



Department of Municipal Affairs and Housing

Parent Apartment Program Policy

Approved by: Vicki Elliott-Lopez, Senior Executive Director, Housing

Effective date: December 30, 2022

I. POLICY OVERVIEW AND OBJECTIVES

This policy provides an overview of eligibility and funding for the Parent Apartment Program (Program) of the Department of Municipal Affairs and Housing (Department or DMAH).

The purpose of this Program is to provide homeowners with loans of up to \$25,000 for the creation of affordable accommodation for family members who are at least 65 years of age. Parent Apartments may be located either within or attached to existing single-family dwellings. The annual income limit for eligibility for the parent(s) is \$20,000.

II. DEFINITIONS

Applicant	A person who applies to the Program, including the individual's spouse or common-law partner
Fee Simple	Owners of single-family homes who own both their home and the land it is on hold the property in fee simple
Guarantor	Individual who agrees to be responsible for repayment of a loan in the case where the borrower defaults on the loan
Household	A person or group of persons who occupy or have need of a unit in Nova Scotia and who do not have a principal residence elsewhere in Canada
Immediate Relative	A person related to the Applicant by blood, marriage, common-law partnership, or adoption

Parent Apartment	Separate living quarters occupied as the Principal Residence of a parent or family member, which has been created by an addition to, remodeling or renovation of an existing housing unit or a detached self-contained dwelling (garden suite, remodeled garage)
Principal Residence	Primary place of habitation
Single-family Dwelling	Any of the following types of homes used solely for residential purposes: <ul style="list-style-type: none"> • Detached house • Semi-detached house • Row house • Mobile home
Total Gross Income	Total household income before taxes. <i>Note:</i> Some forms of income may be excluded from this calculation.

III. APPLICATION

Owner in Fee Simple of a Single-family Dwelling, requiring a loan to create an apartment for a senior family member, age 65 or older. The senior family member must have a Total Gross Income of less than or equal to \$20,000.

IV. POLICY DIRECTIVES

Eligibility and Requirements - Applicant

1. The Applicant must be the owner in Fee Simple of the Single-family Dwelling.
2. The Applicant and Guarantor must provide proof of:
 - a. Total annual income
 - b. Property ownership
 - c. Favourable credit
3. The annual costs of servicing the proposed mortgage and any other housing indebtedness including taxes must not exceed thirty (30%) of the Applicant's income.

Eligibility – Family Member

1. The senior family member must complete a Statutory Declaration respecting their age, income, and relationship to the Applicant.

Assistance

1. The maximum loan amount is \$25,000.
2. The minimum loan amount will be \$5,001; loans of \$5,000 or less will be processed through the Small Loans Assistance Program.
3. The interest rate will be as set from time to time by the Minister and published by the Department of Finance.
4. The repayment of the loan will be determined by the amount of the loan and the Applicant's and Guarantor's ability repay;
 - a. Loans will have a maximum term of up to 10 years;
 - b. Where chattel mortgages are used to secure the loan, the term cannot exceed six (6) years.
5. The Applicant will be permitted to repay the loan in whole or part at any time without notice or penalty.

Eligible Properties

Any property containing an existing residential dwelling for single family purposes, subject to meeting municipal regulations and bylaws.

Eligible Parent Apartment Options

1. Eligible apartment options include:
 - a. Additions;
 - b. Internal alterations without additions;
 - c. Detached renovation (garage);
 - d. New self-contained dwelling, permanent or relocatable.
2. The addition or space to be altered must include a minimum 120 square foot bedroom and associated storage and closet space and may include bathing and food preparation areas. If bathing facilities are not to be included, the existing facilities must be easily accessible.

Eligible Costs

1. Costs eligible for assistance are limited to:
 - a. Eligible materials and necessary equipment rental;
 - b. Contactor labour and related costs
 - c. Provincial sales tax and good services tax;
 - d. Legal costs associated with the loan.
2. The cost of labour performed by any member of the Household is not an eligible cost.
3. Immediate Relatives of the Applicant may include a charge for their own labour only where they are normally employed in the renovation or construction industry, and are not a member of the Household. Such costs must not exceed trade prices for the area, as determined by the Department.

Security and Interest

1. The total outstanding charges against the property including the Parent Apartment mortgage must not exceed 90% of the estimated “improved” market value of the property as determined by staff.
2. The Parent Apartment mortgage will be no less than a second charge against the property for which the monies are advanced.
3. There will be no mortgage assumption.
4. If the title to the property is transferred, the outstanding loan amount will become due and payable.

Approval

1. The Applicants must provide cost estimates and sketch(es) for the proposed work. All contractual agreements must be between the Applicant(s) and the contractor.
2. All loan applications must be submitted to the Department for final approval. Approvals are subject to eligibility requirements and Program funding availability.
3. Work must not commence until the Building Permit, recorded mortgage and related documentation has been received in good order and the Applicant has received approval in writing from the Department.

Fire Insurance

1. Fire Insurance coverage is required for loans in excess of \$5,000.
2. It is the responsibility of the Applicant to place and maintain adequate fire insurance coverage. The Department will not renew expired coverage.
3. The insurance coverage must be in an amount not less than the amount of the loan, or in the case of an existing first mortgage, not be less than the total of the outstanding first mortgage and small loan amounts.

Inspections

The Department reserves the right to inspect for deficiencies and to ensure compliance.

V. ACCOUNTABILITY AND MONITORING

The Director of Housing Services will monitor the policy’s implementation, performance and effectiveness. The policy will be reviewed for revisions as needed.

VI. VERSION CONTROL

Version	Revision Date	Description of Revision
1.0	December 30, 2022	New Policy