

The Residential Rehabilitation Regulations

Repealed

by Chapter S-24 Reg 8 (effective July 9, 2003).

Formerly

Chapter S-24 Reg 1 (effective October 25, 1984)
as amended by Saskatchewan Regulations 143/84.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

Table of Contents

	TITLE		
1	Title	16	Limitation on loans
	INTERPRETATION	17	Power to inspect housing unit
2	Interpretation	18	Progress advances
	ELIGIBILITY AND APPLICATION FOR LOAN	19	Commencement of payments
3	Eligibility of individual	20	Reduction of loan amount
4	Eligibility of limited company	21	Easements
5	Eligible housing	22	Requirement re corporation
6	Purpose of loan	23	Fire insurance
7	Eligible work	24	Foreclosure
8	Power to prescribe standards	25	False statement; misuse of loan proceeds
9	Application	26	Revision of repayment terms to prevent default
10	Approval; loan agreement	27	Default in payments
11	Increase in loan amount	28	Sale or vacation of housing unit prior to repayment of loan
	LOAN REQUIREMENTS, SPECIFICATIONS AND CONDITIONS	29	Power of corporation when loan becomes due
12	Loan minimum	30	Priority of payments
13	Loan maximum	31	Payment of property tax
14	Payments, interest, etc.		REPEAL
15	Forgiveness of loan	32	Repeal

CHAPTER S-24 REG 1

The Saskatchewan Housing Corporation Act

TITLE

Title

- 1 These regulations may be cited as *The Residential Rehabilitation Regulations*.

INTERPRETATION

Interpretation

- 2 In these regulations:

- (a) **“Act”** means *The Saskatchewan Housing Corporation Act*;
- (b) **“applicant”** means an applicant for a loan;
- (c) **“borrower”** means a person who has entered into a loan agreement with the corporation;
- (d) **“housing unit”** means a unit, including a mobile home, that provides living, sleeping, eating, food preparation and sanitary facilities for one family, with or without other essential facilities shared with other such units, but does not include summer cottages and trailers;
- (e) **“income”** means annual income, in whatever form received, as the corporation may determine;
- (f) **“lending value”** means the estimated value for lending purposes as the corporation may determine;
- (g) **“loan”** means a loan provided pursuant to section 21 of the Act;
- (h) **“mobile home”** means a housing unit that is capable of being moved from place to place but which has been affixed to a permanent foundation in a manner acceptable to the corporation, and that conforms to the standards prescribed by the corporation;
- (i) **“mortgage”** means a mortgage in any form that the corporation considers acceptable, and includes an assignment of, or a mortgage on, the leasehold interest of a lessee;
- (j) **“owner”** includes:
 - (i) the lessee under any lease that has a term extending beyond the maturity date of a mortgage or other security thereon for a number of years that the corporation considers sufficient to provide adequate security for an approved loan;

- (ii) any individual who is a member of a housing co-operative registered under *The Co-operatives Act*; and
- (iii) any individual who can provide evidence satisfactory to the corporation that he is the beneficial owner of the property;
- (k) **“progress advances”** means the instalments of a loan advanced by the corporation as the building repair or rehabilitation progresses;
- (l) **“title”** means, in relation to a loan secured by a mortgage on a long-term lease, the entire interest of the lessee or any other interest that is acceptable to the corporation;
- (m) **“useful life”** means the period for which the corporation estimates a housing unit will remain fit for human occupation without major rebuilding or repair and will be utilized as housing accommodation.

2 Nov 84 cS-24 Reg 1 s2.

ELIGIBILITY AND APPLICATION FOR LOAN

Eligibility of individual

3(1) To be eligible for a loan, each applicant shall show that he:

- (a) is the owner of the housing to be repaired or rehabilitated;
 - (b) has an income, combined with the income of his spouse, of not more than \$16,500; and
 - (c) has, in the opinion of the corporation, capacity to meet the repayment terms of the loan applied for.
- (2) In determining the capacity of any applicant to repay a loan, the corporation may take into consideration, in addition to income, any assets of the applicant and his spouse.

2 Nov 84 cS-24 Reg 1 s3.

Eligibility of limited company

4(1) In this section, **“principal shareholder”** means the individual who is the holder having control of the limited company by owning or controlling, directly or indirectly, a majority of the issued share capital.

(2) Notwithstanding section 3, a limited company is eligible for a loan where it shows that:

- (a) it is incorporated under the laws of Saskatchewan;
- (b) it is the owner of the housing to be repaired or rehabilitated;
- (c) its principal shareholder has an income, combined with the income of his spouse, of not more than \$16,500;
- (d) its principal shareholder has, in the opinion of the corporation, capacity to meet the repayment terms of the loan applied for.

(3) In determining the capacity of a principal shareholder to repay a loan, the corporation may take into consideration, in addition to income, any assets of the principal shareholder and his spouse.

(4) The corporation may require any limited company applying for a loan to produce a certified copy of its borrowing resolutions together with a Certificate of Good Standing from the Registrar of Companies.

2 Nov 84 cS-24 Reg 1 s4.

Eligible housing

5 The housing in respect of which a loan is sought is to be:

- (a) a housing unit;
- (b) occupied by the applicant as his principal residence or, where the applicant is a limited company, occupied by its principal shareholder as his principal residence; and
- (c) capable, in the opinion of the corporation, of being economically rehabilitated to comply with standards acceptable to the corporation.

2 Nov 84 cS-24 Reg 1 s5.

Purpose of loan

6 The corporation may only make a loan with respect to eligible work.

2 Nov 84 cS-24 Reg 1 s6.

Eligible work

7(1) Eligible work is any work that the corporation considers necessary in order to repair and rehabilitate the housing unit to make it safe and liveable and that complies with standards acceptable to the corporation, and includes:

- (a) work to make electrical services safe and adequate;
- (b) the improvement of heating systems, upgrading of wall and roof insulation and provision of storm doors and windows as required to maintain a minimum temperature in the housing unit of 20 degrees Celsius;
- (c) the improvement or instalation of plumbing and water services;
- (d) the repair or replacement of the structure, such as foundations, walls, floors, stairs and roofs, including their protective envelope such as roof and wall covering, caulking and external painting, defective porches, canopies and entrance steps;
- (e) the provision of adequate light and ventilation;
- (f) the provision of adequate fire protection;
- (g) the improvement of the appearance of the site of the residence by repairing walks and parking areas and removing unsightly or dangerous structures, to a maximum amount that the corporation may determine;

- (h) the addition of any rooms that the corporation considers necessary for the health and well-being of the family occupying the housing unit;
 - (i) the connection of the property to municipal services, to a maximum amount that the corporation may determine;
 - (j) in the case of unserviced property, the prepayment of the frontage charges on the instalation of municipal sewer and water systems, to a maximum amount that the corporation may determine;
 - (k) the relocation of a housing unit in conjunction with any other improvement set out in this subsection.
- (2) Eligible work does not include work which:
- (a) the corporation considers necessary to complete the construction of a housing unit; or
 - (b) has commenced or been completed prior to the date of application for the loan being approved, except where the corporation otherwise approves in the circumstances.
- (3) Labour performed or to be performed with respect to work referred to in subsection (1) constitutes eligible work to any extent that the corporation may approve.

2 Nov 84 cS-24 Reg 1 s7.

Power to prescribe standards

8 The corporation may prescribe standards for existing housing units and may require that a housing unit for which a loan is made be improved to conform with those standards as fully as is practicable in the opinion of the corporation.

2 Nov 84 cS-24 Reg 1 s8.

Application

9 Each applicant shall submit to the corporation a completed application in a form provided by the corporation, together with any detailed plans, specifications and cost estimates that the corporation may require for the work proposed to be done.

2 Nov 84 cS-24 Reg 1 s9.

Approval; loan agreement

10(1) On approval of an application for loan, the corporation shall so advise the applicant.

(2) The applicant shall enter into a loan agreement with the corporation setting out the terms and conditions of the loan.

2 Nov 84 cS-24 Reg 1 s10.

Increase in loan amount

11 The corporation may subsequently increase the amount of a loan approved by it where the amount as increased does not exceed the maximum loan allowable under section 13.

2 Nov 84 cS-24 Reg 1 s11.

LOAN REQUIREMENTS, SPECIFICATIONS AND CONDITIONS**Loan minimum**

12 Eligible work of less than \$1,000 does not qualify for a loan or loan forgiveness, unless the corporation determines otherwise in the circumstances.

2 Nov 84 cS-24 Reg 1 s12.

Loan maximum

13 The maximum loan is \$8,000, but:

- (a) the loan and the existing encumbrances against the housing unit are not to exceed 95% of the lending value of the rehabilitated housing; and
- (b) the loan is not to exceed the cost of the eligible work.

2 Nov 84 cS-24 Reg 1 s13.

Payments, interest, etc.

14 Where a loan is provided, it:

- (a) bears interest at a rate that the corporation may determine;
- (b) is for a term of up to 20 years, but in no case is the term of a loan to exceed the useful life of the housing unit;
- (c) subject to section 15, is repayable by equal payments of blended principal and interest, compounded semi-annually not in advance, with payments not less frequently than annually and not more frequently than monthly;
- (d) is to be secured by a mortgage on the housing unit in favour of the corporation or any other security that the corporation considers adequate to safeguard its interests; and
- (e) has an amortization period:
 - (i) in the case of an original loan, of not more than 20 years;
 - (ii) in the case of any renewal or extension of a loan, of not more than 20 years from the date of making of the original loan.

2 Nov 84 cS-24 Reg 1 s14.

Forgiveness of loan

15(1) Subject to subsections (2) and (3), the corporation may forgive the repayment of all or any part of a loan in an amount equal to:

- (a) where the income of the applicant is not more than \$9,000, 60% of the value of eligible work done in respect of the applicant;

- (b) where the income of the applicant is more than \$9,000 but not more than \$16,500, 60% of the value of eligible work done in respect of the applicant, less 0.5% of the value of eligible work for every \$100 of the applicant's income that is more than \$9,000.
- (2) While a person owns and occupies the housing unit which is the subject of a loan as his principal residence, he may earn forgiveness under subsection (1) to an annual maximum of \$500 commencing from the interest adjustment date or the date of the first loan payment, whichever is earlier, and the amount of forgiveness he earns in that year is not subject to any interest charge.
- (3) The maximum amount of forgiveness per loan is \$2,500.

2 Nov 84 cS-24 Reg 1 s15.

Limitation on loans

16 The corporation may make more than one loan to an applicant or in respect of a housing unit, but the total amount of the loans or loan forgiveness is not to exceed the maximums prescribed in these regulations.

2 Nov 84 cS-24 Reg 1 s16.

Power to inspect housing unit

- 17(1)** During the period of rehabilitation of a housing unit, the corporation may inspect the housing unit to ensure that the work is carried out in reasonable conformity with its approved plans and specifications and any standards of rehabilitation work that the corporation may prescribe.
- (2) The corporation is not liable to the borrower for any defect in inspection, failure to inspect or departure from the corporation's standards or from the approved plans and specifications.

2 Nov 84 cS-24 Reg 1 s17.

Progress advances

- 18(1)** The corporation may, at the request of the borrower, make progress advances on any loan.
- (2) The corporation, in advancing a loan, shall retain an amount equal to the estimated cost of the completion of the repairs or rehabilitation for the purpose of ensuring the completion of the work.
- (3) The corporation may refuse to make any further progress advances where there are any liens registered against the housing unit or where the security of any further advance is jeopardized.

2 Nov 84 cS-24 Reg 1 s18; 7 Dec 84 SR 143/84.

Commencement of payments

- 19(1)** Every loan agreement is to state a date for the adjustment of interest on the loan which, as nearly as may be estimated, is not to be later than two months after completion of the eligible work.

(2) The date of commencement of combined payments of principal and interest is to be, in the case of a loan repayable:

- (a) on a monthly basis, one month after the interest adjustment date;
- (b) on a quarterly, semi-annual, or annual payment basis, three months, six months or one year, respectively, after the interest adjustment date.

(3) Where completion of the work on the housing unit occurs prior to the date estimated or where the completion has not occurred or is unlikely to occur by that date, the corporation may agree with the borrower that the dates for repayment of the loan moneys and adjustment and computation of interest be amended, but the date for adjustment of interest is to be not later than two months after the last estimated date for completion of the work.

2 Nov 84 cS-24 Reg 1 s19.

Reduction of loan amount

20 Where:

- (a) any departure from the plans, specifications or standards of the work being done under a loan is not corrected as the corporation requires;
- (b) the borrower has not completed the repairs or rehabilitation within 18 months of the date of commitment of the loan;
- (c) an approved loan is not fully advanced for cause or at the request of the borrower; or
- (d) part of the loan is repaid before the full amount of the loan is advanced;

the corporation may reduce the amount of the loan by any amount that it may determine or revise the payment terms, but the total payment period is not to exceed the period prescribed in section 14.

2 Nov 84 cS-24 Reg 1 s20.

Easements

21 The borrower may, with the approval of the corporation, consent to the creation of any easement restriction or encroachment described in section 22.

2 Nov 84 cS-24 Reg 1 s21.

Requirement re corporation

22 The corporation shall not object to:

- (a) any title that, in the opinion of the corporation's solicitor, is marketable in the community in which the housing is situated;
- (b) any easements, restrictions or encroachments that would not be violated by the reasonable use of the land for residential purposes; or
- (c) defects in title arising out of any change in law after the making of the loan.

2 Nov 84 cS-24 Reg 1 s22.

Fire insurance

23 During the advancing of a loan and the period of repayment, the corporation may require the borrower to cause the interest of the corporation to be protected by fire insurance, including extended coverage endorsement, in an amount of not less than the full amount of the loan balance, with the loss first payable to "Saskatchewan Housing Corporation, as its interest may appear".

2 Nov 84 cS-24 Reg 1 s23.

Foreclosure

24(1) Where foreclosure or other collection proceedings have been instituted, the corporation may apply for a final order of foreclosure and for possession of the mortgaged property or a court order for collection at the earliest date that it is so entitled in law.

(2) The corporation may, after foreclosure or other collection proceedings have been instituted but before a final order of foreclosure or court order for collection has been obtained:

- (a) discontinue the action where costs and all payments in arrears are paid; or
- (b) postpone or discontinue the action where the borrower has made satisfactory arrangements to remedy the default.

2 Nov 84 cS-24 Reg 1 s24.

False statement; misuse of loan proceeds

25 Any statement made in an application for a loan that is false in any material respect or the use of the proceeds of a loan other than for the purpose specified in the application entitles the corporation to demand immediate repayment of the outstanding loan balance and to take any action that it considers proper to secure repayment.

2 Nov 84 cS-24 Reg 1 s25.

Revision of repayment terms to prevent default

26 Where the borrower:

- (a) is in default of a loan or advises the corporation that some of the terms of his agreement in respect of his loan are such that he must default; and
- (b) the corporation is of the opinion that a revision of some of the terms of the agreement will enable the borrower to meet his obligations;

the corporation may, with the borrower's approval, alter or revise any of the terms and conditions of repayment, but the total repayment period is not to exceed the period prescribed in section 14.

2 Nov 84 cS-24 Reg 1 s26.

Default in payments

27(1) Where a borrower is in default in respect of any payment for a period of more than 30 days, the balance of the loan outstanding, including the unearned forgiveable portion, becomes due and payable at the option of the corporation.

(2) Where a borrower is in arrears of six or more monthly installments of principal, the corporation shall declare the loan due and payable.

2 Nov 84 cS-24 Reg 1 s27.

Sale or vacation of housing unit prior to repayment of loan

28 Where any owner or, in the case of a limited company, principal shareholder sells or ceases to occupy as his principal residence the housing unit on which a loan has been made, the corporation may, effective the date of sale or vacation of the housing unit:

- (a) declare the balance of the loan outstanding, including the unearned forgiveable portion, due and payable; or
- (b) add the unearned forgiveable portion of the loan to the then outstanding loan balance, subject to repayment, and adjust the repayment terms to provide for the repayment of both principal and interest of the new loan balance.

2 Nov 84 cS-24 Reg 1 s28.

Power of corporation when loan becomes due

29 After the balance of the loan outstanding becomes due and payable for any reason, the corporation may, where it considers it advisable:

- (a) take any steps to effect collection of the loan;
- (b) obtain additional security;
- (c) realize on its security; or
- (d) effect any compromise with or grant any concession to any person other than the borrower.

2 Nov 84 cS-24 Reg 1 s29.

Priority of payments

30 The corporation shall first apply all payments from or on behalf of the borrower in payment of legal costs, if any, and accrued interest on instalments before applying the payment to the principal balance outstanding on the loan.

2 Nov 84 cS-24 Reg 1 s30.

Payment of property tax

31 The corporation may, as a condition of approval of any loan, require the borrower to make monthly, quarterly, semi-annual or annual payments to the corporation sufficient to pay annual taxes in respect of the housing unit that is the subject of the loan.

2 Nov 84 cS-24 Reg 1 s31.

REPEAL

Repeal

32 Saskatchewan Regulations 221/73 are repealed.

2 Nov 84 cS-24 Reg 1 s32.