



February 2025

# MY SECOND UNIT

## Program Funding Guide

### HIGHLIGHTS

- The My Second Unit program helps homeowners plan and finance a secondary, self-contained residential unit (e.g., an apartment) in their home or an accessory building on the property.
- Homeowners may receive up to \$30,000, by way of a forgivable loan, to construct a secondary affordable rental unit. This means homeowners who meet the conditions of the program will not be required to repay the loan.
- The maximum rent for an affordable rental unit under this stream is 100% of the Average Market Rent (AMR), as approved by the Ministry of Municipal Affairs and Housing. The maximum rent for a one-bedroom in Oxford County is \$1,186 in 2025.
- Funding is secured by way of a charge on title, secondary to primary financing, for the 10-year term. Funding is interest-free and forgivable after 10 years if there are no “Events of Default” (homeowner does not meet conditions of the agreement) during the 10-year term.
- Annual program funding is limited and will be available on a first-come-first-served basis.

## INTRODUCTION

Oxford County is offering a forgivable loan of up to \$30,000 to support homeowners proposing to create a secondary residential unit on their property. The loan is interest-free and forgivable after 10 years, provided there has been no default.

The forgivable loan will be registered on title until the end of the term.

## WHAT IS A SECOND UNIT?

A secondary residential unit is a self-contained accessory dwelling unit with an individual entrance, sleeping area, full kitchen, and full bathroom.

Secondary residential units must comply with applicable zoning, building/fire codes, and property standard by-laws. Please refer to the “My Second Unit Building and Landlord Guide” for information regarding second unit requirements.

## PROGRAM CRITERIA

Program Requirements	
Eligibility criteria	<ul style="list-style-type: none"> <li>The owner of the property must be at least 18 years of age or older.</li> <li>The applicant(s) must be a legal resident of Canada.</li> <li>The applicant(s) must live in the home where the second unit is proposed.</li> <li>The property where the second unit is proposed must be the applicant(s) sole and principal residence.</li> <li>The applicant cannot currently own or have an interest in (partial ownership of) another residence or property.</li> <li>The property where the second unit is proposed must be registered in the name of the applicants, not in the name of a corporate entity.</li> <li>Property tax and mortgage payments must be up-to-date.</li> <li>Insurance coverage must be in place for the full value of the home.</li> <li>The applicant(s) must not be in the process of applying for bankruptcy or have an active bankruptcy file.</li> <li>The applicant(s) has not previously received a loan under the County's Affordable Home Ownership Program.</li> <li>The proposed secondary unit must comply with the requirements of the Ontario Building Code, applicable zoning by-law provisions and property standards by-law (proof of a building permit and/or zoning compliance will be required from the local municipality), and any other applicable regulations.</li> <li>Construction of the second unit has not been completed in advance of the application.</li> </ul>
Permitted rental rates	<p>The rent of the affordable second unit must comply with the following permitted rates, as provided by the Ministry of Municipal Affairs and Housing:</p> <ul style="list-style-type: none"> <li>Bachelor unit: \$936</li> <li>One-bedroom unit: \$1,186</li> <li>Two-bedroom unit: \$1,384</li> </ul> <p>Note: rates listed above are maximum permitted rents, exclusive of utilities.</p>
Eligible tenants	<ul style="list-style-type: none"> <li>Eligible tenants must have a household income of \$117,000 or less.</li> <li>New Eligibility: Family members of the homeowner currently living in Oxford County (income threshold still applies).</li> </ul>

## Program Requirements

Loan amount	<ul style="list-style-type: none"> <li>Applicants can receive up to a maximum of \$30,000 to create a second unit, in accordance with a quote for the entire scope of work, at the discretion of the County.</li> </ul>
Tenant and rent verification	<ul style="list-style-type: none"> <li>Tenants must complete an income verification form to confirm their household income.</li> <li>Annually, homeowners must confirm the affordable rental rate and their tenant's income, and provide a copy of the current lease agreement.</li> </ul>
Forgiveness period	<ul style="list-style-type: none"> <li>The loan is forgiven after a period of ten (10) years, starting at the initial occupancy date, provided there are no events of default.</li> </ul>

## POTENTIAL EVENTS OF DEFAULT

The agreement will be considered to be in default if any of the following conditions are not met.

- The unit must remain occupied with the homeowner(s) providing annual occupancy verification of the tenant.
- The homeowner(s) must remain the property owner for the full affordability period.
- A funding agreement is executed for the approved loan amount and a charge is registered on title. Please note: if you sell or transfer ownership of your home during the term of the funding agreement, you can transfer the agreement to the new owner or pay back the entirety of the loan prior to transfer of ownership.

## FUNDING RELEASE PROCESS

Funds will be released in two installments.

### Funding Release Process

Funding installment	Required to be completed / submitted
Installment 1 (Up to 30% of the total funding amount)	<ul style="list-style-type: none"> <li>An approved My Second Unit Application;</li> <li>An approved building permit from your local municipality (township, town or city);</li> <li>A quote for all the work included to create a second unit;</li> <li>Proof of insurance for the full value of the home;</li> <li>Executed funding agreement and appropriate charge on title</li> </ul>
Installment 2 (Up to the remaining 70% of the total funding amount)	<ul style="list-style-type: none"> <li>Copy of the full occupancy permit from the local municipality;</li> <li>Proof of insurance that indicates the increased liability coverage for the homeowner with the County listed as an additional insured;</li> <li>Tenant Verification form;</li> <li>Copy of the executed lease agreement between the homeowner and the verified tenant.</li> </ul>

## APPLICATION PROCESS

Application Process	
Step	Property owner(s) responsibility
1	Homeowner(s) obtains written confirmation from local municipality that the proposed rental unit will comply with relevant zone provisions, and/or a building permit has been submitted for approval.
2	Homeowner(s) reviews program guidelines and submits an application form and supporting documents to Oxford County for conditional approval.
3	Application and supporting documents are reviewed by the County for completeness and eligibility, and a conditional letter of commitment is issued for qualified projects. <b>Note:</b> The homeowner(s) has 30 days following issuance of a letter of commitment to start construction, with occupancy expected within eight (8) months.
4	The homeowner(s) provides the County with a copy of the building permit and quote for the work. <b>Note:</b> The total loan amount will be based on the submitted quote.
5	The homeowner(s) enters into a funding agreement with the County that outlines the scope of work, funding commitment, and roles and responsibilities of the property owner(s). A charge is registered on title by the applicant's lawyer. <b>Note:</b> At Oxford County's discretion the loan will be listed on the homeowner's mortgage. The mortgage statement will be provided to the County showing the loan listed as the second mortgage.
6	First funding installment is provided to the homeowner(s) – up to 30% of available funding or otherwise requested funding based on submitted quote.
7	The homeowner(s) receives an occupancy permit from the local municipality.
8	The homeowner(s) provides the County with a copy of the occupancy permit, invoices and/or applicable receipts. <b>Note:</b> All invoices and receipts must include a description of the work completed in support of the secondary unit. The inclusion of invoices and receipts will be at the discretion of the County.
9	The homeowner(s) provides proof of lease, rental amount (within lease), tenant income (income verification for affordable rate units), and proof of insurance that indicates the increased liability coverage for the homeowner with the County listed as an additional insured, and the affordability term commences.
10	Second funding installment is provided to the homeowner(s) – up to 70% of available funding, or all of homeowner's total submitted expenses under the remaining available funding amount.
11	Homeowner(s) provides annual proof of affordable rent, occupancy verification, and a new lease agreement if a new occupant takes tenancy. Principal 10-year loan term starts on initial tenancy start date.
12	Following the 10-year term, the full amount of the loan is forgiven.

## BEFORE YOU APPLY

Prior to submitting an application, please review the information materials provided on the Oxford County website at [www.oxfordcounty.ca/mysecondunit](http://www.oxfordcounty.ca/mysecondunit).

If you have questions, please contact Human Services at 519-539-9800 or toll-free 1-800-755-0394.



Note: The information in this funding guide is subject to change at the discretion of Oxford County.