



# CMHC MORTGAGE

## MARKET TRENDS

Canada Mortgage and Housing Corporation

Third Quarter, 2003

### MORTGAGE LENDING

#### LOW MORTGAGE RATES LEND A HELPING HAND

by Ali Manouchehri, Senior Economist - Capital Markets

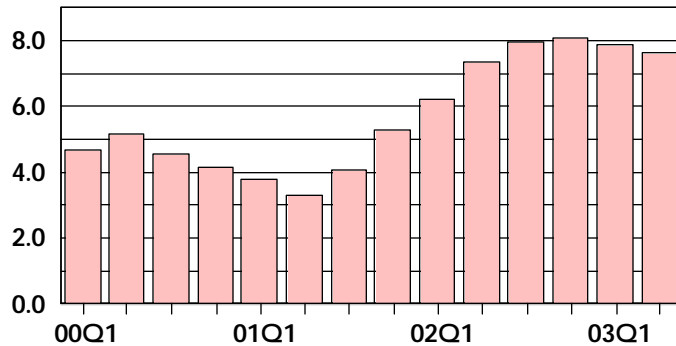
*Residential mortgage credit grew by 7.6 per cent in the second quarter of this year compared to the same quarter in 2002 to reach \$510 billion as mortgage rates fell and housing markets remained healthy.*

Despite a slowing economy, low mortgage rates and rising disposable income laid the foundation for strong housing markets and healthy growth in the mortgage market last quarter.

#### Five-year mortgage rate near all time low

In the second quarter of 2003, the benchmark five-year mortgage rate was down by over 1/4 percentage point to bring the decline from its level in the second quarter of 2002 to over a full percentage point. The five-year posted mortgage rate of 5.6 per cent in June 2003 was the lowest since September 1951.

**Residential mortgage credit growth\***  
per cent



\* quarter-over-4 quarter earlier estimate

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2003

Continued on page 2

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HOME TO CANADIANS  
Canada

### Vibrant housing markets led to higher mortgage credit

Low mortgage rates anchored the housing markets, leading to an increase of 4.0 per cent in the total value of homes sold through **MLS**<sup>1</sup> in the second quarter of 2003 over the previous quarter. Along with rising average price of existing homes sold, the Statistics Canada's New House Prices Index rose by 1.0 per cent in the second quarter, up 4.4 per cent from its level a year ago.

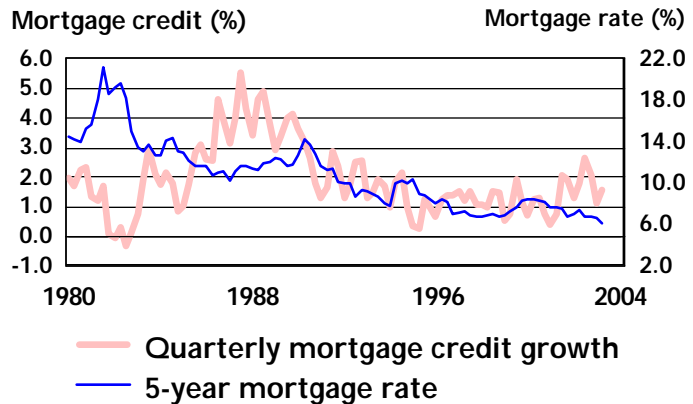
The strength in housing markets led to an increase of 7.6 per cent in mortgage credit outstanding in the second quarter of 2003 compared to the second quarter of 2002. Despite this growth, mortgage debt now accounts for less than 69.0 per cent of household debt, a smaller percentage than its 75.0 per cent level a decade ago.

### Chartered banks lead in market share

Recent trends in market share by institution type continued, with chartered banks accounting for 72.6 per cent of the mortgage loans outstanding by the second quarter of 2003. Credit unions retained their second place position, accounting for 15.0 per cent of residential mortgage loans outstanding. ■

<sup>1</sup>Multiple Listing Service (MLS®) is a registered certification mark owned by the Canadian Real Estate Association

### Falling mortgage rates lead to higher mortgage credit



Sources: CMHC, Bank of Canada, Statistics Canada  
CMHC-MAC 2003

### Market share of residential mortgage credit (%) \*

	2Q02	3Q02	4Q02	1Q03	2Q03e
Banks	71.9	72.2	72.3	72.4	72.6
Trusts	1.3	1.3	1.3	1.3	1.3
Caisse & Cr. Unions	14.7	14.7	14.8	14.8	15.0
Life Ins. Co.	4.0	3.9	3.8	3.7	3.6
Pension Funds	2.2	2.1	2.1	2.1	2.0
Others **	5.9	5.7	5.7	5.6	5.5

\* Excludes Special Purpose Vehicles and NHA MBS

\*\* Includes non-depository credit intermediaries

e: estimate

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2003

## INDICATORS OF MORTGAGE LENDING ACTIVITY

### Mortgage credit outstanding (\$millions)\*

	2000	2001	2002	2Q02	3Q02	4Q02	1Q03e	2Q03e
<b>TOTAL</b>	429,469	447,135	480,295	473,635	486,236	496,177	501,770	509,738
% change (year-over-year)	4.6	4.1	7.4	7.3	8.0	8.1	7.9	7.6
Banks	262,251	279,329	306,748	302,660	311,781	316,331	319,630	325,041
Trusts	6,174	5,204	5,565	5,612	5,580	5,654	5,828	5,931
Caisse & Cr. Unions	55,087	58,021	62,761	61,997	63,626	64,744	65,500	67,011
Life Ins. Co.	17,773	17,250	16,823	16,739	16,749	16,794	16,419	16,008
Pension Funds	8,653	9,257	9,302	9,348	9,260	9,181	9,120	9,052
Others **	26,255	25,422	24,777	24,676	24,656	24,884	24,827	24,502
Special Purpose Vehicles	22,516	18,097	15,002	14,747	14,651	15,178	15,603	15,337
NHA MBS ***	30,760	34,556	39,318	37,856	39,933	43,412	44,843	46,855

\* Average for the period, unadjusted

e: estimate

\*\* Includes non-depository credit intermediaries

\*\*\* CMHC

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2003

### Mortgage rates (%)\*

	2000	2001	2002	2Q02	3Q02	4Q02	1Q03	2Q03
1-year	7.85	6.14	5.17	5.50	5.33	5.03	5.05	5.08
3-year	8.17	6.88	6.28	6.70	6.20	6.07	6.08	5.68
5-year	8.35	7.40	7.02	7.37	6.85	6.80	6.63	6.20

\* Average of period

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2003

### NHA and Conventional Mortgage Loans Approved\*

		2001	2002	4Q01	1Q02	2Q02	3Q02	4Q02
<b>TOTAL</b>	\$ millions	95,181	115,265	26,210	30,243	34,552	25,828	24,642
	Units	923,274	1,057,502	252,331	290,383	305,471	247,803	213,845
<b>By Type of Lender</b>								
<b>Banks</b>	\$ millions	77,587	94,730	21,698	24,637	28,496	20,993	20,604
	Units	713,862	827,535	199,340	226,653	239,529	190,443	170,910
<b>Trusts</b>	\$ millions	4,091	3,590	882	1,047	996	882	665
	Units	42,506	36,000	9,576	10,782	9,941	8,737	6,540
<b>Life Ins. &amp; Others</b>	\$ millions	13,503	16,945	3,630	4,559	5,060	3,953	3,373
	Units	166,906	193,967	43,415	52,948	56,001	48,623	36,395

\* Mortgage approval data are gross and may not fully capture lending activities of credit unions, caisses populaires, other smaller institutions and privately-insured loans.

Source: CMHC NHA loan approval system and Conventional Lending Survey

CMHC-MAC 2003

## \$4.3 BILLION CMB MARKS THE BIGGEST OFFERING OF FIVE-YEAR BONDS IN CANADA

by Richard Liu, Business Analyst, Securitization Operations and Monitoring

*By the second quarter of 2003, a total of \$24.85 billion CMB had been issued since the inception of the CMB program in June 2001.*

In June 2003, Canada Mortgage Bonds (CMB) series 5 was successfully issued, with the offering amount of \$4.3 billion, the bond sale marks the biggest single tranche offering of five-year bonds in Canada. A total of \$24.85 billion CMB have been issued since the inception of the CMB program in June 2001. Under the CMB program, a special purpose trust, the Canada Housing Trust (CHT) was established in 2001 to purchase newly issued NHA MBS pools and issue CMBs backed by the CMHC timely payment guarantee, the monthly NHA MBS cash flows are transformed through swap agreements into a non-prepayable, non-amortizing bond cash flow. Both NHA MBS and CMB programs offer attractive investment opportunities and help ensure Canadians have access to affordable mortgage financing.

### A record NHA MBS issuance

June 2003 is also a record month in NHA MBS history. A total of \$6.3 billion of NHA MBS were issued in this month.

#### NHA MBS highlights - First half of 2003

✓ \$6.3 billion of NHA MBS were issued in June 2003 making it a record month in NHA MBS history

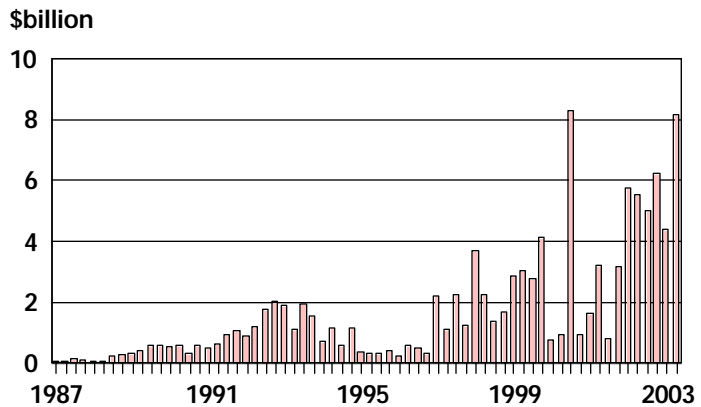
#### New issues:

- ✓ 129 pools for \$12.5 billion
- ✓ 103 single family pools totalling \$11.8 billion
- ✓ 23 MBS pools with multiple loans (multiple and mixed pool types) for \$526 million
- ✓ 3 social housing pools for \$112 million

#### Outstanding volume:

- ✓ \$49.3 billion outstanding, up from \$46.2 billion from the previous quarter

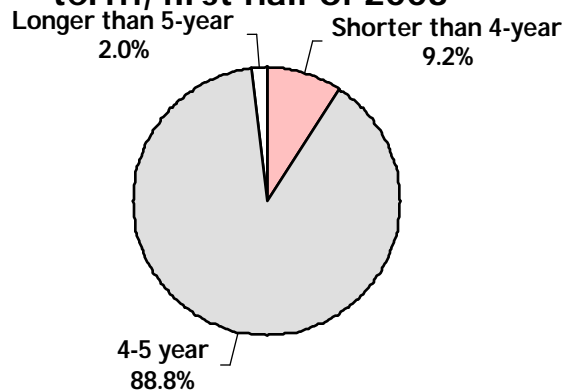
### Quarterly NHA MBS issues



Source: CMHC

CMHC-MAC 2003

### Dollar amount of NHA MBS issued by term, first half of 2003



Source: CMHC

CMHC-MAC 2003

Continued on page 5

The declining mortgage rates and the booming housing markets have been providing strong supply of underlying mortgages for mortgage lenders who in turn need to fund their lending activities by securitizing these mortgage assets. NHA MBS and CMB provide a competitive source of funding for mortgage lenders and help lower mortgage financing costs.

**Single-family indemnity pools continue to lead issuance**

The single-family mortgage pool types continue to lead the way during the first half of 2003, with 103 new pools accounting for \$11.8 billion in issuance. The single-family indemnity pool 975 remains the most popular, accounting for 77.2 per cent of all MBS issued in the period.

**Medium-term issues remain most common**

About 88.8 per cent of the dollar amount of MBS issued in the first quarter was for 4-5 year terms. Longer term issues accounted for 2.0 per cent, while shorter terms accounted for approximately 9.2 per cent of issuance. The five year term structure remains popular for issuers because of the attractive funding levels that can be achieved around this term.

**NOTE**

If there is a specific trend or development you would like to see analyzed in a future issue please let us know. Suggestions and requests for additional information may be sent to Ali Manouchehri, Senior Economist, Capital Markets, Market Analysis Centre, Canada Mortgage and Housing Corporation (CMHC), 700 Montreal Road, Ottawa, Ontario, K1A 0P7, Tel.: (613) 748-2506, Internet: amanouch@cmhc-schl.gc.ca

For information regarding MBS please call Ian Witherspon, Manager, Business Development, Securitization Centre, CMHC, Toronto, Tel.: (416) 218-3334.

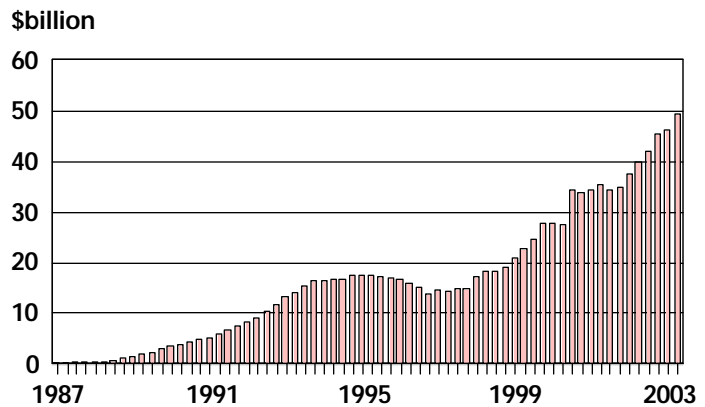
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**NHA MBS outstanding, end of quarter**



Source: CMHC

CMHC-MAC 2003

**Chartered Banks and Trust Companies lead issuers**

In the first half of 2003 chartered banks accounted for 79.9 per cent of the dollar amount of new NHA MBS issues, followed by trust companies at 18.8 per cent.

**NHA MBS outstanding**

Total MBS outstanding reached \$49.3 billion by the end of June 2003. NHA MBS accounted for 9.1 per cent of the total residential credit outstanding in Canada in first half of 2003, up from 7.9 per cent in the first half of 2002.

**MBS spreads**

NHA MBS Government of Canada bond yield spreads are approximately 30-40 basis points for prepayable pools with terms between 3 and 5 years. The spreads for non prepayable pools with terms of 3 to 5 years are approximately 20-25 basis points. ■

## LONGER TERM MORTGAGES BECOMING MORE ATTRACTIVE

by Ali Manouchehri, Senior Economist - Capital Markets

*Medium and long term Canadian mortgage rates have been on a downward trend since mid-2000, making them increasingly attractive relative to variable and short-term mortgages. By June 2003 the posted five-year closed mortgage rate had fallen to its lowest level since September 1951 making it more appealing to borrowers.*

### Mortgage term selection

Choosing the best mortgage term, whether renewing an existing mortgage or getting a mortgage for the first time, has been a riddle for Canadian mortgage borrowers since the widespread introduction of short-term mortgage instruments in the early 1980s. Should they lock into a longer term mortgage or should they go short and roll their mortgage over period after period?

Canadians face a multitude of mortgage terms ranging from variable rate to 25-year closed mortgages. However the five-year closed mortgage term remains the most popular according to the latest Financial Industry Research Monitor Survey<sup>2</sup>.

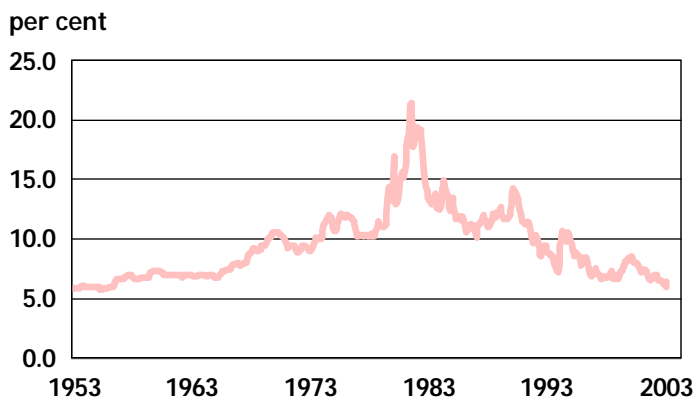
### Optimal mortgage term

The optimal term is defined here as the one which, over the term of the mortgage, results in the lowest mortgage interest cost paid by the borrower.

### Variable rate mortgage: a cost effective option

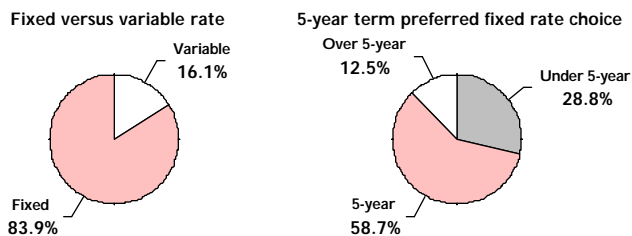
We used monthly variable and fixed five-year closed mortgage rates to compare interest costs over five year periods. Monthly payments for the variable rate mortgage were kept at the same level as that of a five-year closed mortgage originated at the same time, allowing for different proportions of the monthly payment to be applied against the principal. The interest paid over five years on a \$100,000 mortgage taken out during the 1993-2003 period<sup>3</sup>, shows that the variable rate has been associated with a

### 5-year mortgage rate near all time low



Sources: Bank of Canada, Statistics Canada  
CMHC-MAC 2003

### 5-year mortgage term most popular



Sources: CMHC, Clayton Research and Ipsos-Reid,  
The FIRM Residential Mortgage Survey, March 2003  
CMHC-MAC 2003

Continued on page 7

smaller interest cost but the cost advantage has shrunk in recent years.

**Mortgage rate discounts make the five-year term more attractive**

However, the variable rate mortgage may not always prove to be the least costly if mortgage rates rise substantially over the five year horizon or if the five-year negotiated rate incorporates a large discount from the posted rate.

Mortgage rate discounting was not common prior to the mid 1990s and it is difficult to obtain data on the size of discounts. As a proxy for discounts on the five-year mortgage rate, we used the difference between the rate posted by chartered banks and the lowest five-year mortgage rate offered by lenders, as captured in a weekly survey<sup>3</sup>. The same approach was used for the variable rate.

This shows interest costs on discounted closed five-year mortgages have been close to, and often lower, than those of variable rate mortgages since late 1996.

**In summary**

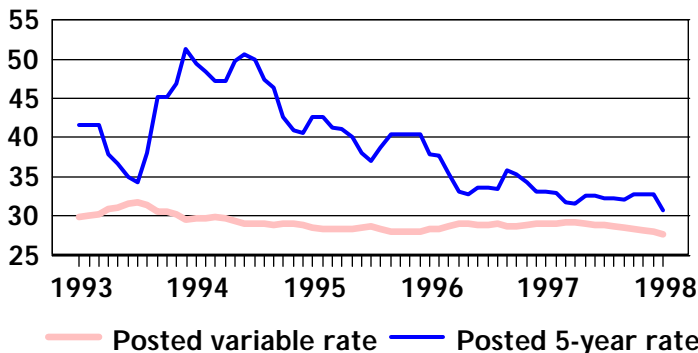
Historical data shows that variable and short term closed mortgages have generally been cheaper than locking in a medium or long term mortgage since the 1980s. However, low mortgage rates along with the increasingly educated mortgage borrowers and a highly competitive mortgage market have helped narrow, and in some cases reverse, the cost advantage of short and variable terms relative to longer term mortgages. The falling cost disadvantage of medium and long term mortgage terms combined with the security of the payment and the peace of mind they offer to borrowers will continue to bode well for such mortgage terms in the immediate future. ■

<sup>2</sup>Financial Industry Research Monitor (FIRM) survey, March 2003, ClaytonResearch/Ipsos-NPD

<sup>3</sup>Cannex Financial Exchanges Limited, weekly survey of mortgage lenders, data was available for 1993-2003 period

**Cost advantage of variable rate mortgages shrinking**

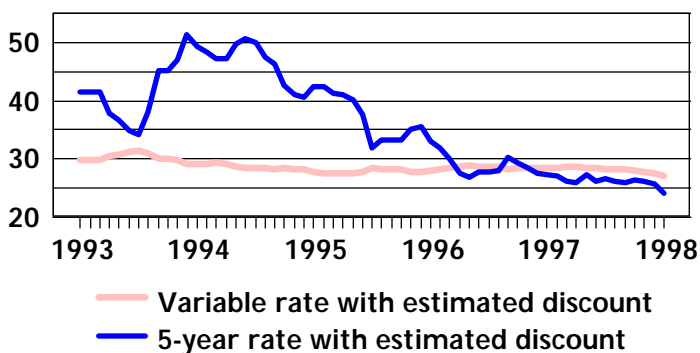
Interest paid over five years (\$000)\*



\* Interest paid over five years for a \$100,000 mortgage amortized over 25 years  
Sources: CMHC, CANNEX CMHC-MAC 2003

**Discounting makes 5-year closed mortgage more attractive**

Interest paid over five years (\$000)\*



\* Note: Based on \$100,000 mortgage amortized over 25 years  
Sources: CMHC, CANNEX CMHC-MAC 2003

## NHA MORTGAGE-BACKED SECURITIES

(Average of period except when indicated)

		2001	2002	2Q02	3Q02	4Q02	1Q03	2Q03
<b>OUTSTANDING AMOUNT (End of period)</b>								
<b>TOTAL</b>	\$million	34,684	45,420	39,924	42,061	45,420	46,214	49,332
	Units	969	987	982	991	987	987	1,024
Residential, single (with PIP *)	\$million	1,669	1,425	1,495	1,491	1,425	1,315	1,129
	Units	222	157	197	185	157	144	135
Residential, single (no PIP)	\$million	593	258	389	318	258	220	166
	Units	136	100	121	112	100	92	86
Residential, single (no PIP with indemnity)	\$million	22,653	21,519	22,423	22,083	21,519	19,720	17,910
	Units	245	264	257	261	264	256	272
Residential, single (no PIP with indemnity, 5-year)	\$million	2,329	13,594	7,618	9,785	13,594	16,159	21,273
	Units	22	90	52	66	90	114	150
Residential, multiple	\$million	1,434	1,910	1,610	1,774	1,910	2,031	2,134
	Units	107	128	113	123	128	135	140
Social Housing	\$million	4,284	4,729	4,503	4,692	4,729	4,696	4,605
	Units	113	102	110	105	102	98	93
Mixed	\$million	1,723	1,984	1,887	1,920	1,984	2,073	2,114
	Units	124	146	132	139	146	148	148
<b>ISSUES (Total of period)</b>								
<b>TOTAL</b>	\$million	8,906	22,644	5,583	5,025	6,254	4,392	8,154
	Units	139	239	56	70	60	57	72
Residential, single (with PIP)	\$million	245	307	74	123	57	53	26
	Units	20	20	5	9	2	5	2
Residential, single (no PIP)	\$million	11	0	0	0	0	0	0
	Units	1	0	0	0	0	0	0
Residential, single (no PIP with indemnity)	\$million	4,669	7,675	1,988	1,797	1,394	749	1,393
	Units	44	73	21	20	15	13	23
Residential, single (no PIP with indemnity, 5-year)	\$million	2,544	12,555	2,993	2,488	4,301	3,215	6,471
	Units	22	68	12	14	24	24	36
Residential, multiple	\$million	188	670	264	185	178	137	119
	Units	12	33	8	12	8	8	5
Social Housing	\$million	832	1,031	144	361	230	74	39
	Units	17	15	2	6	3	2	1
Mixed	\$million	418	406	121	72	94	163	106
	Units	23	30	8	9	8	5	5
<b>YIELDS (5-year maturity,%)</b>								
MBS Prepayable (with PIP)		5.31	4.89	5.18	4.63	4.58	4.62	4.13
MBS Non-prepayable		5.26	4.81	5.08	4.55	4.51	4.55	4.05
Mortgage rates		7.40	7.02	7.37	6.85	6.80	6.63	6.20
GOCs		4.99	4.58	4.87	4.33	4.26	4.31	3.82
<b>SPREADS OVER GOC (5-year maturity,%)</b>								
Prepayable (with PIP)		0.32	0.31	0.30	0.30	0.31	0.31	0.31
Non-prepayable		0.27	0.23	0.21	0.22	0.25	0.25	0.24
Mortgage rates		2.42	2.44	2.49	2.52	2.54	2.33	2.38

\* PIP stands for Penalty Interest Payments.

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC - MAC 2003

## NHA Mortgage-Backed Securities

APRIL TO JUNE 2003 ISSUES

Pool No.	Issuer	Value (\$)	Coupon Rate (%)	Due Date	Weighted Average Interest (%)	Amortization (Yrs)
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### Month of Issue: April 2003

#### NHA-Insured Market Residential Pools (Mixed)

96-502-26	Equitable Trust Company (The)	22,256,956.57	4.55	2008-09-01	5.48	19.69
96-502-34	Equitable Trust Company (The)	36,011,836.05	5.10	2013-04-01	5.90	24.06

#### NHA-Insured Market Residential Pools (Multiple Units)

96-602-156	Toronto-Dominion Bank	24,497,668.75	5.00	2013-04-01	5.70	25.00
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#### NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)

97-003-974	National Bank of Canada	29,196,961.04	4.20	2006-08-01	6.40	18.48
97-003-982	National Bank of Canada	26,337,915.37	4.20	2006-08-01	6.43	10.23
97-003-990	National Bank of Canada	20,704,178.53	4.20	2006-01-01	5.73	20.26
97-004-006	National Bank of Canada	14,218,361.51	4.20	2006-01-01	5.69	10.71
97-004-014	Cnd.Imperial Bank of Commerce	57,572,633.25	4.50	2006-04-01	5.75	22.48
97-004-022	Cnd.Imperial Bank of Commerce	2,326,251.56	4.76	2007-09-01	6.09	22.58
97-004-030	Cnd.Imperial Bank of Commerce	5,250,976.59	4.70	2007-03-01	5.76	20.62
97-004-048	La Capitale MFO Insurance Inc.	45,724,338.84	4.60	2008-04-01	5.42	22.39

#### NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)

97-501-191	Royal Bank of Canada	649,977,737.82	4.25	2007-03-01	5.26	20.36
97-501-209	Royal Bank of Canada	89,950,921.99	4.50	2007-09-01	5.78	21.24
97-501-217	National Bank of Canada	32,862,931.88	4.35	2007-02-01	5.94	20.77
97-501-225	Toronto-Dominion Bank	100,479,833.24	4.00	2005-05-01	5.07	9.09
97-501-233	Toronto-Dominion Bank	103,141,491.59	4.00	2005-05-01	4.99	20.14
97-501-241	Toronto-Dominion Bank	150,404,081.61	4.00	2005-05-01	5.05	20.72
97-501-266	Cnd.Imperial Bank of Commerce	12,704,202.20	4.52	2007-03-01	6.04	22.02
97-501-274	Cnd.Imperial Bank of Commerce	5,406,435.57	4.62	2007-09-01	6.23	22.30

### Month of Issue: May 2003

#### NHA-Insured Market Residential Pools (Single Units)

96-414-081	Alberta Motor Assoc.Insur.Comp	9,072,007.11	4.50	2008-05-01	5.73	22.86
96-414-099	Vancouver City Savings CU	16,980,343.51	4.55	2008-04-01	5.25	21.75

#### NHA-Insured Market Residential Pools (Mixed)

96-502-042	Equitable Trust Company (The)	7,580,684.39	4.35	2008-05-01	5.40	22.41
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#### NHA-Insured Market Residential Pools (Multiple Units)

96-602-172	Peoples Trust Company	25,070,755.94	4.50	2013-05-01	6.18	23.01
96-602-180	Peoples Trust Company	23,784,802.53	4.00	2008-05-01	5.37	24.17
96-602-198	Peoples Trust Company	20,066,153.93	4.30	2008-05-01	5.00	24.57

#### NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)

97-004-071	Cnd.Imperial Bank of Commerce	9,264,998.58	4.35	2006-11-01	6.32	21.41
97-004-089	Cnd.Imperial Bank of Commerce	9,002,140.92	4.35	2006-05-01	5.76	11.79
97-004-097	Cnd.Imperial Bank of Commerce	27,590,075.20	4.25	2006-05-01	5.69	21.80
97-004-105	Home Trust Company	23,081,113.93	4.25	2008-05-01	6.40	23.97
97-004-113	HSBC Bank Canada	2,751,799.44	4.40	2006-05-01	5.50	21.14
97-004-121	HSBC Bank Canada	7,394,537.12	4.00	2006-05-01	4.63	21.75
97-004-139	HSBC Bank Canada	25,415,848.97	4.00	2007-04-01	5.17	20.57

#### NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)

97-501-282	Royal Bank of Canada	83,603,281.48	4.25	2007-03-01	5.24	20.67
97-501-290	Royal Bank of Canada	99,836,500.99	4.25	2006-04-01	5.10	20.21
97-501-308	Home Trust Company	13,151,331.87	4.00	2006-07-01	7.19	22.79
97-501-316	Cnd.Imperial Bank of Commerce	6,286,552.98	4.40	2007-05-01	5.64	21.37
97-501-324	Cnd.Imperial Bank of Commerce	3,320,681.56	4.30	2007-05-01	5.49	12.27

#### Social Housing Pools

99-008-674	Toronto-Dominion Bank	38,516,195.06	4.13	2008-05-01	4.91	26.35
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\*PIP stands for Penalty Interest Payments

Source: CMHC

CMHC - MAC 2003

## NHA Mortgage-Backed Securities

APIL TO JUNE 2003 ISSUES

Pool No.	Issuer	Value (\$)	Coupon Rate (%)	Due Date	Weighted Average Interest (%)	Amortization (Yrs)
<b>Month of Issue: June 2003</b>						
<b>NHA-Insured Market Residential Pools (Mixed)</b>						
96-502-059	Equitable Trust Company (The)	26,656,730.12	3.80	2008-06-01	5.26	26.49
96-502-067	Equitable Trust Company (The)	13,399,238.42	4.65	2013-06-01	5.97	31.73
<b>NHA-Insured Market Residential Pools (Multiple Units)</b>						
96-602-214	Peoples Trust Company	25,843,069.34	3.38	2008-06-01	5.04	24.52
<b>NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)</b>						
97-004-170	National Bank of Canada	257,972,792.63	3.75	2008-05-01	5.75	20.59
97-004-188	National Bank of Canada	106,606,684.19	3.75	2008-05-01	5.77	11.47
97-004-196	National Bank of Canada	28,041,907.46	3.75	2007-11-01	5.68	20.61
97-004-204	National Bank of Canada	12,209,733.47	3.75	2007-11-01	5.80	11.98
97-004-212	Bank of Nova Scotia	284,407,588.55	3.75	2008-05-01	5.53	21.56
97-004-220	Bank of Nova Scotia	315,270,006.17	3.75	2008-05-01	5.81	21.16
97-004-238	HSBC Bank Canada	2,950,511.29	3.75	2008-06-01	5.88	19.64
97-004-246	Maple Trust Company	80,092,501.78	3.75	2008-06-01	5.37	22.41
<b>NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)</b>						
97-501-332	Royal Bank of Canada	499,959,618.52	3.80	2007-05-01	5.13	20.65
97-501-340	Royal Bank of Canada	149,931,331.10	3.50	2006-01-01	5.45	19.56
97-501-357	Royal Bank of Canada	344,979,054.63	3.60	2008-04-01	5.41	21.67
97-501-365	Cnd.Imperial Bank of Commerce	76,862,492.97	4.30	2008-06-01	5.81	22.36
97-501-373	Cnd.Imperial Bank of Commerce	6,942,766.88	4.30	2008-06-01	5.72	11.89
97-501-381	Cnd.Imperial Bank of Commerce	314,607,177.85	4.30	2008-06-01	5.92	22.25
97-501-399	Cnd.Imperial Bank of Commerce	56,023,609.76	4.30	2008-06-01	5.92	11.57
97-501-407	Canada Trustco Mortgage Co.	172,898,756.42	3.65	2008-05-01	5.63	17.81
97-501-415	Canada Trustco Mortgage Co.	204,418,501.20	3.50	2008-05-01	5.50	10.64
97-501-423	Canada Trustco Mortgage Co.	136,846,671.29	3.60	2008-05-01	5.53	17.89
97-501-431	Toronto-Dominion Bank	222,557,597.29	3.65	2008-05-01	5.48	22.40
97-501-449	Toronto-Dominion Bank	816,287,419.56	3.65	2008-05-01	5.51	20.93
97-501-456	Toronto-Dominion Bank	524,130,697.51	3.65	2008-05-01	5.42	21.02
97-501-464	Toronto-Dominion Bank	250,277,938.00	3.65	2008-05-01	5.55	11.78
97-501-472	Toronto-Dominion Bank	266,057,222.02	3.55	2008-05-01	5.46	10.79
97-501-480	Toronto-Dominion Bank	155,284,528.59	3.55	2007-11-01	5.53	21.33
97-501-498	Toronto-Dominion Bank	110,410,350.88	3.35	2006-06-01	4.90	22.53
97-501-506	Canada Trustco Mortgage Co.	171,609,987.63	3.65	2008-05-01	5.58	11.59
97-501-514	Cnd.Imperial Bank of Commerce	42,612,831.34	4.30	2008-06-01	5.38	11.84
97-501-522	Cnd.Imperial Bank of Commerce	301,538,974.39	4.30	2008-06-01	5.39	22.03
97-501-530	HSBC Bank Canada	83,262,601.48	3.75	2008-06-01	5.17	21.74
97-501-548	Maple Trust Company	172,745,912.38	3.75	2008-06-01	5.52	22.87
97-501-555	La Capitale MFQ Insurance Inc.	39,712,026.44	3.65	2008-06-01	5.23	22.61

\*PIP stands for Penalty Interest Payments

Source: CMHC

CMHC - MAC 2003

### Definition of NHA MBS pool types

- 964 - Comprised exclusively of Homeowner Mortgages, any Penalty Interest Payments (PIP) from early prepayment are passed through to the investor
- 967 - Comprised exclusively of Homeowner Mortgages, all Penalty Interest Payments (PIP) from early prepayment are retained by the issuer
- 970 - Comprised exclusively of Homeowner Mortgages, Investors are paid an indemnity in the event of any prepayments made outside the core prepayments provisions
- 975 - Comprised exclusively of Homeowner Mortgages, Investors are paid an indemnity in the event of any prepayments made outside the core prepayments provisions (5-year term)
- 966 - Comprised exclusively multi-family rental mortgages, pools mortgages are closed to prepayment options
- 990 - Comprised exclusively Social Housing Mortgages, pools and mortgages are closed to prepayment options
- 965 - Mixed Pools, these pools can be comprised of any of the above types of mortgages