



# HOME OWNERSHIP INCENTIVE PROGRAM (HIP) POLICY, AGREEMENT AND APPLICATION

**Policy, Agreement between the MCFN and Homeowners, Application, and Supporting Documents**

Effective Date: 2022-05-25

Owned By: MCFN Housing Committee

Approval:   
Rohan Ghatak, CEO

Reviewed: 2023-07-19

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Current approved documents are maintained online. Printed copies are uncontrolled.



## SUMMARY OF CHANGES

This summary shows:

- All changes from last approved and published document
- The location within the document where the changes have been made

Location of Change	Summary of Change
Entire Document	Creation of document
P. 8, 9, 11,15	Replaced "Tech Services" with "Property Management" on pages 11 and 15, revised table, added calculation notes on Page 9, changed "yes" and "no" to "True" and "False" on page 8.



Requirements changed in the new revision will be identified with a revision triangle beside it.

## SUMMARY OF REVIEWERS

The following people were involved in the review of this Standard:

Name	Position
Lydia Courteoreille	Councillor
Yvonne Carothers	Virtual Administrator (Contractor)
MCFN Housing Committee	
Roxanne Marcel	Councillor
Sherri McKenzie	Councillor
Doreen Cardinal	Chief Executive Officer
Michelle Fong	Lawyer (Contractor)

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## 1.0 ABOUT THIS POLICY

### 1.1 BACKGROUND

The Home Ownership Incentive Program (HIP) was developed by the Mikisew Cree First Nation ("MCFN") as a special incentive program for MCFN members who are ready, willing, and able to purchase or build a home using their own resources. Through the HIP, the MCFN will contribute a one-time \$25,000 CAD conditional grant ("HIP Grant") to the MCFN member to be used towards the down payment of a home.

## 2.0 ADMINISTRATION

Mikisew Property Management (MPM) will administer the HIP.

The HIP program is dependent on the annual budgeting process, which must be completed before applications for each year can be granted. The number of HIP Grants that are set each year is part of this process.

This policy replaces and supersedes all previous HIP policies. It shall come into effect upon acceptance by Chief and Council. All applications received prior to that date shall not be valid.

## 3.0 FUNDING

- 3.1 The funds forming the HIP Grants shall come from MPM. The HIP Grants to be distributed under the HIP shall be considered a conditional grant and not a gift or a loan (see Section 6).
- 3.2 The HIP Grant is currently set at \$25,000 CAD per recipient. This amount may, by amendment to this policy, be changed at the sole discretion of the Chief and Council of the MCFN.
- 3.3 The HIP Grant shall be distributed on a "first come, first served" basis, as completed applications are received, providing all eligibility criteria are met. The HIP Grant shall be distributed as a part or the whole of the down payment, on behalf of the applicant, to the seller or the builder of the house that the HIP Grant relates to.
- 3.4 The HIP Grant will be fully revocable and repayable in the event the applicant breaches any condition set out in Section 6.



## 4.0 APPLICATION

### 4.1 APPLICATION CRITERIA

- 4.1.1 Individuals who apply for the HIP Grant under the HIP shall hereinafter be called the “**applicant**” or, generally, “**applicants**”. Generally, applicants are individuals who can contribute resources to the initial cost of the house (through personal contribution and/or through financing) and who have applied along with a resource plan.
- 4.1.2 Applicants must first demonstrate that they are eligible under the HIP policy for a HIP Grant, such as a pre-approval from a financial institution (see Section 4.1.4 below).
- 4.1.3 Applicants will submit applications on or following the annual advertised date, where they will be checked for completeness.
- 4.1.4 Applicants must meet all the following criteria to be eligible for consideration for a HIP Grant:
- a. Applicant must be a registered member of the MCFN Membership list;
  - b. The applicant is applying for a HIP Grant for one of the following purposes:
    - building a new home; or
    - buying an existing home;
  - c. Applicant must provide a pre-approved mortgage commitment letter from a financial institution (applicant will need to provide this in the application);
  - d. The applicant has not been a successful candidate of a previous HIP Program.
  - e. The above eligibility criteria are ongoing for the entire period in which the HIP Grant is conditional.

### 4.2 APPLICATION PACKAGE

- 4.2.1 If the applicant believes they have met all the above criteria, then they can submit an application package to MPM that must include the following documents and information:
- a. A completed and signed application form, as set out in Appendix A.
  - b. A signed copy of the Home Ownership Incentive Program Agreement, as set out in Appendix B.
  - c. A pre-approved mortgage commitment letter that has been obtained from a recognized lending institution. The pre-approval must show mortgage amount, the down payment that the mortgage is based on, number of years, and interest rate. Once the mortgage is finalized, a copy of the final mortgage agreement, together with a real property report, will be required by MPM.



- d. If purchasing a home:
  - Offer to Purchase Agreement that includes the purchase price, seller name, location (legal description) OR, if no Offer to Purchase Agreement, then the real estate listing;
- e. If building a home:
  - If there is an agreement with the builder or contractor(s), then provide the agreement, which must include the builder or contractor's name, the estimated construction cost, build time, and location (legal description);
  - If there is no agreement yet, then provide the estimated construction cost, build time, and location (legal description) based on written estimates and land title searches.

### **4.3 APPLICATION PROCEDURE**

4.3.1 Subject to Section 4.3.2 below, the application process is as follows:

- a. Once applications have been submitted, MPM will review the applications received on or following the annual advertised date and time, for a period no longer than 60 days.
- b. MPM will review these first-received applications for completeness, reject any incomplete applications, and if necessary, review additional applications according to subsequent "received at" time stamps.
- c. The MCFN Housing Committee and the MPM will then inform the successful applicants of their HIP grant in due course.

4.3.2 The "first come, first served" rule shall be applied, based on the date and time that the complete application was received by MPM. This means that applications will be reviewed in the order that they are received and the MCFN will issue HIP Grants, based on the procedure above, until the budgeted amount for the HIP Grants is exhausted for the fiscal year (April 1 – March 31<sup>st</sup>). If there are enough applications received and deemed complete in the fiscal year to exhaust all of the HIP Grant funding for that fiscal year, then no new applications will be reviewed or accepted within that fiscal year. If this occurs, applicants are encouraged to re-apply in the following year instead.

### **5.0 COMPLETION PROCEDURE**

- 5.1 Upon the approval of the application by MPM, the applicant is solely responsible for the management of the project related to the home, whether it is being built or bought. Assistance and information can be obtained from the MPM.
- 5.2 The applicant must ensure compliance with the relevant Federal and/or Provincial Building Code standards and, at the cost of the applicant, shall provide a copy to MPM of the relevant inspection or completion documentation.



- 5.3 The applicant must provide a copy of the final approved and executed mortgage documents, together with the real property report, prior to the distribution of the HIP Grant to the applicant's seller or builder.

## 6.0 CONDITIONS OF THE HIP GRANT

- 6.1 "**Transaction Date**" means the purchase date of the home or the construction completion date for the home, whichever is the latest and applicable.
- 6.2 The HIP Grant is a conditional grant. The applicant must return and repay the full amount of the HIP Grant if any of the following events occur, which each constitute a breach of the conditional grant ("**Default Event**"):
- a. The applicant has breached any portion of the HIP Policy or misrepresented their eligibility for the HIP Grant;
  - b. The applicant has breached the Home Ownership Incentive Program Agreement.
- 6.3 The applicant has an obligation to notify the MCFN within five (5) days of a Default Event and repay the HIP Grant within ten (10) days of the Default Event.



A

**APPENDIX A - HOME OWNERSHIP INCENTIVE PROGRAM (HIP) APPLICATION FORM**

**APPLICATION FORM**

<b><u>Applicant Particulars</u></b>		
Name: _____		
Address: _____		
City/Town: _____	Prov: _____	Postal Code: _____
Member Number: _____	Email: _____	
Daytime Telephone: _____	Alternate Telephone: _____	

<b><u>Applicant Eligibility:</u></b>	
As set out in the Home Ownership Incentive Program Policy, the applicant must meet certain criteria in order to be eligible for this program. The applicant acknowledges and confirms the following information to be true and accurate (check Yes or No, then initial):	
___ True ___ False ___ Initials	I am a member of the MCFN.
___ True ___ False ___ Initials	I have never received a Home Ownership Incentive Program Grant before, or any grant under any similar program.
___ True ___ False ___ Initials	I am applying for the HIP Grant for one of the approved purposes, as set out in the HIP (e.g., Building or buying a home)
___ True ___ False ___ Initials ___ N/A, not building	The home that I want to apply the HIP Grant for will be built according to the Building Code standards that are applicable in that province, territory or federally.





**Location of the Home**

Attach a certificate of title, real estate listing, Offer to Purchase Agreement, Builder or Contractor Agreement, real property report or other supporting documents. Photos are recommended.

Municipal Address: \_\_\_\_\_

Legal Description: Lot: \_\_\_\_\_ Block: \_\_\_\_\_ Plan: \_\_\_\_\_

Registered owner's name on title: \_\_\_\_\_

**Application is for:** (check one)

\_\_\_\_\_ Building a new home \_\_\_\_\_ Purchasing an existing home

**Transaction Details and Resource Plan:**

You must provide a copy of your mortgage pre-approval.

Please attach any supporting documents, such as statement of adjustments, mortgage summary, contractor/builder estimates or quotes, etc.

Purchase Price for purchasing or building a home. \$ \_\_\_\_\_ (a)

Closing Costs  
(Includes lawyer fees, inspections if required, and any other fees associated with the house purchase. Receipts or documentation needed. If not known, an estimate can be provided.) \$ \_\_\_\_\_ (b)

**TOTAL COST** \$ \_\_\_\_\_ (c) ( c = a + b )

Applicant's equity or cash contribution. \$ \_\_\_\_\_ (d)

Requested amount for HIP Grant  
(Max. \$25,000 CAD) \$ \_\_\_\_\_ (e)

**Applicant's mortgage amount  
(Total cost of house purchase)** \$ \_\_\_\_\_ (f) ( f = c minus d and e )

If purchasing or building a home, when is the expected purchase or completion date?

\_\_\_\_\_



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<b><u>Acknowledgement and Confirmation – IMPORTANT</u></b>	
I, as the applicant, acknowledge, confirm, and agree as follows:	
Initial _____	I have received a copy of the Home Ownership Incentive Program Policy and have carefully reviewed it. I agree to be bound by all terms and conditions of this policy.
Initial _____	<p>I understand and agree that the HIP Grant is a conditional grant, meaning the full HIP Grant must be returned and repaid to MCFN if:</p> <ol style="list-style-type: none"> <li>1. I breach the terms of the HIP policy or misrepresented my eligibility for the HIP Grant;</li> <li>2. I breach the Home Ownership Incentive Program Agreement; or</li> </ol> <p><i>*Transaction Date is defined in the HIP policy.</i></p>

Please note failure to attach all required supporting documents will result in a delay in processing of your application.

The undersigned applicant, who is a Mikisew Cree First Nation member, hereby requests consideration from the MCFN for a HIP Grant. By signing below, I hereby acknowledge and agree to all of the terms of the HIP, and confirm the truth and accuracy of all the information I have set out in this Application Form and its supporting documentation.

Dated at \_\_\_\_\_ (City/Town), Alberta, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Witness signature  
Witness name: \_\_\_\_\_

\_\_\_\_\_  
Applicant signature  
Applicant name: \_\_\_\_\_

<b><i>Mikisew Property Management – OFFICE USE ONLY, APPLICANT TO LEAVE BLANK</i></b>
<i>Date and Time Received:</i> _____



## APPENDIX B - HOME OWNERSHIP INCENTIVE PROGRAM (HIP) AGREEMENT

This Home Ownership Incentive Program Agreement made effective on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN:

**MIKISEW CREE FIRST NATION**  
**c/o Mikisew Property Management**  
(the "MCFN")

-and-

\_\_\_\_\_  
(the "Homeowner")

### WHEREAS:

- a. The Homeowner wishes to purchase or build a house on the following lands:  
\_\_\_\_\_  
(the "Lands");
- b. The Homeowner has applied for a HIP Grant pursuant to the terms, requirements, and specifications of the HIP Policy of the MCFN;
- c. The MCFN has approved the Homeowner for the HIP Grant on the basis their application;
- d. A requirement for approval and receiving the HIP Grant is for the Homeowner to enter into a Home Ownership Incentive Program Agreement with the MCFN;
- e. Pursuant to the terms of the HIP Policy and based upon the information contained within the Homeowner's application, the MCFN agrees to provide the HIP Grant to the Homeowner on the basis of the representations, warranties, covenants, and conditions contained or otherwise referred to within this Agreement;

**NOW THEREFORE** in consideration of the mutual covenants contained within this Agreement, the parties hereto agree as follows:

### 1.0 INTERPRETATION

- 1.1 In this Agreement, the following terms and expressions shall have the following meanings:
  - a. "Agreement" means this agreement, together with all schedules attached hereto;
  - b. "Building" shall mean the residential housing unit that the HIP Grant must be applied to, and which is located or constructed, or to be located or constructed, upon the Lands together with:



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- i. any and all accessory buildings from time to time located or constructed upon the Lands;
- ii. any and all appliances, furnaces, and other equipment or systems from time to time attached to or used for the operation of the residential housing unit and accessory buildings; and
- iii. in the case of one or more of the structures comprising the Building being a mobile or manufactured home, the Building shall include such home described as follows:

Make: \_\_\_\_\_

Model: \_\_\_\_\_

Serial Number: \_\_\_\_\_

- c. "Home Ownership Incentive Program" means the program established from time to time by the MCFN to provide financial assistance to members of the Mikisew Cree First Nation for the purchase or building of a home;
- d. "HIP Grant" means the funds that the MCFN grants to the Homeowner in accordance with the HIP Policy and this Agreement;
- e. "HIP Policy" means the policy for the Home Ownership Incentive Program developed and amended from time to time by the MCFN for the purposes of applying and administering the Home Ownership Incentive Program;
- f. "Lands" shall mean that the lands described in the preamble of this Agreement;
- g. "Transaction Date" means the purchase date of the Building or the construction completion date for the Building, whichever is applicable;
- h. "Default Events" or "Default Event" means the event(s) described in Section 4.0 of this Agreement.

1.2 In this Agreement words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neutral genders and vice versa.

## 2.0 HIP GRANT (GENERAL)

2.1 The MCFN hereby grants a HIP Grant in the amount of \$25,000 CAD to the Homeowner to be used for the purchase or construction of the Building on the Lands. The HIP Grant to the Homeowner shall be in accordance with the terms and conditions set out in this Agreement and in the HIP Policy.



- 2.2 The eligibility and conditions for receiving a HIP Grant are set out in the HIP Policy, which may be amended from time to time by the MCFN. The Homeowner confirms they have received, read, and understood the HIP Policy. The Homeowner agrees to be bound by the HIP Policy at all times, including any amendments thereto.
- 2.3 The HIP Grant shall be paid at the purchase date if purchasing a home. If building a home, the HIP Grant will be paid within 14 days of the Homeowner's application being approved. The MCFN has no obligation to pay the HIP Grant other than in accordance with this agreement.
- 2.4 The MCFN shall have the sole and absolute discretion of whether to advance the HIP Grant to the seller of the Building (if it is a home purchase) or to the builder (if it is a home construction). The Homeowner has no authority to direct the payment to themselves.
- 3.0 HIP GRANT (CONSTRUCTION)**
- 3.1 If the HIP Grant is to be used for the construction of the Building or if the Building has yet to be constructed, then the terms of this Section 3 shall apply.
- 3.2 The Homeowner covenants and agrees with the MCFN to:
- a. construct and erect the Building all in accordance with plans and specifications which have been previously approved by the MCFN; and
  - b. carry on diligently to completion the construction and erection of the Building.
- 3.3 The MCFN may, but shall not be obligated to, retain any portion of the HIP Grant that it may deem necessary as builders' lien holdbacks in the amount prescribed by the Builders' Lien Act of Alberta or other applicable legislation. This Act would not apply if the land is located on Reserve land. These sums shall be held for any length of time, both during and after completion of the Building, as the MCFN may see fit to ensure the discharge of any contractor/builder liens.
- 3.4 As set out in Section 4.1, if a builders' lien is registered against the Building or Land, it is considered a Default Event. However, the MCFN may, but is not obligated to, waive the Default Event and pay for the lien directly instead. If the MCFN opts to pay such builders' lien then:
- a. it shall not be liable or responsible to determine the validity or correctness of any such lien claim; and
  - b. such amounts shall be considered an advance of a portion of the HIP Grant to the Homeowner, meaning the Homeowner will receive less advances of the HIP Grant in the future.



- 3.5 If the Homeowner fails in the erection and completion of the Building or neglects to carry on the work of erecting and completing same with reasonable diligence, the MCFN may, but is not obligated to, declare this failure as a breach of Section 3.2 and this would be considered a Default Event.

#### 4.0 DEFAULT EVENT

- 4.1 Subject to the HIP Policy, the MCFN may demand repayment of the HIP Grant:

- a. if the Homeowner breaches any of the conditions of the HIP Grant, as set out in the HIP Policy (**SEE HIP Policy for Conditions of the HIP Grant**); or
- b. if the Homeowner breaches any terms, conditions, representations or warranties of this Agreement, the HIP Policy, or the HIP Program; or
- c. if it is discovered that the Homeowner made a misrepresentation in their application for a HIP Grant; or
- d. if the HIP Grant is to be applied to the construction of the Building and the Homeowner fails to properly construct or complete the construction of the Building, in accordance with this Agreement; or
- e. if the HIP Grant is to be applied to the construction of the Building and there is a builders' lien registered against the Building or Land and the Homeowner fails to pay and discharge such liens within THIRTY (30) DAYS after the lien is registered, unless waived by the MCFN in accordance with this Agreement.

(collectively, referred to as "**Default Events**" and individually referred to as "**Default Event**").

Repayments may result in MCFN recovering monies from any/all Per Capita Distribution payments, or other disbursements made by MCFN.

- 4.2 The Homeowner shall provide written notice to the MCFN within FIVE (5) DAYS of the occurrence of a Default Event. If the Homeowner fails to provide such notice, then notice is deemed to be delivered to the MCFN upon the MCFN acquiring knowledge of the Default Event.
- 4.3 Within THIRTY (30) DAYS of the delivery of such notice, the MCFN shall provide written notice to the Homeowner requiring the Homeowner repay the HIP Grant within TEN (10) DAYS.



**5.0 HOMEOWNER COVENANTS**

- 5.1 In addition to any other covenants of the Homeowner set out in this Agreement, the Homeowner also covenants:
- a. to provide immediate and prompt written notice to the MCFN upon the occurrence of any Default Event;
  - b. to apply the HIP Grant for the purchase or construction of the Building.

**6.0 GENERAL**

- 6.1 The Homeowner and the MCFN covenant that they will execute or cause to be made, done or executed all further and lawful acts, deeds, things, devices, conveyances, and assurances whatsoever for effecting the purposes and intent of this Agreement.
- 6.2 Any notice to be given hereunder shall be in writing, addressed to the party for whom it is intended. Unless otherwise provided in this Agreement, delivery of any notice shall be considered received FIVE (5) BUSINESS DAYS after the notice is posted (if sent by mail) or is transmitted (if sent by email or facsimile). The mailing addresses of the parties shall be:

- a. As to the Homeowner:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

- b. As to the MCFN:

Mikisew Cree Lender

c/o Mikisew Property Management

Address: \_\_\_\_\_

Email: \_\_\_\_\_

or any other mailing or facsimile addresses as the parties may from time to time notify the other.



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- 6.3 This Agreement shall be binding on and enure to the benefit of the parties and their respective successors, legal representatives, personal representatives, and permitted assigns. In the event that this Agreement is executed by more than one individual on behalf of the Homeowner, the individuals executing this Agreement shall be jointly and severally liable for the performance of the Homeowner's obligations under this Agreement.
- 6.4 Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions of this Agreement, but shall be deemed severable from the prohibited and unenforceable provision or provisions and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.
- 6.5 No amendment, supplement, or waiver of any provision of this Agreement or any other agreement provided for or contemplated, nor any consent or any departure by the Homeowner, shall in any event be effective unless it shall be in writing and signed by the MCFN, and then the waiver or consent shall be effective only in the specific instance for the specific purpose for which it has been given.
- 6.6 Time shall be of the essence of this Agreement.
- 6.7 This Agreement constitutes the entire agreement between the parties in respect to the matters herein dealt with and cancels and supersedes any prior agreement, undertakings, declaration, or representation, written or verbal, in respect to such matters.
- 6.8 Notwithstanding the location of the Lands and the Building, this Agreement shall be governed by the laws of the Province of Alberta.

*(Remainder of the page intentionally left blank. Signature page to follow.)*





**SIGNATURES**

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_:

**MIKISEW CREE FIRST NATION**

Per: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

Witness Name: \_\_\_\_\_

\_\_\_\_\_  
Homeowner Signature

Homeowner Name: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

Witness Name: \_\_\_\_\_

\_\_\_\_\_  
Homeowner Signature

Homeowner Name: \_\_\_\_\_

*(Signature page to Home Ownership Incentive Program Agreement.)*

This document is to be reviewed annually.

