



**Property Value Protection Program**

# **Guide for Completing a Claim for Mortgage Renewal Difficulties Under the Standard Route**



## Introduction

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The Port Hope Area Initiative (PHAI) represents the Government of Canada's commitment to respond to community-recommended solutions for the cleanup and local, long-term, safe management of historic low-level radioactive waste in the municipalities of Port Hope and Clarington.

The Property Value Protection (PVP) Program is an integral part of the Legal Agreement between the Government of Canada and the two municipalities that defines the framework and sets out the responsibilities for the PHAI's two projects, the Port Hope Project and the Port Granby Project. The PVP Program offers compensation to eligible property owners within the designated PVP Zone (see map on page 6) if they experience:

- Diminution (loss) of value on the sale of a property
- Loss of rental income
- Mortgage renewal difficulty

## Before you start

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This guide will help you complete the Mortgage Renewal Difficulties – Standard Route claim form for the PVP Program. It provides step-by-step instructions to assist you in providing the information required to file your PVP claim.

It is important that you use the appropriate guide for the type of claim you are filing. **This guide is for Mortgage Renewal Difficulties.** There are also guides for:

Loss on Sale – Standard Route

Loss on Sale – Simplified Route

Loss of Rental Income – Simplified Route

Loss of Rental Income – Standard Route

If you require a different guide or need assistance with your claim, please contact PVP Program staff:

- In person at the PVP Program Office, 25 Henderson Street, Port Hope, Ontario, between 8:30 a.m. and 4:30 p.m.
- By mail at PVP Program Office, 25 Henderson Street, Port Hope, ON, Canada L1A 0C6
- By phone at 905.885.0291
- By email at [pvpinfo@cnl.ca](mailto:pvpinfo@cnl.ca)

**Please note: Claims for mortgage renewal difficulties must be filed within 40 business days following the period for which the annual loss was incurred.**

## Completing Mortgage Renewal Difficulties Claim Form – Standard Route

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The claim form has three sections:

**Section 1 – Owner and Property Information**

**Section 2 – Eligibility and Administrative Criteria**

**Section 3 – Standard Route Claim Criteria**

The following instructions will help you – as the property owner – fill in the information for each section. It also provides guidance on what type of additional information the PVP Program requires.



## Section 1 – Owner and Property Information

### Property Address

The address of the property for which you are filing the claim

### Street Number and Name

The physical address of the property, including any secondary address and “Also Known As” addresses

### Postal Code

The postal code for the property

### Civic Address (911 Emergency Address)

If applicable; usually used for properties in rural areas

### Lot Number, Sub Lot Part, Concession

This information can be found on your property survey or on your Municipal Property Assessment Corporation (MPAC) Property Assessment Notice as shown below:

Roll number	12 34 567 899 12345 1234
Property location and description	200 SOME STREET CON LP PT LOTS 9, 10 & 11 ALL LOTS 12, 13 & 14 IRREG
Municipality/Local taxing authority	ANY TOWNSHIP

### Municipality

Port Hope or Clarington

### Ward

For Port Hope properties only: Ward 1 or Ward 2

### Building Size (in Square Feet)

Found on MPAC Property Assessment Notice

<b>Property summary</b>	
Property type	Single Family Dwelling
Property information	Frontage: 50.00 feet Depth: 150.00 feet Lot area: 7,500.00 square feet
Building - exterior square footage	2,000 square feet
Year of construction	1995



## Lot Size (Acreage)

Found on MPAC Property Assessment Notice

Property summary	
Property type	Single Family Dwelling
Property information	Frontage: 50.00 feet
	Depth: 150.00 feet
	Lot area: 7,500.00 square feet
Building - exterior square footage	2,000 square feet
Year of construction	1995

## Tax Assessment Roll Number

Found on MPAC Property Assessment Notice

Roll number	12 34 567 899 12345 1234
Property location and description	200 SOME STREET CON LP PT LOTS 9, 10 & 11 ALL LOTS 12, 13 & 14 IRREG
Municipality/Local taxing authority	ANY TOWNSHIP

## Property Owner(s) – All individuals who have a legal interest in the property

List all owner(s) who are registered on title for the property and their spouses (as required by the *Family Law Act*). Mailing addresses and phone numbers are required for all parties. If you need more space for names, check the box at the bottom of Section 1, use a separate sheet of paper and include it with your claim form.

### Last Name

The legal last name of all registered owners; if a property owner's current last name is different, include it in brackets: (current last name)

### First Name and Initial

The legal first name of all registered owners; if a property owner uses a different first name, include it in brackets: (first name)

### Mailing Address

The address at which you receive mail

### Phone (Home)

Your home phone number

### Phone (Cell)

Your cell phone number or secondary number (for example, work phone number)

### Email Address

The email address you wish to use for PVP Program correspondence

## Authorized Contact – if different from the property owner(s)

Complete this section if you, as the property owner, have someone acting on your behalf for the PVP claim process. The authorized contact must meet the age of majority.



Examples of authorized contacts include:

- Power of Attorney – Delegated written authorization granted to a person to act legally on behalf of another, including actions such as signing legal documents. In the case of a Power of Attorney or a Continuing Power of Attorney for Property, copies of the documents granting authorization to the person are required.
- Estate Trustee (Executor) – Person authorized to administer the estate of a deceased person. A copy of the document granting authorization to the person is required.

Should you wish to authorize someone such as a lawyer or Realtor to act on your behalf, notify the PVP Program Office in writing (by mail or email) of your decision to permit PVP Program staff to discuss your claim with the person you have authorized. You will still be copied on all correspondence.

**Last Name**

The legal last name of the authorized contact

**First Name and Initial**

The legal first name of the authorized contact; if the contact has a different first name, include it in brackets: (first name)

**Mailing Address**

The address at which the authorized contact receives mail

**Phone (Home)**

Home phone number of the authorized contact

**Phone (Cell)**

Cell phone number or secondary number of the authorized contact (for example, work phone number)

**Email Address**

The authorized contact's email address for correspondence

**Relationship**

The relationship between the authorized contact and the property owner (for example, lawyer or power of attorney)

**Firm name (if applicable)**

The name of the firm for which the contact works



## Section 2 – Eligibility and Administrative Criteria

### A Is the property located in the PVP Zone?

Choose Yes or No.

You must own property in the PVP Zone, shown below, to be eligible to apply for compensation related to that property under the PVP Program.



### B Have all legal owners consented to the claim?

All legal owners (those registered on title) must consent to the filing of the PVP claim.

### C The PVP Program was established in October 2001, and will remain operational until two years after the long-term waste management facilities reach a state of long-term monitoring and maintenance. Provide the following information to confirm that the PVP claim has been submitted for processing within 40 days following the annual period of loss suffered by the claimant.

Fill in the date of mortgage renewal.

### D Indicate which Port Hope Area Initiative (PHAI) project had an impact on the renewal of your mortgage.

Choose either the Port Hope Project or the Port Granby Project.

### E Have you submitted a previous PVP Program claim for this property?

Choose Yes or No.

### F Identify the PHAI project event that caused the mortgage renewal difficulty (for example, the start of the PHAI's Highland Drive area remediation activities).

See list of "Project Events" included with the claim form.



**G Have any of the property owner(s) received other financial compensation from any other federal, provincial or municipal program as reimbursement, in whole or in part, for financial loss resulting from the Port Hope Area Initiative?**

Choose Yes or No. If yes, fill in the other information related to the financial compensation.

Note: If financial compensation was previously awarded, the amount may be deducted from any compensation awarded.

### **Section 3 – Standard Route Claim Criteria**

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By choosing the Standard Route, you are required to:

- A. Demonstrate that three financial institutions refused to renew the mortgage on your property at the current posted rate**
- B. Demonstrate that a risk premium related to the PHAI was applied to the mortgage above the current posted rate**
- C. Demonstrate the pre-project value and diminution of property value**
- D. Demonstrate that the PHAI caused the diminution**
- E. State the amount of compensation you are requesting**
- F. Provide the required documents**
- G. Meet other requirements as described in Section G**

**A Demonstrate that three financial institutions refused to renew the mortgage**

There are a variety of factors that a financial institution will consider when deciding to issue or renew a mortgage, including credit worthiness and the mortgage-debt-to-home-equity ratio, etc.

You are required to provide a letter from at least three National Housing Act (NHA)-approved financial institutions stating that they refused to renew an existing first mortgage on your property at the current posted rate.

**B Demonstrate that a risk premium related to the PHAI was applied to the mortgage above the current posted rate**

To be considered for compensation, you are required to provide proof that these institutions applied a risk premium due to a PHAI project event. This can be achieved by providing letters from three NHA approved financial institutions.

No other factors, such your credit score, decreases in value of the property due to non-PHAI-related factors or an increase in mortgage amount, can contribute to the decision by the financial institutions to increase the mortgage rate.

In order to demonstrate that the market has decreased and has justified an increase in risk premium or decrease in equity, market evidence must also be submitted as described in C and D below.



## C Demonstrate pre-project value and diminution of property value

In addition to providing the evidence in Sections 3A and 3B, you must also demonstrate diminution of value by providing:

- An appraisal that establishes the unaffected fair market value of the property the day before the specified project event
- A Multiple Regression Analysis for a property in Port Hope or a Paired Data/Sales Analysis for a property in Clarington to demonstrate there was a change in value between the property, similarly situated properties and properties located in a baseline community
- Evidence to confirm the change in value during the time period was due to the PHAI and no other factors
- The dollar amount of that diminution (“Amount of Diminution”) and the specific amount of the Risk Premium expressed as an interest rate (“Risk Premium Amount”)

Claims filed for amounts more than can be proven by evidence (i.e. certified appraisal, MRA, PSA, etc.) that the Claim Examiner believes is not sufficient to prove the claim will be returned to the claimant to be revised. Claims not revised within 30 days will be denied.

## D Demonstrate that the PHAI caused the diminution (causation)

You are required to establish causation, as well as a correlation between a specified PHAI project event and the diminution of the property value, by demonstrating that:

- a) There is a clear and logical causal chain between the PHAI project event, the effect of that event and the diminution
- b) Each link in the causal path is proven on a balance of probabilities
- c) No other, non-PHAI event could have affected the amount of the diminution, including specifically, general market conditions, the marketing of the property, the presence of low-level radioactive waste on or near the property, or any other obvious factor that may have impacted the local market.

**It is important that you demonstrate that a specific PHAI project event lead directly to a project effect that caused the financial institution to apply the risk premium amount, and that no other factor affected the risk premium amount.**

The PVP Program Rules specify that a project effect means any effect that results from the PHAI and causes a diminution of value of a property that is the subject of a PVP claim. Any effect that results from the presence of low-level radioactive waste and not from the remediation of that waste is not considered a project effect as defined by the PVP Program Rules.

The PHAI currently identifies “Recognized Project Effect” as:

- a) Actual, substantial, physical damage to a property that is the subject of a PVP claim

OR

- b) Substantial interference with an owner’s use or enjoyment of the property, which may lead to diminution of value of that property

Currently, the only Recognized Project Effect is the potential for nuisance noise. Stigma – the perception that a hazard exists – is not a Recognized Project Effect. There are different requirements for demonstrating causation related to a project effect and causation related to a Recognized Project Effect. The PHAI has evidence substantiating noise impacts in specific areas and recognizes the potential for nuisance noise in those locations. As a result, the burden of demonstrating noise impact – a Recognized Project Effect – on properties within the identified zones is less than demonstrating the impact of a project effect for which the PHAI does not have substantiating evidence.





Demonstrating that there was a diminution of property value between the date of a PHAI project event and the date of mortgage renewal difficulties shows a correlation between the PHAI project event and the diminution; however, it does not demonstrate causation. It is reasonable to expect that diminution might have different causal paths, as described in the following sections:

**(a) Nuisance Effects**

The nuisance effects of the PHAI project (such as construction noise or the view of a construction site) might cause buyers/renters to pay less for a property. If nuisance is the cause, it is expected the impact will be the same on similarly situated properties; two similar houses both exposed to the same nuisance should suffer the same relative diminution.

**(b) Stigma**

If the existence of the PHAI project is stigmatizing the community and has the potential to cause across-the-board diminution of values, it is expected that there would be an impact on the sale value/rental value of all properties within proximity to the PHAI project activities. At present, however, there is no market evidence to suggest that stigma related to the PHAI project exists. Any evidence of stigma effects must be based on broad market evidence.

**(c) Disclosure Effects**

As part of the PHAI's Port Hope Project, all properties in urban Port Hope and a few in the rural area will be surveyed for the presence of historic low-level radioactive waste. There will be a period of time between when a property owner becomes aware of the presence of waste and the remediation of that waste. It is possible that during this period some buyers/renters may pay less for the property, leading to diminution of sale/rental value. However, if a property owner knew or could have known prior to purchasing a property that the property had historic low-level radioactive waste – for example, if a prior survey had identified the waste on the property – then a claim cannot be sustained.

**E Compensation Requested**

To calculate the amount of compensation you are requesting:

1. Submit an amortization table outlining the interest portion of the mortgage payment, at the rate incorporating a project related risk premium, for the period of time (one year or less) you are claiming;
2. Submit an amortization table outlining the interest portion of the mortgage payment, at the posted interest rate, for the period of time (one year or less) you are claiming;
3. The amount of compensation requested would be the difference in mortgage interest between points 1 and 2 above.

**F Required Documents**

Submit the documents as listed on the claim form.

**G Other**

It is important to note that a claim for mortgage renewal difficulties may be filed only after the loss has occurred. Claimants can file one claim for each calendar year of the mortgage, and only a loss that occurs during a remediation period can be the subject of a claim.

Compensation will be available for the difference of the amortized interest payment only for the period of time when the property is impacted by the PHAI, regardless of the renewal term.

Claims for Mortgage Renewal Difficulty will not be accepted or processed if the subsequent renewal period is in advance of or subsequent to the period in which the property is directly impacted by the PHAI.



## Acknowledgement and Required Signatures

By choosing to file your claim under the Standard Route, you acknowledge that:

- You are responsible to demonstrate all aspects as outlined in Section 3: Standard Route Claim Criteria.

You also acknowledge that the following information may be made publicly available:

- Address of property
- PVP Program compensation amount
- Date compensation awarded

The claim must be signed by all owners of the property.

By signing the Mortgage Renewal Difficulties – Standard Route claim form, you and all parties certify that the information submitted is true to the best of your knowledge. You understand and agree that the claim will be processed in accordance with the requirements of the PVP Program, which include the PVP Program Rules.

