



Executive Committee Report

Stress Test – Analysis and Implications of Changes to Mortgage Regulations

Recommendation of the Committee

That the Motion on the Lloor be withdrawn and replaced with the following:

That the Mayor write an open letter, on behalf of City Council, to the federal government to request a review of the Residential Mortgage Underwriting Practices and Procedures, including the following specific considerations:

- Reforming the stress test to be flexible based on regional conditions;
- Modernizing the lending rules to be more considerate of self-employment income;
- Reinstating 30 year amortization periods for CMHC insured loans;
- Removing the stress test for requalification and fixed interest mortgages;
- Reducing the stress test from the current benchmark of two percent above current rate; to a maximum of 0.75 percent above current rate.

History

At the February 24, 2020, Executive Committee meeting, the February 24, 2020, Financial and Corporate Services report CR_7688 was considered and the Committee heard from M. Brodrick, Realtors Association of Edmonton; and J. Herrick.

Attachment

February 24, 2020, Financial and Corporate Services report CR_7688