



## OFF-RESERVE ABORIGINAL HOME OWNERSHIP PROGRAM

A simple but effective plan removes barriers to purchasing a first home

For many Aboriginal Canadians, living off-reserve means having better access to education and employment opportunities – yet a disproportionate number do not live in and can not access acceptable housing: in 2001, 24% of Aboriginal households fell into core housing need, compared to the national average of 13.7%. In part, this is owing to a disparity in incomes – a disparity that is wider in New Brunswick

The Skigin-Elnoog Housing Corporation, incorporated in 1973 to address the housing needs of New Brunswick's off-reserve Aboriginal population, recognized that raising the capital needed for a down-payment on a home was a significant barrier even for those who had stable incomes, and pioneered a unique financing arrangement to help Aboriginal Canadians in New Brunswick overcome that barrier:

The Off-Reserve Aboriginal Home Ownership (ORAH) Program is a joint Aboriginal-provincial initiative that draws 50% of its funding from the Government of Canada's Off-Reserve Aboriginal Housing Trust and 50% in the form of loans and advances funded by the Province of New Brunswick.

Under the arrangement, the Aboriginal Housing Trust provides a forgivable loan for 10% of the total cost of a new home – including any repairs and closing costs – which eliminates the need for a down-payment. The Aboriginal Trust Fund also provides 40% of the total cost in the form of a repayable loan at 0% interest. The remaining 50% of the cost is provided by the Province of New Brunswick in the form of a repayable loan at the provincial borrowing rate. The term of the mortgage is locked in for 25 years.

Eligible applicants must be first-time homeowners who have household incomes under \$50,000 – though they must also demonstrate an ability to carry the ongoing costs of homeownership. The loan can apply to off-reserve housing anywhere across the province – allowing applicants to determine their own needs and find (or build) a home to meet them.

In the first year after its launch in October 2007, the ORAH Program approved 40 households, with another 38 applicants awaiting approval; the list continues to grow. Combining provincial funding with the Government of Canada's Off-Reserve Aboriginal Housing Trust allows the program to double the number of Aboriginal households who can become homeowners. The design of the program provides an opportunity for lower-income households to afford homeownership with mortgage payments that are comparable to market rents. The simplicity and flexibility of the concept has also attracted interest from other provinces, and Nova Scotia has already adopted a similar approach modeled on the ORAH Program.

### Key facts

- Target group: Off-reserve Aboriginal Canadians who are first-time home buyers and have an annual income under \$50,000
- After only 11 months, 78 applications were at various stages of accessing the program

### Contributors

- Off-Reserve Aboriginal Housing Trust Fund Program (Government of Canada)
- New Brunswick Affordable Housing Initiative

### For further information, please contact:

Gary P. Gould  
General Manager  
Skigin-Elnoog Housing Corporation  
Tel.: 1-506-459-7161  
Fax: 1-506-459-1289  
E-mail: [garygould@skiginelnoog.ca](mailto:garygould@skiginelnoog.ca)