

Loan Guarantee number: _____
Lender number: _____
For AANDC

GUARANTEE AGREEMENT

This **AGREEMENT** made this _____ day of _____, 20__.

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, as represented by
the Minister of Aboriginal Affairs and Northern Development Canada
(hereinafter called the "Minister")

PARTY OF THE FIRST PART

AND: _____
(hereinafter called the "Lender")

PARTY OF THE SECOND PART

WHEREAS _____ (hereinafter called "The Borrower") has requested a housing loan made pursuant to the *National Housing Act* (hereinafter called "NHA") for loans insured by Canada Mortgage and Housing Corporation (hereinafter called "CMHC") **or** not made pursuant to the NHA for loans not insured by CMHC from the Lender, not to exceed the amount of _____ dollars (\$) _____); and

WHEREAS _____ (hereinafter called "The Lender"), is CMHC or other Lender approved by CMHC, pursuant to the NHA for the purpose of making loans and has consented to make a loan not to exceed the amount of _____ dollars (\$) _____) to the Borrower, on the condition that the loan will be guaranteed by the Minister, and

WHEREAS the Borrower has certified in writing that the loan, if granted, will be for the purpose of construction, acquisition or renovation of housing for "Indians" on "Lands" (both terms as defined in Order in Council P.C. 1999-2000 dated November 4, 1999) and that the borrower will repay the loan to the Lender in accordance with the terms of the Loan Agreement; and

WHEREAS _____ (hereinafter called "Council of the Band") has by resolution dated _____, 20__, consented to the expenditure of the Band's revenues or the transfer of such other security deemed acceptable by the Minister, for the purposes of reimbursing the Consolidated Revenue Fund for any payments made to the Lender pursuant to this guarantee; and

WHEREAS the Minister has consented to the application by the Borrower for the aforementioned loan; and

THEREFORE, the parties hereby agree as follows:

1. In accordance with the Terms and Conditions for Ministerial Loan Guarantees as set out in Order in Council P.C. 1999-2000, dated November 4, 1999, and as amended from time to time, the Minister hereby guarantees the payment of principal and interest by the Borrower and any subsequent renewal, refinancing, transfer, or assignment of the loan as set out in the Loan Agreement. Such payments to be made as described in the Loan Agreement between the Lender and the Borrower to be amortized for a period not to exceed twenty-five (25) years. The terms of the Loan Agreement must be agreed to and the document signed by both the Lender and the Borrower within six (6) months from the date of the project approval by the Minister. This guarantee shall apply in the event of any default in the making of payments either before or after the interest adjustment date referred to in the loan agreement.
2. In the event that the Minister receives a Notification of Loan Default (currently form DCI 2948678) from the Lender within ninety (90) days of the Borrower being in default in making payments under the terms of the Loan Agreement, the Minister, in conjunction with the Lender, shall cause every

IN WITNESS WHEREOF, this Guarantee Agreement has been executed and sealed in _____ copies by the Lender under its corporate seal affixed hereto by its duly authorized signing officer(s) and has been executed on behalf of Her Majesty the Queen in Right of Canada as represented by the Minister of Aboriginal Affairs and Northern Development Canada by the duly authorized signing officer of the Minister.

THE LENDER

**THE MINISTER OF ABORIGINAL AFFAIRS AND
NORTHERN DEVELOPMENT CANADA**

By: _____

By: _____

Regional Director General, Quebec Region

Title

Date : _____

Date : _____