain the services of a General Contractor and the Applicant shall not permit any construction to commence without first having a contract signed with the General Contractor in a form acceptable to the First Nation.
- (k) If the Applicant intends to retain the services of a General Contractor, the Applicant shall not permit any construction to commence without first having a contract signed with the General Contractor in a form acceptable to the First Nation.

3. APPLICATIONS

- (a) The Application shall be sworn under oath and shall be in a form and shall contain such information as prescribed by Council of CLFN from time to time.
- (b) Applications shall only be kept on file for one year, unless updated in accordance with this Policy.
- (c) It is the responsibility of the Applicant to ensure that his Application is Active by ensuring that the information in his Application is kept up to date at all times during the year. As a minimum, the Applicant shall confirm in writing to CLFN no later than the last business day in January in each and every year that the information in his Application is correct.
- (d) If after one year of the date of the Application or its last update, the Applicant has not updated the information in the Application or has not confirmed in writing to CLFN that all the information in the Application is current, the Application shall be deemed “inactive”. Only Applications which are updated annually shall be considered “Active”.
- (e) It is the responsibility of the Applicant to ensure that his Application is Complete. Applications will not be included in the Approval Process until they are Complete and unless they are Active.
- (f) Applicants may amend their Application at any time prior to being added to the Selected Priority List by completing and signing an amended Application.
- (g) Each Applicant who receives a Housing Loan, whether under this Housing Policy or under previous CLFN Housing Policies, shall be entitled to only one Housing Loan in his or her lifetime. In the case of two or more Applicants under this Housing Loan Policy, none of the Applicants who have received a Housing Loan shall be entitled to a second one.

4. APPLICATION APPROVAL PROCESS

- (a) Complete Applications shall be assigned a number by the CLFN Capital Projects Coordinator (the “Application Number”) and all information which could identify the Applicant shall be kept from the Applicant Grading Form and kept strictly confidential by the CLFN Capital Projects Coordinator.

- (b) The Applications submitted to the Council shall be identified only by the Application Number assigned by the CLFN Capital Projects Coordinator and shall not identify the Applicant.
- (c) The Capital Projects Co-coordinator shall review the Application and apply the General and Selection criteria and rank the Applications as set out below in Subsection 4(e).
- (d) After Applications are ranked, they will be put on a Selected Priority List in order of ranking.
- (e) Applications will be ranked according to the following point system:

GRADING FORM CRITERIA	MAXIMUM POINTS
For each CLFN Applicant and Dependent who will be residing in the house	1
Applicant has had stable income (includes pension and long-term disability) for two or more years	5
If the Applicant's current living conditions pose a health, safety or fire hazard as supported by documentation acceptable to CLFN	5
Applicant has had stable income (includes pension and long-term disability) for less than two years	3
Applicant has a good credit rating overall (Credit Bureau and Curve Lake First Nation)	1
Length of time on the completed Application has been Selected Priority List (1 point for each year)	1 x # yrs
If Applicant's current Housing is overcrowded (as defined in this Policy) (Add 1 point each person who results in overcrowding)	1 x ?

- (f) Points will be allocated to each Application based on the information contained in the Application on file with CLFN.
- (g) Council shall review the ranked list and the amount of available funding for First Nation housing construction and shall, by motion of Council, approve any one or more of the Applications as submitted depending on the funding available at that time.
- (h) Applications given to the Council shall be identified by number only. The Council shall not see the names of the Applicants, their family

members or any other information which could identify the Applicant.

- (i) Applications with the most points on the date the Application is reviewed by Council shall be awarded first chance to obtain a Housing Loan.
- (j) Once the Council has made a decision, the CLFN Capital Projects Co-coordinator shall notify the successful Applicant that a Housing Loan is available to that Applicant by delivering a "Notice of Approval" to the Applicant. Such Notice shall be delivered personally to the Applicant or shall be sent by registered mail to the address indicated on the Application.
- (k) The Notice of Approval shall indicate;
 - (i) the amount and terms of the Housing Loan approved;
 - (ii) the fiscal year during which such construction is to take place; and
 - (iii) the date by which CLFN must receive written notice from the Applicant that he wishes to take the Housing Loan offered (the "Acceptance Notice").
- (l) If the Applicant fails to deliver the Acceptance Notice to CLFN within the prescribed time, that Applicant shall no longer be eligible to receive the Housing Loan and shall be removed from the Selected Priority List for a period of three (3) consecutive years.
- (m) In the event that a successful Applicant fails to comply with Section 4(l) above within the prescribed time limit, such successful Applicant's application shall be marked "inactive" and the Applicant with the second highest number of points of shall be offered the Housing Loan and the above procedures for successful Applicants shall apply. CLFN shall continue this process, working down the Selected Priority List, from the Applicant with the highest number of points, descending to the Applicant with the fewest number of points until an Applicant fulfills the requirements of this Policy for accepting the offered Housing Loan.
- (n) In the event that two or more Applicants have an equal number of points, the Applicant who has been on the Selected Priority List the longest shall be the successful Applicant. In the event that both such Applicants have been on the Selected Priority List the same length of time, the successful Applicant shall be chosen by a draw.

- (o) Applicants on the Selected Priority List who are not successful shall be advised by the Capital Projects Co-coordinator in writing and shall remain on the Selected Priority List until the next Housing Loan becomes available, provided their Applications continue to be Active.
- (p) Decisions of Council are final and binding.
- (q) Council shall not approve Applications where the total funding approved would exceed funding available to CLFN at that time.
- (r) Only Complete and Active Applications shall be considered by Council.
- (s) Any Application not updated by the Applicant on or before January 31st in each and every year shall be considered inactive and removed from the Selected Priority List.

5. PROCEDURE AFTER APPLICANT DELIVERS ACCEPTANCE NOTICE

- (a) Upon an Acceptance Notice being issued to the Applicant, the Applicant shall, within six (6) months of the date of the Acceptance Notice, provide as minimum, all of the following:
 - (i) A budget for construction.
 - (ii) Delivery to the CLFN Capital Projects Coordinator the CLFN administration fee as may be set from time to time by Council plus the Downpayment. The CLFN Capital Projects Coordinator shall ensure that the Downpayment is held in trust on behalf of the Applicant and is released to the Applicant upon the commencement of construction.
 - (iii) A Certificate of Possession registered with INAC in the Applicant's name for the Lands which are to be subject to the Mortgage Security or First Nation Council Resolution allocating CLFN lands to the Applicant as part of the Housing Loan.
 - (iv) A Canada Lands Survey Record (CLSR) or Ontario Land Survey (O.L.S.) registered with INAC of the Lands described in the Certificate of Possession.
 - (v) Proof satisfactory to the CLFN Capital Projects Co-ordinator that;

- (A) there is legal access to the Land; and
 - (B) the Land is suitable for the installation of a well and septic system.
 - (vi) Plans and specifications for the proposed House, including the size and design. Such Plans must have been approved by a Professional Engineer and meet the requirements of the *Ontario Building Code, as amended from time to time* and must have also been approved by the Capital Projects Co-ordinator or the Building Inspector for CLFN.
- (b) If the Applicant fails to provide any or all of the above information within the said six (6) month period, the Applicant shall be removed from the Selected Priority List for a period of three (3) years and must apply as a new Applicant after the expiration of the said three (3) year period and the Capital Projects Co-ordinator can issue a Notice of Approval to the next Applicant on the Selected Priority List and may work his way down the list until all of the available Housing Funds are allocated for that year.

6. SECURITY - MORTGAGE

- (a) Prior to any Housing Loan funds being advanced, each successful Applicant shall be required to:
 - (i) execute a copy of this Housing Policy indicating that they have read and understood its provisions and agreeing to abide by the terms of this Policy as amended from time to time;
 - (ii) execute a Mortgage in a form prescribed by CLFN from time to time;
 - (iii) have obtained a CLFN First Nation Council Resolution allocating the Land to the Applicant;
 - (iv) sign a Transfer of Land to CLFN to be used in the event there is default under the Housing Loan or the Mortgage;
 - (v) if the Applicant intends to employ the services of a General Contractor or is purchasing a pre-fabricated home, provide an executed contract between the Applicant and a General Contractor or pre-fabricated home company in a form acceptable to the Capital Projects Co-ordinator;

- (vi) sign an Acknowledgement and Agreement in a form prescribed by CLFN from time to time in which the Applicant acknowledges and agrees;
 - (A) that he shall be solely responsible for supervising the work of the General Contractor, prefabricated home company and all other contractors or subcontractors;
 - (B) that CLFN, Council, the Housing Committee, nor CLFN staff shall be responsible for any aspect of the construction, supervision of the work, quality of work, cost overruns or defective work or materials;
 - (C) to assume the risks of constructing a home;
 - (D) that prior to requesting any advances under the Mortgage, the Applicant shall have provided proof, satisfactory to the Capital Projects Co-ordinator that the Applicant has spent all of the Downpayment on the Lands or the initial stages of construction;
 - (E) that if the Applicant is purchasing the Land from CLFN, the Certificate of Possession and the Mortgage must be registered at the same time and no advances shall be made under the Mortgage until it and the Certificate of Possession (if applicable) have been registered by INAC;
 - (F) that CLFN is only obligated to advance the amount as set out in the Mortgage at the times prescribed and in the event that the cost of construction exceeds the funds advanced by CLFN, the Applicant shall be solely responsible for such overruns and shall not apply for additional funding from CLFN with respect to that House which is the subject of the Approved Application;
 - (G) that any disputes between the General Contractor, the pre-fabricated home company, contractor or subcontractor shall be resolved between the applicable party and the Applicant and the Applicant understands he must obtain and pay for his own legal counsel if necessary;
 - (H) that no members of Council, the Housing Committee members or staff shall be obligated to mediate, assist with or resolve any such disputes;

- (I) that the sole obligation of CLFN shall be to conduct inspections to verify the stage of construction prior to issuing advances under the mortgage;
 - (J) that the House shall not be occupied until an inspector appointed by CLFN has inspected the House and issued an Occupancy Permit;
 - (K) that in the event of Default, the Transfer may be registered giving title back to CLFN without further notice to the Applicant;
 - (L) each Applicant is entitled to only one Housing Loan in his or her lifetime and this covenant shall apply to each Applicant under the Housing Loan jointly and severally; and
 - (M) the Applicant understands and acknowledges that CLFN does not provide life or disability insurance coverage on the Applicant for Housing Loans and that they are strongly advised to obtain life or disability insurance immediately upon commencing Construction. The Applicant further acknowledges and agrees that in the event that the Applicant becomes disabled or dies before all amounts owing under the Mortgage or Housing Loan have been paid in full, the amount owing will remain outstanding and become a debt of the Applicant's estate.
- (vii) In the event that the Applicant declines the Loan after having provided the Notice of Acceptance, the Applicant shall be responsible for reimbursing CLFN for all costs, expenses and charges incurred to the date of the Applicant's withdrawal in an amount to be determined at the unfettered discretion of Council and such costs, expenses and charges shall be deemed to be liquidated damages and not a penalty.
 - (viii) If the Applicant is purchasing the Land from CLFN, the required Downpayment as stated above shall include the purchase price of the Land and the Applicant shall be required to pay CLFN for the Land and have a Certificate of Possession registered in their name prior to any advances being made under the Mortgage;
 - (ix) pay in advance CLFN's legal and other administrative costs as set by Council from time to time; and

- (x) provide proof satisfactory to the CLFN Capital Projects Coordinator of the Applicant having obtained Builder's Risk Insurance in an amount and upon terms as required by CLFN and showing CLFN as the first mortgagee.
- (b) The Mortgage Agreement shall, at a minimum, set out;

- (i) **The total amount of the Mortgage and its due date.**

The Mortgage shall set out the Principal Amount of the Mortgage. The Principal Amount of the Mortgage shall be in two parts:

(A) one part which will bear interest at a rate determined from time to time by CLFN and shall require blended monthly payments of principal and interest and be amortized over 20 years (the "Interest Portion"); and

(B) one part which is a subsidy from INAC and shall not bear interest, shall be repayable in equal monthly installments of principal only and shall be amortized over 20 year (the "Non-Interest Portion").

In the event that the Applicant makes all payments under the Interest Portion and the Non-Interest Portion when due throughout the term of the mortgage and has not otherwise been in default under the mortgage at any time; ten (10%) of the original Principal Amount of the Mortgage shall be forgiven by CLFN.

- (ii) **The Mortgage is non-transferable.**

Except in the case of the death of the Applicant as provided in Section 11 below, the Mortgage shall not be transferable and in the event of the Applicant selling, conveying or transferring the title or possession of the Land or House, to a purchaser, grantee or transferee while any amounts remain outstanding under this Mortgage or the Housing Loan, all monies owing under the Mortgage and the Housing Loan shall immediately become due and payable.

- (iii) **The interest rate payable and how it is calculated.**

The interest rate shall be set at the time the Mortgage is made by Council of CLFN and shall be calculated on a semi annual basis, not in advance.

- (iv) **The method by which funds will be advanced.**

The mortgage funds shall be advanced in stages as prescribed by Council from time to time, based on the stage of construction and may include provisions for holdbacks as security for completion of the House.

(v) **Location and address of the House and Land**

The legal description and street address of the property upon which the House is to be located.

(vi) **Term and Amortization**

The Term and Amortization period of the Mortgage. All Mortgages shall be open for pre-payment in part or in full at any time without penalty or interest.

(vii) **Amount and due dates of payments.**

Payments shall be paid monthly in advance.

(viii) **Terms and conditions.**

The Terms and Conditions of the Mortgage which are set out in paragraph 7 below.

(ix) **Default**

What constitutes default under the Mortgage is set out in paragraph 8 below.

(x) **Demolition of Old House**

It may be a condition of the advancement of the Housing Loan that the Applicant demolish the existing house or buildings on the property. It shall be a default under the Mortgage if the Applicant fails to demolish the existing house or buildings within the time prescribed by CLFN.

7. TERMS AND CONDITIONS OF MORTGAGE

(a) The Applicant understands and agrees that the Mortgage binds the Land of the Applicant and will remain in full force and effect until the full amount of the Mortgage, plus interest and costs has been paid in full, at which time CLFN shall discharge the Mortgage at the Applicant's expense.

(b) The Applicant covenants that:

- (i) The Applicant shall, in the manner set out in the Mortgage, repay the principal, interest and costs the Mortgage secures at the times and upon the terms set out in the Mortgage;
- (ii) The Applicant shall obtain and maintain adequate Builder's Risk Insurance during the period of construction with public liability insurance of not less than \$2,000,000.00 per occurrence and naming CLFN as an additional insured and upon completion, fire insurance on the buildings secured by the Mortgage and public liability insurance of not less than \$2,000,000.00 per occurrence with CLFN named as the first Mortgagee and shall provide CLFN with proof of the same upon request;
- (iii) Each person named on the Certificate of Possession must be an Applicant and all Applicants shall be jointly and severally liable under the Mortgage;
- (iv) If the Applicant's spouse is a member of CLFN, he or she shall execute the Housing Policy and the Mortgage as a party. If the Applicant's spouse is not a member of CLFN, he or she shall execute the Mortgage as a Guarantor and shall provide consent as a spouse under the Ontario *Family Law Act*, R.S.O. 1990. c. F.3;
- (v) CLFN shall not be obligated to advance the Mortgage funds or any part thereof secured hereunder if the Applicant defaults in any of the provisions of the Housing Policy or Mortgage prior to any advance of funds;
- (vi) All Applicants shall remain members of CLFN during the entire term of the Mortgage;
- (vii) The Applicant shall personally reside in the house which is the subject of the Mortgage as his principal residence for the entire term of the Mortgage and shall not rent the House or Lands unless the Applicant has received the prior written consent of Council and and if renting to a non-member of CLFN, the Applicant agrees to pay service charges to the CLFN as other Lessees on CLFN;
- (viii) The Applicant shall not use them for commercial purposes; save and except a Home Occupation business provided the Applicant has received the prior written consent of Council in writing;

- (ix) During the entire term of the Mortgage, it shall be the Applicant's responsibility to keep the House and Land secured by the Mortgage in a good state of repair, fit for occupation and shall maintain and make repairs as necessary at the Applicant's expense;
- (x) The Applicant holds a Certificate of Possession registered with INAC for the Land which is to be the subject of the Mortgage;
- (xi) There is legal access to the Land and it is suitable for the installation of a well and septic system and is of sufficient size to permit the size of House proposed by the Applicant;
- (xii) The Applicant shall not occupy the House or use the well for human consumption without first providing the Capital Projects Co-ordinator a Certificate of Water Potability for the well issued by the Peterborough City-County Health Unit confirming the water from the well is potable;
- (xiii) The Applicant has installed the well, septic system and driveway culvert(s) to the satisfaction of the Capital Projects Co-ordinator;
- (xiv) The Land described in the Certificate of Possession has been surveyed by a Canada Lands Surveyor and that survey has been registered with INAC;
- (xv) Prior to taking occupation of the House, the Applicant has;
 - A. arranged to have the House inspected by a designated representative of CLFN; and
 - B. has signed a written "pre-occupancy inspection" report which sets out any deficiencies, repairs or maintenance which have not been completed at that date and for which the Applicant is responsible to complete or correct within six months; and
 - C. has received an occupancy permit from the designated representative of CLFN; and
 - D. the House is 97% complete as determined by the CLFN designated representative at his or her sole and unfettered discretion.
- (xvi) The Applicant shall arrange for CLFN or its agent to attend at the property before the sixth month expiry date as set out in subsection 7(b)(xiv)(B) above to inspect the house and

confirm in writing that all requirements identified in 7(b)(xiv)(B) are complete.

- (xvii) After taking occupation, the Applicant shall permit CLFN or its agent to inspect the House on an annual basis upon twenty four hours notice in advance from CLFN to ensure compliance with this Policy and the Mortgage;
- (xviii) The Applicant shall not permit the House to become overcrowded. For the purposes of the Mortgage, "overcrowding" means having more than the allowable number of persons per bedroom residing in the house as follows:
 - (i) one bedroom for each adult or couple.
 - (ii) one bedroom for each child 16 years or over.
 - (iii) one bedroom for two children of the same sex up to 16 years of age.
 - (iv) one bedroom for two children of the opposite sex up to 5 years of age;
- (xix) The Applicant may make renovations or improvements to the House or may construct additional buildings or structures on the Land; provided that:
 - (A) The Applicant first has the renovation plans approved by CLFN (the "Plans"); and
 - (B) The Applicant agrees in writing in advance of commencing construction that any costs (including costs of CLFN) associated with the improvement shall be paid in full by the Applicant; and
 - (C) The Applicant makes arrangements for the payment of the costs of such improvements satisfactory to CLFN; and
 - (D) The Applicant agrees that construction of such improvement shall commence no later than 60 days from the date upon which CLFN approves the Plans and is completed in accordance with the Plans within one (1) year of the date of commencement of construction; and

- (E) CLFN or its employee or agent inspects and approves the completed structure or improvements in writing.
- (xx) Upon request of CLFN, the Applicant shall provide evidence satisfactory to CLFN as to compliance with each of the above covenants or conditions.

8. DEFAULT PROVISIONS

An Applicant shall be deemed to be in default of the Mortgage if:

- (a) The Applicant is in default of any payment for at least fifteen (15) days and on at least thirty five (35) days notice in writing given to the Applicant at his last known address on record with CLFN, he fails to cure such default;
- (b) The Applicant, for whatever reason, ceases to be a member of CLFN;
- (c) He dies and the Applicants' Estate Trustee, spouse or children fail to comply with the provisions of Section 11 below within six (6) months of the date of death of the Applicant;
- (d) The Applicant separates from his spouse, who is not an Applicant and vacates the property;
- (e) He becomes insolvent or bankrupt during the term of the Mortgage;
- (f) He sells or otherwise disposes of title to the House or Land;
- (g) He has failed to obtain or maintain Insurance as required by this Policy and the Mortgage;
- (h) He no longer is using the House as his principal residence and has not received prior written consent of Council;
- (i) He has abandoned the property; For the purposes of this Policy, "abandoned" means the Applicant is absent from the House for six (6) consecutive months without first obtaining the written consent of CLFN;
- (j) He has failed to demolish the original House located on the Land or has failed to remove all debris resulting from such removal within one (1) year of the date of the Mortgage;
- (k) He does not Complete Construction of the House within one (1) year of the date of the Acceptance Notice;

- (l) He has erected buildings, structures or additions, or made alterations or improvements not in accordance with the Mortgage or this Housing Policy;
- (m) He uses the House secured by the Mortgage for any other purpose other than a single family residence without having first obtained the written permission of Council;
- (n) He fails to maintain the House or Land in a good state of repair or does or allows anything to be done which lessens the value of the House or Land or impairs the security of CLFN, at the sole and unfettered discretion of Council;
- (o) The Applicant has provided information to CLFN as required by this Policy, the Application or the Mortgage and any of that information is false or misleading;
- (p) He has breached any of the terms, conditions or covenants of the Mortgage or this Housing Policy and has failed to remedy the default or indicate a willingness satisfactory to Council to cure the default after having received ten (10) days notice in writing from CLFN of the particulars of such breach; or
- (q) He has failed to provide proof satisfactory to CLFN of compliance with the above terms or conditions within ten (10) days of request by CLFN.

9. REMEDIES OF CLFN IN THE EVENT OF DEFAULT

In addition to any other remedies as set out in the Mortgage or at law, In the event of default, the Applicant understands and agrees that:

- (a) At the discretion of Council, the principal amount outstanding of the Mortgage and any interest thereon shall be accelerated and the full amount of the Mortgage, plus interest and costs is immediately due and payable; and
- (b) CLFN may pay any premiums of insurance which may fall due and are unpaid by the Applicant and such payments of CLFN may be added to the Mortgage principal; and
- (c) CLFN may add to the Mortgage all its costs, charges and expenses (including legal costs on a full indemnity basis) which may be incurred in collecting any payment due under this Mortgage, enforcing any term, condition or covenant, realizing on its security,

or taking, recovering, maintaining, keeping possession of, selling or leasing the Land and House; and

- (d) CLFN may sue the Applicant and/or the Guarantor in the Ontario Superior Court of Justice, Federal Court or any other Court of competent jurisdiction for the full amount of the Mortgage, possession, interest and its costs; and
- (e) CLFN may set off as against any amounts owing under the Mortgage any amounts owing by the First Nation to the Applicant, including without limitation, payments under any contract for services, wages, or any other amounts owing by the First Nation to the Applicant; and
- (f) CLFN may, after having given the Applicant thirty-five (35) days written notice to do so, without further notice to the Applicant;
 - (i) enter into and take immediate possession of the Land and House, evict the Applicant and all other occupants, change the locks on the House without interference, suit, hindrance, interruption or denial of the Applicant or any other person and without further notice to the Applicant; and
 - (ii) as it deems necessary, make arrangements for repair, insuring, heating, maintaining, leasing, collecting rents or managing the House and Land; and
 - (iii) sell, lease or rent the whole or any part of the House or Land in such manner and upon such terms as to Credit and otherwise as shall appear to it to be advantageous and for such prices as can reasonably be obtained.
- (g) CLFN shall apply any sale proceeds or rent as follows:
 - (i) Payment of any costs, charges or expenses incurred in taking, recovering, repairing, insuring, selling, leasing, renting or keeping possession of the House and Land; and
 - (ii) Payment of all expenses incidental to the sale, lease or rent;
 - (iii) Payment of all interest owing under the Mortgage;
 - (iv) Payment of the Principal Amount of the Mortgage;
 - (v) Payment of the balance, if any to the Applicant.

10. PROCEDURE ON DEFAULT

(a) Default in Payments

In the event that the Applicant is more than fifteen (15) days late with any payment due under the Mortgage, the General Manager shall send notice to the Applicant at the last address known to CLFN indicating the following:

- (i) The date the payment was due;
- (ii) That the Applicant is in default;
- (iii) This is the Applicant's FIRST NOTICE;
- (iv) The amount in default;
- (v) That failure to pay the arrears in full by a specified date could result in the First Nation enforcing its rights, including without limitation;
 - (a) the full amount outstanding on the Mortgage being immediately due and payable;
 - (b) all costs incurred by CLFN enforcing its rights being added to the mortgage amount;
 - (c) setting off any amounts owing by the Applicant to the First Nation against amounts owing by the First Nation to the Applicant;
 - (d) entering into and taking possession of the Applicant's House and Land and selling, renting or leasing them to recover the full amount owing under the Mortgage;
- (vi) Advising the Applicant to review carefully the default provisions of the Mortgage and to pay the amount owing plus a specified amount for the First Nation's costs immediately by certified cheque, bank draft or cash delivered to the CLFN General Manager no later than a specified date, failing which the First Nation will take steps to enforce its rights;
- (vii) If the Applicant does not pay the arrears in full within the prescribed time limit, the First Nation shall give the Applicant FINAL NOTICE that the amount of the arrears must be paid

in full, failing which the First Nation will enforce its rights as set out in the Mortgage; or

- (viii) If the Applicant does not pay the arrears in full within the time prescribed in the FINAL NOTICE, the First Nation may issue a Power of Sale Notice as set out in the Standard Charge Terms of the Mortgage.

(b) Breach of Covenants

In the event that the Applicant is in breach of any term, condition or covenant of this Housing Policy or the Mortgage, the General Manager shall send notice to the Applicant at the last address known to CLFN indicating the following:

- (i) A description of the nature of the alleged breach and a recital of the specific provisions of the Housing Policy or the Mortgage which are alleged to have been breached;
- (ii) That the Applicant is in default;
- (iii) This is the Applicant's FIRST NOTICE;
- (iv) A description of what is required to remedy the breach;
- (v) The specific date by which the Applicant must cure the default (which date is ten (10) days from the date of the letter) and that failure to do so could result in the First Nation enforcing its rights under the Mortgage, which rights include, without limitation;
 - (a) the full amount outstanding on the Mortgage being immediately due and payable;
 - (b) all costs incurred by CLFN enforcing its rights being added to the mortgage amount;
 - (c) CLFN setting off any amounts owing by the Applicant to the First Nation against amounts owing by the First Nation to the Applicant;
 - (d) CLFN entering into and taking possession of the Applicants House and Land and selling or leasing them to recover the full amount owing under the Mortgage.

- (vi) Advising the Applicant to review carefully the default provisions of the Mortgage and to remedy the default and to pay a specified amount for the First Nation's costs immediately by certified cheque, bank draft or cash delivered to the CLFN General Manager no later than a specified date, failing which the First Nation will take steps to enforce its rights.
- (vii) If the Applicant does not remedy the breach in full within the prescribed time limit, the First Nation shall give the Applicant FINAL NOTICE that the breach continues and must be remedied by a specified date, failing which the First Nation will enforce its rights as set out in the Mortgage.
- (viii) If the Applicant does not remedy the breach within the time prescribed in the FINAL NOTICE, the First Nation may issue a Power of Sale Notice as set out in the Standard Charge Terms of the Mortgage. or in the event of a breach of a covenant to demolish an incomplete House or existing house or building, CLFN, without further notice to the Applicant may enter onto the Applicant's lands, demolish the House, house or buildings and add all of CLFN's costs in doing so to the Mortgage principal.

11. DEATH OF THE APPLICANT

In the event of the death of an Applicant and the Mortgage remains outstanding, the following provisions shall apply:

(a) **Where the Spouse is a Member of CLFN, but Not a Party**

In the event of the death of the Applicant who has a Spouse who is a member of CLFN, but is not a party to the Mortgage or is a guarantor on the Mortgage, at the discretion of the Applicant's Estate Trustee, the Mortgage shall not be deemed in default if the said Spouse has the Certificate of Possession transferred to his or her name and executes the then current form of Mortgage and the then current Housing Policy within six (6) months of the date of death of the Applicant.

(b) **Where Non-CLFN Member Spouse**

In the event of the death of the Applicant and,

- (i) the Applicant has a non-CLFN member spouse and non-CLFN member children, or has CLFN member children, but

they are all under eighteen (18) years of age, the Mortgage may be deemed in default by Council and the Applicant's spouse or children may be permitted to remain in possession of the House and Land as renters for such period and at such rent as at the sole and unfettered discretion of Council; or

- (ii) the Applicant has a non-member of CLFN spouse, but a child or children who are members of CLFN and are over the age of eighteen (18) years, the Mortgage may, at the discretion of the Applicant's Estate Trustee, be assigned to such child or children of the Applicant who is a member of CLFN only with the express, prior written of Council (which consent may be unreasonably withheld) and the non-member spouse and any dependent child or children may be permitted to remain in possession at the unfettered discretion of Council or in accordance with any residency by-laws of CLFN.

12. SEPARATION OR DIVORCE OF APPLICANT

(a) Deemed Separation if Applicant moves out

If the Applicant separates from his spouse within the meaning of the Ontario *Family Law Act*, and vacates the House, the House shall be deemed to be abandoned by the Applicant and the Mortgage shall be deemed in default at the discretion of Council. In special circumstances, for example where any of the Applicant's Dependents are in danger, Council may use their unfettered discretion as to whether or not the Loan is deemed in default.

(b) Possession by Non-Member Spouse where Applicant moves out

A non-member spouse and member children of the Applicant may only remain in possession of the House without the Applicant if the Mortgage is kept in good standing and with the prior, express, written consent of Council, which consent may be unreasonably withheld.

(c) CLFN shall not mediate disputes between Spouses

The Applicant acknowledges and agrees that CLFN shall not mediate or become involved in any disputes between the Applicant and his Spouse; and no agreement or Court Order made regarding

the Mortgage or possession of the House shall be binding on CLFN.

13. DISPUTES

All disputes and questions whatsoever which shall arise between the Applicant and CLFN staff or member of the Housing Committee in connection with this Policy, its administration, interpretation or application thereof or any Section or thing contained in this Policy or as to any act, deed or omission of the Applicant or CLFN, its staff or Housing Committee members or as to any other matter in any way relating to this Policy which cannot be resolved by negotiation shall be resolved in the following manner:

- (a) The Applicant shall first submit a written summary of his concerns to the CLFN Capital Projects Co-ordinator or the CLFN staff member whom he feels has responsibility for the question at issue. The Applicant shall provide a copy of the summary to the General Manager.
- (b) The CLFN Capital Projects Co-ordinator or staff member has ten (10) business days from the date of receipt of such written complaint to respond in writing to the Applicant with a copy to the General Manager.
- (c) In the event that the said CLFN Capital Projects Co-ordinator or staff member fails to respond in writing to the Applicant within the prescribed time or having responded, the Applicant is not content with the answer given; the Applicant may appeal the decision of the Capital Projects Co-ordinator or staff member in writing to the General Manager within ten (10) business days of having received or having ought to have received, the said written response. .
- (d) The General Manager shall conduct an investigation into the allegations of the Applicant and shall provide the Applicant with a report of his findings and decision within thirty (30) business days of receipt of the appeal letter from the Applicant.
- (e) In the event that the said CLFN General Manager fails to respond in writing to the Applicant within the prescribed time or having responded, the Applicant is not content with the answer given; the Applicant may appeal the decision of the General Manager in writing within ten (10) business days of having received or having ought to have received, the written response to CLFN Council.

- (f) Council shall permit the Applicant to make representations in person, by letter or by Affidavit at a regular meeting of Council no later than thirty (30) days after having received the Applicant's appeal. The Applicant shall submit his written materials to the CLFN General Manager no later than ten (10) days prior to the Council meeting at which his appeal is to be heard. Council shall be given copies of all the Applicant's appeal letters to CLFN staff and all responses to those letters no later than ten (10) days prior to the Council meeting at which the Applicant's appeal is to be heard.
- (g) Council, at its unfettered discretion may request written submissions or oral evidence to be presented by any parties it deems to be interested in the proceedings, provided that the Applicant shall be given copies of such submissions or be given an opportunity to hear and respond to such submissions.
- (h) Council may adjourn the hearing of such appeal at the request of the Applicant or at its unfettered discretion provided that any such appeal must be heard by Council no later than six (6) months from the date of the Applicant's appeal to Council.
- (i) If the Applicant fails to appear at the regular Council meeting, of which he has been given at least ten (10) days written notice, or at any adjournment or continuation of that meeting, Council may proceed in the absence of the Applicant.
- (j) All decisions of Council shall be final and binding upon all parties and not subject to appeal.
- (k) The General Manager shall notify the Applicant in writing of the decision of Council within ten (10) business days of the decision being made.

14. GENERAL

(a) Effective Date of this Policy

This Housing Policy shall apply to all Mortgages made after the date of this Policy being approved by Motion of Council.

(b) Amendments to this Policy

Amendments to this Housing Policy may be made by Motion of Council and any such amendments shall be added to this Policy

with identification of when the change was made so that CLFN always has a current copy of this Policy.

(c) **Waiver**

No waiver of any provision of this Policy shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Policy constitute a continuing waiver unless otherwise expressly provided.

(d) **Severability**

Each provision of this Policy shall be severable. If any provision is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder of this Policy.

(e) **Governing Law**

This Policy shall be governed by and construed in accordance with the laws of Canada.

(f) **Notice**

(i) Notice shall be deemed to effectively been given if CLFN leaves written notice with an apparently adult person at the Applicant's House, if occupied or, at the option of CLFN, by sending written notice by registered mail addressed to the Applicant at the House or at the last address as indicated in the records of CLFN.

(ii) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

(g) **Number and Gender**

In this Policy, unless the context otherwise requires, any reference to gender shall include both genders and words importing the singular number shall include the plural and vice-versa.

(h) **Interpretation Not Affected by Headings**

The division of this Policy into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(i) **Policy Binding**

This Policy shall enure to the benefit of and be binding on the Applicant, his personal representatives, attorney for property, Estate Trustees, heirs, beneficiaries, administrators and assigns.

(j) **Severability**

Each of the provisions contained in this Policy is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

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**ACKNOWLEDGMENT AND AGREEMENT
OF
APPLICANT**

I/WE, _____ hereby acknowledge and agree that we have read and fully understand this Loans for New Housing Policy and agree to be bound by its terms. We are signing this Loans for New Housing Policy of our own free will.

I/WE have been advised by CLFN that we are welcome to obtain independent legal advice before signing the same, but we have declined to do so or we have obtained independent legal advice and are satisfied with the advice given by my/our lawyer and we require no additions, deletions or changes to this Loans for New Housing Policy..

DATED this _____ day of _____, 20__, at Curve Lake First Nation;

Witness

Applicant

Witness

Applicant

Witness

Applicant's Spouse/Guarantor