

HOLIDAY

every¹

Feel at home in paradise
Ask about vacation home financing today



Vida y dinero en equilibrio.

FEATURES

- Credit available for acquisition of:
 - Finished properties (homes and apartments) new or used
 - Properties in a pre-sale mode (when the developer is in construction process)
- Mortgage loans are in US dollars
- Loan to value up to 65% of the property value, the lowest between the purchase value and the commercial value determined on the appraisal
- Credit terms up to 20 years

APPLICANT REQUIREMENTS

- Required age for the maximum LTV:
 - For a 65% of LTV the applicant age should be minimum 25 years old and maximum 64 years and 11 months old and a life insurance through Scotiabank is mandatory
 - For applicants between 64 years and 11 months old and 75 years old, a maximum LTV of 50% is established without the life insurance through Scotiabank
- Employment History:
 - For employees, a minimum 3 of years with minimum 6 months at the current place of employment
 - Self-employed and/or business owners must have at least 3 years in same activity
- Positive credit references (Score 680+ is recommended)
- Minimum gross income of \$3,500 USD monthly
- Home and/or office telephone numbers

APPLICANT REQUIREMENTS

¿Who can apply?

- Single applicants
- If the applicant is married the spouse should be part of the credit as co-borrower if they are joining their income or as guarantor if they are not. And the spouse can be owner of the property too
- Couples living together but not married filling in a common law partner declaration provided by Scotiabank
- Single applicants or married applicants with a son as a guarantor joining their income or not

¿Who can not apply?

- Companies or legal entities
- Relatives or a group of friends or partners



DOCUMENTS REQUIRED

- Scotiabank application signed by the applicant and his / her spouse
- Request or form 1003 application completely filled in
- Official ID: Passport (applicant and spouse)
- Proof of Income:
 - Employees: Last month salary receipts and W-2 of last 2 years or IRS Certified Tax Returns of last 2 years
 - Self Employed: Personal bank account statements of last 6 months and IRS Certified Tax Returns or NOA's of last 2 years
- Recent bill that shows the applicant's name and address: electricity, water, phone, gas or bank statements

INSURANCES

The mortgage for Non Residents have two mandatory insurances whose supplier is AXA and their cost is included in the monthly payment

Life Insurance:

- This insurance protects you and your spouse covering the unpaid balance of the credit in case of
 - Death, or
 - Permanent disability (subject to a waiting period of three months following granting of the loan) and this benefit is cancelled reaching 71 years old
- For applicants between 64 years and 11 months old and 75 years old and a 50% of LTV this insurance is cancelled



INSURANCES

Property Insurance:

This insurance protects the constructive value of the property

- 100% respecting **all physical loss or damage** directly caused by any covered peril, occurred suddenly, accidentally and unexpectedly
- 100% respecting **hydro-meteorological phenomena**
- 90% with respect to **earthquake and volcanic eruption**
- **Contents** in a sum up to 60% of the amount insured
- **Debris** removal in a sum up to 25% of the amount insured
- **Extra expenses** for any peril that prevents the occupancy of the property for a period up to 6 months and in a sum up to 15% of the amount insured
- **Family liability** in a sum up to 120% of the amount insured
- **Theft of contents** in a sum up to 5% of the amount insured
- **Breakage of glass** not less than 4 mm. in a sum up to 15% of the amount insured

INSURANCES

Title Insurance:

As an optional insurance, you can buy a Title Insurance policy to protect your investment against any title defects that could threaten your right to ownership of the property if a third party were to claim priority rights to it. The title insurance premium is payable at the time of closing.

We have agreements with First American, First Canadian and Stewart Title.

Escrow Account:

An Escrow account will also be managed with Stewart Title to manage the fees and expenses during the credit process with the companies above mentioned.

OWNERSHIP THROUGH A TRUST?

Restricted Zone

Under Article 27, Section I of the Mexican Constitution, foreigners cannot acquire direct dominion over properties within an area of 100 kilometers along the borders, or 50 kilometers from the coast.

The trust is the only means that the Mexican Foreign Investment Act allows for foreigners to utilize, enjoy and exploit a residential property located in the restricted zone, and issue instructions for it to be transferred to another person, being able to engage in practically all the activities of owner, without having the “direct dominion”, which is held by the trustee (bank). These trusts can last for 50 years and the banks must request permission from the Ministry of Foreign Relations to establish same.

The trust offers full legal security and reliability for the person who acquires the right to use and enjoyment of the property.

Deutsche Bank provides the Trust services for our mortgage Customers.

STRUCTURE OF THE TRUST

Guaranty an Restricted Zone Trust

Trustee:	Deutsche Bank
First trust beneficiary:	Scotiabank
Second trust beneficiary:	Borrower Customer

A trust will be established even if the property is not located in the Restricted Zone.

1. The encumbrance is established at Scotiabank name by the seller
2. The property is transmitted to the Trust by the seller
3. In the Trust Contract:
 - The credit is signed
 - The restricted zone requisites are fulfilled and the structure is established
 - An execution procedure is agreed in case of default
4. The Trust fees are charged in the monthly statement
5. Scotiabank collects and pays the trust fees to the trustee
6. When loan's balance is paid off, Scotiabank resigns to the Trust and the customer becomes First trust beneficiary

CREDIT OPTIONS

Currency	US dollars			
Terms	10 years	15 years	20 years	15 years with a 30 year amortization
Interest rate	7.59% fixed the first 5 years, Libor + 3.75 the remaining term	7.80% fixed the first 5 years, Libor + 4.00 the remaining term	7.99% fixed the first 5 years, Libor + 4.25 the remaining term	8.75% fixed (15 years)
Monthly payment (per thousand of loan)	11.92 USD	9.45 USD	8.36 USD	7.87 USD
Life Insurance	0.43 USD per thousand based on the outstanding balance			
Property Insurance	0.26 USD per thousand based on the destroyable value of the property			
Up front fee	2% over the loan amount			
Prepayment fee	2% over the prepaid amount the first 5 years			

- Minimum property value: US \$100,000
- Minimum loan: US \$50,000
- Maximum loan: US \$600,000
- Debt / Income: 35%
- Payment / Income: 20%
- FICO Score: 680+

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