



Arm's Length Mortgage

- Must be to a third party - no relationship through blood, marriage (including common law), or adoption. Also, the mortgagor cannot be a company that you or your relative partially or fully own.
- "You" means Annuitant.
- "Mortgagee" means the Planholder, Lender and Annuitant. "Mortgagor" means Borrower.
- Must comply with requirements of the Income Tax Act (Canada) and of Canada Revenue Agency ("CRA")

If the Borrower you are giving a mortgage to is a third party, then an Arm's Length Mortgage Package comprising 5 forms can be downloaded in its entirety. **This package must be completed and signed by the RSP Planholder.**

Once the forms are downloaded and completed, they must be faxed to the SDRSP Mortgage Department in Toronto - fax # 416-542-0502 - please note that a draft mortgage document from the lawyer showing the proper Mortgagee (stated in # 6 below) must be faxed to the SDRSP Mortgage Department at least 5 full business days prior to advance.

Attached are the following documents, **which must be completed and returned** to TD Waterhouse Canada Inc. Attention: SDRSP Mortgage Department. We require at least 5 full business days after our receipt of all fully and correctly completed and signed documents. Please ensure that there **is sufficient cash available in the plan.** **Please note: money market funds are not cash and must be sold prior to the advance being made.**

1. Mortgage Details Form
2. Letter of Direction Re: Funds
3. Arm's Length Declaration
4. Arm's Length Mortgage Agreement
5. Pre-Authorized Debit Form

Please note that we require the following documents to be provided to us in addition to the above package:

6. A **draft copy** of the mortgage. ***We will also require the duplicate registered mortgage document no later than 30 days from closing along with the lawyer's reporting letter.*** If the mortgage has been registered, and is being transferred into your SDRSP Plan, a copy of the original duplicate registered mortgage and a draft copy of the Transfer of Charge/Assignment is required indicating the mortgagee as:

The Canada Trust Company as Trustee for SDRSP No.: _____

Chargee's address is: TD Waterhouse Canada Inc., SDRSP Mortgage Department
77 Bloor Street West, 4th floor,
Toronto, Ontario M5S 1M2.

Mailing Address: P.O. Box 5999 Stn F,
77 Bloor Street West, 4th floor,
Toronto, Ontario M4Y 2T1

Arm's Length Package Check List

Please note: We require at least 5 full business days notice after receipt of all correctly completed and signed documents before advance of funds.

- ☐ Mortgage Details
 - to be completed in full.
- ☐ Letter of Direction
 - completed in full with method of fee payment indicated
- ☐ Arm's Length Declaration
 - completed, signed and witnessed
- ☐ Arm's Length Mortgage Agreement
 - completed, signed and witnessed
- ☐ Pre-Authorized Payment Form
 - completed and signed by Borrower (Mortgagor) with a copy of a void cheque attached
- ☐ Solicitor advised to supply the prepared draft mortgage documentation (#6 of from page) to us at least 5 full business days before advance of funds.
- ☐ If more then one lender (Mortgagee), we must receive this package from each lender
- ☐ Funding date and interest adjustment date: If different, we must be advised.



SDRSP No.: _____

Name of Mortgagor(s): _____

Address: _____

Address of Mortgaged Property: _____

Mortgage Priority Position: _____ (1st, 2nd or 3rd)

Mortgage Amount: _____

Interest Adjustment Date: _____

Date of Advance: _____

First Payment Date: _____

Interest Rate Per Annum**: _____

Payment Amount: Blended: _____

Int. Only: _____

Other : _____

Maturity Date: _____

Amortization Period: _____

Payment Frequency: _____

** Interest rate must not exceed 30% in accordance with our guidelines.

TD Waterhouse Canada Inc.
SDRSP Mortgage Department
77 Bloor Street West, 4th floor
Toronto, Ontario M4Y 2T1

RE: SDRSP # _____ ("Plan")

Mortgagor _____

Please accept this as your authorization to pay the sum of \$ _____ from
my Plan to my lawyer _____ in TRUST.

I acknowledge that I have received INDEPENDENT LEGAL and OTHER ADVICE before deciding that my Plan
will invest in this Mortgage and before signing this Letter of Direction.

Mortgage Fees Payable on Advance:

Set up Fee	\$100.00 + GST *	=	\$105.00
Annual Mortgage Fee	\$200.00 + GST *	=	\$210.00
			<u>\$315.00</u>

Fee for Additional Advances/Increases To Existing Mortgages: \$100.00+GST*

*QST/HST charged where applicable. GST Registration #R105255145

Please Note: **Mortgage fees are per mortgage per plan**

- Method of Payment:
- ☐ Cheque attached
 - ☐ Charge Plan
 - ☐ Debit my Bank Account (copy of void cheque attached)
 - ☐ Deduct from Advance

Dated this _____ day of _____, 20 _____.

Planholder Signature



In the Matter of the Self-Directed
Registered Retirement Savings Plan

Account # _____

I, _____ of the City of _____ in the Province
of _____, make oath and say:

1. I am the Planholder of Self-Directed Registered Retirement Savings Plan No. _____
of which The Canada Trust Company is the Trustee.

2. I have requested the Trustee to accept as an investment in such Plan a Mortgage between
_____ as mortgagor(s) and the Trustee of such Plan as mortgagee.

This mortgage will be in a _____ priority position.

Please Note: TD Waterhouse only accepts 1st, 2nd or 3rd position mortgages.

3. I am dealing at arm's length with such mortgagor(s) as such term is defined in s.251 of the Income Tax Act
(Canada), as amended.

Date _____

Planholder Signature

Witness

Address: SDRSP Mortgage Department
77 Bloor Street West, 4th Floor
P.O. Box 5999 Stn F,
Toronto, Ontario M4Y 2T1

Date (mm/dd/yyyy) _____

Annuitant Information

SDRSP/RIF Plan Number _____

Annuitant name _____

Address _____

In this Arm's Length Mortgage Agreement, the words *you* and *your* mean each Annuitant named above. *We, our, ours* and *us* mean The Canada Trust Company and its agent, TD Waterhouse Canada Inc.

Background Information

You are the annuitant under a Self-Directed Retirement Savings Plan or Self-Directed Registered Retirement Income Fund described below and held with us (individually called the "Plan" and collectively called the "Plans") as Trustee of the Plan;

You have instructed us to invest funds held in the Plan(s) in loan(s). Each loan will be secured by a mortgage on the lands and premises (the "*Premises*") described in the mortgage attached as Schedule A (the "*Mortgage*"); and

The following advances are to be made under the Mortgage:

Annuitant	Plan No.	Advance \$
		Total Advance \$

Each Plan's share is the amount advanced by the Plan divided by the total amount advanced under the Mortgage (the "*Share*");

Fee Information ** + Applicable Taxes (GST, QST, HST)

Set up Fee per Advance per mortgage per plan **	\$100.00
Annual Service Fee per mortgage per plan **	\$200.00
Fee for each Dishonored payment per plan	\$ 30.00

Signatures

Each person who signs this Arm's Length Mortgage Agreement is jointly and severally liable for payment of all amounts owed **in accordance with the Terms and Conditions attached.**
Your signature below means:

- the information provided in this Agreement is complete and correct;
- you understand and agree to the Terms and Conditions of this Agreement; and
- you have received an executed copy of this Agreement.

X

Annuitant's Signature

X

Witness

The Canada Trust Company by: Authorized Officer: _____

Terms and Conditions - Arm's Length Mortgage Agreement

The information specified on the front of this agreement, along with the following terms and conditions, form the agreement governing your arm's length mortgage agreement with The Canada Trust Company. In return for our entering into this agreement, you agree with us as follows:

1. Administration

We will administer the Mortgage on behalf of the Plan until the Mortgage matures or terminates for some other reason. Our responsibility in administering the Mortgage is limited to receiving, recording and reporting on payments under the Mortgage with the same degree of care and skill as a reasonably prudent corporate mortgagee would exercise in the administration of its own mortgage investment portfolio in similar circumstances. The Canada Trust Company may delegate its administrative duties under this agreement to an agent, which agent shall be an affiliate of The Canada Trust Company.

2. Annual Service Fee

There will be an Annual Service Fee, described on page 1, which each Plan will pay to us. This fee will be charged when an advance is made by us under the Mortgage and annually thereafter. The fee is subject to change from time to time. We will provide you with written notice of any fee change. A fee change will become effective and will apply even if the notice of change has not been received. A charge of \$30.00 will be charged to the Plan for any cheques not honoured.

3. Payment To Plan

We will pay to the Plan the amounts paid on the mortgage minus:

- (1) our Annual Service Fee, and
- (2) amounts disbursed by us in the course of our administration of the Mortgage

4. Statement to You

The monthly statement we send to you for your Plan will show the monies received and disbursed by us in the course of our administration of the Mortgage.

5. Payment of Expenses and Fees of Mortgage

We are not required to use our own funds for any purpose in connection with the Mortgage. All legal costs, etc. are your responsibility and paid by you. If we pay out of our own funds any of the following which obligations are your responsibility:

- (a) insurance premiums,
- (b) taxes,
- (c) charges for public utilities,
- (d) the cost of any repairs or maintenance to the Premises,
- (e) the fees for solicitors, appraisers or other experts, and

- (f) any other expense and/or fee whose payment we consider to be in the interest of the Plan;

we may deduct from the Plan its Share of any such expenditures with interest at the same interest rate as is payable under the Mortgage. If there are insufficient funds in the Plan for this purpose, we may demand from you the amount of any such insufficiency and you will pay us such amount forthwith.

6. Use of Experts

In performing our duties and powers under this Agreement we may obtain and act or not act on the advice of or information obtained from any lawyer, appraiser, surveyor, engineer, architect or other expert we retain. We will not be responsible for any loss which results because we or the Plan take and rely upon any such advice in good faith. We will also not be responsible for any loss which results because we or the Plan do not take and/or rely upon any such advice in good faith. The Plan shall pay its Share of the costs of obtaining the services of such experts. We are not bound to supervise the actions of, nor are we responsible for any misconduct on the part of any expert retained by us, provided that we have used reasonable care in the selection of such expert.

7. Registration of Mortgage

You are responsible for the preparation and registration of all documents relating to the Mortgage. You will submit all draft documents to us for approval prior to the registration of the Mortgage and advance of funds. You will instruct your solicitor to deliver an opinion to us confirming that the title to the Premises is satisfactory to us, together with the duplicate registered copy of the Mortgage, registered in the name of The Canada Trust Company as Trustee for SDRSP # _____.

8. Non Registration of Interest

Neither you nor the Plan shall register or deposit or cause to be registered or deposited in any Registry or Land Titles Office any document giving any indication of any interest in the Mortgage.

9. Power to Enter Agreement

We have the power under all relevant laws to perform the terms of this Agreement.

You have the power under all relevant laws to acquire and hold the interest in the Mortgage to be held by the Plan and to perform the terms of this Agreement.

We provide no representation with respect to the validity or sufficiency of the Mortgage or any other security for the loan(s). You and the Plan agree that there is no representation or agreement, express or implied, collateral or otherwise, in any way relating to this Agreement or to the Mortgage or the loan(s) beyond those expressly provided by us.

10. Charge on Plan's Interests

All monies payable hereunder by the Plan to us shall be secured by, and constitute a charge upon, the Plan's interest in:

- (a) the Mortgage;
- (b) all proceeds of the Mortgage or of such Mortgage Insurance Policy;
- (c) the Premises;
- (d) all income derived from the Mortgage; and
- (e) all proceeds from the sale of the Premises.

11. Notice of Default of Mortgage

We will notify you of the default whenever there has been default under the Mortgage for a period of three (3) months.

12. Enforcement of Mortgage

We will not exercise any discretion or pursue any remedy under the Mortgage or by the provisions of any applicable law. You are responsible for initiating any necessary legal action, and for all costs related to such legal action. Upon receipt of written notice, we agree to be named as a party in any necessary legal action. All monies received as a result of such legal action shall be paid to the Plan. If we are served with notice of a legal proceeding on the Mortgage commenced by a third party, we shall forward copies of the notice to you.

13. Termination

This Agreement may be terminated by you or us on 30 days written notice. The following costs shall be borne by the party requesting cancellation: all reasonable actual and administrative costs incurred in transferring the Mortgage out of our servicing system, the cost of notifying the mortgagor of a change in the place of payment and the current Annual Service Fee provided for in this Agreement.

14. Cancellation of Agreement

The Agreement shall be null and void in the event that the Mortgage is cancelled for any reason before any advances are made.

15. Mortgage a "Qualified Investment"

You confirm that the Mortgage is and remains a "qualified investment" for the Plan within the meaning of the *Income Tax Act* (Canada). You acknowledge that taxes may be payable from the Plan if the Mortgage is not or ceases to be a "qualified investment". Failure to keep the Mortgage in good standing could cause the Mortgage to forfeit its eligibility as a "qualified investment" for the Plan within the meaning of the *Income Tax Act* (Canada).

16. Release

You and the Plan hereby release us and our employees from:

- (a) all liability for any loss, damage or injury to the Plan or to you resulting from the Plan's investment in the Mortgage; and
 - (b) all liability relating to any action taken by you with respect to the Mortgage (including the loss of registered status of the Plan),
- except such loss, damage or injury arising from our gross negligence or willful misconduct.

17. Independent Advice

You acknowledge that you have received independent legal and other professional advice before deciding that the Plan will invest in the Mortgage and before signing this Agreement.

18. Notices

All notices and instructions required to be given to or by the Plan will be deemed to have been given to or received by the Plan if given to or received by you.

19. Others Governed by this Agreement

This Agreement is for the benefit of and is binding on all parties and their respective heirs, executors, administrators, successors and assigns as if they were specifically named. In this Agreement time is of the essence. All due dates for payments must be strictly observed due to the cost consequences which arise to a particular party or to all parties if a particular payment is not made on time. Furthermore, an allowance in a specific instance of the passing of a deadline without penalty by any party to this Agreement can't be relied upon by any party to qualify this statement and/or to be used or accepted as a defence if there is later an attempt to enforce the deadline or claim damages as a result of a late payment or other violation of a time deadline.

**To: The Canada Trust Company
Trustee for:**

**Authorization of Borrower
Pre-Authorized Debit Plan for Mortgage Payments**

TD Waterhouse Canada Inc.
77 Bloor Street West, 4th Floor
Toronto, Ontario M4Y 2T1

SDRSP Mortgage Account/Number _____ - _____

Borrower's Name _____

Property Address _____

Telephone No.: Residential: _____ Business: _____

Authorization:

Agreement with The Canada Trust Company and TD Waterhouse Canada Inc.

1. I hereby authorize you to debit my account with the DEPOSITORY in paper or electronic form under the terms of my mortgage loan:

a) For Interest on Advances:

The dollar amount of Interest on each Advance due monthly which may vary up to a maximum of \$ _____, on the _____ day of each payment period being the _____ day of _____ 20 ____.

b) For Regular Payments:

The dollar amount of \$ _____ on the _____ day of each payment period, beginning with the _____ day of _____ 20 _____, which amount may be revised at any time to reflect changes in the execution of a renewal agreement.

The payment period is ☐ Monthly ☐ Semi-Monthly ☐ Biweekly or ☐ Weekly

Name of Depository: _____

Branch Address _____

Institution No: _____ Br. Tran. No. _____

Account No. to be Charged _____ Account Type _____

A Cheque for this account marked 'Void' must be attached to this signed authorization

2. I undertake to inform you of any change in the account or address information provided in this Authorization within 15 days after the change occurs.
3. I acknowledge that this authorization is provided for the benefit of The Canada Trust Company and TD Waterhouse Canada Inc. and is provided in consideration of the Depository agreeing to process debits against my account in accordance with the Rules of the Canada Payment Association. I warrant and guarantee that all persons whose signatures are required to sign on this account have signed below.
4. I acknowledge that, if a payment is returned due to insufficient funds, further debits will continue until such time as you are advised in writing to stop such debits and any charges of such returned items will be at my expense.
5. I acknowledge that this agreement may be terminated by you if regular periodic debits are dishonored.
6. I acknowledge that the Depository may continue to debit my account under the authorization until it has received an acceptable written notice of revocation of this authorization, and such notice shall be considered as an order for stop payment of all debits under this authorization. I acknowledge that, in order to revoke this authorization, I must notify you immediately of such revocation. Revocation of this authorization does not terminate any other agreement that exists between me and The Canada Trust Company or TD Waterhouse Canada Inc.
7. I acknowledge that it will not be possible to stop payment of a debit unless the exact amount of the debit is specified in the stop payment request. For this reason, I will have no recourse against the Depository and any dispute concerning the debit is a matter to be resolved by me and The Canada Trust Company and/or TD Waterhouse Canada Inc. directly.
8. I acknowledge that the Depository is not required to verify or check that any purpose of payment or condition of payment stated in the authorization signed by me is fulfilled or is observed.
9. I acknowledge that, if the day on which a debit is authorized to be presented is not a business day, my account will not be debited until the next business day.
10. I acknowledge that delivery of this authorization to The Canada Trust Company and/or TD Waterhouse Canada Inc. constitutes delivery by me to the Depository.
11. I agree with you to waive any pre-notification requirement under the Rules of the Canadian Payment Association with respect to debits subject to this authorization.
12. I may dispute a debit under the following conditions:
 - (i) the debit was not drawn in accordance with this authorization; or
 - (ii) this authorization has been revoked; or
 - (iii) pre-notification was not received and such pre-notification was required under the terms of this authorization.

I acknowledge that, in order to be reimbursed, a declaration to the effect of (i), (ii) or (iii) must be completed and presented to the branch of the Depository holding my account up to and including 90 calendar days after the date on which the debit was posted to my account. I acknowledge that a claim on the basis that this authorization was revoked, or any other reason, is a matter to be resolved solely between me and The Canada Trust Company or TD Waterhouse Canada Inc. when disputing any debit after 90 calendar days.

13. I acknowledge receiving a copy of this authorization.

Dated at _____ this _____ day of _____, 20____.

Where there is more than one Borrower, the provisions hereof shall be read with all grammatical changes thereby rendered necessary.
NOTE: Revocation of this authorization does not by itself terminate your Mortgage Contract.

Signatures

