

# Mortgage Funding Direction



## Registered Account Arm's Length Self-Directed Mortgage Investment

### PART 1: CLIENT INFORMATION

Client Full Name \_\_\_\_\_

Mortgage Investment Amount \$ \_\_\_\_\_ Mortgage No. \_\_\_\_\_ (for office use only)

#### Plan type

RRSP Account No. \_\_\_\_\_  RRIF Account No. \_\_\_\_\_

TFSA Account No. \_\_\_\_\_  RDSP Account No. \_\_\_\_\_ (each the "Registered Account")

RRSP \$ \_\_\_\_\_ ( \_\_\_\_\_ %) RRIF \$ \_\_\_\_\_ ( \_\_\_\_\_ %) TFSA \$ \_\_\_\_\_ ( \_\_\_\_\_ %) RDSP \$ \_\_\_\_\_ ( \_\_\_\_\_ %)

### PART 2: MORTGAGE DETAILS

Mortgagor's Full Name \_\_\_\_\_ (the "Issuer")

Property Address \_\_\_\_\_ (the "Mortgaged Property")

Mortgage Investment Amount \$ \_\_\_\_\_ Priority  1  2  3  Other \_\_\_\_\_

Interest Rate \_\_\_\_\_ % Term  6mos  1yr  2yrs  3yrs  4yrs  5yrs

Payment Type  Interest only **OR**  Blended Amortization \_\_\_\_\_

Payment Amount \$ \_\_\_\_\_ Payment Frequency  Bi-Weekly  Monthly  Quarterly  Semi-Annually

Interest Calculation  Monthly  Semi Annual  Annual

First Payment Date \_\_\_\_\_ Interest Adjustment Date \_\_\_\_\_ Funding Date \_\_\_\_\_  
MM/DD/YYYY MM/DD/YYYY MM/DD/YYYY

### PART 3: LOAN TO VALUE CALCULATION

Current Priorities

(include mortgage statements for each priority)

Priority \_\_\_\_\_ Amount \$ \_\_\_\_\_ Mortgagee \_\_\_\_\_  to be paid out

Priority \_\_\_\_\_ Amount \$ \_\_\_\_\_ Mortgagee \_\_\_\_\_  to be paid out

Priority \_\_\_\_\_ Amount \$ \_\_\_\_\_ Mortgagee \_\_\_\_\_  to be paid out

Appraised Value \$ \_\_\_\_\_ (include copy of appraisal) LTV \_\_\_\_\_ % (LTV cannot exceed 100%)

### PART 4: MORTGAGE ADMINISTRATOR (FOR SYNDICATED MORTGAGES ONLY)

Mortgage Administrator Name \_\_\_\_\_

License # \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Province \_\_\_\_\_

Postal Code \_\_\_\_\_

Telephone Number \_\_\_\_\_

### PART 5: MORTGAGE BROKER/DEALER INFORMATION

Mortgage Broker/Dealer Name \_\_\_\_\_ (the "Dealer")

License # \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Province \_\_\_\_\_

Postal Code \_\_\_\_\_

Telephone Number \_\_\_\_\_

Agent/Advisor Name \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email \_\_\_\_\_

## PART 6: SELLER INFORMATION (IF DIFFERENT FROM ISSUER)

\_\_\_\_\_  
Seller's Full Name (the "Seller")

\_\_\_\_\_  
Seller's Address City Province Postal Code

## PART 7: DIRECTION

I, the undersigned, hereby authorize and direct Community Trust Company to pay the sum of \$ \_\_\_\_\_ which reflects the following deductions:

Lender's Fee \$ \_\_\_\_\_ Administration Fee \$ \_\_\_\_\_ Interest Adjustment \$ \_\_\_\_\_ Wire Fee \$ \_\_\_\_\_

Prepayment \$ \_\_\_\_\_ Mortgage Payout \$ \_\_\_\_\_ Other \$ \_\_\_\_\_

to \_\_\_\_\_ "In Trust" for the purpose of funding the mortgage described in the 'Mortgage Details'.  
(Law Firm Name)

## PART 8: REGISTRATION

Register each mortgage interest in favour of: Community Trust Company 'In Trust' For \_\_\_\_\_

Address for Service: 2350 Matheson Blvd. East, Mississauga, ON L4W 5G9

Plan Type

Account Number

## PART 9: EXECUTION DIRECTION (FOR SYNDICATED MORTGAGES ONLY)

In connection with my mortgage investment described above, I have been provided and executed the following agreements with

\_\_\_\_\_  
(Name of Syndicator/Mortgage Administrator)

Mortgage Administration Agreement dated \_\_\_\_\_  Declaration of Trust/Trust Agreement dated \_\_\_\_\_

Loan Participation Agreement dated \_\_\_\_\_  Other (specify) \_\_\_\_\_ dated \_\_\_\_\_

(collectively, the "Operating Agreements")

I have been advised to obtain independent legal advice before signing the Operating Agreements and have had an opportunity to do so.

By checking this box, I, the undersigned, hereby irrevocably authorize and direct Community Trust Company, as trustee for my Registered Plan, (the "Trustee") to execute and deliver, on behalf of my Registered Plan, any and all documents delivered to the Trustee by \_\_\_\_\_

(Name of Syndicator/Mortgage Administrator)  
in connection with the mortgage investment described above, including, without limitation, documents related to the closing of the transactions contemplated by the Operating Agreements, any amendments thereto or to the terms of the mortgage loan contemplated thereby, including amendments to payment amounts, interest rate and term of the mortgage, any extensions, assignments or renewals thereof, any postponement or subrogation thereof, partial or full and final discharge of security, repayment acceleration, realizing on the mortgage property, appointment of a receiver, the exercise of power of distress, lease, sale, foreclosure or pursuit of any other enforcement action or legal remedy, all upon written direction of the Syndicator/Mortgage Administrator named above. The Trustee shall have no responsibility to verify or determine that any such documents are complete, accurate or constitute the documents or actions of the Syndicator/Mortgage Administrator acting within the powers granted to it under the Operating Agreements or otherwise. The Trustee shall be fully protected in acting upon this Execution Direction and upon any document, instrument or paper believed by the Trustee to be genuine and to be signed or presented by the proper person or persons. The Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements contained therein. I understand that I may revoke this Execution Direction at any time upon delivery of a written notice to the Trustee.

## PART 10: TERMS AND CONDITIONS

- My instructions above are subject to the following terms and conditions, which are in addition to any other term, condition, representation, warranty or agreement previously or hereafter given by me to Community Trust Company ("CTC") relating to my Registered Account.
- With respect to any acquisition (the "Acquisition") or holding by my Registered Account of a mortgage, including a syndicated mortgage, (the "Mortgage Investment"):
  - I have obtained such financial, investment, tax and legal advice, and carried out such due diligence, having regard to my personal circumstances, as I have considered necessary and/or appropriate.
  - I have neither sought nor obtained any advice from CTC with respect to the

Acquisition or the Mortgage Investment, including its suitability as an investment for my Registered Account. **I acknowledge that CTC is not in the business of providing investment advice and confirm that CTC is not responsible for any decision I may make as to an Acquisition or the retention of any investment, including the Mortgage Investment, in my Registered Account.**

- I, with the assistance of my personal advisor(s), including, if applicable, any exempt market dealer, negotiated the terms of the Acquisition. CTC provided no advice or assistance on the Acquisition, nor has it acted as an intermediary between me and the counterparty in the Acquisition.

## PART 10: TERMS AND CONDITIONS (CONTINUED)

- d. CTC's role in respect of any Acquisition is solely that of trustee of my Registered Account.
- e. I understand that it is my sole responsibility to determine that any investment made in respect of my Registered Account is a "qualified investment" as such term is defined in the *Income Tax Act* (Canada) and regulations thereunder (collectively, the "**Applicable Law**").
- f. CTC has neither undertaken any due diligence on my behalf nor made any independent determination as to the status of the Mortgage Investment as being a "qualified investment", and not a "prohibited investment" for my Registered Account, as such term is defined under the Applicable Law.
- g. I certify and confirm that the Mortgage Investment is a "qualified investment" under the Applicable Law and for as long as my Registered Account holds the Mortgage Investment, I alone will be responsible for ensuring that the Mortgage Investment remains a "qualified investment" and not a "prohibited investment" for my Registered Account and I shall inform CTC if the Mortgage Investment ceases to be a "qualified investment" or becomes a "prohibited investment" for my Registered Account.
- h. I deal at arm's length with the Issuer of the Mortgage Investment. I am not a "connected person", "connected shareholder" or "designated shareholder" of the Issuer of the Mortgage Investment, as such terms are defined in Section 4901 of the *Income Tax Regulations*, C.R.C., c. 945 (the "**Regulations**").
- i. I understand that the price paid for the Mortgage Investment must be the fair market value for such Mortgage Investment at the time of Acquisition by my Registered Account and that if this price is greater than the fair market value, the excess must be included in my income for the current taxation year.
- j. CTC is not responsible for determining the fair market value of the Mortgage Investment at the time of the Acquisition or thereafter. However, CTC may record and may from time to time revise its recording of the fair market value (or a value that it believes may be the fair market value) of the Mortgage Investment, and may report such values to me, to any taxation or regulatory authorities or to any advisor or third party that I may authorize. In the event CTC incurs any costs, fees or expenses associated with ascertaining the fair market value of the Mortgage Investment or Mortgaged Property, as appropriate, I will indemnify and reimburse CTC for all such costs, fees and expenses.
- k. My decision to acquire the Mortgage Investment has not been based on any verbal or written representation by or on behalf of CTC, or any employee thereof, and has been based entirely on the information provided by the Issuer, the Seller and/or the Dealer in connection with the Acquisition as well as the information contained in the Issuer's public record.
- l. If the Acquisition requires the execution by CTC of any loan, participation, subscription or any other agreement, investor acknowledgement form and/or other documentation of the Issuer (the "**Instruments**"), I have delivered such Instruments to CTC, together with the prospectus/offering memorandum, where applicable, and any other security documents, as may be applicable, (collectively, the "**Documentation**"). I further certify that (1) I have reviewed and fully understand such Documentation and/or have received independent advice on such Documentation and (2) the Instruments are in good form for execution, free from any misrepresentations or inaccuracies by me or on my behalf, including my status for the purposes of the reliance by the Issuer of the Mortgage Investment on any applicable prospectus exemption and fulfilment by the Dealer of its obligations under applicable laws and regulations. I hereby authorize and direct CTC to execute all such Instruments and this should be your full and sufficient authority for doing so.
- m. CTC may in its sole discretion refuse any instruction to acquire, or to continue to hold, any Mortgage Investment in my Registered Account and may cause the Mortgage Investment to be removed from my Registered Account. I agree to provide CTC with any information it may require in connection with any Mortgage Investment, including for compliance with tax and securities laws and regulations. Without limiting the generality of the foregoing, I agree to provide CTC with any information and evidence that CTC may require from time to time to establish that the Mortgage Investment is a "qualified investment" for the purposes of the Applicable Law. In the event I do not satisfy the requirement set out in the immediately preceding sentence, CTC is entitled to treat the Mortgage Investment as a "non-qualified investment" and make such reports and disclosures in connection therewith as required under the Applicable Law.
- n. I acknowledge that the registration of CTC on title of the Mortgaged Property to evidence security interest held therein, is the responsibility of the Issuer, Dealer and/or myself and not of CTC. If CTC has paid for such registration from my Registered Account but has not received adequate evidence or confirmation of the registration of the Mortgaged Property for the benefit of my Registered Account within 60 days of the purported acquisition, CTC reserves the right, at its sole discretion, to make independent inquiries with the applicable Land Registry Office as to the status of such registration. Any costs and expenses incurred by CTC in connection with such inquiries will be charged to my Registered Account. In the event CTC makes a determination that the Mortgaged Property has not been duly registered, CTC may treat the funds paid to acquire the Mortgage Investment as being de-registered from my Registered Account and I acknowledge the adverse tax consequences that may follow.
- o. CTC is not responsible for monitoring the Mortgaged Property and/or the Mortgage Investment, including whether payment of any interest, principal or other distribution by the Issuer relevant to the Mortgage Investment has been announced or has occurred. CTC's only responsibility relating to any distribution is to deposit any payment or security that it receives with respect to the Mortgage Investment into my Registered Account. CTC will not be responsible for investigating, pursuing or enforcing any such payment obligation of an Issuer or for confirming the correctness of any amount received.
- p. I am responsible for ascertaining the credit worthiness of the Issuer and I have sought and obtained the requisite advice with respect thereto. I am further solely responsible for enforcing the mortgage and if required, taking legal action against the Issuer to protect my investment.
- q. I undertake to deliver to CTC copies of the solicitor's final reporting letter, registered charge and property insurance relating to the Mortgage Investment.
3. I acknowledge that in performing its services in connection with the Mortgage Investment, CTC is relying on statements and representations made by me in this document.
4. I agree to indemnify, defend and hold harmless CTC from and against any and all losses, costs, damages, claims, actions, demands, proceedings, charges, expenses and liabilities of any nature whatsoever (including, without limitation, legal fees and expenses) which CTC may incur or which might be claimed against CTC by any person, entity, regulatory or government agency or body, and which may in any way whatsoever arise out of, be in connection with or result from (i) CTC acting as trustee for the Registered Account or in any way acting in accordance with any authorization, direction and instruction received from me; (ii) a breach by me of any representation or warranty under these terms and conditions; or (iii) a breach by me of any duty or obligation under these terms and conditions.
5. I understand that in the event that the Mortgage Investment is not a "qualified investment" for the purposes of the Applicable Law, there may be adverse tax consequences and I agree to assume full responsibility for such consequences. Without limiting the generality of the immediately preceding paragraph, I agree to indemnify, defend and save harmless CTC from and against any and all liabilities, losses, damages and costs (including, without limitation, legal fees and expenses) which CTC may incur as a result of any action, investigation, proceeding or claim brought or commenced against CTC by the Canada Revenue Agency or any other person arising from such event.
6. I will not commence, threaten to commence or otherwise engage in a legal proceeding relating to the Registered Account or Mortgage Investment, in the name of or on behalf of CTC, without CTC's prior written consent, which consent may be withheld in CTC's sole discretion. Shall CTC grant such consent, I undertake and agree to instruct my legal counsel to take all steps to keep CTC informed of the progress of the matter and to respond to its inquiries in a timely manner. Without limiting the generality of the foregoing, I will instruct the legal counsel to provide CTC with an opportunity to review and approve all court documents, legal submissions and any other documents and instruments bearing, proposed to bear or legally required to bear the name of 'Community Trust Company' or its signature, prior to such documents being finalized, signed, filed, submitted and/or delivered. Further, I will instruct the legal counsel to promptly forward to CTC all court documents, legal submissions and any other documents and instruments received by the legal counsel in connection with this matter and addressed to or bearing the name of 'Community Trust Company'. If CTC incurs (i) any liability to make any payments with respect to the Registered Account or the Mortgage Investment or (ii) any liability (including any legal fees or expenses) on account of being made a party to any litigation, proceeding or investigation as a result of holding title to the Mortgaged Property or otherwise in connection with the Registered Account, for any reason whatsoever, I will indemnify, defend and hold harmless CTC for any and all costs, charges, payments and other expenses arising in connection therewith and for any sums advanced by CTC on behalf of the Registered Account for any reason whatsoever.
7. I release and forever discharge CTC from all actions, causes of action, suits, debts, duties, covenants, claims and demands whatsoever which I could or might have against CTC for, or by reason of, or in any way arising out of any cause, matter or thing whatsoever which may arise out of the advance of funds as authorized and directed by me. I further covenant and agree not to make any claim or maintain any action or proceeding against any person, corporate or entity in which anything hereby released could be claimed by way of contribution or indemnity or otherwise, including the directors, management, employees and agents of CTC.

## PART 10: TERMS AND CONDITIONS (CONTINUED)

8. CTC reserves the right to have any Mortgage Investment in my Registered Account, or that is subject to my instruction or any transaction in my Registered Account, reviewed by its solicitors and the costs of such review will be paid by me or from my Registered Account.
9. I have received and reviewed a copy of CTC's current Investment Services Fee Schedule (the "**Fee Schedule**") and agree to pay all fees associated with

holding a Mortgage Investment in my Registered Account. CTC reserves the right to change the fees set out in the Fee Schedule, in accordance with provisions of the Declaration of Trust governing my Registered Account. I expressly request that this document and any related instruments be drawn up in the English language. Je demande expressément que la présente formule et tous les documents qui s'y rapportent soient rédigés en anglais.

## PART 11: SIGNATURES

I hereby authorize CTC to provide to the Seller, Issuer, and Dealer all requested financial information pertaining to this transaction and process the instructions on my behalf. I confirm the above instructions and agree to the above terms and conditions.

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date

## PRIVACY

### Privacy Statement

Community Trust Company is committed to protecting the personal information of our clients. Personal information obtained in the course of doing business with you is not collected, used or disclosed except in compliance with governing legislation, including Canada's Personal Information Protection and Electronic Documents Act (PIPEDA).