



DOWN PAYMENT ASSISTANCE PROGRAM GUIDE

**Department of Growth and Development
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Disclaimer: This guide is intended to provide general information about the Down Payment Assistance Program (DPAP). Program details, eligibility criteria, funding limits, and application procedures are subject to change without notice. Applicants are responsible for reviewing the most current version of the guide and any related documents before applying. For the latest updates, please visit the Department of Growth and Development’s official website or contact your regional office.

Program Overview

The Down Payment Assistance Program (DPAP) helps Nova Scotians who pre-qualify for an insured mortgage to buy their first home. The program offers first-time homebuyers in Nova Scotia an interest-free loan to assist with the 5% down payment requirement.

The loan must be paid back over 10 years, and it is secured by a second mortgage on the home purchased. No interest is charged on the loan if you continue to live in the home.

An applicant is any individual listed on the property deed, even if that person is not a co-borrower on the first mortgage from your lender. An applicant can be individuals (singles, friends or family member co-habiting) or married or common-law couples (cohabiting for at least 12 months prior to the purchase).

All applicant(s) must be included in the program application, meet all eligibility criteria, and sign the loan documentation if approved. This ensures the household has an ability to repay the loan and establishes shared liability among homeowners in the case of a default. Household members not listed on the deed but living in the home must provide their pre-tax (gross) income to determine overall household eligibility.

Are You a First Time Home Buyer?

A first-time home buyer is defined as someone who:

- Has never owned a home by way of purchase, inheritance, or gift; or
- Has not occupied a home in the last four years that was owned by themselves or their current spouse, common-law partner, or cohabitant; or
- Has previously owned a home but has had a breakdown of a marriage or common-law partnership

How the Program Works

There are seven (7) steps for the DPAP:

- 1. Homebuyer Applies to the Program** Applications are reviewed on a first-come, first-served basis when a complete application is received. Applications must be submitted a minimum of 3 weeks prior to the financing date to allow program staff time to review your application. The financing date is on your purchase and sale agreement (usually on the second page under “Buyer’s Conditions”) and is the deadline by which you must ensure you have obtained financing for this property by both your financial institution issuing your mortgage commitment and an approval letter from our program if eligible.

Incomplete applications will not be accepted.

- 2. Application Review** Program staff will assess your complete application and supporting documents and get back to you within 10 business days with a response.

- 3. Conditional Approval** Once you receive your conditional approval from the Department, provide the approval letter to your lender and ensure that your mortgage commitment letter from your lender is submitted to the Housing Services Caseworker as soon as possible, along with a copy of the fire insurance you arrange for the property.

NOTE: A **mortgage commitment letter** is a formal promise from your lender that they will give you the money you need to buy that home.

It’s **different from a mortgage pre-approval letter**, which

just shows that you're financially ready to buy a home but doesn't guarantee the loan. Mortgage brokers typically provide pre-approval letters.

4. Mortgage Documents

Your lawyer will prepare the documents for your second mortgage. The required program documents will be prepared and sent to your lawyer by email before the closing date of your home purchase. You'll need to contact your lawyer to set a time to sign them.

5. Funds Transferred

About 10 business days before your closing date, the money for your down payment assistance will be sent electronically to your lawyer. Your lawyer will then make sure the funds are paid to the seller.

The **closing date** is the date when ownership of the property legally transfers to you from the seller. This is the date all the final paperwork is signed, payments are made, and you receive the keys to your new home.

6. Final Confirmation

Let us know if there are any changes to the agreement.

7. Repayment

Your repayment will start one month after your closing date.

You'll make 120 equal monthly payments (one per month for 10 years).

These payments will come out of the bank account you listed on your Electronic Funds Transfer form when you applied.

If your closing date or the amount you're paying or borrowing changes (for example: you are receiving additional monies for renovations or improvements, your interest rate changes, or your term or amortization period changes), you must let the program staff know as soon as possible. If you don't share these updates in time, it could delay your property closing.

The department is not responsible for any delays caused by missing or late information.

Eligibility

You can apply if you are pre-approved for an insured mortgage by a National Housing Act approved lender and have a total household income of less than \$145,000. **All** applicants that will be listed on the deed must:

- have a credit score of 650 or higher
 - this score is based on an Equifax report the Department will run as your lender, you do not need to provide your consumer credit report
- be a first-time homebuyer
- be a Canadian citizen or permanent resident and live or intend to live in Nova Scotia on a full-time basis
- not have the financial ability to pay 5% of the purchase price of the property without help from the Down Payment Assistance Program
- be able to pay for the closing costs (i.e., legal fees and taxes)

Married or common-law partners must be listed on the property deed, included in the program application, and sign all program loan documentation (mortgage).

What kind of home qualifies:

The property in Nova Scotia you want to buy must:

- Be a single-family home (detached, semi-detached, row house, mobile home, or condominium)
- Be your principal residence (not a rental, cottage or seasonal place)
- If it's a mobile home, it must be permanently attached to land you own
- Be in good condition and insurable for fire

- Not be a commercial property

A “Purchase Plus Improvements Mortgage” is eligible if the purchase price and repair costs are below the maximum home price for the program.

A home purchased under the DPAP is eligible for the Housing Repair Program, and any other subsequent home repair programs the Department may offer, 15 years after the purchase date provided the applicant(s) meet the eligibility requirements for that program.

A home purchased under DPAP is eligible for the Accessible Housing Program, and any other subsequent home accessibility adaptation programs the Department may offer, 1 year after the purchase date provided the applicant(s) meet the eligibility requirements for that program.

Home purchased prior to program approval are not eligible.

Maximum home price allowed:

- **Up to \$570,000** in Halifax Regional Municipality and the Municipality of East Hants
- **Up to \$375,000** in the Municipality of West Hants, Annapolis Valley (Kings, Annapolis and Digby Counties) and the South Shore (Shelburne, Queens and Lunenburg Counties)
- **Up to \$300,000** in Yarmouth County and Northern and Eastern Regions (Cumberland, Colchester, Pictou, Antigonish, Guysborough, and Cape Breton Counties)

How the Funding Works

You can apply for a loan of 5% of the home’s price, to a maximum loan amount, to help with your down payment. This loan can’t be used for closing or other costs.

The maximum loan amounts are:

- **Up to \$28,500** in Halifax Regional Municipality and the District of East Hants
- **Up to \$18,750** in the Municipality of the District of West Hants, and the counties of Kings, Annapolis, Digby, Shelburne, Queens, and Lunenburg

- **Up to \$15,000** in the counties of Yarmouth, Cumberland, Colchester, Pictou, Antigonish, Guysborough, Inverness, Richmond, Victoria and Cape Breton

If the home costs more than \$500,000, you'll need to pay:

- 5% on the first \$500,000, and
- 10% on any amount over \$500,000.

You must pay the extra 5% on the amount above \$500,000 yourself.

Example:

If the home costs \$570,000 the total down payment would be \$32,000:

- The program gives you \$28,500 (which is 5% of \$570,000)
- You must pay an extra \$3,500 yourself (which is 5% of the \$70,000 overage).

You'll pay the loan back over 10 years and there's no interest if you live in the home.

The loan is secured by a second mortgage on the property.

Breach of Terms

You'll be in breach of the terms of the program, and considered to be in default of your mortgage if:

- You move out and no longer live in the home
- You sell the home before the 10-year loan is repaid
- You miss payments on the loan for 90 days or more
- Your main mortgage lender starts foreclosure
- You don't pay your property taxes, or don't have a payment plan in place
- Your fire insurance is cancelled, and you don't replace it

If any of these happen, the Department may initiate legal proceedings, including foreclosure or civil recovery actions, to recover funds disbursed under the program.

How to Apply

1. Fill out the application form.
2. Include the required documents for all applicants:

- a. Supporting documentation includes:
- i. Your most recent [Canada Revenue Agency tax slips](#) **and** your most recent [Canada Revenue Agency Notice of Assessment](#) **or** [Canada Revenue Agency Proof of Income Statement](#)
 - ii. Copy of your most recent pay stubs
 - iii. Written confirmation of employment including your date of hire, position, current annual income, employment status (full time, part-time, casual, seasonal or term)
 - iv. If self-employed, seasonal or commission-based earnings: provide the last three (3) years Notice of Assessment, along with the most recent Statement of Business Activities for the business
 - v. Copy of your mortgage pre-approval from a [National Housing Act \(NHA\) approved lender](#) **(not just a mortgage broker's letter)**
 - vi. Sworn Affidavit saying you've never owned a home (sign the affidavit in the presence of a person authorized to take sworn statements, like a lawyer, justice of the peace, notary public or commissioner of oaths)
 - vii. Copy of your Agreement of Purchase and Sale and any subsequent amendments
 - viii. Completed Authorization for [Pre-Authorized Payment Form](#). Provide a copy of the void cheque OR have your bank fill out the banking information and stamp this form for you.
 - ix. Confirmation of Canada Child Benefit payment amount, if applicable
 - x. The details of the lawyer you will be using including name, address, phone number and email.
 - xi. Confirmation that you have the funds to cover closing costs
 - xii. A copy of your driver's license or other identification
 - xiii. A copy of your Permanent Resident Card (if applicable)

3. Submit your application to the address listed in Appendix A.

Important: Apply at least **3 weeks** before the financing deadline on your Agreement of Purchase and Sale. To apply, mail or drop off the completed application form, signed Affidavit, and supporting documentation at the appropriate regional office (Appendix A). If the home you are purchasing is in Halifax Regional Municipality or Hants County, call 1-844-424-5110 to book an appointment.

Appendix A: Regional Office Locations

Note: apply to the region in which the **home you're purchasing is located**, not necessarily where you live right now.

Central Region- Appointment Required for all Down Payment Assistance Applications

(covers Halifax Regional Municipality & Hants County)

3770 Kempt Road, Suite 3

Halifax, NS B3K 4X8

Switchboard: 902-424-5110

Toll-free: 1-844-424-5110

Fax: 902-424-2091

Eastern Region (covers Cape Breton Island)

Suite 22, Provincial Building

360 Prince Street

Sydney, NS B1P 5L1

Switchboard: 902-563-2120

Toll-free: 1-844-424-5110

Fax: 902-563-2370

Western Region (covers Annapolis Valley & South Shore)

101 Magee Drive, Box 1000

Middleton, NS B0S 1P0

Switchboard: 902-825-3481

Toll-free: 1-844-424-5110

Fax: 902-825-6560

Northern Region (covers Guysborough, Antigonish, Pictou, Cumberland & Colchester Counties)

7 Campbell's Lane

New Glasgow, NS B2H 2H9

Switchboard: 902-755-5065

Toll-free: 1-844-424-5110

Fax: 902-752-7133