

NUNAVUT HOUSING CORPORATION



Verification of Income Guidelines

(VOI Guidelines)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

TABLE OF CONTENTS

OBJECTIVE	1
SUMMARY	1
INCOME VERIFICATION	1
TOTAL INCOME	2
INCOME ELIGIBILITY LIMITS	4
ADJUSTED INCOME ELIGIBILITY LIMITS	4
WAGE EMPLOYMENT	4
SELF-EMPLOYED CLIENTS	5
INVESTMENT INCOME	6
PENSION INCOME	6
EMPLOYMENT INSURANCE	7
INCOME SUPPORT	7
SEASONAL/CASUAL EMPLOYMENT	7
APPENDICES	7

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

All NHC Homeownership Programs
Verification of Income (VOI)
October 2014

OBJECTIVE

The objective of the Verification of Income (VOI) Guidelines for Homeownership Programs is to ensure that all Homeownership program applicants, as well as existing clients, have their income(s) accurately and consistently verified. The income information is primarily used:

- To determine applicant eligibility for current programs (i.e. homeownership and home repair programs).
- To determine client repayment amounts for NHC geared-to-income (GTI) mortgages.
- For homeownership counseling (i.e. affordability analysis) and to assess applicant and client financial capacity.

SUMMARY

- The Nunavut Housing Corporation delivers homeownership programs in order to assist Nunavummiut in obtaining sustainable, affordable, adequate, and suitable housing.
- Funding for homeownership programs is limited, therefore all applicants who apply for the NHC's homeownership programs must demonstrate to the Corporation that they qualify for assistance according to the current eligibility criteria, which may include income limitations.
- NHC housing programs are publicly funded; therefore, officials charged with verifying incomes must do their utmost to ensure accurate information is obtained and that the policies and procedures are consistently applied across Nunavut.

INCOME VERIFICATION

- All new applicants and in some cases existing clients (NHC-held GTI-mortgages) are required to provide income information to the NHC for review.
- An applicant's spouse/common-law partner must be listed as co-applicant and their combined income verified.
- All income verification documentation must be copied and retained in the client's file for auditing purposes.
- For all NHC homeownership program functions, including determining program eligibility, determining assistance amounts, and determining mortgage repayment amounts, the NHC, for wage-based clients, will verify current income through the client's employer.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	All NHC Homeownership Programs Verification of Income (VOI) October 2014
------------------------------------	--

At their discretion, District Directors may require three-year averaging using Canada Revenue Agency (CRA) data to provide a more detailed client income synopsis.

- For self-employed persons and in situations where income tends to fluctuate, and/or identifying total income is problematic, three-year averaging using CRA data will be used for income verification.
- In cases where income must be verified through CRA and the report shows the applicant has not filed their income tax, it will not be possible to verify income. Therefore, the client(s) is not eligible for assistance until such time as their income can accurately be verified.

TOTAL INCOME

Total income is the combined before tax revenue of the applicant and co-applicant or mortgagor(s) to be included in the verification. The following income is from the following sources is included in the Verification of Income for eligibility of NHC homeownership programs:

- Wages and Salaries (before deductions for taxes, pensions, etc.)
- Apprenticeship and job training wages
- Settlement, Northern, Isolated Post, or other equivalent allowances
- Vacation Travel Assistance
- Housing and Household allowances
- Miscellaneous income such as bilingual bonus, honoraria, payment for committee work, etc.
- Net income from self employment
- Investment income such as interest and dividends
- Government transfer payments (i.e. Income Support)
- Pension income
- Alimony
Note: Alimony payments are only to be included if it can be distinguished separately from dependent support payments (i.e. through court documents).
- Net income from boarders and roomers as determined in consultation with the District Office.
Note: Boarders and roomers are individuals who are paying rent to the household for

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

All NHC Homeownership Programs
Verification of Income (VOI)
October 2014

shelter services. In order to be considered boarders or roomers, it must be proven that rent is being paid, either through copies of checks, receipts, or income tax returns.

The following income is excluded from verification:

- Refundable tax credits such as GST Tax Credit and Child Tax Benefit (federal and territorial), Universal Child Care Benefit (UCCB) and Income tax refunds
- Dependent support payments
- Gambling gains and losses
- Money inherited during the year in a lump sum
- Capital gains and losses
- Scholarships
- Loans repaid to an individual
- Refunds of pension contributions
- Compensation received from Government for victims of criminal acts
- NTI Elder Benefits
- High Arctic Relocateses' Compensation
- Lump sum settlement of insurance policies
- Rebates of property taxes and other taxes

Note: Lump sum versus streamed payment income

Streamed Payments or payments received on a periodic or regular basis (i.e. weekly, monthly, annual interest on investments, etc.), are included in calculating total income unless noted otherwise above.

Lump Sum Payments or payments received in one disbursement, such as inheritances, disability awards; insurance settlements, etc. are not included in calculating total income, unless noted otherwise above.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	All NHC Homeownership Programs Verification of Income (VOI) October 2014
----------------------------	--

INCOME ELIGIBILITY LIMITS

- Income limits are determined using the HOMEOWNERSHIP PROGRAM INCOME ELIGIBILITY (HPIE) calculation and apply only to Homeownership Programs listed in Appendix I.
- NHC's Homeownership Program Income Eligibility (HPIE) Limits for NHC homeownership programs are to be indexed to NHC's Core Need Income Threshold, and updated concurrently.
- The Homeownership Program Income Eligibility (HPIE) Limits for NHC homeownership programs are based on modified community Core Need Income Thresholds (CNIT) and reflect the following costs:
 - Financing; Land/Lease; Site Preparation; Foundation; Materials; Shipping; Full Labour Costs; Taxes; Maintenance; Insurance; Power; Heat; Water/Sewer.
- NHC's Core Need Income Thresholds match the Household Income Limits (HILs) released by the Canada Mortgage and Housing Corporation (CMHC) and reflect the "costs to own, maintain and operate a modest three-bed room home."

ADJUSTED INCOME ELIGIBILITY LIMITS

For determining applicant eligibility:

- The income of the applicant(s) is to be adjusted downward by the amount of any Northern Allowance, Settlement Allowance, Isolated Post Allowance or any other equivalent cost-of-living allowance provided by employers.
- The income of the applicant(s) is also adjusted downward by any vacation travel assistance provided by the employers, but only by the amount that can be substantiated by travel receipts as submitted by the applicant(s).
- To make homeownership programs more accessible to couples and people with children, the Income Eligibility Threshold is adjusted upward in increments of \$6,500 – one increment for a spouse, and one increment for each child (see VOI Guidelines Appendix II).

WAGE EMPLOYMENT

- Wage employment means a regular, permanent full-time, permanent part-time, a term position of one year or more, or any other kind of regular stable employment.
- Clients who are employed and are receiving a wage or salary are required to have their employer complete a verification of income form.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	All NHC Homeownership Programs Verification of Income (VOI) October 2014
------------------------------------	--

- Verification documentation for wage employment must show a breakdown of earnings identifying any miscellaneous income, allowances, overtime, bonuses, Vacation Travel Assistance, honoraria, etc.
- In cases where clients have miscellaneous income from sources other than from their employer, a separate verification of income form is required for each source.

SELF-EMPLOYED CLIENTS

- An applicant shall be deemed self-employed where any of the following apply:
 - a) The individual earns income directly from his/her own business, trade, or profession, rather than as a specified salary or wages from an employer;
 - b) The individual is registered or recognized as the owner of a company or business;
 - c) The individual is registered or recognized as being a partner in a company or a business;
 - d) The individual is registered or recognized as a majority shareholder of a company or business, or who holds a controlling interest in a company or business;
 - e) The individual is in a position of control of a company or business, where decisions made by that individual can affect their personal earnings, retained earnings of the company or business, or the equity level in that company or business;
 - f) The individual receives payment from consumers as a result of providing goods or services through his/her trade or profession.
- The calculation of income for clients who are deemed self-employed includes the net pre-tax income from their business before any dividends are paid. The amount counted as income is that portion of the pre-tax profits which the individual is entitled to. If the individual paid themselves a salary, this must be also counted as income.
- The determination of net income for self-employed clients will be rendered by District Directors in consultation with District Comptrollers.
- Self employed clients are required to provide income verification documentation over a three year period. If this information is not available over this time period, a two-year period can be used as a last resort. The clients' income is averaged out over this time period to determine net income.
- In order to verify income for incorporated and unincorporated businesses, the following documentation is required:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	All NHC Homeownership Programs Verification of Income (VOI) October 2014
------------------------------------	--

Incorporated Business

- Corporation Income Tax Return. Also required is the Notice of Assessment for the two previous years.
- A current audited or reviewed financial statement completed by a qualified accountant.
- Individual Income Tax Return. The applicant(s) is also required to provide the Notice of Assessment for the previous two years.

Note: If the client(s) cannot obtain an audited or reviewed financial statement, the client(s) must satisfy the NHC that the income tax forms have been completed accurately.

Unincorporated Business

- Individual Income Tax Return complete with all information slips and schedules. In addition to this, the applicant(s) is required to provide the Notice of Assessment for the previous two years.
- Statement of Income and Expenses from a Business or Statement of Income and Expenses from a Professional Practice.
- Capital Cost Allowance Schedule.

INVESTMENT INCOME

- This source of income includes interest and dividends received on bonds, deposits, savings certificates and corporate stocks from Canadian or foreign sources, net rental income from real estate, regular income from an estate or trust fund and any other investment income.

PENSION INCOME

- Pension income means income from Government, Private, and Employer pensions. Old Age Security pensions, Guaranteed Income Supplement, Canada Pension Plan, Quebec Pension Plan, Widow, Orphan and Survivor pensions, Disability Pensions, pensions through employers and private pension plans are all considered income and must be verified.
- Pension income is verified by taking photocopies of pension cheques. It is also recommended that income be verified through CRA to ensure all sources of income have been verified.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

All NHC Homeownership Programs
Verification of Income (VOI)
October 2014

EMPLOYMENT INSURANCE

- If a client(s) is currently receiving Employment Insurance benefits, verification of income is obtained through CRA. The client's income is required over a three-year period and is averaged out over this time period to determine income.
- Employment insurance is a temporary income source; therefore an evaluation of the applicant's employment history should be conducted to determine financial stability.

INCOME SUPPORT

- Clients receiving income support and/or social assistance payments from Federal, Territorial, and Municipal Governments must have their income verified through CRA (because assistance levels may fluctuate from month to month).

SEASONAL/CASUAL EMPLOYMENT

- Verification of Income for seasonal and/or casual employment must be obtained from Canada Revenue Agency.
- When the client(s) is seasonally or casually employed, verification of income is required over a three-year period and averaged out over this time period. If this is not possible, a two-year period is acceptable as a last resort.

APPENDICES

Appendix I - HOMEOWNERSHIP PROGRAM INCOME ELIGIBILITY LIMIT

Appendix II - ADJUSTED INCOME ELIGIBILITY THRESHOLD

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

All NHC Homeownership Programs
Verification of Income (VOI)
October 2014

APPENDIX I

HOMEOWNERSHIP PROGRAM INCOME ELIGIBILITY LIMIT

- NHC's Core Need Income Thresholds match the Household Income Limits (HILs) released by the Canada Mortgage and Housing Corporation (CMHC) and reflect the "costs to own, maintain and operate a modest three-bed room home."
- The Homeownership Program Income Eligibility (HPIE) Limits for NHC homeownership programs are based on modified community Core Need Income Thresholds (CNIT) and reflect the following costs:
 - Financing; Land/Lease; Site Preparation; Foundation; Materials; Shipping; Full Labour Costs; Taxes; Maintenance; Insurance; Power; Heat; Water/Sewer.

Note: CNITs are used to determine eligibility for NHC's Public Housing Program; and only calculate 30% of housing related labour costs.

HPIE Limits have been modified to calculate 100% of labour costs to better reflect actual housing construction costs in a community.
- NHC's Homeownership Program Income Eligibility (HPIE) Limits for NHC homeownership programs are to be indexed to NHC's Core Need Income Threshold, and updated concurrently.

HPIE Limits apply to the following programs:

- Nunavut Down-payment Assistance Program (NDAP)
- Home Renovation Program (HRP)
- Senior Citizen's Home Repair Program (SCHRP)
- Emergency Repair Program (ERP)
- Seniors and Disabled Persons Preventative Maintenance Program (SDPPMP)
- Heating Oil Tank Replacement Program (HOTRP)

HPIE Limits do not apply to the following programs:

- Tenant to Owner Program (TOP)
- Interim Financing Program (IFP)
- Any NHC mortgages, including Geared to Income Mortgages

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	All NHC Homeownership Programs
Module	Verification of Income (VOI)
Date	October 2014

As an example, the 2013 HPIE Limits by community, based on 2013 CNITS, are as follows:

Arctic Bay	\$173,000
Arviat	\$158,500
Baker Lake	\$161,000
Cambridge Bay	\$169,000
Cape Dorset	\$161,500
Chesterfield Inlet	\$167,500
Clyde River	\$169,500
Coral Harbour	\$161,000
Gjoa Haven	\$172,000
Grise Fiord	\$172,000
Hall Beach	\$168,500
Kimmirut	\$166,000
Kugaaruk	\$182,000
Kugluktuk	\$169,500
Igloolik	\$159,500
Iqaluit	\$177,500
Pangnirtung	\$163,500
Pond Inlet	\$167,500
Qikiqtarjuaq	\$160,500
Rankin Inlet	\$185,000
Repulse Bay	\$168,000
Resolute Bay	\$186,000
Sanikiluaq	\$161,000
Taloyoak	\$181,000
Whale Cove	\$160,000

Note: HPIE limits will vary depending on CNIT numbers, based on released CMHC HILs.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	All NHC Homeownership Programs
Module	Verification of Income (VOI)
Date	October 2014

APPENDIX II – ADJUSTED INCOME ELIGIBILITY LIMITS

A. Family and Spouse Adjustment:

To make the above-noted programs more accessible to couples and people with children, the Income Eligibility Threshold is adjusted upward in increments of \$6,500 – one increment for a spouse, and one increment for each child.

Example: Applicant with a spouse and 2 children, with combined household income of \$185,000 in Pond Inlet.

Applicant Household Income (Applicant and Spouse)	\$185,000
Family adjustment (\$6,500 X 3)	- \$ 19,500
<hr/>	
Adjusted Income Eligibility Threshold	\$165,500
Homeownership Program Income Eligibility Limit – Pond Inlet	\$167,500

In this example, the applicant would be eligible for the program, as their household income has been adjusted to fit within their community's Homeownership Program Income Eligibility (HPIE) limit.

B. Northern, Settlement and Vacation Allowance Adjustments

The income of homeownership applicant (i.e. applicant and co-applicant) is to be adjusted downward by the amount of any Northern Allowance, Settlement Allowance, Isolated Post Allowance, or any other cost-of-living allowance provided by employers, and/or Vacation Travel Assistance, if travel receipts are provided.

Note: Northern Allowance amounts vary by Nunavut community.

Example: Applicant and Co-Applicant

Income of Applicant	\$100,000
Income adjustment (Northern Allowance)	- \$ 15,000
<hr/>	
Sub-Total	\$ 85,000
Income of Co-Applicant	\$ 70,000
Income adjustment (Settlement Allowance)	- \$ 8,500
Income adjustment (VTA with receipts)	- \$ 12,000
<hr/>	
Sub-Total	\$ 49,500
<hr/>	
Total Adjusted Income	\$134,500

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	All NHC Homeownership Programs
Module	Verification of Income (VOI)
Date	October 2014

New Applicants

- For eligibility purposes, with respect to all current NHC programs, the following allowances are to be deducted from income:
 - Northern Allowance (Government of Nunavut employees)
 - Isolation Post Allowance (Federal Government employees)
 - Settlement Allowance (Hamlet and LHO employees)
 - Other Cost-of-Living Allowances (other organizations/private sector)
 - Vacation Travel Assistance – only the amount that can be substantiated with receipts
- Some employers may provide their employees with other allowances, which may or may not be in the form of cash. Only cash benefits are to be deducted from income.
- Housing/Household allowances are not to be deducted.

Existing Homeownership Clients (geared-to-income mortgages)

- The above-noted cost-of-living allowances will not be deducted from the income of existing geared-to-income mortgage clients.
- NHC Mortgage clients are required to have their income verified on an annual basis, and monthly mortgage payments are adjusted according to the latest income information.
- The person or persons who are listed on the mortgage document are to have their income assessed.

NUNAVUT HOUSING CORPORATION



Senior and Persons with Disabilities Preventative Maintenance Program

(SPDPMP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

TABLE OF CONTENTS

OBJECTIVE	1
SUMMARY	1
ENABLING LEGISLATION	1
ELIGIBLE CLIENTS.....	1
PRIORITY OF APPLICANTS	2
VERIFICATION OF INCOME	2
ELIGIBLE UNITS	2
CONTRIBUTION	2
ELIGIBLE REPAIRS.....	3
INELIGIBLE REPAIRS	3
MAINTENANCE STANDARDS	3
DELIVERY METHOD.....	4
INSPECTIONS	4
APPENDICES	4

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

OBJECTIVE

- The objective of the Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP) is to assist eligible homeowners for the purpose of carrying out preventative maintenance and minor repairs on an annual basis.

SUMMARY

- The NHC will arrange for preventative maintenance and minor repairs on behalf of eligible homeowners in order to:
 - a) ensure the client's continued safe occupancy
 - b) extend the service life of building systems
 - c) reduce the number of emergency repairs required due to lack of preventative maintenance
 - d) assist seniors and disabled persons in overcoming obstacles to continued homeownership

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- One of the homeowners must be 60 years of age or over, or a recipient of a Disability Benefit.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See NHC VOI Guidelines)
- Applicant(s) with rental or mortgage arrears with any Local Housing Corporation in Nunavut or with the NHC, or have otherwise caused a loss to NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the District Director, this requirement may be waived, provided that the client(s) agrees in writing to a Repayment of Arrears Schedule.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

- The applicant(s) must possess title (or leasehold title) to the property.

Note: Existing NHC homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for the SPDPMP, provided that all other eligibility requirements are met.

PRIORITY OF APPLICANTS

- The annual allocation of SPDPMP projects for each community is limited, based upon available funding. Eligible SPDPMP applicants will therefore be point-rated according to the selection criteria listed in the SPDPMP Priority Allocation Criteria (see Appendix I).

VERIFICATION OF INCOME

- The applicant's income will be verified in accordance with the NHC's current Verification of Income (VOI) Guidelines for NHC Homeownership Programs.

ELIGIBLE UNITS

- All units under the SPDPMP must have a current insurance policy in place for not less than the full replacement cost of the home.

Note: At the discretion of the District Director, a conditional approval may be granted to clients without a current insurance policy, provided they agree in writing to make arrangements for insurance within a specified period of time. In cases where clients are unable to obtain insurance due to the substandard condition of the house, clients should be consulted about the Home Renovation Program (HRP).

- All units approved under SPDPMP must be located within municipal boundaries in Nunavut.
- All units approved under SPDPMP must be used by the client(s) as their principal residence.

CONTRIBUTION

- The NHC will provide on an annual basis a contribution in the form of a grant to cover the cost of materials, freight and labour, to a maximum amount of \$3,000.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

ELIGIBLE REPAIRS

- Annual preventative maintenance, including:
 - a) servicing of forced air furnaces
 - b) servicing of oil fired hot water boilers
 - c) servicing of oil fired or electric hot water heaters
 - d) cleaning of water tanks, and servicing/adjustment of water pumps
 - e) inspection and servicing of heat recovery ventilation (HRV) equipment
 - f) inspection and testing of fire extinguishers, smoke detectors and CO alarms
 - g) Electrical inspection once every five years
- Minor repairs, including:
 - a) repairs to window and door hardware
 - b) repairs to broken window glass
 - c) repairs to dripping taps/showerheads
 - d) repairs to light fixtures and receptacles
 - e) Installation of energy efficient light bulbs
 - f) caulking
 - g) replacement of weather stripping and door sweeps
 - h) repairs to partially functional appliances, e.g. replacement of elements, knobs, and controls
 - a) inspection and/or repairs to equipment used by disabled persons, e.g. ramps, grab bars, door levers, equipment for visually or hearing impaired

INELIGIBLE REPAIRS

- Work undertaken prior to approval of the contribution is ineligible.
- Repairs undertaken that are not part of the approved repair list are not eligible.

MAINTENANCE STANDARDS

- All work carried out under SPDPMP must be completed in accordance with the NHC's preventative maintenance standards for public housing units.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

- Where required by law, licensed trades persons must perform the work.

DELIVERY METHOD

There are three potential methods of delivering the program:

- NHC District Technical Staff will contract the work directly to private sector contractors on a community-by-community basis.
- The NHC will partner with LHOs, who will contract the work out to private sector contractors.
- In communities where there are no private sector contractors, the NHC will enter into a contract with the LHOs to use their own forces in completing the preventative and general maintenance activities as described under this program.

INSPECTIONS

- NHC Technical staff will inspect the units to ensure the servicing and/or repairs have been completed in a satisfactory manner.
- During the inspection, Technical staff will make note of any additional repairs required, and will forward the information to Programs staff, who will follow up with the clients in order to initiate an application for repair assistance under one of NHC's repair programs, i.e. SCHR, HRP.

APPENDICES

Appendix I – Priority Allocation Criteria

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Seniors and Persons with Disabilities Preventative Maintenance Program (SPDPMP)
Module	Program
Date	October 2014

APPENDIX I - SPDPMP PRIORITY ALLOCATION CRITERIA

Section A - Priority of Repairs	Max Points	Points Given
Ensure continued safe occupancy	25	
Extend the service life of building systems	15	
Reduce emergency repairs	5	
Other minor repairs to support aging in place	5	
Total Points from Section A		

Section B - Other Criteria (one category only)	Max Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	80	

NUNAVUT HOUSING CORPORATION



Senior Citizen Home Repair Program

(SCHRP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Senior Citizens Home Repair Program (SCHRP)
Program
October 2014

TABLE OF CONTENTS

OBJECTIVE.....	1
SUMMARY.....	1
ENABLING LEGISLATION	1
ELIGIBLE CLIENTS	1
PRIORITY OF APPLICANTS	2
VERIFICATION OF INCOME.....	2
ELIGIBLE UNITS.....	2
CONTRIBUTION.....	2
ELIGIBLE REPAIRS.....	3
INELIGIBLE REPAIRS	3
ELIGIBLE PROJECT COSTS	3
INSPECTIONS.....	4
PAYMENT.....	4
SIGNATURES.....	4
APPENDICES.....	4

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Senior Citizens Home Repair Program (SCHRP)
Program
October 2014

OBJECTIVE

- The objective of the Senior Citizens Home Repair Program (SCHRP) is to assist senior citizens who own and occupy their home to repair and improve the condition of their house.

SUMMARY

- The Senior Citizen Home Repair Program (SCHRP) provides assistance to senior citizens throughout Nunavut who need to repair and/or adapt their homes in order to ensure their continued safe occupancy, and/or to assist with difficulties they encounter with daily living activities. The assistance comes in the form of a grant, to a maximum amount of \$15,000, plus freight costs.

Where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC may cover the travel costs to bring in a contractor to complete the job.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- One of the applicants must be at least sixty years of age and have resided in Nunavut for at least two years.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See NHC VOI Guidelines)
- Applicants with rental or mortgage arrears with any Local Housing Organization in Nunavut or with the NHC, or who have otherwise caused a loss to the NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the District Director, this requirement may be waived, provided that the client(s) agrees in writing to a Repayment of Arrears Schedule.

- The applicant(s) must possess title (or leasehold title) to the property.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Senior Citizens Home Repair Program (SCHRP)
Program
October 2014

Note: Existing NHC senior homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for the SCHRP, provided that all other eligibility requirements are met.

PRIORITY OF APPLICANTS

- The annual allocation of SCHRP projects for each community is limited, based upon available funding. Eligible SCHRP applicants will therefore be point-rated according to the selection criteria listed in the SCHRP Priority Allocation Criteria (see Appendix I).

VERIFICATION OF INCOME

- The applicant(s) income will be verified in accordance with the NHC's current Verification of Income (VOI) Guidelines for Homeownership Programs.

ELIGIBLE UNITS

- All homes repaired or renovated under the SCHRP must be at least five years old.
- All homes repaired or renovated under the SCHRP must have a current insurance policy in place for not less than the full replacement cost of the home.

Note: At the discretion of the District Director, a conditional approval may be granted to clients without a current insurance policy, provided that they agree in writing to make arrangements for insurance within a specified period of time.

- All homes repaired or renovated under the SCHRP must be located within municipal boundaries in Nunavut.
- All homes repaired or renovated under the SCHRP must be used by the client(s) as their principal residence.

CONTRIBUTION

- The NHC will provide, on a one-time-only basis, a contribution in the form of a grant to cover the cost of materials and labour, to a maximum amount of \$15,000, plus applicable freight costs to the client's community. The grant is forgiven upon completion of the repairs.
- At the discretion of the District Director, and where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC (in addition to the \$15,000 grant amount) may cover the travel costs to bring in a contractor to

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Senior Citizens Home Repair Program (SCHRP)
Program
October 2014

complete the job. The logistics and conditions of the travel will be pre-determined through the procurement process.

ELIGIBLE REPAIRS

- The following categories of repairs are eligible under the SCHRP. Given the limited amount of funding available, clients must be counseled in order to prioritize the repairs/improvements in the following order:
 1. Health and safety issues, including structural stability, means of egress and security, fire and occupant safety, electrical systems, heating systems, plumbing systems, and environmental factors.
 2. Adaptations to assist with daily living activities and/or to maintain independence, including accessibility improvements, and adaptations to address agility issues.
 3. Energy efficiency improvements, including modifications to the building envelope, window and door systems, heating systems, electrical systems, and plumbing systems.
 4. Other repairs, where failure, if not corrected, would result in damage to other building components.

INELIGIBLE REPAIRS

- Repairs undertaken prior to approval of the contribution are ineligible.
- Repairs undertaken that are not part of the approved repair list are not eligible.

Note: SCHRP contributions may be used to purchase kitchen and/or laundry appliances.

ELIGIBLE PROJECT COSTS

- Eligible project costs include materials, labour, marshalling and freight, applicable permits and fees, and GST.
- Clients must submit a quotation detailing the repairs to be carried out on the house and a breakdown of the total project costs.
- Clients cannot submit claims (or invoices) for any labour and/or other in-kind contributions they make towards the project.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Senior Citizens Home Repair Program (SCHRP)
Program
October 2014

INSPECTIONS

- Where possible, the list of repairs required, as submitted by the client(s), will be verified by NHC Technical staff through an on-site inspection or some other means (i.e. through LHO personnel).
- NHC Technical staff will inspect the project to ensure that the repairs have been completed in a satisfactory manner.
- Inspection reports should be acknowledged and signed by the client(s), and NHC Technical staff.

PAYMENT

- The client(s) is required to provide invoices and/or other appropriate documentation prior to the release of any funds. All invoices must be signed by the client(s) prior to processing.
- Payment of invoices will be made directly to individual contractors or suppliers by the Corporation on the client's behalf.

SIGNATURES

- In situations where clients are married or living under common law arrangement, the NHC considers that any assistance provided to the client and his/her partner is provided jointly to both partners. The application for assistance must be in both partners' names where applicable.

APPENDICES

Appendix I – Priority Allocation Criteria

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Senior Citizens Home Repair Program (SCHRP)
Module	Program
Date	October 2014

APPENDIX I – SCHRP PRIORITY ALLOCATION CRITERIA

Section A - Priority of Repairs	Max Points	Points Given
Health and safety issues	25	
Adaptations to assist with daily living	15	
Energy efficiency improvements	5	
Other preventative repairs for continued safe occupancy	5	
Total Points from Section A		

Section B - Other Criteria (one category only)	Max Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	80	

NUNAVUT HOUSING CORPORATION



Nunavut Down-payment Assistance Program (NDAP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

TABLE OF CONTENTS

OBJECTIVE	1
SUMMARY	1
ENABLING LEGISLATION	1
ELIGIBLE CLIENTS	1
PRIORITY OF APPLICANTS	2
ELIGIBLE UNITS.....	2
CONTRIBUTION	3
INCOME VERIFICATION	4
AFFORDABILITY ANALYSIS/ APPLICANT EVALUATION	4
BANK FINANCING.....	5
NDAP AGREEMENT.....	5
PRINCIPAL RESIDENCE.....	6
CONSTRUCTION CONTRACT	6
DEFAULT	7
INSURANCE	7
LOAN SECURITY.....	8
SIGNATURES	8
ESTATE AFTER CLIENTS DEATH	8
PORTABILITY	8
ADVANCE AND DISBURSEMENT OF FUNDS	9

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

OBJECTIVE

- The objective of the Nunavut Downpayment Assistance Program (NDAP) is to assist clients in achieving homeownership through conventional financing means.

SUMMARY

- NDAP is targeted towards people wishing to buy an existing home or build a new home.
- An equity contribution by the client, when combined with NDAP, will ensure that clients have ten percent of the total house costs to contribute as a down payment. This will allow clients to meet the minimum down payment requirement of conventional mortgage lenders.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- The applicant(s) must be at least 19 years of age.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See VOI Guidelines, Appendix I)
- The applicant(s) must not currently own residential property, or have owned residential property in the community in which they are applying for NDAP during the last five (5) years.

Note: In extenuating circumstances, and with the approval of the Corporate Executive Committee, assistance may be provided to clients who currently own a home or to clients who have owned a home in the community in which they are applying for NDAP in the last five years.

Examples of extenuating circumstances include applicants who may be living in substandard or overcrowded conditions, or in the case of family or marital separations.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

- Neither the applicant nor co-applicant may have received previous assistance from the NHC to buy or build a home within the last 10 years.

Note: In extenuating circumstances, and with the approval of the Corporate Executive Committee, this requirement may be waived.

Examples of extenuating circumstances include applicants who may be living in substandard or overcrowded conditions, or in the case of family or marital separations.

- Applicants with rental or mortgage arrears with any Local Housing Organization in Nunavut or with the NHC, or have otherwise caused a loss to NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the Corporate Executive Committee, this requirement may be waived, provided that the client(s) agrees in writing to a Repayment of Arrears Schedule.

- The applicant(s) must be approved for a mortgage from a Canada Mortgage and Housing Corporation (CMHC) approved lender. The Corporate Executive Committee may, at its discretion, approve alternative financing arrangements upon the submission of appropriate documentation by the applicant(s).
- The applicant(s) must be able to afford to own and operate the home. In addition to a bank's analysis to determine credit worthiness, the NHC will conduct its own affordability analysis as part of the approval process.

PRIORITY OF APPLICANTS

- The annual allocation of NDAP projects is limited based upon available funding. NDAP applications will be processed in the order that they are received and according to available funding.
- Provided that the applicant(s) meets all eligibility requirements and that funding is available, the NHC will offer a conditional approval subject to the applicant(s) obtaining a mortgage commitment from their bank.

ELIGIBLE UNITS

- Existing homes, newly constructed homes, condominiums, manufactured, and modular homes are eligible under NDAP.
- Homes purchased or constructed under NDAP must be used by the client(s) as their principal residence.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Nunavut Down-payment Assistance Program (NDAP) Program Guidelines October 2014
------------------------------------	--

- All new homes constructed must meet or exceed all applicable building codes, and all laws and regulations of all authorities having jurisdiction.
- All homes purchased or constructed under NDAP must be located within municipal boundaries in Nunavut.
- Units with two self-contained living spaces are eligible for NDAP. Units with three or more self-contained living spaces are not eligible for NDAP.

CONTRIBUTION

- NDAP is offered as a forgivable 2nd mortgage over a 10 year period. There is no forgiveness in the first 5 years.
- The NHC will provide on a one-time-only basis a contribution in the form of a forgivable loan to subsidize the cost of purchasing an existing home or constructing a new home. Exceptions to the one-time only basis may only be made with the approval of the Corporate Executive Committee.
- The NDAP contribution is based on 7.5 per cent of the total costs, to a maximum of \$30,000. The client's portion of the down payment must be a minimum of 2.5 per cent of the total costs.
- The following table is provided to illustrate examples of NHC's level of assistance and the clients' equity contribution, based on total costs ranging from \$50,000 to \$400,000. The exact contributions are to be determined by calculating the percentages of the actual costs.

	Client	NHC	Total
Purchase Price	2.5%	7.5%	10.0%
\$ 50,000	\$ 1,250	\$ 3,750	\$ 5,000
\$ 75,000	\$ 1,875	\$ 5,625	\$ 7,500
\$ 100,000	\$ 2,500	\$ 7,500	\$ 10,000
\$ 125,000	\$ 3,125	\$ 9,375	\$ 12,500
\$ 150,000	\$ 3,750	\$ 11,250	\$ 15,000
\$ 175,000	\$ 4,375	\$ 13,125	\$ 17,500
\$ 200,000	\$ 5,000	\$ 15,000	\$ 20,000
\$ 225,000	\$ 5,625	\$ 16,875	\$ 22,500
\$ 250,000	\$ 6,250	\$ 18,750	\$ 25,000
\$ 275,000	\$ 6,875	\$ 20,625	\$ 27,500
\$ 300,000	\$ 7,500	\$ 22,500	\$ 30,000
\$ 325,000	\$ 8,125	\$ 24,375	\$ 32,500
\$ 350,000	\$ 8,750	\$ 26,250	\$ 35,000
\$ 375,000	\$ 9,375	\$ 28,125	\$ 37,500
\$ 400,000	\$ 10,000	\$ 30,000	\$ 40,000

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

- For properties in excess of \$400,000, the client's equity contribution must be increased proportionately so that the total down payment equals 10 per cent of the total costs.
- Eligible costs for existing properties include purchase price and closing fees and disbursements. Eligible costs for homes to be constructed include design and engineering costs, equity land lease costs, lot development costs, construction costs and closing fees and disbursements.
- Providing that the client(s) maintain the house as their principal residence and are not in default with the NHC or the bank, the loan is forgiven over a ten (10) year period as follows:
 1. The monthly payment of principal shall accrue, but shall not become payable;
 2. There is no forgiveness earned on the loan during the first five years; and
 3. 1.67% of the accrued and outstanding principal shall be forgiven at the end of each calendar month following the 5th anniversary of the date of the mortgage, with the effect that 20% of the accrued and outstanding principal shall be forgiven on each anniversary date on years six through ten of the term.

INCOME VERIFICATION

The applicant's income will be verified in accordance with the NHC's current Verification of Income Guidelines for NHC Homeownership Programs.

AFFORDABILITY ANALYSIS/ APPLICANT EVALUATION

- As part of the mortgage lending approval process, CMHC approved lenders undertake a borrower risk assessment. While the NHC may rely on the bank's borrower assessment to some degree, the NHC will undertake its own analysis and evaluation of the borrower, and reserves the right to reject the applicant should its analysis indicate that the applicant represents a significant borrower risk to the NHC. If the application is rejected as a result of the analysis, a letter will be sent to the applicant explaining reasons why.
- For this borrower risk analysis the NHC will review the applicant's:
 - Capacity to Repay
 - ✓ Are the proposed payments manageable?
 - ✓ Is income likely to be stable over next 3 years?

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

Willingness to repay

- ✓ Is there a good history of credit repayment?
- ✓ Does the borrower have adequate net worth?
- In order to complete a borrower assessment, NHC will require:
 1. Income Verification for applicant and co-applicant from all sources – current income and 3 year CRA Notice of Assessment
 2. Statement of assets and liabilities
 3. Credit bureau check
 4. Local credit history -- outstanding debts/repayment histories with LHOs, Hamlets and local stores
 5. Employment History – to determine the reliability and stability of income and employer
- Applicant(s) with a Gross Debt Service (GDS) ratio of more than 32 per cent and/or a Total Debt Service (TDS) ratio of more than 40 per cent are not eligible for the program, unless approved by the Corporate Executive Committee.

BANK FINANCING

- Clients must arrange for and obtain mortgage approval from a CMHC approved mortgage lender. Any alternative financing arrangement will require Corporate Executive Committee approval.
- In the case of new construction, and if necessary, clients will arrange for financing until the unit is fit for occupancy, and a mortgage can be used to pay off the construction loan. As a last resort (i.e. if the client's bank refuses), the NHC may provide interim financing (refer to Interim Financing Guidelines).

NDAP AGREEMENT

Clients are required to sign one of three NDAP Agreements before funds can be advanced, as follows:

1. NDAP New Home Construction Agreement
2. NDAP Purchase of Existing Home Agreement
3. NDAP Purchase of a New Home Agreement

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

PRINCIPAL RESIDENCE

- Clients must maintain the unit as their principal residence. The principal residency requirement may be waived when a client(s) is on:
 1. Education leave for up to four years;
 2. Temporary out-of-town job placement for up to two years; or
 3. Extended medical treatment or hospitalization.
- Loan forgiveness is suspended for any period of the waived residency requirement in excess of three months. This can be achieved in one of two ways:
 - a) The client(s) would make the monthly NDAP payment as stipulated in the Agreement and the Mortgage, commencing in the fourth month that they are not occupying the unit as their principal residence, and continuing until they resume residency; or
 - b) The term of the forgivable loan period would be extended by the number of months of non-residency (excluding the first three months).

Note: Determining the most appropriate method of suspending forgiveness will be at the discretion of the District Director, taking into consideration such factors as whether the unit is leased during the period of non-residency and the client's income. The client account data in the mortgage administration system must be updated to reflect any suspension of forgiveness.

- If the client(s) ceases to occupy the NDAP unit during the loan period except as noted above, the outstanding forgivable loan balance is due and payable in full.

Note: In extenuating circumstances, and with the approval of NHC's Corporate Executive Committee, clients may be provided with the option of entering into a special arrangement to repay the loan on a monthly basis as per the terms of the NDAP Agreement and the Mortgage for the period of time that they are not maintaining the property as their principal residence (similar to the payment procedures under the waived residency requirement except that payment would commence in the first month of non-residency).

CONSTRUCTION CONTRACT

In the case of new home construction projects:

- All homes constructed under NDAP must meet or exceed all applicable building codes, and all laws and regulations of all authorities having jurisdiction.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

- The client(s) is required to provide the NHC with a copy of the construction contract and a copy of the plans and specifications for review by the NHC staff.

DEFAULT

Should the client(s) default on the terms and conditions in the first and second mortgage documents and/or program agreement, the following options are available to resolve the situation:

1. Depending on circumstances, it may be possible for the client(s) to negotiate a repayment of arrears schedule with their bank.
2. The client(s) may sell their home for no less than the full balance of their outstanding financial obligations and pay out both mortgages.
3. In situations whereby the NHC is notified of pending foreclosure proceedings by the bank, a decision paper must immediately be submitted to NHC's Corporate Executive Committee, recommending a specific course of action (i.e. whether to pay out the bank mortgage and a recommended approach for dealing with the delinquent clients).
4. Where the client(s) is in good standing with the bank mortgage but has defaulted on the NDAP Agreement/Mortgage, it may be possible to set them up on a repayment schedule rather than to demand full payment of the outstanding forgivable loan balance, in which case approval of the Corporate Executive Committee would be required.

INSURANCE

- In the case of new home construction projects, the construction contract must include provision for:
 1. Course of construction insurance in the form of an "All Risks" Builders Risk policy, for not less than the full replacement cost of the building;
 2. Comprehensive General Liability Insurance with limits not less than two million dollars per occurrence; and
 3. Compliance with all Workers Compensation Board (Nunavut) requirements.
- The client(s) must provide proof of a Broad Form Homeowners Insurance policy in an amount not less than the replacement cost of the building, and must show the NHC as a loss payee as its interests may appear. The policy is to be in place prior

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

to occupancy of the unit, and must be maintained for the duration of the forgivable loan period.

LOAN SECURITY

- Security for the forgivable loan is to be obtained by the NHC when registering a mortgage. When the house is sold, the remaining unforgiven balance of the loan becomes due and payable (see Portability exception).
- The NHC will provide the client's solicitor with the NHC standard NDAP mortgage document to be prepared as per the terms of the NDAP agreement and registered as a second charge against Title.

SIGNATURES

- The names on all mortgage and agreement documentation must match the names on the land lease.
- In situations where clients are married or living under common law arrangements, NHC considers that any assistance provided to the client and his/her partner is provided jointly to both partners.

ESTATE AFTER CLIENTS DEATH

- Upon the death of one partner and the surviving partner sells or vacates the home, the outstanding loan is due and payable in full.
- In the event of the death of co-mortgager(s) with an outstanding loan balance or forgiveness period, the following policy shall apply:
 1. The NHC has an interest in the property. However, the NHC permits the estate to be handled by lawyers or the Public Trustee. In this situation, the lawyer or Public Trustee should be notified of the NHC's interest in the property.
 2. The outstanding forgivable loan balance goes with the inheritor of the property.
 3. If there is no will in place, the estate is handled by the Public Trustee. If the property is sold, the proceeds should be used to pay out the bank mortgage and the outstanding forgivable loan balance due to the NHC.

PORTABILITY

If the client(s) sells the house and purchases another property in Nunavut within 120 days, the client(s) may be eligible for the reassignment of the outstanding balance of the forgivable loan to a new mortgage on the property to be purchased, provided that

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Nunavut Down-payment Assistance Program (NDAP)
Program Guidelines
October 2014

client(s) meets all eligibility requirements. All terms and conditions of the existing NDAP Agreement and Mortgage would carry forward to the new mortgage

ADVANCE AND DISBURSEMENT OF FUNDS

Once all eligibility requirements have been met and all required documentation is in place, the funds will be advanced to the client's lawyer, to be held in trust until such time as written authorization is provided by the NHC to the lawyer regarding when and for what amount to disburse funds to the client(s) or on the client's behalf. Instructions regarding the advance and disbursement of funds will be specified in the Instructors to Solicitor.

- For existing house purchases, it is anticipated that the total amount will be disbursed at once as part of the purchase price and closing costs. However, prior to disbursing the funds, the lawyer will be required to submit an interim solicitor's report/requisition for disbursement of funds.
- For construction loans or mortgages where there is more than one advance, the client's lawyer may be required to submit an interim solicitor's report/requisition for disbursement of funds for each progress advance. The NHC may, at its option, inspect the construction progress prior to authorizing the disbursement of funds.

NUNAVUT HOUSING CORPORATION



Home Repair Program

(HRP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
------------------------------------	---

TABLE OF CONTENTS

OBJECTIVE.....	1
SUMMARY.....	1
ENABLING LEGISLATION	1
ELIGIBLE CLIENTS	1
PRIORITY OF APPLICANTS	2
ELIGIBLE UNITS.....	2
CONTRIBUTION.....	3
LOAN SECURITY	4
PORTABILITY	4
INCOME VERIFICATION.....	2
HRP AGREEMENT.....	4
ELIGIBLE REPAIRS.....	4
INELIGIBLE REPAIRS	6
ELIGIBLE PROJECT COSTS	7
SERVICE CONTRACT	7
PRE-CONSTRUCTION MEETING.....	7
INSPECTIONS.....	7
LOAN ADVANCES.....	8
SIGNATURES.....	8
ESTATE AFTER CLIENTS DEATH.....	8
APPENDIX.....	8

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Home Renovation Program (HRP)
Program
October 201

OBJECTIVE

- The objective of the Home Renovation Program (HRP) is to assist people who own and occupy their home to undertake major repairs and/or renovations.

SUMMARY

- The Home Renovation Program (HRP) provides assistance to homeowners who wish to carry out major repairs, renovations and additions to their home. The assistance provided can include financial, program, and technical assistance before and during the repair/renovation of the client's home.
- The Nunavut Housing Corporation (NHC) may provide the following:
 1. A forgivable loan to cover costs related to repairs and/or renovation including materials, freight, and labour.
 2. Program and Technical assistance before and during the construction process.
- Clients are responsible for:
 1. Arranging for and entering into a contract with a general contractor acceptable to the NHC. Clients may be permitted to carry out the work themselves provided they have the necessary skills as determined by the NHC.
 2. Paying for all costs in excess of the approved amount of assistance.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- The applicant(s) must be at least 19 years of age and have resided in Nunavut for at least two years.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See NHC VOI Guidelines.)

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
------------------------------------	---

- Applicants with rental or mortgage arrears with any Local Housing Organization in Nunavut or with the NHC, or have otherwise caused a loss to the NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the Corporate Executive Committee, this requirement may be waived, provided that the client(s) agree in writing to a Repayment of Arrears Schedule.

- The applicant(s) must possess title (or leasehold title) to the property.

Note: Existing NHC homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for the HRP provided that all other eligibility requirements are met.

PRIORITY OF APPLICANTS

- The annual allocation of HRP projects for each community is limited, based upon available funding. Eligible HRP applicants will therefore be point-rated according to the selection criteria listed in the HRP Priority Allocation Criteria (see Appendix I).

INCOME VERIFICATION

- The applicant's income will be verified in accordance with the NHC's current Verification of Income (VOI) Guidelines for Homeownership.

ELIGIBLE UNITS

- All homes repaired or renovated under HRP must be at least five years old.
- All homes repaired or renovated under HRP must have a current insurance policy in place for not less than the full replacement cost of the home.

Note: At the discretion of the District Director, a conditional approval may be granted to clients without a current insurance policy, provided they agree in writing to make arrangements for insurance within a specified period of time.

In cases where clients are unable to obtain insurance due to the substandard condition of the house, clients must agree in writing to obtain insurance immediately upon completion of the improvements.

- All homes repaired or renovated under HRP must be located within municipal boundaries in Nunavut.
- All homes repaired or renovated under HRP must be used by the client(s) as their principal residence.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
------------------------------------	---

CONTRIBUTION

- The NHC will provide a contribution in the form a forgivable loan to cover the cost of materials, freight and labour, to a maximum amount of \$65,000, depending on household income, and provided that any amount exceeding \$50,000 is used specifically for energy efficient improvements.

Note: Where an applicant has already received HRP assistance to renovate their home, they may apply for an additional \$15,000 to improve the energy efficiency of their dwelling.

- Sliding scale funding:

Funding shall be allocated to homeowners based on a sliding scale. Maximum contribution amounts shall be set relative to household income as a percentage of HPIE limit for their community, as follows:

Income as % of the community HPIE Limit	Maximum Contribution Amount
0% up to 80%	100% of repair costs up to a maximum of \$ 65,000
>80% up to 85%	80% of repair costs up to a maximum of \$ 52,000
>85% up to 90%	60% of repair costs up to a maximum of \$ 39,000
>90% up to 95%	40% of repair costs up to a maximum of \$ 26,000
>90% up to 100%	20% of repair costs up to a maximum of \$ 13,000
>100 %	0% or \$0

- If in a prior year HRP clients have received HRP assistance in an amount less than the current maximum allowable amount, the Corporate Executive Committee may at its sole discretion approve a second HRP. Additional loan amounts to be targeted at priority 1 & 2 items
- At the discretion of the District Director, and where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC (in addition to the \$65,000 grant amount) may cover the travel costs to bring in a contractor to complete the job. The logistics and conditions of the travel will be pre-determined through the procurement process.
- In extenuating circumstances and with the approval of NHC's Corporate Executive committee, clients may be eligible for a second project under HRP. Generally, this option would only be considered in situations where major work is required in order to bring the unit up to a minimum level of health and safety, or to address overcrowding situations.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
------------------------------------	---

- Provided that the client(s) maintain the house as their principal residence and are not in default with the NHC or the bank, the loan is forgiven over a ten (10) year period as follows:
 1. The monthly payment of principal shall accrue, but shall not become payable;
 2. There is no forgiveness earned on the loan during the first five years; and
 3. 1.67% of the accrued and outstanding principal shall be forgiven at the end of each calendar month following the 5th anniversary of the date of the mortgage, with the effect that 20% of the accrued and outstanding principal shall be forgiven on each anniversary date on years six through ten of the term.

Note: Loan forgiveness to be adjusted to reflect any loan increases.

LOAN SECURITY

- When the house is sold, the remaining unforgiven balance of the loan becomes due and payable (see Portability exception).
- In order to receive the HRP forgivable loan the client(s) must agree to the NHC registering a lien against the title of the property in the amount and under the terms and conditions of the forgivable loan.

PORTABILITY

- If the client(s) sell the house and purchases another property in Nunavut within 120 days, the client(s) may be eligible for the reassignment of the outstanding balance of the forgivable loan to a new mortgage on the property to be purchased, provided that client(s) meets all eligibility requirements. All terms and conditions of the existing HRP Agreement and Mortgage would carry forward to the new mortgage

HRP AGREEMENT

- The client(s) is required to sign a Home Renovation Program Agreement before any funds are advanced.

ELIGIBLE REPAIRS

- Eligible repairs and/or renovations are to be prioritized according their achievement of the following:
 1. Health and safety improvements (including improvements required to address accessibility);
 2. Suitability improvements (i.e. to alleviate overcrowding);

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
------------------------------------	---

3. Energy efficiency improvements; and
 4. Improvements to extend the useful life of the unit (i.e. weather resistance and durability improvements).
 5. Other improvements
- NHC Technical staff will inspect all units to be repaired or renovated under the HRP, and will, in consultation with the client(s), prepare a scope of work itemizing the repairs/renovations required to determine the project's eligibility priority based on the following specifications:

Priority 1 – Health and Safety

- a) Structural Stability – including foundations, structural beams and columns, floor framing systems, all load-bearing exterior and interior walls, and roof framing systems.
- b) Means of Egress and Security – including exterior stairs and landings, ramps and handrails, exterior door assemblies, exterior lighting, interior exit paths, interior stairs, and bedroom windows.
- c) Fire and Occupant Safety – including smoke detectors, fire extinguishers, and carbon monoxide detectors.
- d) Electrical Systems – including service entrances and grounding, distribution panels, wiring, outlets, switches, and fixtures.
- e) Heating Systems – including fuel supply systems, heating appliances, combustion air and flue ducts.
- f) Plumbing Systems – including potable water systems, drainage and venting systems, and fixtures and appliances.
- g) Environmental Factors – including condensation/mould, air quality, and ambient interior temperature.
- h) Accessibility Improvements – interior and exterior modifications that improve accessibility for disabled occupants.

Note: Portable equipment designed specifically to permit access to permanently installed basic facilities within the home are eligible such as hydraulic bath lifts.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Home Renovation Program (HRP)
Program
October 201

Priority 2 – Suitability

- a) Where funding permits, renovations and/or improvements that address overcrowding (i.e. extensions) may be permitted in order to increase the number of bedrooms in a house, or to otherwise address suitability issues.

Priority 3 – Energy Efficiency

Energy efficiency improvements may include modifications to the following:

- a) Building Envelope
- b) Window and Door Systems
- c) Heating Systems
- d) Electrical Systems
- e) Plumbing Systems

Priority 4 – Weather Resistance and Durability

Weather resistance and durability improvements may include modifications to:

- a) Foundations – including damp proofing and drainage.
- b) Perimeter wall systems – including siding, windows and doors, flashings and penetrations and caulking.
- c) Roof systems – including ventilation, eave protection, roofing membrane, and flashings and penetrations.

Note: Improvements under this category may be permitted where failure is expected within a reasonably short time, and where failure would result in damage to other building components.

Priority 5 – Other

- a) Other improvements may be included to the extent that they are required to finish or complete other priority work.

INELIGIBLE REPAIRS

- Repairs or improvements undertaken prior to approval of the contribution are not eligible.
- Repairs or improvements that are not part of the approved scope of work are not eligible unless approved by the NHC.
- Cosmetic renovations will not be approved by the NHC.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Home Renovation Program (HRP)
Program
October 201

Note: HRP contributions are not to be used to purchase kitchen and/or laundry appliances.

ELIGIBLE PROJECT COSTS

- Eligible project costs include materials, labour, marshalling and freight, applicable permits and fees, and GST.

Note: NHC District technical staff will review quotations, estimates and invoices to confirm value for work done.

- All costs must be substantiated with invoices and other applicable back-up documentation.
- Sweat equity is not an eligible cost. Clients cannot submit claims (or invoices) for any labour and/or other in-kind contributions they make towards the project.

SERVICE CONTRACT

- The NHC will provide the client(s) with an approved NHC service contract, including the scope of work and other relevant details, for use with a general contractor.
- The contract will include provision for Builders Risk and General Liability Insurance, and compliance with Workers Compensation Board (Nunavut) requirements.

PRE-CONSTRUCTION MEETING

- Depending on the extent of the repairs and/or renovations, a pre-construction meeting between the client(s), the contractor, and NHC representatives may be held prior to the commencement of the work in order to review the contract, clarify roles, and resolve issues.

INSPECTIONS

- NHC Technical Staff will inspect home prior to approval of any repairs or renovations.
- NHC Technical staff will inspect the project to ensure the repairs and/or renovation is completed according to the scope of work.
- The number of inspections will vary depending on the scope of work.
- All Inspection reports must be acknowledged and signed by the client(s), the contractor, and NHC Technical staff.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Home Renovation Program (HRP)
Program
October 201

LOAN ADVANCES

- Loan advances will be paid directly to the individual contractors or suppliers by the NHC on the client's behalf.
- Before processing a loan advance, the NHC will require proof of progress through an on-site progress inspection or some other means of verification as requested by the NHC.
- Clients are required to provide invoices and/or other appropriate documentation to account for each loan advance.

SIGNATURES

In situations where clients are married or living under common law arrangements, NHC considers that any assistance provided to the client and his/her partner is provided jointly to both partners. The name(s) on the HRP Agreement must be identical to the name(s) on the land lease.

ESTATE AFTER CLIENTS DEATH

- Upon the death of one partner and the surviving partner sells or vacates the home, the outstanding loan is due and payable in full.
- In the event of the death of co-mortgager(s) with an outstanding loan balance or forgiveness period, the following policy shall apply:
 1. The NHC has an interest in the property. However, the NHC permits the estate to be handled by lawyers or the Public Trustee. In this situation, the lawyer or Public Trustee must be notified of the NHC's interest in the property.
 2. The outstanding forgivable loan balance goes with the inheritor of the property.
 3. If there is no will in place, the estate is handled by the Public Trustee. If the property is sold, the proceeds must be used to pay out the outstanding forgivable loan balance.

APPENDICES

Appendix I – Priority Allocation Criteria

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Home Renovation Program (HRP) Program October 201
----------------------------	---

APENDIX I – PRIORITY ALLOCATION CRITERIA

Section A - Priority of Repairs	Max Points	Points Given
Health and Safety (Includes Accessibility)	25	
Suitability	10	
Energy Efficiency	5	
Weather Resistance and Durability	5	
Home 20 plus years old	5	
Total Points from Section A		

Section B - Other Criteria (one category only)	Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	80	

NUNAVUT HOUSING CORPORATION



Heating Oil Tank Replacement Program

(HOTRP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Heating Oil Tank Replacement Program (HOTRP)
Module	Program
Date	October 2014

TABLE OF CONTENTS

OBJECTIVE	1
SUMMARY	1
USE OF OTHER PROGRAMS.....	1
ENABLING LEGISLATION	1
APPLICATION DEADLINE	1
ELIGIBLE CLIENTS.....	2
PRIORITY OF APPLICANTS	2
DECLINED APPLICATIONS.....	2
ELIGIBLE UNITS	2
ELIGIBLE TANKS.....	3
CONTRIBUTION	3
BUDGET.....	3
ELIGIBLE COSTS.....	4
CLEAN-UP COSTS – FUELS SPILLS.....	4
INELIGIBLE COSTS	4
INSPECTIONS	4
TANK DISPOSAL	5
APPENDICES	5

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

OBJECTIVE

- To provide assistance to Nunavut homeowners to replace their heating oil tanks which are in poor condition and/or do not meet current standards.
- To reduce the risk of environmental contamination and associated costs caused by faulty or substandard heating oil tanks or installations which could result in fuel spills.

SUMMARY

- The Heating Oil Tank Replacement Program (HOTRP) provides assistance to homeowners to replace their heating oil tank or associated components, as well as installation, in the form of a grant of up to \$7,500 per unit
- Where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC may cover the travel costs to bring in a contractor to complete the job.

USE OF OTHER PROGRAMS

The preferred method for the NHC is to process all applications for fuel tank repair or replacement under HOTRP. In the case of a bona-fide emergency, the Emergency Repair Program can be used.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

APPLICATION DEADLINE

- A formal deadline of April 30 of each year has been established for applications. A submission of application before deadline does not guarantee funding. All applications post marked on or before April 30 will be considered at the same time.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

ELIGIBLE CLIENTS

- The applicant(s) must be at least 19 years of age.
- This program follows income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See NHC VOI Guidelines.)

- The applicant(s) must possess title (or leasehold title) to the property.

Note: Existing NHC homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for HOTRP provided that all other eligibility requirements are met.

- Because of the risk of environmental contamination, all client(s) are encouraged to apply for fuel spill supplementary coverage as part of their homeowner insurance.
- Applicants with arrears (i.e. NHC mortgage arrears) will be eligible for HOTRP.

PRIORITY OF APPLICANTS

- The annual allocation of HOTRP projects for each community is limited based upon available funding. Eligible HOTRP applicants will therefore be prioritized according to the condition of the tank and by financial need (see Appendix I: HOTRP Priority Allocation Criteria).

DECLINED APPLICATIONS

- Only ineligible applications will be permanently declined (i.e. the applicant is not using the home as their principal residence and thus is ineligible under the program guidelines).
- For any application from an eligible applicant that is declined, a letter should be sent to the applicant explaining the reason(s). The primary reasons would be:
 1. Because applications are prioritized based on the condition of the tank and the applicant's financial need.
 2. Because funding for the program is limited. Their application will be reconsidered if additional funds become available. Declined applicants should be made aware that priority will still be given to applicants based on income and condition of the tank.

ELIGIBLE UNITS

- All homes must be located within municipal boundaries in Nunavut.
- All homes must be used by the client(s) as their principal residence.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

ELIGIBLE TANKS

Heating oil system eligibility will be based on the following order:

- Installations that present an environmental hazard
- Installations that do not meet current code
- Tanks that have reached the end of their serviceable life

CONTRIBUTION

- The NHC will provide on a one-time-only basis, a contribution in the form of a grant to cover the cost of materials, freight and labour for a heating oil tank replacement or the cost of bringing an existing heating oil tank to an acceptable standard.
- The maximum contribution amount under HOTRP is for \$7,500.
- At the discretion of the District Director, and where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC (in addition to the \$7,500 grant amount) may cover the travel costs to bring in a contractor to complete the job. The logistics and conditions of the travel will be pre-determined through the procurement process.
- Where practical, the District offices should obtain 3 quotations for the work, and the NHC District Technical should also review to determine if the quotations are reasonable and represent value for the work to be done.
- If surplus tanks are available from the LHO, then consideration should be given to use them to reduce costs.

BUDGET

- HOTRP is currently funded out of the general District Homeownership budget. Once the initial round of delivery has occurred, enquiry will be made as to whether or not additional funds dedicated to this initiative can be accessed for the current year or the next.
- The District will set their own internal HOTRP targets based on their overall allocations for all programs.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

ELIGIBLE COSTS

- Heating oil tank
- Tank stand
- Related piping
- Gravel
- Pressure-treated cribbing
- Labour costs
- Inspections
- Freight
- Disposal of replaced oil tank

CLEAN-UP COSTS – FUELS SPILLS

- Clean-up costs for fuel spills will be considered eligible for funding under HOTRP provided that the spill is a non-reportable spill not exceeding 100 liters (20 gallons) of fuel.
- All spills must be cleaned up. Spills exceeding 100 liters must be reported to the Nunavut Dept. of Environment (Wildlife Officer, in most communities) or the Northwest Territories – Nunavut 24 Hour Spill Report Line (Phone 867-920-8130, Fax 867-873-6924, Email spills@gov.nu.ca).

INELIGIBLE COSTS

- Purchases or work undertaken prior to approval of the contribution are ineligible.
- Owner labour is not an eligible cost.

INSPECTIONS

- The tanks will be inspected (by an NHC approved inspector) prior to the commencement of the work in order to confirm eligibility, to note any specific site conditions, and to assist with the prioritization of heating oil tanks requiring repairs and/or replacement.
- Technical Staff/Inspectors are to ensure that the scope of work (including stands and piping) will bring the unit to code.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Heating Oil Tank Replacement Program (HOTRP) Program October 2014
------------------------------------	---

- After the work is completed an inspection by the NHC approved inspector is required prior to any payment. Deficiencies must also be corrected prior to issuance of final payment
- Inspection reports must be acknowledged and signed by the client(s) and by the NHC Technical staff.

TANK DISPOSAL

Once an oil tank has been removed from service, the tank, piping, and any potential contaminants shall be disposed of in accordance with the authority having jurisdiction (in most cases this will be the Hamlet or local Wildlife Officer).

APPENDICES

Appendix I – Priority Allocation Criteria

Appendix II – Technical Standards

Appendix III – Oil Tank & Stand Installation Manual

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS**Program
Module
Date**Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014**APPENDIX I – Priority Allocation Criteria**

Section A - Priority of Repairs	Max Points	Points Given
Installations that present an environmental hazard	25	
Installations that do not meet current code	10	
Tanks that have reached the end of their serviceable life	5	
Total Points from Section A		

Section B - Other Criteria (One category only)	Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	55	

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

APPENDIX II – Technical Standards - Standard of Acceptance -

GENERAL

Scope of Work:

1. Remove old oil tank, stand, piping, and any contaminated soil, and dispose in accordance with the authority having jurisdiction.
2. Install new oil tank, steel stand, piping, and any grade work to conform to current NHC Oil Tank and Stand Installation Manual.

MATERIALS

The NHC recommends as a minimum the following Oil Tank Specification:

1. 200 imperial gallon capacity horizontal fuel oil tank(s) for outside building installation. Tank(s) is/are to be ULC labeled.
2. Standard of acceptance: 200 imperial gallon capacity fuel oil tank for outside building installation c/w 2" diameter fill opening, 2" vent opening, 1 ½" fuel gauge opening and 2" diameter bottom outlet opposite end from fill opening, shop prime and paint with a minimum one coat of rust resistant paint.

The NHC recommends as a minimum the following Oil Tank Stand Specification:

1. Manufacturer to design stand to resist all applied loads, including tank and contents, snow, wind rain, etc.
2. All steel sections and plates to be constructed in accordance with the latest edition of CSA G40.21-M, type 300 W.
3. Metal grate shall be hot dipped galvanized, 13 gauge, cold formed, one piece metal. Standard of acceptance: "Safety-Grip Channel", 10" side x 1 ½" high as manufactured by ISG Safety Grating Products Ltd. or approved alternate.
4. Structural bolts and nuts shall be A307, galvanized structural grade to sizes indicated on the drawings forming part of this specification.
5. All welding to conform to the latest edition of CSA W59.
6. Do all cutting, boring and welding prior to shop priming. Shop prime and paint with a minimum one coat of rust resistant paint.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

The NHC recommends as a minimum the following Oil Tank Piping Standard:

1. For piping from the oil tank to the inside heated space of the dwelling, a minimum of schedule 40 black iron pipe and fittings are to be used. All fittings are to be "Oil Approved" and made oil tight using an approved thread sealing compound.
2. For piping in the mechanical room, a minimum of 3/8" poly coated copper tubing with flare fittings. Threaded fittings are to be made oil tight using an approved thread sealing compound.

EXECUTION

On completion of work, the Contractor will leave the site in a neat and tidy condition. Site will be graded and restored to the original existing condition. All rutting and depressions are to be filled and bladed to ensure adequate drainage away from, and from underneath the buildings.

The contractor shall be responsible for all costs, labour, material and equipment necessary to ensure compliance under this section.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Heating Oil Tank Replacement Program (HOTRP)
Module	Program
Date	October 2014

APPENDIX III – Oil Tank & Stand Installation Manual

TABLE OF CONTENTS

<u>SCOPE</u>	2
<u>INTRODUCTION</u>	2
<u>MECHANISM OF FAILURE</u>	2
<u>MANUFACTURING DEFECTS</u>	2
<u>PHYSICAL DAMAGE</u>	3
<u>CORROSION</u>	3
<u>MINIMUM TANK AND STEEL STAND STANDARDS</u>	4
<u>NHC MINIMUM OIL TANK SPECIFICATION</u>	4
<u>NHC MINIMUM OIL TANK STAND SPECIFICATION</u>	4
<u>DOCUMENTATION PROCEDURE</u>	4
<u>PLACEMENT OF THE TANK</u>	5
<u>TANK ANCHORING</u>	5
<u>INDOOR TANK INSTALLATIONS</u>	5
<u>FILL & VENT PIPING</u>	9
<u>BURNER SUPPLY CONNECTIONS</u>	12
<u>CROSS-CONNECTED TANKS</u>	12
<u>TESTING</u>	13
<u>OIL TANK MANAGEMENT</u>	14
<u>SERVICE LIFE</u>	15
<u>TANK DISPOSAL</u>	15

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

SCOPE

This section applies only to the installation and management of domestic, aboveground fuel oil tanks constructed to CAN/ULC-S602, Standard for Aboveground Steel Tanks for the Storage of Combustible Liquids Intended to be used as Heating and/or Generator Fuels. These tanks must be installed in accordance with CSA B139, Installation Code for Oil-Burning Equipment, manufacturer's instructions and the authority having jurisdiction.

This document applies only to tanks used to store fuel oil for space heating purposes. Tank installations must also comply with any applicable local codes. The tanks covered by this document are designed for stationary installation and are not meant to transport any product over roads and highways.

Maximum aboveground tank capacities are limited to one tank of 260 gal (1200 L) or multiple tanks to a maximum total capacity of 520 gal (2400 L).

INTRODUCTION

Domestic fuel oil storage tanks have been in use for more than fifty years. Properly installed and maintained they can offer decades of safe fuel oil storage. Improper tank installation practices may cause tanks to fail before their potential life expectancy has been reached. Following the practices recommended in this document will ensure that the oil storage system will perform properly.

MECHANISM OF FAILURE

An understanding of the causes of oil tank failure can significantly reduce the occurrence of such failures. There are three modes of failure applicable to domestic oil storage tanks. They are: a) manufacturing defects, b) physical damage and c) corrosion.

MANUFACTURING DEFECTS

Manufacturing defects are possible for all tank designs and methods of construction. Competent manufacturers strive to reduce manufacturing defects through the application of quality assurance and quality control systems. Testing is required by all construction codes and some manufacturers exceed the minimum requirements. It is the responsibility of the tank manufacturer to reduce the number and seriousness of manufacturing defects.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program
Module
Date

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

PHYSICAL DAMAGE

All tank designs are susceptible to physical damage. Placement of the tank (see Section 6.0) is one of the major factors in reducing exposure to mechanical damage. An adequate base must be provided for any tank to provide stability. Vulnerable areas of the tank such as the gauge, the valve and the oil line must be protected (see section 6.2.5 for more details). Improper filling and emptying procedures can also cause physical damage to the tank.

CORROSION

Steel tanks are susceptible to corrosion. However, the likelihood of corrosion failure can be greatly reduced if the corrosion process is understood.

Metals corrode because they are trying to release energy bound into them from the refining process. Electrochemical corrosion requires an anode, a cathode and an electrolyte. The anode has more stored energy and will therefore corrode to attain a lower energy level.

The cathode has lower stored energy and will not corrode. The electrolyte completes the circuit for a galvanic cell. In a galvanic cell ions of steel travel through the electrolyte and are deposited at the cathode; if the cathode is large relative to the anode, pitting corrosion at the anode will occur.

Oil tank corrosion can be subdivided into long-term and short-term (pitting corrosion). Long term corrosion will occur over thirty or more years. Short-term corrosion can cause failure in as little as eight months.

Long-term corrosion occurs when there are no vast differences between the sizes of anodic to cathodic areas. Long-term corrosion is not a problem with oil tanks since the rate of corrosion is low and tanks are generally replaced before this type of corrosion causes tanks to fail.

Short-term corrosion is a very real problem but is easily prevented. The main contributor to short term corrosion is early exposure of the tank to an electrolyte. Fuel oil is a very poor electrolyte but sludge and water that accumulates in fuel oil tanks is a good electrolyte. There are several ways that water can enter a fuel storage system.

The most common source of water is transfer of sludge and water from an old tank to a new one. This practice shall be avoided. Condensation, especially in outside tanks, will cause a build-up of water. This is why it is important to keep the tank full during the summer. Water can enter the tank through broken gauges or through openings with missing caps. Water may also be delivered directly from the oil truck.

The way to eliminate corrosion of steel tanks is to eliminate the electrolyte or water.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

Bottom outlet steel tanks, tilted toward the burner connection $\frac{1}{4}$ inch per foot of length to prevent the accumulation of water, will help eliminate this problem.

MINIMUM TANK AND STEEL STAND STANDARDS

All aboveground fuel oil tanks shall bear a label in accordance with Section 7 of CAN/ULCS602, Standard for Aboveground Steel Tanks for the Storage of Combustible Liquids Intended to Be Used as Heating and/or Generator Fuels, as revised, amended or substituted.

NHC MINIMUM OIL TANK SPECIFICATION

NHC provides the following Oil Tank Specification:

- a. 250 imperial gallon capacity horizontal fuel oil tank(s) for outside building installation. Tank(s) is/are to be ULC labeled.
- b. Standard of acceptance: 250 imperial gallon capacity fuel oil tank for outside building installation c/w 2" diameter fill opening, 2" vent opening, 1 $\frac{1}{2}$ " fuel gauge opening and 2" diameter bottom outlet opposite end from fill opening, double-wall, shop prime and paint with a minimum one coat of rust resistant paint.

NHC MINIMUM OIL TANK STAND SPECIFICATION

The oil tank stand shall be constructed in accordance with the following:

- a. Manufacturer to design stand to resist all applied loads, including tank and contents, snow, wind, rain, etc.
- b. All steel sections and plates to be the latest edition of CSA G40.21-M, type 300 W.
- c. Metal stair treads shall be hot dipped galvanized, 13 gauge cold formed, one piece metal. Standard of acceptance: "Safety-Grip Channel". 10" side x 1 $\frac{1}{2}$ " high as manufactured by ISG Safety Grating Products Ltd. Or approved alternate.
- d. Structural bolts and nuts shall be A307 galvanized structural grade.
- e. All welding to conform to the latest edition of CSA W59.
- f. Do all cutting, boring and welding prior to shop priming/painting. Shop prime and paint with a minimum one coat of rust resistant paint.

DOCUMENTATION PROCEDURE

All oil-fired systems including the tank shall be approved by a Certified Oil Burner Technician or a Certified Tank Installer before fuel is delivered. Installers should have

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

the equipment to properly install a tank and ensure no sludge is transferred to the new tank. They also have the procedures to dispose of sludge and the old tank in an environmentally acceptable manner. (See Section 13 – Disposal of Old Oil Tank)

The Local Housing Organization (LHO) should maintain records of installations including date, tank serial number, tank manufacturer, address of installation, type of tank, and type of installation. If practical, photographs of the finished installation are also recommended.

PLACEMENT OF THE TANK

Oil storage tanks can be placed inside or outside the structure. The tank must be handled without dragging or dropping. Do not move a tank unless it is empty. Tanks shall not impede the means of egress from a building.

TANK ANCHORING

Additional stability shall be considered in flood plain areas, areas of high wind and areas susceptible to earthquakes. This will require some form of shelter or anchoring that does not adversely affect the operation of the tank (e.g. if using a strap attached to a support, insure that the strap does not cause chafing or increased corrosion). The hold-downs must be designed for a total up thrust of 2000 pounds (9000 N).

INDOOR TANK INSTALLATIONS

Reasons to Install Tanks Indoors

Domestic fuel oil tanks are recommended to be installed indoors whenever possible for many reasons including the following:

- a. A poured concrete floor, such as a basement, provides the best option for a strong, stable and solid base for the tank. If a solid floor is not present the recommendations for outdoor installations (6.2) should be followed.
- b. There should be no odors from a properly installed inside tank. If the tank begins to weep from internal corrosion, early detection is more likely with an indoor tank than with one located outside.
- c. An outside tank is subject to the elements including extreme temperatures, rain, snow, ice, external corrosion, as well as vandalism. All of these factors contribute to a reduced life expectancy, higher maintenance costs and a greater possibility of an oil leak occurring.
- d. Inside tanks are not subject to frozen product lines.
- e. Inside tanks provide better performance and less maintenance for oil heating

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

systems because the fuel is kept at a constant temperature. Constant storage temperature enhances fuel stability.

- f. Cold oil causes the flow rate to the burner to increase and larger fuel droplets are produced by the nozzle causing poor combustion.
- g. Temperature cycling of outside tanks causes water vapor to condense and collect inside the tank. This can lead to early failure caused by corrosion.

Indoor Tank Installation Instructions and Recommendations

- a. Tanks shall be installed on the lowest floor of the building. An exception is allowed if the tank is installed in an attached garage that is not the lowest floor. Tanks less than 50 gal (230 L) can be located above the lowest storey, cellar or basement. See Section 6.0.1.
- b. Inside tanks shall be located not less than 2 feet (0.6 m) from any fuel-fired appliance. This applies to the complete appliance not just the burner. Fuel oil temperature shall be kept below 100 °F (38 °C).
- c. The tank should be placed in an area where it is unlikely to be adversely affected by normal household activities.
- d. Tanks shall be placed in an area where they can be visually inspected from all sides. Maintain a minimum separation of 2 in (50 mm) from all walls and a clearance of 4 in (100 mm) beneath the tank. The tank label shall be visible.
- e. Tanks shall be installed so that there is at least 18 in (460 mm) clearance along one side and one end of the tank
- f. Tanks located in garages should be provided with adequate protection from vehicular traffic.
- g. The supply line, valve and filter should be protected from damage. The copper tubing can be placed inside a protective plastic sleeve (see 6.2.5).
- h. It is recommended that a plastic tank tray be placed underneath the tank to contain any potential small leaks of product.

Outdoor Installations

A. General Location:

- a. Tanks must not block building entrances or windows including crawlspace openings.
- b. A single 250 gallon (1,150 L) tank can be placed next to a propane cylinder with a capacity of 125 gallon (475 L) or less. If the capacity of either tank exceeds

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

these volumes, the separation shall be not less than 20 feet (6 m).

- c. Tanks with a 550-gallon (2,500 L) capacity or less shall be not less than 5 feet (1.5 m) from a property line. Variances may be requested from the authority having jurisdiction.
- d. The tank should be located down grade from any domestic drinking water source if possible.
- e. Protection from physical damage incident to outdoor use shall be provided. If possible, tanks should not be located directly under house eaves where they may be subject to falling snow and icicles and increased risk of external corrosion due to dripping water.
- f. Tanks should not be placed in intimate contact with the building since organic matter can accumulate and cause external corrosion of the tank. Tanks shall be installed so that there is at least 18 in (460 mm) clearance along one side and one end of the tank. The end or side of the tank shall be at least 2 in (50 mm) from wall. Where possible, it is recommended a clearance of 24 in (610 mm) from the building be maintained for maintenance/inspection purposes.
- g. Outside tanks should not be exposed to corrosive substances, such as rock salt.

B. Protection from Vehicle Traffic:

Tanks located in areas exposed to vehicular traffic (e.g. driveways, carports) should be provided with adequate protection such as the following:

Posts used for the protection of a tank should:

- a. be spaced not more than 53 in (1350 mm) apart
- b. be buried not less than 36 in (900 mm) below grade
- c. extend at least 30 in (750 mm) above grade; and
- d. be one of the following:
 - i. 4 in (100 mm) capped steel pipe; or
 - ii. 4 in (100 mm) tubing filled with concrete; or
 - iii. 8 in (200 mm) pressure-treated wood, either square or round; or
 - iv. 6 in (150 mm) minimum dimension reinforced concrete.

C. Guardrails used for the protection of a tank should be either:

- a. of the steel deep beam type, 12 x 162 in (300 x 4050 mm), supported by 6 in (150 mm) minimum pressure-treated wooden posts located not more than 75 in

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

(1875 mm) apart, centre to centre, and with the top of the beam not more than 24 in (600 mm) above grade; or

- b. of the reinforced concrete barrier type, commonly referred to as the New Jersey Turnpike barrier, not less than 30 in (750 mm) in height, and the width of the base not less than the height. Posts or guardrails used for the protection of a tank should be located not less than 39 in (1 m) from all sides of the tank.

D. Tank Base:

- a. All outside tanks are at risk of movement, especially new installations placed on recently disturbed ground. The site must have all organic materials such as sod or bark removed and the soil must be compacted.
- b. A well-drained sub grade shall also be utilized to provide appropriate drainage. Six inches (150 mm) of crushed clear compacted stone is recommended.
- c. The tank must be properly supported to prevent it from shifting, settling, or falling over. The tank base shall be rigid and non-combustible. It is recommended that the tank support legs be installed on a minimum of 2 - 6" x 6" x 8' pressure treated lumber installed at grade with the tank stand anchored to the center. The pad should extend four inches (100 mm) beyond the tank stand base in all directions. See Section 6.0.1. Tank cradles are not recommended unless designed by a professional engineer. Note: A full tank (900 L) of oil weighs about 2,000 pounds (9000 N) and the support must be designed for this weight.
- d. The tank shall be installed on rigid non-combustible supports having a fire resistance of not less than 2 h.
- e. The tank shall be securely supported to prevent settling, sliding, toppling or lifting.
- f. New outdoor tank installations should be inspected regularly (once per month for the first year) after installation to ensure that the tank has not moved. Yearly checks are required after the first year.
- g. Cross-connected tanks must be placed on the same pad.

E. Protection from Snow and Ice:

Outdoor tank installations are particularly susceptible to damage from snow and ice. Generally it is not the tank that fails but the oil line. Protection devices for the tank valve, oil line, and tank gauge are available and are required for outdoor tank installation.

F. Product Supply Lines

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program
Module
Date

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

- a. The product supply line(s) leading from the tank to the building must be protected from mechanical damage including the weight of snow, ice or other objects that could cause the line to break and release product. Heaving frost or an application of force can snap the supply line. Installation of a line made of schedule 40 rigid threaded pipes may provide sufficient mechanical protection.
- b. The product supply lines of bottom outlet tanks shall be installed on a decline (downward slope) from the building to the tank to prevent the accumulation of water and possible freezing of the product line.
- c. To allow for frost heaving and movement, the supply line shall have an 18" to 24" long, oil approved flex pipe to match the pipe size between the oil tank/stand and building.
- d. Interior product supply lines shall not be less than 3/8 in (10mm) outside diameter copper tubing.
- e. All tank fittings shall be of the oil approved and a minimum schedule 40 black iron or galvanized for exterior piping and a minimum of 3/8" coated copper for interior piping. All threaded joints will be made oil safe using approved thread compound for threaded fittings and flare fittings only for copper tubing.
- f. Under no circumstances are pipe/tube connections or joints to be installed in an inaccessible area such as in floors or walls.

FILL & VENT PIPING

The Tank Fill Shall Meet the Following Requirements:

- a. The fill pipe opening shall not be more than 13 ft (4 m) above the bottom of the tank.
- b. Each fill opening and each entry to a fill pipe shall be provided with a vapor and liquid tight cover designed to discourage tampering.
- c. The fill pipe material shall be minimum 2 in IPS schedule 40 black steel or galvanized steel pipe.
- d. Threaded joints in the fill piping shall be made fuel oil-tight using joint compound conforming to CAN/ULC-S642, Standard for Compounds and Tapes for Threaded Pipe Joints, or equivalent, approved for this use.
- e. The fill pipe shall terminate outside the building, close to the wall, at least 2 ft (600 mm) from any building opening. Outside tanks can have the fill directly above the tank opening.
- f. The fill pipe shall be located to permit easy filling in a manner that will avoid spillage.
- g. The fill pipe shall terminate at least 39 inches (1 m) above grade. This should be

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

increased in areas of high snowfall.

- h. The fill shall drain towards the tank (minimum slope of 1%) without traps where liquid can collect.

The Vent Shall Meet the Following Requirements:

- a. The vent pipe material shall be schedule 40 black steel or galvanized steel pipe.
- b. Threaded joints in the vent piping shall be made fuel oil-tight using joint compound conforming to CAN/ULC-S642, Standard for Compounds and Tapes for Threaded Pipe Joint, or equivalent, approved for this use.
- c. Vent pipe shall not be less than 1¼ IPS. The vent shall be large enough to prevent abnormal pressure or vacuum within the tank caused by filling or emptying. Consult B 139 for the required vent size.
- d. All tanks shall be connected to a vent alarm or whistle as a means to prevent
- e. overfilling. The whistle or alarm shall be clearly audible above normal ambient noise.
- f. Use of single whistle or alarm is recommended for cross-connected tanks.
- g. The vent shall drain towards the tank (minimum slope of 1%) without traps where liquid can collect.
- h. The lower end of the vent shall enter the tank through the top and shall extend into the tank not more than 1 in (25 mm).
- i. Vent pipe that terminates adjacent to a building shall be installed so that the termination point is:
 - i. close to the building wall (inside tank),
 - ii. at a sufficient level to remain above total snow accumulation
 - iii. not higher than 13 ½ ft (4.15 m) above the bottom of the tank
 - iv. not less than 2 ft (600 mm) from any operable window or any other building opening,
 - v. not less than 2 ft (600 mm) from the vertical projection of any window or building opening that is at a lower elevation than the termination of the vent pipe,
 - vi. sufficiently close to the fill pipe opening to allow the vent whistle to be clearly audible to the person filling the tank unless an alternative overfill device has been installed, and
 - vii. 6 inches (150 mm) higher than the intake of the fill pipe.
- j. The vent shall be provided with a weatherproof vent cap. The vent cap should have

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program
Module
Date

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

an opening that does not reduce the vent area.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

BURNER SUPPLY CONNECTIONS

- a. Copper tubing 3/8" (10 mm) shall have 0.027 in (0.67 mm) minimum wall thickness; 7/16" – 9/16" (11 – 14 mm) shall have 0.032 in (0.80 mm) minimum wall thickness; and 5/8" (15 – 18 mm) shall have 0.037 in (0.93 mm) minimum wall thickness.
- b. Outside tanks should use minimum 1 in (25 mm) schedule 40 black iron piping. Inside tanks can use 3/8 in (10 mm) tubing.
- c. All connections in copper piping and tubing should be visible, accessible and made fuel oil-tight using a flared joint.
- d. An automatic shut off device shall be installed in the burner supply line if the burner pump does not have an automatic shut off in the event of a fire.
- e. Product piping connections at any level below the highest level to which the liquid in the tank will rise shall be provided with a shut-off valve (ideally a steel ball valve or gate valve) located as close as practicable to the tank shell. This will allow the fuel supply to the heating appliance to be shut off.
- f. Product filters will:
 - i. be installed inside the building, and;
 - ii. have sufficient clearance to allow for replacement or repair.
- g. Burying product piping is not permitted. Where inside product piping requires additional protection, corrosion-resistant tubing shall be used and be protected from damage.
- h. Product tubing placed in direct contact with concrete shall be placed in a continuous run of corrosion-resistant tubing.
- i. On supply lines from outside tanks two shutoff valves shall be installed, one outside at the tank and one inside on the tank side of the filter.
- j. The burner supply lines should be run as directly as practicable.

CROSS-CONNECTED TANKS

Two obround oil tanks may be cross-connected if their total capacity does not exceed 520 gal (2400 L).

The cross-connected tank installation shall be as follows:

- a. the two tanks are mounted on a common installation pad foundation;
- b. the top of the two tanks shall be at the same elevation;

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

- c. the inlet fill pipe is connected to one tank only;
- d. a vent whistle is installed on the tank to which the fill inlet pipe is connected;
- e. the size of the connecting pipe between the tank bottoms is at least the size of the inlet pipe;
- f. each tank is individually vented from the top;
- g. individual vents that are joined to a common vent pipe cross-connected to the tops of both tanks do so through a vent manifold pipe located above the highest liquid level in the tanks;
- h. the common vent and manifold pipes are sized in accordance with CSA B139 Installation Code;
- i. the two tanks shall have separate shut off valves; and
- j. the space between the tanks shall be at least 4 in (100 mm)

TESTING

Oil tank manufacturers' pressure tests all tanks before shipping. Oil storage systems must be tested for leaks before oil is put into the tank. At the very minimum the installer or oil company representative must be in attendance for the first fill up to ensure that there are no leaks in the system.

Air Test (Optional):

An air test, on an empty tank, is recommended to ensure that no damage has occurred to the tank in shipping and handling.

- a. Install a pressure gauge having an accuracy of $\pm 2\%$ and a maximum scale range of 15 pounds per square inch (psig) using compatible thread compound.
- b. Install a valve using compatible thread compound to allow air to be pumped into the tank.
- c. Remove all thread protectors from the tank and install metal pipe plugs properly prepared with compatible thread compound.
- d. Pressurize tank to a maximum of 3 psig for a minimum of 10 minutes. **CAUTION!** Lower pressure if tank starts distorting.
- e. Check all tank surfaces including all weld seams, handles and fittings for leaks using a soap solution.
- f. **CAUTION:** Do not leave pressurized tank unattended.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

- g. After the test is complete release pressure from the tank before proceeding with the installation.

Hydrostatic Test During First Filling:

- a. The installer or oil company representative shall visually inspect all seams and fittings for leakage during the first filling.
- b. Tanks that are not filled immediately after installation shall have a warning tag affixed to the fill pipe and an arrangement shall be made with the oil supplier to conduct the inspection during the first filling.
- c. The tag shall warn the oil supplier that the tank is to be filled for the first time and that the tank shall not be filled unless an arrangement has been made for the installer or the oil company representative to inspect the tank and fuel system during the filling operation.
- d. The tank shall not be filled if access to conduct the inspection is not available.

OIL TANK MANAGEMENT

It is important for the LHO to understand that the oil tank is, in most cases, their property and hence their responsibility.

Transfer of Product:

- a. Most premature failures of steel oil tanks are caused by a transfer of product including water and sludge from the old tank to the new tank. Any transfer of product from an old tank to a new tank should be avoided if possible. New tanks are initially more susceptible to corrosion caused by the presence of sludge and water. Transfer of the sludge and water can result in premature failure in as little as eight months. Nunavut Housing Corporation strongly recommends product not be transferred from the old tank. Wherever possible, the fuel should be used till the tank and product line is empty.
- b. If fuel must be transferred, a filtering pump that separates the fuel from any potential contaminant should be used. As a last resort a standard pump with a clear plastic suction line and stop to prevent the suction line from going to within 8 in (200 mm) of the bottom of the fuel tank may be used. This operation can only be performed on oil that has been allowed to settle for at least 2 hours. Filling the tank mixes the water and sludge with the oil. The remaining sludge and water must be disposed of in a manner approved by the authority having jurisdiction.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program
Module
Date

Heating Oil Tank Replacement Program (HOTRP)
Program
October 2014

Tank Movement & Levelling:

- a. Outside tank installations for new construction or on unstable ground should be inspected regularly during the first year. Any movement of the soil will require repositioning of the tank.
- b. Any tank that has settled should have the elevation adjusted by a qualified technician as soon as possible.
- c. Bottom outlet tanks must be installed with the appropriate incline ($\frac{1}{4}$ in per foot) toward the outlet.
- d. The tank must never be moved without completely emptying the tank.

Inspection:

Tanks should be visually inspected at least once a year. Running your hand along the underside of the tank will detect weeping. Inside tanks must be kept free of clutter and be protected from damage. Outside tanks must be kept free of ice and snow as much as possible.

SERVICE LIFE

The service life is what a well maintained tank will provide with minimal risk of leakage. It should also be noted that when an oil tank is replaced, the fuel piping from the fuel tank to the burner should also be replaced. The service life listed below is based on the practices detailed herein being followed.

End outlet oil tank	10 years
Bottom outlet oil tank	15 years
Double wall, bottom outlet oil tank	20 years

TANK DISPOSAL

Once an oil tank has been removed from service the tank, piping and any potential contaminants shall be disposed of in accordance with the *authority having jurisdiction* (in most cases this will be the Hamlet or local Wildlife Officer).

NUNAVUT HOUSING CORPORATION



Emergency Repair Program

(HRP)

October 2014

Approved by:

Hon. Peter Taptuna, Premier

Date:

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Emergency Repair Program (ERP)
Module	Program
Date	October 2014

TABLE OF CONTENTS

OBJECTIVE	1
SUMMARY	1
ENABLING LEGISLATION	1
ELIGIBLE CLIENTS	1
ELIGIBLE UNITS	2
CONTRIBUTION	2
INCOME VERIFICATION	2
ELIGIBLE REPAIRS	3
INELIGIBLE REPAIRS.....	3
ELIGIBLE PROJECT COSTS.....	4
INSPECTIONS	4
PAYMENT	4
SIGNATURES.....	4
APPENDICES	4

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

**Program
Module
Date**

Emergency Repair Program (ERP)
Program
October 2014

OBJECTIVE

- The objective of the Emergency Repair Program (ERP) is to assist people who own and occupy their home to undertake urgently required repairs which otherwise pose an imminent threat to occupant health and/or safety.

SUMMARY

- The Emergency Repair Program (ERP) provides assistance to homeowners in need to undertake emergency repairs that are required for the continued safe occupancy of their unit. The assistance comes in the form of a grant of up to a maximum amount of \$15,000.

Where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC may cover the travel costs to bring in a contractor to complete the job.

ENABLING LEGISLATION

- *The Nunavut Housing Corporation Act.*

Under Section 10 (General Powers) – the NHC may:

“Administer, manage, and maintain properties; and make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing.”

ELIGIBLE CLIENTS

- The applicant(s) must be at least 19 years of age and have resided in Nunavut for at least two years.
- This program follows the income eligibility limits as set by the Homeownership Program Income Eligibility (HPIE) numbers (See VOI Guidelines Appendix I)
- Applicant(s) with rental or mortgage arrears with any Local Housing Organization in Nunavut or with NHC, or have otherwise caused a loss to NHC, do not qualify for the program until those arrears or losses are paid in full.

Note: At the discretion of the District Director, this requirement may be waived, provided that the client(s) agrees in writing to a repayment of arrears schedule.

- The applicant(s) must possess title (or leasehold title) to the property.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Emergency Repair Program (ERP) Program October 2014
------------------------------------	---

Note: Existing NHC homeowner clients who do not possess leasehold title to the property, but occupy the unit under an Occupancy Agreement are eligible for ERP provided that all other eligibility requirements are met.

PRIORITY OF APPLICANTS

- The annual allocation of ERP projects for each community is limited, based upon available funding. Eligible ERP applicants will therefore be point-rated according to the selection criteria listed in the ERP Priority Allocation Criteria (see Appendix I).

INCOME VERIFICATION

- Applicant income will be verified in accordance with NHC's current Verification of Income (VOI) Guidelines for NHC's Homeownership Programs.

ELIGIBLE UNITS

- All homes repaired or renovated under ERP must have a current insurance policy in place for not less than the full replacement cost of the home.

Note: At the discretion of the District Director, a conditional approval may be granted to clients without a current insurance policy, provided they agree in writing to make arrangements for insurance within a specified period of time.

- All homes repaired or renovated under ERP must be located within municipal boundaries in Nunavut.
- All homes repaired or renovated under ERP must be used by the clients as their principal residence.

CONTRIBUTION

- ERP provides assistance in the form of a grant to cover the cost of materials, freight and labour, to a maximum amount of \$15,000. The grant is forgiven upon completion of the repairs.
- At the discretion of the District Director, and where it can be demonstrated that a client does not have access to local skilled labour in their community, and where no other options exist for the delivery of the program, the NHC (in addition to the \$15,000 grant amount) may cover the travel costs to bring in a contractor to complete the job. The logistics and conditions of the travel will be pre-determined through the procurement process.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program Module Date	Emergency Repair Program (ERP) Program October 2014
------------------------------------	---

- There is no limit on the number of emergency repair assistance a client may receive. However, there is limited funding; therefore, all first time eligible applicants will receive priority over any repeat applicants.

ELIGIBLE REPAIRS

- Eligible repairs are limited to those urgently required for the continued safe occupancy of the dwelling.
- Eligible repairs include:
 - a) Foundation – repair/replace damaged foundations/footings.
 - b) Walls (Interior or Exterior) – use of lumber, plywood, or gypsum board where major damage is evident; use of polyethylene sheeting to weatherproof leaking walls.
 - c) Floors and ceilings – use of plywood, wafer board, ceiling tile or gypsum board where major damage is evident.
 - d) Painting – paint as required where repairs have been carried out.
 - e) Insulation – use of insulating materials where required; use of caulking compound and weatherstripping material; use of sheathing paper for insulating purposes; use of plywood for skirting on raised units.
 - f) Doors – replacement where required.
 - g) Windows – use of glass or rigid plastic for repair or replacement where required.
 - h) Plumbing – repairs necessary to correct health or safety hazards.
 - i) Electrical – repairs necessary to correct health or safety hazards.
 - j) Heating – repair or replace fuel supply systems or components and heating systems/appliances or components. All heating equipment must be installed in accordance with the manufacturer’s specifications.
Note: where existing heating systems will be retained, consideration of fire safety items is essential.
 - k) Roofs – repairs necessary to correct health and safety hazards.
 - l) Air Circulation – use of vents and louvers to improve circulation.

INELIGIBLE REPAIRS

- Repairs undertaken prior to approval of the contribution are ineligible.

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Emergency Repair Program (ERP)
Module	Program
Date	October 2014

ELIGIBLE PROJECT COSTS

- Eligible project costs include materials, labour, marshalling and freight, applicable permits and fees, and GST.
- Clients must submit a quotation detailing the repairs to be carried out on the house and a breakdown of the total project costs.
- Clients cannot submit claims (or invoices) for any labour and/or other in-kind contributions they make towards the project.

INSPECTIONS

- Where possible, the list of repairs required, as submitted by the client(s), will be verified by NHC Technical staff through an on-site inspection or some other means (i.e. through LHO personnel).
- NHC Technical staff will inspect the project to ensure the repairs have been completed in a satisfactory manner.
- Inspection reports should be acknowledged and signed by the client(s), and NHC Technical staff.

PAYMENT

- Clients are required to provide invoices and/or other appropriate documentation prior to the release of any funds.
- Payment of invoices will be made directly to individual contractors or suppliers by the Corporation on the client's behalf.

SIGNATURES

- In situations where clients are married or living under common law arrangement, the NHC considers that any assistance provided to the client(s) and their partner is provided jointly to both partners. The application for assistance must be in both partners' names where applicable.

APPENDICES

Appendix 1 – ERP Priority Allocation Criteria

NUNAVUT HOUSING CORPORATION: HOMEOWNERSHIP PROGRAMS

Program	Emergency Repair Program (ERP)
Module	Program
Date	October 2014

APPENDIX I – ERP PRIORITY ALLOCATION CRITERIA

Section A - Priority of Repairs	Max Points	Points Given
Imminent threat to continued safe occupancy	25	
Moderate threat to continued safe occupancy	15	
First time ERP applicant	10	
Total Points from Section A		

Section B - Other Criteria (one category only)	Max Points	Points Given
Adjusted Income 0% - 60% of HPIE	30	
Adjusted Income >60% - 80% of HPIE	15	
Adjusted Income >80% - 100% of HPIE	5	
Total Points from Section B		

Total Points Section A and B		
Maximum Points:	80	

CNITs are based on Housing Income Limits set by NHC and CMHC each year and are based on the costs to own, maintain, and service a single-detached 3 bedroom unit. The CNIT formula calculates shelter costs by combining financing, utility, and maintenance costs as well as land lease and taxes. The drawback of the current Public Housing CNIT formula is that the financing costs are calculated using only 30% of true labour costs. This formula is determined by CMHC and is non-negotiable at this time.

To determine a more relevant formula for calculating income limits, a modified CNIT is proposed that would factor in full labour costs to more accurately reflect the true cost of construction.

The modified CNIT would raise the calculated labour cost of construction from 30% to 100%. This increase in allowable labour costs will generate a more realistic financing cost and consequently reflects the need for a higher income to realistically sustain homeownership in Nunavut.

As the proposed income limits deviate from the established CNITs, and are designed specifically for homeownership, the proposed modified CNIT would be referred to as the Homeownership Program Income Eligibility (HPIE) numbers.

Adjusted annually, these modified numbers would be used to set community specific income limits for all homeownership programs with income limits.

The calculation of HPIE includes the costs of:

Land/Lease, Site Preparation, Foundation, Materials, Shipping, Labour, Materials, Taxes, Maintenance, Insurance, Power, Heat, and Water/Sewer

Using the HPIE calculator would create community specific income limits ranging from \$158,500 in Arviat to \$186,000 in Resolute Bay.

HPIEs would be updated annually to reflect cost increases, but would not require a return to Cabinet, as the Cabinet approval will be based on the HPIE calculation itself, rather than the specific numbers.

The attached Appendix II spreadsheet shows how the HPIE numbers are calculated.

The attached Appendix I document from the Homeownership Program VOI Guidelines (May 2011) have been modified to reflect the recommended income limits.

It is recommended that the HPIE numbers be applied to the following homeownership programs, and that their respective guidelines be adjusted accordingly.

- Nunavut Downpayment Assistance Program (NDAP)
- Home Renovation Program (HRP)
- Senior Citizen's Home Repair Program (SCHRP)
- Emergency Repair Program (ERP)
- Seniors and Disabled Persons Preventative Maintenance Program (SDPPMP)
- Heating Oil Tank Replacement Program (HOTRP)

Of the above listed programs, HRP, ERP, and HOTRP use a priority allocation system that rates the priority of funding allocation based on a number of factors, including income of the applicant. It is recommended that for these programs, all priority allocation criteria still be applied their respective guidelines, but that income priority criteria be changed to use a percentage of HPIE, rather than the current use of a dollar figure.

Options:

Option 1: That Cabinet approve the proposed changes to NHC’s homeownership program guidelines to allow the HPIE calculation to be used to determine income eligibility limits for all related homeownership programs. While the limits will change per year, based on inflation, the method of calculation will not change. This option is recommended as it will allow the NHC to improve access to its homeownership programs and fulfill its mandate of supporting the private housing market. The implementation of the change will occur later this fall or early in the new year once training and communications have been coordinated.

Option 2: That Cabinet decline the proposed changes to NHC’s Income Eligibility Limits, as presented. This option is not recommended, as it would limit the NHC’s ability to ensure that its homeownership program income limits are adjusted annually to match inflation. Thus limiting the NHC’s ability to improve access to Homeownership programs, and meet its mandate of supporting the private housing market.

Cultural Considerations:

Changes to Homeownership Program Income Eligibility limits would make it easier for more Nunavummiut homeowners to purchase or maintain their homes, thus supporting the principle of Pijitsirniq (Serving and providing for family and/or community).

The process for determining the HPIE calculation was done in consultation with a number of actors, and aims to make the process as fair as possible, supporting the principle of Aajiiqatigiinni (Decision making through discussion and consensus).

The Department of Culture and Heritage has been consulted.

Financial Considerations:

Use of the HPIE calculation would raise the income limit for all homeownership programs, thus increasing the number of Nunavummiut eligible for funding.

Historically, expenditure for NHC’s homeownership programs has been less than budgeted. This is due to a number of factors, including limitations on eligibility.

Year	Homeownership Budget	Actual Spending
2010/2011	\$4.116 million	\$3.352 million
2011/2012	\$4.616 million	\$2.218 million
2012/2013	\$4.616 million	\$4.243 million

An increase in eligible clients will not adversely affect the ability of NHC to deliver homeownership programming within the already established Main Estimates.

The Department of Finance has been consulted.

Legal Considerations:

None.

The Department of Justice has been consulted.

Communications/Consultations:

A communications strategy will be developed to inform the public of changes to homeownership guidelines. The NHC will use existing resources to work closely with Local Housing Organizations in all communities to ensure that promotional material accurately reflects changes, and that program changes are fully explained to homeowners, when necessary.

Recommendation:

It is recommended that Cabinet approve the changes to NHC's Verification of Income Guidelines, as presented.

Hon. George Kuksuk
Minister Responsible for
the Nunavut Housing Corporation

Lori Kimball, President and CEO
Nunavut Housing Corporation

Date

Date