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London
 CANADA

Housing Division Notice

Date: November 22, 2013

HDN#: 2013 - 196

This applicable legislation/policy is to be implemented by the housing provider(s) under the following programs:

Please note if your program is **not checked**, this change is **not applicable** to your project.

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Federal Non-Profit Housing Program (Rent Supplement units only)

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: SUBSIDY SURPLUS FUND

1. PURPOSE:

To inform all former federal housing providers of the changes related to the Subsidy Surplus Fund and End of Operating Agreement.

2. BACKGROUND:

Non-profit and Co-operative Housing Programs (Section 95 of the National Housing Act) are provided with ongoing federal assistance to help reduce housing costs through a write-down of their mortgage interest rates. This assistance is formula driven and changes in relation to the mortgage interest rate at the time of renewal.

Unused federal assistance may be retained by the housing provider up to a maximum of \$500 per unit plus any interest earned. This Subsidy Surplus Fund is to be used for lowering the cost of housing for low-income households.

3. LOCAL RULE:

Effective immediately, social housing providers whose operating agreements allow for the establishment of a Subsidy Surplus Fund (SSF) can now retain any money they may have in this fund to use after their operating agreements mature. These funds can be used to continue to lower the cost of housing for low-income households living in existing social housing, including individuals, families, seniors, persons with disabilities and Aboriginal people.

This change will apply retroactively. This means that for housing providers whose agreements have already matured and who have repaid CMHC amounts that remained in their SSF at time of maturity, CMHC will refund the funds it collected, provided the project continues to be owned and operated by the social housing provider.

4. AUTHORIZATION:

Original signed by



Louise Stevens,
Director Municipal Housing

Date: Jan 6, 2014