

**1. When can I apply?**

The program is now open for applications. Qualified applications will be approved on a first-come, first-served basis until the \$4 million budget is fully allocated.

**2. How do I know if I qualify and how will I get approval?**

Successful applicants will receive confirmation from the Newfoundland and Labrador Housing Corporation (NLHC) with their approval and requirements for next steps.

**3. What are the terms of the forgivable loan?**

The rebate amount issued by NLHC will be registered on the title of your primary residence for five years. The loan and all accrued interest will be forgiven each year at a rate of 20 per cent (up to \$8,000 annually for a maximum loan value of \$40,000), providing the applicant complies with the terms of the operating agreement. This includes, but is not limited to, the following:

- The property continues to be the principal residence of the owner(s)
- The provision of an annual affidavit confirming the following:
  - That you continue to own the home and occupy it as your primary residence;
  - That the unit is occupied and rented to an eligible tenant as per program guidelines;
  - That the rental rate charged is at or below the rate established by NLHC; and
  - That the rental agreement is in accordance with the NL Residential Tenancies Act (2018 or later).

**4. How many applications will be approved?**

Qualified applications will be approved on a first-come, first-served basis until the \$4 million budget is fully allocated.

**5. Where can I find more information on the application process?**

We encourage you to review the eligibility criteria and take steps to gather information for your application. Please see the [Program Fact Sheet](#) and [application form](#).

**6. What costs are eligible for the rebate?**

Costs to be covered by the rebate must be directly related to the creation of the secondary or basement suite, and include:

- Architectural and design fees related to the production of drawings and specifications directly related to eligible scope of work
- Inspection fees (where applicable);
- Structural modification;
- Mechanical, Plumbing, and Electrical
- Fixtures;
- Appliances (50 per cent of actual cost to a maximum of \$2,500);
- Building and trade permit fees;
- Costs to obtain certificates, drawings and specifications directly related to eligible scope of work;
- Relevant construction materials
- Contractor labour (not including work done by Applicant or any member of the Household); and
- HST.

The following costs will not be eligible:

- Repair of existing rental units;
- Labour costs for work completed by the homeowner; and
- Landscaping costs.

**7. Is there a minimum amount to be eligible?**

- The minimum loan under this program is \$10,000.
- To qualify for this program, the cost to create a secondary or basement suite on your property will need to be \$20,000 or more.

**8. Is it possible to get pre-approved for the rebate before obtaining a permit?**

- No, to be eligible for the program, we require a copy of your approved municipal permits, where applicable.

**9. I have recently completed a secondary/basement suite, or I am in the process of building a secondary/basement suite. Am I eligible?**

- The program is available to homeowners who meet the eligibility criteria and who received a building permit on or after January 1, 2024.

**10. Who can rent the secondary or basement suite unit, once complete?**

- The tenant(s) must have a combined household income of less than \$42,000 and be verified by the homeowner upon move-in by viewing the most recent tax year Notice of Assessment (line 15000).
- The tenant(s) may not be siblings or children of the homeowner/applicant, but may be a parent or parents of the homeowner if they are aged 65 or older.

**11. What happens after the five-year period? Can I charge market rent for the suite after that?**

- After the loan has been fully forgiven, there is no restriction on what rent can be charged and the mortgage related to the Secondary and Basement Suite Incentive Program will be discharged.

**12. What is a principal residence?**

- A principal residence is the home where an owner lives permanently for at least six months per year and is the residential address used by the applicant for tax returns, vehicle registration and their government-issued identification.

**13. What kind of suites are eligible?**

- Eligible projects must be contained within the primary residence property. It can include secondary suites attached to the primary residence or conversion of living or undeveloped space or new construction.
- The new unit must be registered (where applicable), self-contained and provide living, sleeping, eating, food preparation and sanitary facilities for the exclusive use of the household occupying the unit.

**14. Do mobile homes, RV's or travel trailers qualify?**

- No, the program is available for creation of new, permanent self-contained units.

**15. What documents are needed to apply?**

- You will need to provide the following:
  - Completed application form;
  - Proof of residency in the home to be modified (e.g., driver's license, utility bill);
  - Proof of home ownership for the home to be modified (deed and survey);
  - Approved Building Permit from your municipality (where applicable);
  - Confirmation of assets or private financing in place for the balance of funds required to complete the renovation; and
  - A contractor quote to complete the secondary or basement suite.

**16. How do I find a contractor?**

- It is the responsibility of the homeowner to hire the contractor and to conduct their own due diligence during this process. More resources and tips for selecting a contractor can be found at <https://chbanl.ca/consumers/how-we-can-help-you/>

**17. What documents will be needed to process the payment of my rebate?**

- You will need the following documents to seek a rebate
  - Provide proof of payment for eligible costs (e.g. paid receipts/invoices for materials and labour).
    - Invoices/receipts must indicate the homeowner name and/or address of property by the issuer and that it has been paid in full.
  - Provide a copy of the occupancy permit issued by your municipality (if applicable).
    - In local service districts or Towns where occupancy permits are not provided, completion of the basement or secondary suite shall be verified by a third-party inspector. Costs incurred for a third-party inspection are an eligible expense under the program.
    - An inspector may be a professional Engineer licensed to practice by the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador; an Architect licensed to practice by the Newfoundland Association of Architects; or a Technician or Technologist certified by the Association of Engineering Technicians and Technologists of Newfoundland and Labrador.
  - Completed [NLHC Direct Deposit Enrollment Form \(FCN 3710\)](#)

**18. When am I able to apply for my rebate?**

- You are able to apply for your rebate once the renovation is complete and an occupancy permit or qualified inspection form has been provided.

**19. What happens if I get the rebate but then no longer meet the terms and conditions of the forgivable loan agreement before the end of the five-year period?**

- Should you no longer be eligible for the program for any reason, you would be responsible for repaying any outstanding principal balance and interest accrued.
- This could occur for several different reasons, including a sale of the property during the forgiveness period, or no longer meeting the terms and conditions of the forgivable loan (e.g. no longer the homeowners' primary residence, unit is no longer rented or is rented at a level above those established by NLHC, etc.).

**20.** Can I buy a new home and get the funding towards the purchase if the new home has a basement apartment?

- No, the program does not apply to a newly built home where a subsidiary dwelling unit already exists. (example: Purchasing a 2024 newly built 2-bedroom home with a built-in basement apartment listed on MLS)

**21.** Can I hire a contractor to build a new house and get the funding towards the purchase if the new house includes a basement apartment?

- Yes, Program does apply to a newly built house where the proponent is the primary resident and has a subsidiary dwelling unit as part of the new construction.
- A signed contract with a builder dated after January 1, 2024 required.

**22.** Can I build a new house (owner acts as general contractor or builds house themselves) and get the funding towards the cost if the new house includes a basement apartment?

- Yes, Program does apply to a newly built home where the proponent is the primary resident, a subsidiary dwelling unit added and the proponent is acting as the general contractor
- Proof of land ownership and permit dated after January 1, 2024 required