

Valuation Reports for Construction Type Loans

Date: July 5, 2023

Background

Effective July 10, 2023, all contributors accessing loans to carry out construction type activities, will be required to submit a valuation report on the property, upon final disbursement of the loan.

The following Q&As are designed to help you understand this requirement.

1. What are "construction type" loans?

These are loans to build, improve or expand your home. These include Build on Own Land (BOL), Home Improvement (HI), Construction Loan (CL), Fifteen plus (15+) and Ten plus (10+).

2. Why is a valuation report required for construction type loans?

A current valuation report minimizes the risk of a property being over or under-insured. The report provides a detailed description of the property, including square footage market value (after construction or improvement).

3. If the improvement is not structural and the loan is used to repair and replace fixtures and fittings, would I still have to provide a valuation report?

No, a valuation report is not required if the improvement does not include a change in the square footage.

4. If I previously got a construction type loan and subsequently become eligible for another construction type loan, will another valuation be required?

Yes, a valuation report is necessary whenever you expand any building on your property.

5. Should the valuation be done on the entire property regardless of the loan amount accessed?

Yes, the valuation report should be done on the entire property/structure.

6. What will happen if I do not submit a valuation report?



The NHT will commission the valuator, whom you identified on the authorization letter you signed at the outset, to carry out the valuation. The valuation will be done at your expense.

7. How will the valuator be paid if NHT commissions the valuation?

NHT will pay the valuator's fee from:

- a payment you make to the NHT, specifically for this purpose.
- prepayments on your mortgage account
- or your available contributions refund

8. May I use any valuator of my choice?

You must select a valuator from the NHT approved list. Please download [Approved List of Valuers](#).

9. How does the NHT select valuers?

Valuers are selected based on the following criteria:

- certification by the Real Estate Board
- possession of a valid tax compliance certificate
- acceptable character/professional references.

10. How will NHT treat any issues customers may have with an approved valuator?

Selected valuers are contracted as members of the NHT approved list for two years. A customer may report concerns about a particular valuator to NHT's Loan Management Department for the matter to be appropriately addressed.