

## **Residential Hypothecary Lending Guideline**

**(Insurers Act, CQLR, c. A-32.1, s. 463)**

**(Act respecting financial services cooperatives, CQLR, c. C-67.3, s. 565.1)**

**(Deposit Institutions and Deposit Protection Act, CQLR, c. I-13.2.2, s. 42.2)**

**(Trust Companies and Savings Companies Act, CQLR, c. S-29.02, s. 254)**

The Autorité des marchés financiers (the “AMF”) is publishing for consultation the draft update of its Residential Hypothecary Lending Guideline (the “Guideline”). The Guideline is intended for insurers, financial services cooperatives, trust companies, savings companies and other authorized deposit institutions.

As part of this update, the AMF is proposing to make the following two changes to the Guideline:

- Establish that the buffer and the floor used in calculating the qualifying rate for uninsured hypothecs will henceforth be determined by notice of the AMF. This change is intended to enhance the AMF’s ability to adapt its expectations to market conditions and maintain requirements equivalent to those applicable to federal financial institutions. Once reviewed, the formula for the hypothecary qualifying rate reflecting the new values will be published by notice of the AMF.
- Introduce a new expectation regarding the updating of residential property values for the purposes of calculating the loan-to-value (LTV) ratio and determining lending thresholds within LTV limits. This new expectation will ensure better monitoring of the risks associated with hypothecary loans granted by the institutions. This expectation is consistent with the expressed expectations for federal financial institutions.

Interested persons must submit their comments by **April 15, 2022**. All comments will be made public unless otherwise noted.

The draft updated Guideline is published below and is also available on the AMF website in the public consultations section.

### **Request for comments**

Comments must be submitted to:

#### **Me Philippe Lebel**

Corporate Secretary and Executive Director, Legal Affairs

Autorité des marchés financiers

Place de la Cité, Tour Cominar

2640, boulevard Laurier, bureau 400

Québec (Québec) G1V 5C1

Fax: 514-864-8381

[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

### **Further Information**

Further information is available from:

**Patricia Akiobe**

Prudential Oversight of Financial Institutions

Autorité des marchés financiers

Telephone: 514-395-0337, ext. 4696

Toll-free: 1-877-525-0337

[michelepatricia.akiobesongolo@lautorite.qc.ca](mailto:michelepatricia.akiobesongolo@lautorite.qc.ca)