



## Prescribed Interest Rate Loan (PIRL) Program Instructions for Approved Participants

Follow this step-by-step guide to activate your UBC Prescribed Interest Rate Loan (PIRL) for the purchase of an eligible home in Metro Vancouver.

**1. Obtain a PIRL Pre-commitment Letter**

Housing & Relocation Services will send you a Pre-commitment Letter confirming the offer, loan amount, and the period for which the loan offer is valid (see Attachment A). It is not a contract and does not commit you to activating the loan.

**2. Find a lender and apply for a mortgage pre-approval**

Take your PIRL Pre-commitment Letter and other required documentation to a participating lender to find out how much you can afford to spend. If you are also accessing UBC Down Payment Assistance, take your confirmation letter as well. Participating lenders are listed in Attachment B.

**3. Find your home, make an offer and finalize your mortgage approval**

Once your offer is accepted, visit your lender to verify and finalize the details of your mortgage.

**4. Find a lawyer**

A lawyer will review all contracts and prepare closing documents related to purchase and financing and protect your legal interests. The recommended time to engage a lawyer is ***no less than 4 weeks prior to the closing date***. Lawyers listed in Attachment A are familiar with the PIRL program.

**5. Contact UBC Treasury to start the PIRL paperwork**

Send the following documents to [jessica.hou@ubc.ca](mailto:jessica.hou@ubc.ca) ***at least 4 weeks prior to the closing date***:

- 1) Contract of Purchase and Sale, with all subjects removed;
- 2) Mortgage approval letter; and
- 3) Completed **Authorization to Release Personal Information** form (see Attachment C) to allow UBC and the lender to share information on mortgages and the home purchase.

**6. Treasury to provide the PIRL Commitment Letter**

The Commitment Letter is the loan contract between you and UBC (see Attachment D).

**7. Review and sign the PIRL Commitment Letter**

You are encouraged to seek advice on the legal, financial, and tax implications of the loan with a lawyer and financial or tax advisor.

**8. Instruct your lawyer to initiate the purchase closing process**

Your lawyer will initiate this process with UBC Lawyer, Richards Buell Sutton LLP, in order to activate the transfer of the loan funds in time for the closing date of your home purchase.

**Aneez N. Devji, Associate** (604) 909-9301 [adevji@rbs.ca](mailto:adevji@rbs.ca)

**Julie Green, Paralegal** (604) 661-9233 [jgreen@rbs.ca](mailto:jgreen@rbs.ca)

**RICHARDS BUELL SUTTON LLP**

700 - 401 West Georgia Street, Vancouver, BC Canada V6B 5A1

Tel: (604) 682-3664 | Fax: (604) 688-3830 | [www.rbs.ca](http://www.rbs.ca)



### UBC Prescribed Interest Rate Loan Pre-Commitment Letter Sample

**Date**

**Employee Name** is approved to participate in The University of British Columbia (“**UBC**”) Prescribed Interest Rate Loan Program (“**PIRL Program**”). Under the PIRL Program, UBC will lend the faculty member \$**Loan Amount** (the “**Loan**”) to assist with the purchase of a principal residence within Metro Vancouver. The faculty member must complete the purchase no later than **Eligibility Expiry Date**

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- Approval for participation in the PIRL Program does not mean the faculty member is pre-approved or pre-qualified for a first mortgage loan from a bank. Faculty members must qualify for a first mortgage loan based on a bank’s lending standards, taking the Loan into account.
- Approved faculty members must **independently initiate contact with a bank** to determine the amount they are qualified to borrow from that bank for the purpose of purchasing a home. UBC has contacted a number of local banks and given them information about the PIRL Program, and we recommend that faculty members go to these participating banks to arrange a first mortgage loan in order to ensure a smooth process. Faculty Staff Housing & Relocation Services can provide a list of banks and contact information.
- Approved faculty members must take this “UBC Prescribed Interest Rate Loan Pre-Commitment Letter” to their bank so the bank knows the faculty member is an approved participant in the PIRL Program.
- UBC will take a second mortgage to secure the Loan, and the primary lender must consent to this second mortgage.
- The faculty member’s minimum equity in the purchased home must be 5%. That means that 5% of the purchase price of the home must be the faculty member’s own funds, and not be borrowed funds. For clarity, any funds that may be loaned under other UBC programs, such as the Down Payment Assistance program, are not “own funds” and may not be used to meet the minimum equity requirement.

More information on the PIRL Program, and repayment terms and conditions of the Loan, is available at <https://hr.ubc.ca/working-ubc/finding-housing/faculty-home-ownership-program/prescribed-interest-rate-loans>, or you can contact the Faculty Staff Housing & Relocations Services office at [employeehousing.help@ubc.ca](mailto:employeehousing.help@ubc.ca).

**End**



**PIRL CONTACT INFORMATION**

**LENDERS**

**Bank of Montreal**

Grace Tiu, Mortgage Specialist  
(778) 873-8751  
[grace.tiu@bmo.com](mailto:grace.tiu@bmo.com)

**HSBC**

Keith Lam, Senior Premier Relationship Manager  
(604) 641-1988  
[keith\\_lam@hsbc.ca](mailto:keith_lam@hsbc.ca)

**Scotiabank**

Daniel Fernandes, Branch Manager  
(604) 225-2260 Ext. 4000  
[daniel.fernandes@scotiabank.com](mailto:daniel.fernandes@scotiabank.com)

**Vancity**

Ryan McKinley, Associate Director, Mortgage Development  
(604) 340-1611  
[Ryan\\_McKinley@vancity.com](mailto:Ryan_McKinley@vancity.com)

**LAWYERS**

**Deprez and Associates**

Filip de Sagher  
(604) 221-4343  
[Filip@notarydeprez.com](mailto:Filip@notarydeprez.com)  
2515 Alma Street

**Quentin & Company**

Quentin Adrian  
(604) 266-7811  
[Quentin@adrianlaw.ca](mailto:Quentin@adrianlaw.ca)  
5660 Yew Street

**Stirling LLP Business Law**

Warren Brazier  
(604) 674-3818  
[wbrazier@stirlingllp.com](mailto:wbrazier@stirlingllp.com)  
1460-701 West Georgia St.



**AUTHORIZATION TO RELEASE PERSONAL INFORMATION**

I/We, the undersigned, hereby authorize \_\_\_\_\_(Financial Institution) and The University of British Columbia (“**UBC**”) to release to each other any personal information regarding my/our applications for mortgages and participation in the Prescribed Interest Rate Loan Program being offered by UBC to assist in the purchase of property located within Metro Vancouver (the “**Property**”), including but not limited to credit history, annual statement information, mortgage tiers, interest rates, terms, outstanding balance, account history, payment information or employment status (collectively, the “**Information**”).

The Information may be disclosed by \_\_\_\_\_ (Financial Institution) or UBC by mail, e-mail, facsimile or verbal communication.

I/We understand that this authorization will remain on file and serve as an ongoing authorization to \_\_\_\_\_ (Financial Institution) and UBC. I/We understand that this authorization may not be withdrawn until such time as:

- 1. \_\_\_\_\_ (Financial Institution) has advised that it will not be providing the undersigned with a mortgage loan in respect of the Property; or
- 2. UBC has advised that it will not be providing a mortgage loan on the Property pursuant to the Prescribed Interest Rate Loan Program; or
- 3. \_\_\_\_\_ (Financial Institution) or UBC has provided a discharge of the mortgage of the Property in its favour.

After such event, this authorization may be withdrawn by signed written letter to \_\_\_\_\_ (Financial Institution) and UBC at the following addresses:

**BANK**            Contact Name: \_\_\_\_\_  
                          Title: \_\_\_\_\_  
                          Financial Institution: \_\_\_\_\_  
                          Address: \_\_\_\_\_

**UBC**    Faculty Staff Housing & Relocation Services  
     3<sup>rd</sup> Floor, Wesbrook Professional Centre  
     3313 Shrum Lane  
     Vancouver, BC V6S 0B9

Signed at \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Borrower name)

\_\_\_\_\_  
(Co-borrower name)



**PIRL COMMITMENT LETTER SAMPLE**

Date

Borrower's name

Borrower's current address

Dear Borrower's name,

**Re: Employee Housing Assistance - Loan amount Prescribed Interest Rate Loan**

This commitment letter is to confirm that The University of British Columbia (the "University") will grant a second mortgage loan (the "Mortgage") to Borrower's (and co-borrower's) name(s) (hereinafter referred to as the "Borrower") to be secured by Address of the property to be purchased (the "Property"), subject only to the Primary Lender granting a first mortgage loan to be the only prior financial charge (the "First Mortgage") on the following terms and conditions:

**1st Mortgage:**

Primary Lender:	Primary lender
Principal Amount:	\$Principal amount
Interest Rate:	Interest rate %
Monthly Payments:	\$Monthly Payments
Term of Loan:	\$Loan term
Amortization Period:	Amortization period

Any other financing in relation to your purchase of the Property or any amendments to the terms set forth above shall require the University's consent in writing prior to the advance of the funds contemplated hereunder.

The granting of the Mortgage is also subject to the following conditions:

- Principal Amount:** \$Principal amount
- Term:** 180 months, subject to the conditions set out in paragraph 12 below
- Interest Rate:** The rate of interest will be: (i) at the CRA Prescribed Rate (the "CRA Prescribed Rate" is the interest rate used to calculate the taxable benefits for employees and shareholders from interest-free and low-interest loans, as published quarterly by the Canada Revenue Agency); and (ii) in accordance with the *Income Tax Act* (Canada) rules for application of the CRA Prescribed Rate.

Currently the CRA Prescribed Rate is 1%, subject to change as above.





**Repayment:** Semi-monthly payments on the 15<sup>th</sup> and the last day of the month of interest only on the Principal Amount, with the balance and accrued interest thereon due and payable on the Balance Due Date set forth.

**Funds Required Date:** **Date**

**Balance Due Date:** **Date**, subject to paragraph 12 below

2. Any other financing in relation to your purchase of the Property or any amendments to the terms set forth above shall require the University's consent in writing prior to the advance of the funds contemplated hereunder. All security documentation in connection with the approved First Mortgage as set out above must be satisfactory to the University and its Solicitors in their sole and unfettered discretion prior to the advance of the funds contemplated hereunder.

3. Our Solicitor in this matter will be Mr. Aneez Devji of:

Richards Buell Sutton  
Barristers & Solicitors  
700-401 West Georgia Street  
Vancouver, BC V6B 5A1  
(604) 661-9212

4. If the property is a condominium, all condominium-voting rights are to be assigned to the University.

5. All fees and disbursements together with any costs including the University's legal, appraisal, inspection, survey and other professional fees and expenses shall be the responsibility of the Borrower.

6. You will be required to execute an Assignment of Wages and Direction to Pay attached as Schedule A to this commitment letter, whereby you will assign a certain portion of your monthly employment earnings to the University in the event of your failing to pay the balance due under the Mortgage when the University makes lawful demand for payment of the loan. This Assignment documentation will not be used unless and until you fail to make payment within three weeks of the date of the University's lawful demand and will be returned to you upon repayment of the Mortgage.

7. All security documentation to be prepared to the satisfaction of the University and its Solicitors prior to draw down of funds. The University reserves the right, in its sole and unfettered discretion, to withdraw its support at any time, including the time prior to the advance of funds if, in the University's opinion, there is:

- (a) a material adverse change in the financial condition of the Borrower and/or the Property;
- (b) legal implications detrimental to the affairs of the Borrower; or
- (c) a failure by the Borrower to perform or observe any provision contained in this commitment letter or any of the proposed security documentation.





8. It is understood and agreed that the execution, delivery and registration of the University's security in connection herewith shall in no way merge or extinguish the terms and conditions contained herein which shall survive and continue in full force and effect provided however that in the case of any inconsistency or conflict with any of the provisions of the University's security, such provisions of the University's security shall prevail.

9. The following conditions shall apply to the Mortgage:

- (a) The Borrower must be the registered owner of the Property (the "**Ownership Condition**").
- (b) The Property must be the principal residence of the Borrower, meaning that the Property is the residence the Borrower ordinarily inhabits and continually occupies on a full time basis (the "**Principal Residence Condition**").
- (c) The Property must be the only residential real property lot or strata lot owned in whole or in part by the Borrower within Metro Vancouver (the "**Single Dwelling Condition**").
- (d) The Borrower must remain a full time tenured or tenure-track faculty member of the University (the "**Employment Condition**").
- (e) The Borrower must not rent the Property to anyone except in accordance with the following conditions (the "**Rental Condition**"):
  - i) when the University has approved an absence of the Borrower in writing (the "**Approved Absence**"), and
  - ii) the Property must only be rented to another person for the duration of the Approved Absence.
- (f) The Borrower or the strata owners of the Property (as applicable) must maintain adequate insurance for fire and extended coverage perils, for the full replacement cost of the building, and the Borrower must maintain contents and third party liability insurance acceptable to the University acting reasonably (the "**Insurance Condition**").
- (g) The Borrower must maintain the Property in a condition that would be expected of a prudent owner acting reasonably (the "**Maintenance Condition**").
- (h) The Borrower will keep the First Mortgage granted over the Property in good standing, and otherwise comply with all terms and conditions of the First Mortgage including all agreements and security thereto (the "**Mortgage Condition**").
- (i) The Borrower must ensure that the Property is not encumbered by any financial charge other than the First Mortgage, and the Borrower must not permit any lien or certificate of pending litigation to be registered against title to the Property (the "**Encumbrance Condition**").





- (j) The Borrower must pay all property taxes, strata fees, services levies and any other charge related to ownership of the Property when due (the “**Good Standing Condition**”).

10. If any of the Ownership Condition, Principal Residence Condition, Single Dwelling Condition, Employment Condition, Rental Condition, Insurance Condition, Maintenance Condition, Reporting Condition, Mortgage Condition, Encumbrance Condition or Good Standing Condition are not upheld at any time for any reason (each an “**Event of Default**”), then the University may, in its sole discretion, take action in respect of the Mortgage by issuing a demand for repayment of the Mortgage and all applicable interests and costs.

11. The Borrower will provide to the University a signed annual report (the “**Reporting Condition**”) in the form attached as Schedule B to this commitment letter (the “**Annual Report**”). The Annual Report must be completed and submitted to the University on the anniversary date of when the Mortgage is made to the Borrower for each year the Mortgage is outstanding. The information contained in the Annual Report must be accurate and must demonstrate that the Borrower remains eligible for the program and all other conditions listed in paragraph 9 have been satisfied.

12. The Borrower will have the right to make prepayments on the outstanding Principal Amount annually in the two-week period prior to the anniversary of the Funds Required Date. The prepayments must be a minimum of \$5,000, and in increments of \$1,000.

13. The parties agree, from time to time, to do or cause to be done all such things, and shall execute and deliver all such documents, agreements and instruments reasonably requested by another party, as may be necessary or desirable to carry out this commitment letter's provisions and intention.

14. If any provision of the Mortgage or other security documents shall contradict any provision of this commitment letter, the provisions of this commitment letter shall prevail.

Time shall be of the essence as concerns all terms and conditions contained in this commitment letter, and nothing contained herein shall be assignable by you.

This agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document.

Acceptance will be signified by your signing and returning one copy of this commitment letter on or **before Date** addressed to:

The University of British Columbia  
Treasury  
224 – 6328 Memorial Road  
Vancouver, BC V6T 1Z2

Attention: Treasurer







It is a term and condition herein that funds be advanced by no later than **Date**.

Yours truly,

**Name**  
**Position**

The University of British Columbia

**Name**  
**Position**

The University of British Columbia

Encls.

We hereby accept this second mortgage loan and terms as set out above and authorize you to instruct your Solicitors to prepare the necessary documents.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Borrower's name**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Co-Borrower's name**

\_\_\_\_\_  
Date



Schedule A

ASSIGNMENT OF WAGES and DIRECTION TO PAY

WHEREAS **Name of borrower** (the “Assignor”) is employed **as Borrower’s position** with The University of British Columbia (the “Assignee”) pursuant to which employment the Assignee is indebted and makes regular payment to the Assignor in the form of monthly payments after the usual payroll deductions (the “Salary”);

AND WHEREAS the Assignor is indebted to the Assignee in the sum of **Amount of loan written out** (**\$Amount of loan in numbers**) with interest for a term following the date the Assignee advanced such funds to the Assignor (the “Date of Advance”) until the date the debt is called by the Assignee and with interest accruing at the CRA Prescribed Rate calculated monthly not in advance thereafter (the “Debt”);

NOW THEREFORE WITNESSES that in consideration of the payment to the Assignor by the Assignee of the sum of ONE DOLLAR (\$1) (the receipt and sufficiency of which are hereby acknowledged by the Assignor) and other good and valuable consideration provided by the Assignee to the Assignor, the Assignor does hereby for his or her self, heirs, executors, administrators, successors and assigns, assign unto the Assignee, its successors and assigns, absolutely and irrevocably all his or her right, title and interest, both legal and equitable, in the Salary to the limit of the first **Monthly payment written out** (**\$Monthly payment in numbers**) of each monthly payment of the Salary to the Assignor (the “Assigned Salary”) until such time as there is no further money due and owing by the Assignor to the Assignee with respect to the Debt;

The Assignor and the Assignee will make, do and execute or cause to be made, done and executed all such other things, acts, deeds, documents, and assurances as may be necessary or reasonably required to carry out the intent and purpose of this Assignment of Wages and Direction to Pay fully and effectively;

In the event that the Assignor fails to fully repay to the Assignee the Debt within three (3) weeks of the date the University make lawful demand for payment of the debt (the “Grace Period”), the Assignor hereby authorizes and requests the Assignee to withhold and credit to the account of the Assignor's Debt, the Assigned Salary commencing on the first monthly payment date of Salary after expiration of the Grace Period and continuing on each and every monthly payment date of Salary thereafter during the Assignor's employ with the Assignee until such time as the Debt has been paid in full;

The Assignor hereby declares that any receipt issued by the Assignee shall discharge the Assignee from such portion of Salary otherwise due to the Assignor equal to the amount of the said receipt;



IN WITNESS WHEREOF the Assignor has caused this Assignment of Wages and Direction to Pay to be executed in the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**SIGNED AND DELIVERED** in the presence of: )

)

)

)

Name: \_\_\_\_\_ )

Name of Assignor

Address: \_\_\_\_\_ )

)

)

)

)





**Schedule B**

**CERTIFICATE OF ANNUAL COMPLIANCE**

THE UNDERSIGNED, does hereby certify to The University of British Columbia (“**UBC**”) in connection with the commitment letter (the “**Agreement**”) between the undersigned and UBC in respect of \_\_\_\_\_, Vancouver, BC (the “**Property**”), that:

1. I am the person defined as the “**Employee**” in the Agreement between me and UBC with respect to the loan granted for the Property, and I am a full-time tenure or tenure-track faculty member at UBC.
2. I am the registered owner of the Property.
3. The Property is my principal residence, meaning that the Property is the residence that I ordinarily inhabit and continually occupy on a full time basis.
4. The Property is the only residential real property lot or strata lot owned in whole or in part by me in Metro Vancouver.
5. The Property has not been rented to anyone except for when UBC has, in writing, approved an absence for me from UBC, and, if so, the Property was only rented to another person for the duration of this approved absence.
6. The First Mortgage, as defined in the Agreement, granted over the Property is in good standing, as are all terms and conditions of the First Mortgage including all agreements and security collateral thereto.
7. Save and except for the First Mortgage and the Mortgage, the Property has not been encumbered by any financial charge, nor has any lien or certificate of pending litigation been permitted to be registered against the title to the Property.
8. I have attached the most recent renewal binder or note of insurance for fire and extended coverage perils, and for contents and third party liability for the Property.
9. I have paid all property taxes, strata fees, services levies and any other charge related to ownership of the Property when due.
10. The Property has been maintained in a condition that would be expected of a prudent owner acting reasonably.

IN WITNESS WHEREOF I have hereunto signed my name effective the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

