

CMBA Atlantic - Your Choice! Your Voice

The best mortgage advice comes from a Mortgage Broker™



IT'S ABOUT the Atlantic
Canada Mortgage **Broker**
Industry



CMBA Atlantic: For Brokers. By Brokers.

Good afternoon panel, my name is Jim DeCoste, I am the Interim Provincial Director for Nova Scotia for CMBA. I own Dominion Lending Centres Maritime Mortgage Group in New Glasgow with brokers working with our franchise across the Atlantic region. Thank you for inviting CMBA today and including us in the discussion on the proposed CAP removal and the impact that it may have on the mortgage industry and our clients.



About CMBA

- **CMBA Atlantic, supports the professional recognition of Mortgage Brokers in the four Atlantic provinces, through communication, education and advocacy.**
- **Collaborative decisions are based on:**
 - **The best interests of Mortgage Brokers and their clients, the consumer**
 - **Positioning Mortgage Brokers for the future and allowing flexibility for the changing landscape**

CMBA's Position Statement

CMBA Atlantic supports a property taxation that is calculated in an equal and fair manner for all. This must take into consideration low-income families, affordable rental properties, fair taxation on commercial businesses and affordability for first-time home buyers. Our Broker network has heard that the current property CAP taxation system is not working in a fair manner for everyone and changes are needed.

Our Concerns

What safety measures would the province put in place to ensure the increase in property taxes would not cause undue financial hardship to:

- **Retiree's on a fixed income who have been in their family home for 10+ years;**
- **Low income families in similar situations who have owned their home for 10+ years and;**
- **Homeowners living near a major development if a market value approach were implemented in place of a tax assessment approach?**

Potential Concerns for Mortgage Client

Mortgage clients, who have been in a CAP protected mortgage for several years may experience problems qualifying for refinances or transfers of their mortgage to another institute, and therefore limiting their options, due to the higher property taxes following its removal.

Debt Ratio Concerns

Lenders use the current annual tax bill as part of the equation in figuring out a client's debt ratio when purchasing a home.

How may this affect new home buyers purchasing properties regarding calculating the potential increase of their annual taxes based on the increase of the market price of their home and not based on inflation?

Equalization

How will equalization work to spread the tax base abroad within municipalities instead of just increasing current CAP properties?

Will there be a direct reduction in property taxes due to the removal of the CAP and will this also be implemented during the CAP phase out and how will that look?

Inherited Property

There is a concern that removing the CAP on homes that have been in a family for generations and passed down over the years could result in the current owners not being able to afford the higher taxes and forcing them to sell.

Nova Scotia's Youth

We want to keep young people here in Nova Scotia and having stable property taxes and interest rates helps make home ownership more accessible to new buyers and the next generation of homeowners.

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CMBAAtlantic.ca



QUESTIONS

