



The Home Buyers' Plan (HBP)

Did you know? The Canadian government has a program known as the Home Buyers' Plan (HBP), which is designed to allow first-time home owners to withdraw up to \$35,000 from RRSP for the purpose of buying a home! Purchasing with your spouse? You can access a total of \$70,000 from your RRSP's.

The Home Buyers' Plan is designed as a self-loan, whereby the buyer must repay their RRSP over 15 years should they utilize it for a first home. If the funds are not paid back within 15 years, a portion of the funds withdrawn will be taxed as income each year until paid. This repayment period starts the second year after the year when you first withdrew funds from your RRSP(s) for the HBP; for instance if you withdrew funds in 2023, your first year of repayment will be 2025.

In order to qualify for this plan, you must meet the following criteria:

- Must be a first-time home buyer
 - You are considered a first-time home buyer if, in the four-year period, you did not occupy a home that you owned, or one that your current spouse or common-law partner owned.
 - If you recently were divorced or separated, you can qualify as a first-time buyer again assuming you have been living separate and apart from your spouse or common-law partner for at least 90 days and are not living in a home owned by a new partner or spouse at the time of withdrawing funds.
- Must have a written agreement to buy or build a qualifying home.
- You must be a resident of Canada when you withdraw funds from your RRSPs under the HBP and up to the time a qualifying home is bought or built.
- You must intend to occupy the qualifying home as your principal place of residence within one year after buying or building it.

In addition, if you have previously participated in the HBP, you may be able to do so again if your repayable HBP balance on January 1st of the year of the withdrawal is zero and you meet all the other HBP eligibility conditions.

If you are interested in learning more about The Home Buyer's Plan or other first-time homebuyer support, please don't hesitate to reach out to a Dominion Lending Centres mortgage expert today!

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