



Questions and Answers Rental Assistance Program (FCHI-2)

Many clients have reached out to the Agency for more information on what the Rental Assistance Program (FCHI-2) will mean for their co-op. Here are some of the questions we've been asked and the answers we've given.

Is there a transition period when our co-op moves to the new subsidy program?

No. As of the date of your rental assistance agreement, you'll need to have current income verifications in place and your rental assistance calculations completed.

This may mean having to conduct two income reviews in one year based on different rules—one for your rent supplement program and one for the new program. The Rental Assistance Program requires income testing at least once every 12 months.

What can we do to get ready?

You'll need to start the income verifications under the Rental Assistance Program as soon as you receive your

approval letter and your Rental Assistance Agreement for signature. This will give you enough time

- to explain to members that this is a new subsidy program with new rules, and
- to calculate and give them notice of their assisted housing charge under the new program.

Is there a program guide?

Yes, it is called the [Reference Guide](#). Created by CMHC, it provides an overview of the program and how to administer it, including information on rental assistance calculations. Always be sure to download the most recent copy before you start work. CMHC revises it from time to time.

We recommend reviewing sections 3 and 4 of the guide whenever you are calculating assisted incomes or your co-op's subsidy entitlement.

Will this program change our relationship with the Agency?

The scope of our work with your co-op will be more limited once your operating agreement has ended and

your mortgage repaid. The Agency's role will be restricted to

- oversight of your co-op's obligations under your rental assistance agreement, and
- information services, including our annual risk assessment and advice about how to lower your co-op's risk.

Your co-op still needs to govern and manage itself well. We recommend that you visit our [website](#) for resources that provide general guidance on co-op operations.

If you're a member, you can turn to CHF Canada or your local federation for support and advice on specific concerns about your co-op's management and governance.

Can we use our own declaration or subsidy form?

No. All households wishing to receive rental assistance must complete CMHC's [Request for Rental Assistance Declaration form, sign it](#) and provide current income documents. Co-ops can still use their annual income review to request updates from members on general topics like parking, pet ownership and contents insurance.

Your co-op needs to collect a signed, newly completed form for the annual income review and each and every time someone moves in or out of an assisted household or the household income changes more than the amount permitted in CMHC's [Guide](#).

Can we modify or set our own utility charges?

No. Utility charges and allowances are set annually by CMHC. The Agency advises its clients when these are updated.

Can we set our own minimum housing charge?

No. The minimum housing charge is calculated at 25 per cent of your co-op's full occupancy charge, adjusted for utilities. See the Reference [Guide](#) for the calculation details.

Can we request an increase to our annual amount of rental assistance?

Yes, you can. If your assisted members need more financial assistance, your co-op can request an increase. Please ask for help from your rental assistance officer at the Agency.

What are "Base Units" and how do we get more of them?

These are the number of units you and CMHC initially agreed would be assisted.

Yes, you can increase the number of base units, CMHC's budget permitting. CMHC has a "continuous enrollment" process, so you can apply at any time.

If your co-op wants more Base Units, you'll need to submit your request directly to CMHC at fchi2-iflc2@cmhc-schl.gc.ca, with a c.c. to your rental assistance officer at the Agency. You should be ready to provide details about

- the current units receiving a subsidy
- how many more households you would like to assist
- the total income of each extra household.

Can we use a rent-geared-to-income rate lower than 30 per cent?

Yes. Here the program rules are flexible. Your co-op can choose any rent-geared-to-income (RGI) rate between 25 and 30 per cent.



CMHC provides the amount of rental assistance needed for eligible households that pay a housing charge equal to 30 per cent of their income.

If your co-op uses a lower RGI rate, such as 25 per cent, CMHC will still provide the funds you've agreed on as if your co-op were charging your assisted members 30 per cent of their income. If the recalculation shows that you would qualify for a top-up, CMHC will provide the extra funds.

However, if the recalculation leaves your co-op with a shortfall in assistance, you'll need to fund your own top-up from previous surpluses or, for ILM co-ops, any monies left in your security of tenure fund.

Some co-ops calculate assistance at 30 per cent but, at year end, if there is funding left over, they recalculate at a lower percentage and divide the excess funds among assisted households. This is a generous choice, but the recalculation will mean extra work for the co-op manager.

Do we need to use the maximum shelter component for members receiving social assistance?

Yes, the maximum shelter component for the appropriate family size is always used to calculate rental assistance for assisted members who also receive social assistance.

You can confirm the amount of the maximum shelter component on the appropriate government website. Before doing your annual income verification, always check to be sure you have the latest figures.

If the maximum shelter component increases, use the new amount. It stays locked in until the next annual review or until a mid-year recalculation for any reason. More information is available [here](#).

Why does the member's social assistance cheque stub or report not show the correct maximum shelter component?

If your co-op has not reset the assisted charge to the maximum shelter component every year, the member's eligibility for the shelter component was likely adjusted to a lower amount by social services.

When the amount shown on a member's cheque stub or report doesn't agree with information on the government website, give the affected member(s) a letter to submit to social services right away, asking to have their shelter component adjusted to the maximum for the family size.

Do we need to recalculate the rental assistance for a unit if we discover that the income declared wasn't correct?

Yes. The Rental Assistance Program requires administrators to verify and review assisted households' annual income.

If you find a variance in income of more than \$25 per month, you must do a retroactive adjustment to recalculate the rental assistance from the start of the fiscal year. In some cases, you may need to do a prior-period adjustment too.

Check CMHC's [Reference Guide](#) to confirm any changes to the threshold.

Can we use the CRA Notice of Assessment (NOA) as proof of income?

No, not exactly. The Notice of Assessment is useful to verify that the member has declared their full income from all sources. However, it can't be used as the sole



proof of income. This is because the Notice of Assessment ignores some sources of income that are included under the Rental Assistance Program.

Do I need to file an Action Plan?

Yes. The Action Plan is a requirement under the Rental Assistance Program. It is intended to strengthen the sector by supporting a co-op's ability to plan for a sustainable future.

The Agency has developed a Self Assessment questionnaire to help our clients decide where they could improve their operations. Using this tool is voluntary, but clients have told us that it makes completing the Action Plan much easier. You may also find ideas by consulting our [Sample Action Plan Goals](#).

Are there rules about over housing?

Yes. Please consult the [Reference Guide](#) for more information. See section 4.8 Occupancy Standards and 4.9 Over Housing Charge.

Is temporary or emergency subsidy available for members under the program?

No. The program was not designed to provide short-term or emergency subsidies.

Members qualify for rental assistance based on their annual gross income. A sharp drop in monthly income does not make a household eligible for rental assistance.

What kind of reporting does the program require?

No later than two months after your fiscal year end, your co-op must file a rental assistance claim (also known as a reconciliation).

The Agency has created an [Online Calculator](#) that you will use to calculate the charges for your assisted

households, conduct your annual filings and much more. Once you are onboard with the Calculator, it will make filing quick and easy.

First, you enter the basic information about your co-op into the Calculator—things like unit addresses, market housing charges and utility services. After this step, your co-op is onboarded.

We recommend that you use of the Calculator all year, starting with your annual income verifications. Once you've collected them, enter the details members reported in their annual declarations. The Calculator will produce a report for each household showing their assisted housing charge for the year or until they report a change in income or household composition.

You can use this report to advise the assisted household of their monthly charge and how it was calculated.

With all the information already in the system, filing your year-end report is easy. Just follow the instructions on the screen.

A few clicks, and the Online Calculator has created your annual reconciliation. You can run a report to verify that the numbers in the Online Calculator match those in your accounting reports, which will also simplify your audit.

Once everything checks out, just hit "Submit"!

Linking to Resources

Here is a list of resources that will help you administer the Rental Assistance Program in your co-op. Please let your rental assistance officer know if there's a topic you'd like more information on.

- [Rental Assistance Program](#)
- [Reference Guide](#)
- [Who Does What](#)
- [Summary of Rental Assistance Program Obligations](#)
- [Request for Rental Assistance Annual Declaration Form](#)
- [A Conversation about Income Verification](#)
- [Over Housing under the Rental Assistance Program](#)



-
- [Social Assistance and How to Calculate Housing Charges](#)
 - [Fluctuating Income and Income Averaging](#)
 - [Quick Guide to the Rental Assistance Online Calculator](#)
 - [Action Plan Basics](#)
 - [Sample Action Plan Goals](#)



ISSUED APRIL 2025

