









Rebuilding Fire-Resilient and Net Zero Homes in the Community of Lytton

Financing Option for PacifiCan Homeowner Resilient Rebuild Program

Co-operators, a Canadian financial services co-operative, believes in the value that increased climate resilience brings to communities. It is assisting Lytton residents who lost their home to wildfire on June 30, 2021 and wish to access PacifiCan's Lytton Homeowner Resilient Rebuild Program (LHRR) for their fire-resilient and Net Zero rebuild. Co-operators is offering a financing option, the Co-operators Financing Program (CFP), to cover the costs of fire-resilient and Net Zero features up front so that Lytton residents can access the PacifiCan LHRR Grant funding. More information about the LHRR is available at www.canada.ca/pacifican-lytton-programs.

This document describes the process for eligible residents to access the CFP. More information about the PacifiCan program is available at <https://www.canada.ca/en/pacific-economic-development/corporate/about.html>.

How it works ...

-  **1** Apply to PacifiCan's Lytton¹ Homeowner Resilient Rebuild Program.
**Note that Co-operators financing only applies to home rebuilds that are both fire-resilient and Net Zero.*
-  **2** Receive approval of your LHRR Grant application from PacifiCan.
-  **3** Engage a Canadian Home Builders' Association certified builder to design your home to meet fire-resilient and Net Zero standards. Your builder must clearly reflect the additional costs for fire-resilient and Net Zero upgrades.
-  **4** Sign an agreement with Co-operators and your builder, the CFP Agreement, outlining the requirements for all parties.
-  **5** Co-operators advances funds to cover the cost of fire-resilient and Net Zero upgrades to your builder.
-  **6** Your house is built! Hooray!!!
-  **7** Your house is certified as meeting fire-resilient and Net Zero standards.
-  **8** You receive the PacifiCan LHRR Grant and transfer it to Co-operators in satisfaction of the advance payment by Co-operators for the fire-resilient and Net Zero features of your home.

¹Program eligibility includes owners of residential property located in the Village of Lytton or within 15km of the Village.

Important Disclosures

We want to highlight some of the important terms that are involved with the Co-operators Financing Program (CFP) for PacifiCan's Lytton Homeowner Resilient Rebuild Program (PacifiCan LHRR Grant). This list is summary in nature, and we STRONGLY encourage you to read the entire CFP Agreement before signing, and to speak with a lawyer if you have any questions about the agreement.

Financing Costs

The CFP is a form of financing and as a result it does come at a cost to you. The Co-operators created CFP because it believes that communities across Canada can benefit from improved resilience. After learning of some of the access challenges with the PacifiCan Grant, we stepped in to offer a potential solution to Lytton residents who want to rebuild to fire-resilient and Net Zero standards.

The CFP is different than a traditional loan or mortgage. With the CFP, there is no claim on your home, now or in the future. There is also no personal guarantee that you need to provide. Your only requirements are to (1) apply for the PacifiCan LHRR Grant, (2) permit a third-party to enter your home upon the completion of construction to certify that your new home meets the fire-resilient and Net Zero requirements set forth in the PacifiCan LHRR Grant, and (3) transfer the PacifiCan LHRR Grant amount to Co-operators once you receive it.

It is important to note that the CFP provides your builder with less than the total amount of the PacifiCan LHRR Grant that you qualified for. In exchange for providing the financing to enable your builder to build your home in a fire-resilient and Net Zero manner, Co-operators will earn the difference between the cost of the additions to make your home fire-resilient and Net Zero and the amount of the PacifiCan LHRR Grant. This difference needs to be at least 15% for the CFP to be effective. While you never have to come out-of-pocket under the CFP, the implied financing rate of the CFP can be substantial, and you may have other options which provide you with a lower implied financing cost. While there are a number of factors to consider in determining the actual implied financing cost, Co-operators estimates that a reasonable range to consider (given estimated building costs and timeframes) is 12-15%. For example, if you have the cash on hand to pay for fire-resilient and Net Zero upgrades, your cost of financing will be zero and you will be able to keep all of the difference between the cost of the additions and the amount of the PacifiCan LHRR Grant. Alternatively, you may be able to borrow from another financing source at a rate that is lower than the implied rate of the CFP. In this last case however, you will likely take on some potential liability in borrowing the funds. We encourage you to consider your options and we are happy to discuss them with you.

Your Obligations

We designed the CFP to be as "light touch" as possible for you, the resident. As previously noted, we do not take security over your assets for this financing. That said, there are still obligations under the CFP that you are signing up for. Specifically, you will need to transfer the PacifiCan LHRR Grant to Co-operators once you receive it, which will require the fire-resilient check-list to be signed off by your builder and Net Zero certification to be provided to PacifiCan (as set out in the PacifiCan LHRR Grant agreement). To the extent necessary, you may need to let a third party enter your newly completed home to certify the applicable fire-resilient and Net Zero standards.

Interior Savings Credit Union

Interior Savings Credit Union (ISCU) is helping us to administer the CFP. ISCU is similarly interested in helping Lytton community residents who choose to rebuild their homes to fire-resilient and Net Zero standards. As such, ISCU is offering residents who participate in the CFP reduced mortgage rates on their homes to reward residents who are focused on resilience. Please feel free to contact Malcolm Dunn, Regional Manager, Commercial Services at ISCU at mdunn@interiorsavings.com or 250 469 6519 for more information.

Lytton Concierge

The Village of Lytton can help guide your rebuild, including accessing the CFP. Please reach out to the Community Navigator with any questions: Jeff Isert | jisert@lytton.ca | (778) 254-8586.

PacifiCan Contact

For questions relating to the PacifiCan LHRR Grant, please contact PacifiCan's Lytton team at any time: lytton@pacifican.gc.ca. They can help guide you through the application process, as well as provide a list of Canadian Home Builders' Association Net Zero-approved homebuilders.