

Share purchase loans available to co-op applicants

Did you know that there are several programs in your community that can help new co-op members fund their share purchases?

One is the Co-op Housing Disability Trust, a program administered by the Community Housing Land Trust Foundation. Disability Trust loans are available to people with disabilities who have been accepted as members in housing co-ops, but are having difficulty paying for their share. A loan of up to \$1,000 towards the share amount is made directly to the co-op without any interest or fee. Following an initial grace period during which no repayments are required, beneficiaries have five years to repay loans. If the beneficiary leaves the co-op, the loan must be repaid to the Disability Trust in full.

The Land Trust also administers a second program, the Co-op Housing Domestic Violence Relief Fund. The Fund provides loans to help women leaving abusive relationships who cannot afford to purchase shares when they move into a housing co-op. Loans of up to \$1,000 are provided with no fees or interest. Loans are repaid on the same terms as Disability Trust loans.

A third program is offered through the Ministry of Human Resources. If you receive income assistance from the Ministry and are moving into a housing co-op, you may be eligible for money to help pay for your membership share. This benefit must be repaid to the Ministry when you move or leave BC Employment and Assistance.

A fourth share purchase program is available through CCEC Credit Union. The co-op must be a member of CCEC for individuals to participate. Through this program, a low-interest loan for the share amount is made to a co-op applicant upon approval for membership. The loan is secured by the co-op and the member makes regular payments to CCEC until the loan is retired.

Another option is available through Registered Retirement Savings. The federal government recognizes purchase of shares in a housing co-op as a form of home ownership. The financial institution where the RRSP is held has the applicable forms used for releasing retirement savings for home purchase.

Some co-ops have a policy to finance share purchases themselves by allowing new members to pay over time. The member makes regular payments to the co-op through an agreed-upon payment plan until the share is fully paid.

Paying for housing co-op shares can be difficult for some. These programs are aimed at helping people make an easier move to a co-op community.