

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

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Mr. Alistair MacGregor, M.P.  
House of Commons  
Ottawa, ON K1A 0A6



Dear Mr. MacGregor:

*Alistair,*

Thank you for your correspondence of December 15, 2016 and for sharing the views of realtors in your riding regarding the Home Buyers' Plan (HBP).

The HBP allows first-time home buyers to make withdrawals of up to \$25,000 from a Registered Retirement Savings Plan (RRSP) to purchase or build a home. Unlike regular RRSP withdrawals, HBP withdrawals are not included in income when withdrawn. Amounts withdrawn under the HBP must be repaid over a 15-year period, starting the second year following the year of the withdrawal, or included in the individual's income if not repaid.

It is important that the tax system continue to provide effective mechanisms to support saving and home ownership. In this context, I appreciate hearing Canadians' views about the HBP. At this time, however, the Government of Canada is prioritizing investments to support Canadian households that need it most. Budget 2016 provided \$2.3 billion over two years, starting in 2016-17, to expand affordable housing, including among seniors, to support energy and water efficiency retrofits and renovations to existing social housing, for the construction of shelters for victims of family violence, for projects to prevent and reduce homelessness, and to improve housing in First Nations, Inuit and Northern communities. A portion of this investment is being used to support the Affordable Rental Innovation Fund, which was launched on September 30, 2016, and to develop an Affordable Rental Housing Financing Initiative, both of which are intended to encourage the construction of affordable rental housing. This investment will help make sure that those who are most vulnerable have access to safe, adequate and affordable housing.

Thank you again for writing on behalf of your constituents.

Yours sincerely,

The Honourable Bill Morneau, P.C., M.P.

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