



# MHC MORTGAGE

## MARKET TRENDS

Canada Mortgage and Housing Corporation

Second Quarter, 2004

### MORTGAGE LENDING

## STRONG HOUSING MARKETS SUPPORT RESIDENTIAL MORTGAGE CREDIT

By Julie Taylor, Senior Economist, Capital Markets

*Residential mortgage credit grew 1.4 per cent in the first quarter of 2004 to reach \$545 billion reflecting continued strong housing markets.. On a year over year basis, residential mortgage debt expanded 8.6 per cent in the first quarter of 2004 compared to the same quarter in 2003.*

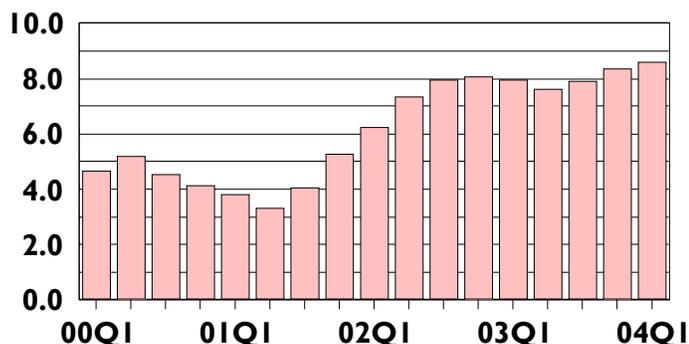
A combination of low mortgage rates, strong consumer confidence, and a rebound in the labour market helped the housing market remain vibrant in the first quarter and provided a healthy environment for growth in the mortgage market last quarter.

### Another solid quarter in the new home market

The market for new homes has enjoyed solid growth so far this year. Housing starts were up 2.1 per cent in the first quarter of this year over the comparable period last year, while the

Continued on page 2

### Residential mortgage credit growth\* per cent



\* quarter-over-4 quarters earlier (04Q1 - CMHC estimate)  
Sources: CMHC, Bank of Canada, Statistics Canada  
CMHC-MAC 2004

### In this Issue:

Mortgage lending ----- 1  
NHA MBS----- 4



HOME TO CANADIANS  
Canada

New House Price Index rose 5.0 per cent over the same period.

**Market for existing homes remains strong**

The market for existing homes remained strong thanks to low mortgage rates. The value of homes sold through MLS increased 8.0 per cent in the first three months of this year over the comparable period last year. At the same time, the MLS average house price rose by 10.1 per cent.

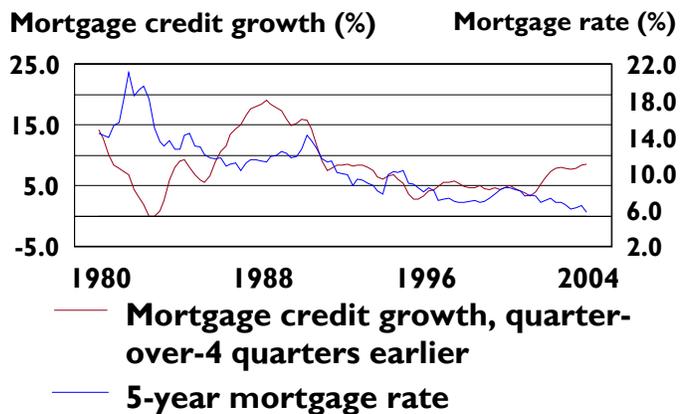
**The strong performance in housing market led to higher mortgage credit**

The strength in the housing market due both to higher prices and higher unit sales led to an increase of 1.4 per cent in mortgage credit outstanding in the first quarter of 2004 over the previous quarter. Compared to a year ago, residential mortgage debt was up by 8.6 per cent in the first quarter 2004. Mortgage debt now accounts for just below 69 per cent of total household debt, down from the peak of 75 per cent a decade ago.

**Chartered banks continue to lead in market share**

The market share of chartered banks remained high at 72.7 per cent of mortgage loans outstanding in the first quarter of 2004. Credit unions retained their second place position, accounting for 15.4 per cent of residential mortgage loans outstanding. ■

**Low mortgage rates lift mortgage credit**



Sources: CMHC, Bank of Canada, Statistics Canada  
CMHC-MAC 2004

**MARKET SHARE OF RESIDENTIAL MORTGAGE CREDIT (%) \***

	1Q03	2Q03	3Q03	4Q03	1Q04e
<b>Banks</b>	72.4	72.6	72.8	72.8	72.7
<b>Trusts</b>	1.3	1.3	1.3	1.3	1.4
<b>Caisse &amp; Cr. Union</b>	14.9	15.0	15.1	15.3	15.4
<b>Life Ins. Co.</b>	3.7	3.6	3.4	3.4	3.4
<b>Pension Funds</b>	2.0	2.1	2.0	2.0	1.9
<b>Others **</b>	5.6	5.5	5.3	5.2	5.2

\* Excludes Special Purpose Vehicles and NHA MBS

\*\* Includes non-depository credit intermediaries

e: estimate

Sources: CMHC, Bank of Canada, Statistics Canada CMHC-MAC 2004

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## INDICATORS OF MORTGAGE LENDING ACTIVITY

### MORTGAGE CREDIT OUTSTANDING (\$MILLIONS)\*

	2001	2002	2003	1Q03	2Q03	3Q03	4Q03	1Q04e
<b>TOTAL</b>	447,135	480,030	518,144	501,706	509,499	524,350	537,023	544,661
% change (year-over-year)	4.1	7.4	7.9	1.2	1.6	2.9	2.4	1.4
<b>Banks</b>	279,329	306,748	329,679	319,630	325,041	334,319	339,724	341,085
<b>Trusts</b>	5,204	5,565	6,033	5,821	5,958	6,106	6,247	6,383
<b>Caisse &amp; Cr. Unions</b>	58,021	62,761	68,316	65,595	67,100	69,425	71,145	72,188
<b>Life Ins. Co.</b>	17,250	16,823	15,997	16,420	15,973	15,775	15,819	16,073
<b>Pension Funds</b>	9,257	9,037	9,137	9,005	9,213	9,207	9,123	9,074
<b>Others **</b>	25,422	24,777	24,550	24,877	24,519	24,383	24,421	24,334
<b>Special Purpose Vehicles</b>	18,097	15,002	14,583	15,516	14,840	14,127	13,848	13,637
<b>NHA MBS ***</b>	34,556	39,318	49,850	44,843	46,855	51,007	56,696	61,887

\* Average for the period, unadjusted

e: estimate

\*\* Includes non-depository credit intermediaries

\*\*\* CMHC

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2004

### MORTGAGE RATES (%)\*

	2001	2002	2003	1Q03	2Q03	3Q03	4Q03	1Q04
<b>1-year</b>	6.14	5.17	4.84	5.05	5.08	4.55	4.68	4.30
<b>3-year</b>	6.88	6.28	5.82	6.08	5.68	5.65	5.87	5.23
<b>5-year</b>	7.40	7.02	6.39	6.63	6.20	6.28	6.45	5.85

\* Average of period

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC-MAC 2004

### NHA AND CONVENTIONAL MORTGAGE LOANS APPROVED\*

		2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03
<b>TOTAL</b>	\$ millions	120,313	138,015	25,490	28,159	37,580	39,449	32,826
	Units	1,054,443	1,109,856	213,045	231,414	306,904	313,792	257,746
<b>By Type of Lender</b>								
<b>Banks</b>	\$ millions	97,527	114,254	21,088	23,241	31,382	32,923	26,708
	Units	825,115	878,368	170,477	183,003	246,499	248,784	200,082
<b>Trusts</b>	\$ millions	3,840	4,187	693	736	1,017	1,243	1,190
	Units	36,346	37,991	6,486	7,270	9,164	11,782	9,775
<b>Life Ins. &amp; Others</b>	\$ millions	18,946	19,574	3,709	4,182	5,181	5,283	4,928
	Units	192,982	193,497	36,082	41,141	51,241	53,226	47,889

\* 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 2004

# CANADA MORTGAGE BONDS (CMB) CONTINUE RECORD BREAKING PERFORMANCE

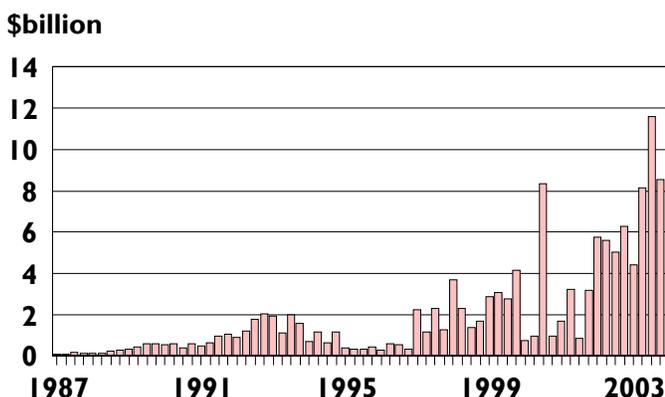
by Richard Liu, Business Analyst, Securitization Operations and Monitoring

*The CMB program continues ahead full steam, and total MBS outstanding now approaches \$65 billion.*

In March 2004, Canada Mortgage Bonds (CMB) series 7 was successfully issued, with the offering amount of \$4.45 billion. A total of \$39.6 billion CMB have been issued since the inception of the CMB program in June 2001. Under the CMB program, a special purpose trust, called the Canada Housing Trust (CHT) was established in 2001 to purchase newly issued NHA MBS pools and issue CMB backed by the CMHC 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 to ensure that Canadians have access to affordable mortgage financing.

NHA MBS and CMB programs continued to perform well in the first quarter of 2004 after a record year in 2003. A total of \$8.9 billion (\$4.45 billion of CMB and \$4.45 billion of NHA MBS) of securities were issued in the first quarter of 2004, surpassing the records set in the same time period last year. Both programs are on track for another record breaking year in 2004. Declining mortgage rates and booming housing markets have been providing a 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.

## Quarterly NHA MBS issues



Source: CMHC  
CMHC-MAC 2004

### NHA MBS highlights - 2004

- ✓ In March 2004, the 7th series of CMB was issued in the amount of \$4.45 billion. A total of \$39.6 billion CMB has been issued since the program inception in 2001

### New issues in 2004:

- ✓ 105 pools for \$8.9B
- ✓ 91 single family pools totalling \$8.1B
- ✓ 10 MBS pools with multiple loans (multiple and mixed pool types) for \$191M
- ✓ 3 social housing pools for \$23M

### Outstanding volume:

- ✓ \$64.9B outstanding, up from \$46.2B from the same time last year

Continued on page 5

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

The single-family mortgage pool types led the way through the first quarter of 2004, with 82 new pools accounting for \$7.9 B in issuance. The single-family indemnity pool 975 remains the most popular, accounting for 60.8 per cent of all MBS issued in the period.

### Medium-term issues remain most common

Over 91 per cent of the dollar amount of MBS issued in first quarter of 2004 was for 4-5 year terms. Longer term issues accounted for 1.1 per cent, while shorter term issues accounted for approximately 7.9 per cent of total issuance. The five-year term structure remains popular for issuers because of the attractive funding levels that can be achieved around this term.

### Chartered Banks and Trust Companies lead issuers

In the first quarter of 2004 chartered banks accounted for 89.7 per cent of the dollar amount of new NHA MBS issues, followed by trust companies at 7.9 per cent.

#### 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 David Weingarden, Senior Economist, Capital Markets, Market Analysis Centre, Canada Mortgage and Housing Corporation (CMHC), 700 Montreal Road, Ottawa, Ontario, K1A 0P7, Tel.: (613) 748-2354, Internet: [dweingar@cmhc-schl.gc.ca](mailto:dweingar@cmhc-schl.gc.ca)

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

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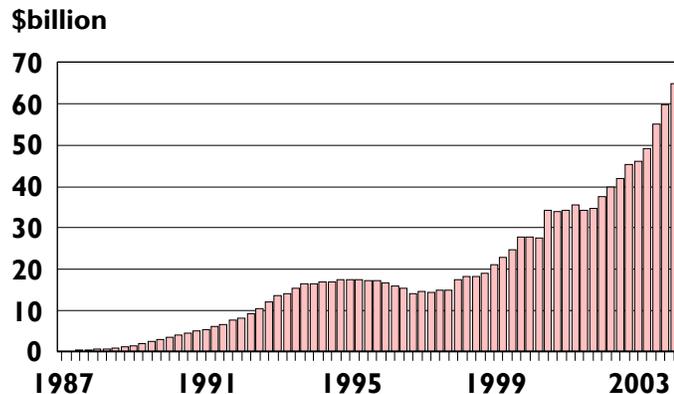
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Product # 61496 - 2004-Q1

### NHA MBS outstanding, end of quarter



Source: CMHC  
CMHC-MAC 2004

### MBS outstanding

Total MBS outstanding reached \$64.9B by March 31, 2004. NHA MBS accounted for 11.1 per cent of the total residential credit outstanding in Canada as of January 2004 up from 8.9 per cent for the same period of 2003.

### MBS spreads

NHA MBS Government of Canada bond yield spreads are approximately 35-40 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 20-30 basis points. ■

# NHA MORTGAGE-BACKED SECURITIES

JANUARY TO MARCH 2004 ISSUES

POOL NO.	ISSUER	VALUE (\$)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	AMORTIZATION (YRS)
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Month of Issue: January 2004

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

96-414-370	Alberta Motor Assoc.Insur.Comp	8,029,862.25	3.50	2007-01-01	5.25	24.06
96-414-388	ResMor Trust Company	22,987,971.69	4.00	2009-01-01	5.70	24.00
96-414-396	Vancouver City Savings CU	20,484,261.01	3.90	2008-12-01	4.69	23.27
96-414-404	Vancouver City Savings CU	21,754,711.79	3.90	2008-12-01	4.74	21.87
96-414-412	Alberta Motor Assoc.Insur.Comp	13,168,665.16	3.50	2007-01-01	5.30	23.39
96-414-438	ResMor Trust Company	19,233,428.16	4.00	2009-01-01	5.81	24.10

## NHA-Insured Market Residential Pools (Mixed)

96-502-216	MCAP Inc.	20,764,742.19	4.15	2008-11-01	4.67	37.04
96-502-224	Equitable Trust Company (The)	25,013,445.90	4.80	2014-01-01	5.48	25.00
96-502-232	Equitable Trust Company (The)	9,338,450.75	2.75	2005-12-01	3.60	22.08

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

96-602-347	M.R.S. Trust Company	4,066,633.23	4.10	2008-12-01	4.73	34.92
96-602-354	Peoples Trust Company	23,018,705.83	4.10	2009-01-01	4.74	25.60

## Homeowner pool with 3 year indemnity

97-004-782	Toronto-Dominion Bank	679,102,984.53	4.00	2008-12-01	4.95	22.77
97-004-790	Cnd.Imperial Bank of Commerce	11,957,303.04	3.76	2007-09-01	6.40	19.71
97-004-808	Cnd.Imperial Bank of Commerce	5,414,917.94	3.71	2007-09-01	6.47	11.03
97-004-816	Maple Trust Company	8,481,049.57	3.25	2006-10-01	4.65	21.98

## Homeowner pool with 5 year indemnity

97-502-744	Toronto-Dominion Bank	52,848,857.97	4.00	2008-12-01	5.38	18.91
97-502-751	Toronto-Dominion Bank	265,146,566.19	3.75	2008-12-01	4.94	11.09
97-502-769	Toronto-Dominion Bank	125,619,931.27	4.00	2008-12-01	5.33	11.85
97-502-777	Toronto-Dominion Bank	30,706,163.78	3.80	2008-03-01	5.50	20.03
97-502-785	Cnd.Imperial Bank of Commerce	56,711,983.33	3.53	2007-01-01	5.34	22.15
97-502-793	Maple Trust Company	22,696,199.11	3.25	2006-10-01	4.82	22.51
97-502-801	Home Trust Company	34,481,624.89	3.75	2009-01-01	6.10	23.69

Month of Issue: February 2004

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

96-414-446	Vancouver City Savings CU	55,736,855.24	3.80	2008-12-01	4.51	22.46
96-414-453	ResMor Trust Company	21,313,915.63	3.95	2009-02-01	5.54	23.64

## NHA-Insured Market Residential Pools (Mixed)

96-502-240	Equitable Trust Company (The)	7,604,375.00	4.20	2011-02-01	5.19	20.00
96-502-257	Equitable Trust Company (The)	23,719,238.08	3.75	2009-02-01	4.73	24.04
96-502-265	Equitable Trust Company (The)	25,505,389.67	4.55	2014-02-01	5.27	21.94

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

96-602-362	Peoples Trust Company	15,921,586.63	3.95	2009-02-01	4.66	22.44
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## Homeowner pool with 3 year indemnity

97-004-824	M.R.S. Trust Company	3,900,122.91	3.90	2009-01-01	5.27	19.61
97-004-832	M.R.S. Trust Company	2,313,088.65	3.90	2008-08-01	5.41	19.11
97-004-857	National Bank of Canada	33,966,853.64	2.90	2006-12-01	4.96	21.03
97-004-865	National Bank of Canada	24,876,769.20	2.75	2006-08-01	5.09	20.25
97-004-873	National Bank of Canada	20,133,834.61	2.75	2006-08-01	5.10	10.67
97-004-881	National Bank of Canada	49,504,634.66	3.40	2008-03-01	5.12	20.29
97-004-899	Toronto-Dominion Bank	88,032,354.33	3.60	2008-01-01	5.56	21.09
97-004-907	Toronto-Dominion Bank	186,561,169.07	3.75	2009-01-01	5.00	22.97

## Homeowner pool with 5 year indemnity

97-502-736	Royal Bank of Canada	38,665,242.71	3.45	2008-03-01	5.55	20.86
97-502-819	Royal Bank of Canada	499,979,406.30	3.75	2008-01-01	4.83	22.26
97-502-827	Home Trust Company	12,087,767.86	3.00	2006-12-01	6.65	23.63
97-502-835	Cnd.Imperial Bank of Commerce	12,447,210.62	2.84	2007-02-01	4.96	21.77
97-502-843	Cnd.Imperial Bank of Commerce	6,919,686.17	3.27	2007-02-01	5.47	11.51
97-502-850	Cnd.Imperial Bank of Commerce	13,542,251.58	2.93	2006-02-01	5.20	21.68
97-502-868	Toronto-Dominion Bank	15,962,689.73	3.35	2007-03-01	5.22	20.13
97-502-876	Toronto-Dominion Bank	29,492,967.94	3.55	2007-08-01	4.68	21.08
97-502-884	Toronto-Dominion Bank	172,962,052.31	3.75	2009-01-01	5.49	18.99
97-502-892	Canada Trustco Mortgage Co.	6,950,087.70	3.20	2007-03-01	5.32	8.33
97-502-900	Canada Trustco Mortgage Co.	76,951,782.47	3.70	2009-01-01	5.42	11.39
97-502-918	Canada Trustco Mortgage Co.	96,281,361.06	3.70	2009-01-01	5.30	10.53
97-502-926	Toronto-Dominion Bank	42,142,051.60	2.80	2005-08-01	5.45	9.04

# NHA MORTGAGE-BACKED SECURITIES

JANUARY TO MARCH 2004 ISSUES

POOL NO.	ISSUER	VALUE (\$)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	AMORTIZATION (YRS)
<b>Month of Issue: March 2004</b>						
<b>NHA-Insured Market Residential Pools (Single Units)</b>						
96-414-461	ResMor Trust Company	22,906,298.40	3.70	2009-03-01	5.24	23.28
<b>NHA-Insured Market Residential Pools (Mixed)</b>						
96-502-273	Peoples Trust Company	36,142,285.69	4.50	2014-03-01	5.37	25.58
<b>Homeowner pool with 3 year indemnity</b>						
97-004-923	National Bank of Canada	56,792,043.22	3.60	2009-01-01	5.14	21.04
97-004-931	National Bank of Canada	42,138,959.29	3.60	2009-01-01	6.01	20.89
97-004-949	National Bank of Canada	22,382,053.78	3.60	2009-01-01	5.45	11.62
97-004-956	Bank of Nova Scotia	38,321,292.68	3.45	2007-02-01	5.13	20.56
97-004-964	Bank of Nova Scotia	48,338,817.19	3.05	2007-02-01	4.31	22.17
97-004-972	HSBC Bank Canada	23,061,215.79	3.60	2009-03-01	4.84	21.95
97-004-980	Toronto-Dominion Bank	40,322,741.54	3.40	2008-02-01	4.68	22.82
97-004-998	Toronto-Dominion Bank	131,983,777.32	3.65	2009-02-01	5.10	22.95
97-005-003	Toronto-Dominion Bank	35,391,195.63	3.45	2009-02-01	5.00	12.24
97-005-011	Toronto-Dominion Bank	88,271,344.48	3.00	2007-02-01	4.53	23.24
97-005-045	Bank of Nova Scotia	139,754,667.43	3.75	2009-02-01	4.67	22.07
97-005-052	Bank of Nova Scotia	223,343,664.86	3.75	2009-02-01	4.96	21.96
97-005-060	Bank of Nova Scotia	222,838,421.84	3.75	2009-02-01	5.98	21.57
97-005-078	Bank of Nova Scotia	210,691,422.86	3.75	2009-02-01	5.10	21.67
97-005-086	Maple Bank GmbH	42,518,308.69	3.60	2009-03-01	5.04	21.87
<b>Homeowner pool with 5 year indemnity</b>						
97-502-934	Royal Bank of Canada	49,960,653.64	3.40	2006-06-01	5.33	20.39
97-502-942	Cnd.Imperial Bank of Commerce	25,625,382.89	3.31	2008-03-01	6.16	10.62
97-502-959	Cnd.Imperial Bank of Commerce	35,393,085.41	3.67	2009-03-01	5.38	22.62
97-502-967	Cnd.Imperial Bank of Commerce	260,198,810.83	3.67	2009-03-01	5.50	22.49
97-502-975	Cnd.Imperial Bank of Commerce	38,746,349.30	3.58	2009-03-01	5.59	11.53
97-502-983	Cnd.Imperial Bank of Commerce	24,182,693.71	3.03	2007-03-01	5.48	21.59
97-502-991	Cnd.Imperial Bank of Commerce	5,371,171.09	3.22	2007-09-01	5.31	21.67
97-503-007	Laurentian Bank of Canada	52,890,380.80	3.60	2009-03-01	6.19	21.81
97-503-023	HSBC Bank Canada	18,445,082.28	3.60	2009-03-01	4.82	22.68
97-503-031	HSBC Bank Canada	32,946,207.79	3.60	2009-02-01	4.79	21.95
97-503-049	Toronto-Dominion Bank	331,547,675.75	3.55	2009-02-01	4.92	19.89
97-503-056	Canada Trustco Mortgage Co.	101,366,216.59	3.55	2009-02-01	5.46	17.71
97-503-064	Toronto-Dominion Bank	89,667,766.76	3.55	2009-02-01	5.09	21.94
97-503-072	Toronto-Dominion Bank	36,729,841.21	3.35	2008-02-01	5.11	19.96
97-503-080	Toronto-Dominion Bank	37,433,926.91	3.35	2008-02-01	5.56	21.23
97-503-098	Toronto-Dominion Bank	26,321,938.37	3.15	2007-09-01	4.74	11.05
97-503-106	Toronto-Dominion Bank	24,131,447.10	3.25	2007-09-01	4.65	21.66
97-503-114	Toronto-Dominion Bank	44,773,540.99	2.90	2006-12-01	5.02	10.34
97-503-122	Canada Trustco Mortgage Co.	44,344,930.77	3.45	2009-02-01	5.31	11.26
97-503-130	Canada Trustco Mortgage Co.	45,945,876.42	3.25	2008-02-01	5.47	10.59
97-503-148	Toronto-Dominion Bank	222,857,589.58	3.45	2009-02-01	5.13	11.35
97-503-155	Toronto-Dominion Bank	36,425,776.40	3.35	2008-08-01	5.08	11.00
97-503-163	Toronto-Dominion Bank	90,397,198.45	3.45	2008-08-01	4.82	20.93
97-503-171	Toronto-Dominion Bank	44,773,247.36	3.25	2008-02-01	5.49	10.87
97-503-189	Toronto-Dominion Bank	53,339,960.11	3.00	2007-01-01	4.97	19.76
97-503-197	Bank of Montreal	251,304,675.78	3.50	2009-02-01	4.82	22.70
97-503-205	La Capitale MFQ Insurance Inc.	38,891,067.78	3.60	2008-12-01	4.80	22.56
97-503-213	La Capitale MFQ Insurance Inc.	28,071,160.28	3.60	2009-03-01	4.99	22.87
97-503-221	Royal Bank of Canada	299,960,631.12	3.45	2008-08-01	4.62	21.26
97-503-239	Royal Bank of Canada	849,975,710.48	3.45	2009-02-01	4.81	21.95
97-503-247	Maple Bank GmbH	16,170,044.58	3.60	2009-02-01	4.85	11.94
97-503-254	Maple Bank GmbH	177,940,574.76	3.60	2009-03-01	5.04	22.44
97-503-262	Maple Bank GmbH	10,960,653.97	3.60	2009-03-01	5.18	21.75
97-503-270	Cnd.Imperial Bank of Commerce	221,714,418.75	3.58	2009-03-01	5.02	21.99
97-503-288	Cnd.Imperial Bank of Commerce	165,430,491.73	3.54	2009-03-01	4.98	22.63

# NHA MORTGAGE-BACKED SECURITIES

JANUARY TO MARCH 2004 ISSUES

POOL NO.	ISSUER	VALUE (\$)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	AMORTIZATION (YRS)
<b>985 Variable Rate</b>						
98-500-093	Cnd.Imperial Bank of Commerce	44,237,205.61	2.48	2009-03-01	3.27	19.73
98-500-101	Cnd.Imperial Bank of Commerce	415,673,621.77	2.48	2009-03-01	3.27	19.69
98-500-119	Cnd.Imperial Bank of Commerce	146,778,324.24	2.48	2009-03-01	3.26	11.68
<b>Social Housing Pools</b>						
99-008-724	Toronto-Dominion Bank	23,118,851.24	3.38	2009-03-01	3.98	22.35

\*PIP stands for Penalty Interest Payments

Source: CMHC

CMHC - MAC 2004

## Definition of NHA MBS pool types

964 - Comprised exclusively of Homeowner Mortgages, Penalty Interest Payments (PIP) from early prepayment are passed 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

985 - Comprised exclusively of equal monthly payment variable rate homeowner mortgages

# NHA MBS STATISTICS

## NHA MORTGAGE-BACKED SECURITIES

(Average of period except when indicated)

		2002	2003	1Q03	2Q03	3Q03	4Q03	1Q04e
<b>OUTSTANDING AMOUNT (End of period)</b>								
<b>TOTAL</b>	\$million	45,420	59,757	46,214	49,332	55,239	59,757	64,880
	Units	987	1,163	987	1,024	1,098	1,163	1,227
Residential, single (with PIP *)	\$million	1,425	1,165	1,315	1,129	1,119	1,165	1,245
	Units	157	132	144	135	134	132	133
Residential, single (no PIP)	\$million	258	91	220	166	119	91	72
	Units	100	75	92	86	80	75	68
Residential, single (no PIP with indemnity)	\$million	21,519	16,813	19,720	17,910	16,472	16,813	17,598
	Units	264	287	256	272	278	287	294
Residential, single (no PIP with indemnity, 5-year)	\$million	13,594	31,029	16,159	21,273	27,605	31,029	34,702
	Units	90	268	114	150	212	268	323
Residential, multiple	\$million	1,910	2,253	2,031	2,134	2,257	2,253	2,265
	Units	128	144	135	140	147	144	146
Social Housing	\$million	4,729	4,591	4,696	4,605	4,584	4,591	4,549
	Units	102	93	98	93	92	93	91
Mixed	\$million	1,984	2,299	2,073	2,114	2,245	2,299	2,386
	Units	146	157	148	148	152	157	162
Variable rate	\$million	0	1,516	0	0	837	1,516	2,063
	Units	0	7	0	0	3	7	10
<b>ISSUES (Total of period)</b>								
<b>TOTAL</b>	\$million	22,644	32,702	4,392	8,154	11,603	8,553	8,954
	Units	239	348	57	72	112	107	105
Residential, single (with PIP)	\$million	307	532	53	26	226	226	206
	Units	20	33	5	2	13	13	9
Residential, single (no PIP)	\$million	0	0	0	0	0	0	0
	Units	0	0	0	0	0	0	0
Residential, single (no PIP with indemnity)	\$million	7,675	5,922	749	1,393	1,489	2,291	2,480
	Units	73	75	13	23	17	22	27
Residential, single (no PIP with indemnity, 5-year)	\$million	12,555	23,471	3,215	6,471	8,685	5,100	5,447
	Units	68	178	24	36	62	56	55
Residential, multiple	\$million	670	481	137	119	151	73	43
	Units	33	25	8	5	8	4	3
Social Housing	\$million	1,031	194	74	39	52	29	23
	Units	15	7	2	1	2	2	1
Mixed	\$million	406	545	163	106	156	120	148
	Units	30	23	5	5	7	6	7
Variable rate	\$million	0	1,557	0	0	843	713	607
	Units	0	7	0	0	3	4	3
<b>YIELDS (5-year maturity,%)</b>								
MBS Prepayable (with PIP)		4.89	4.32	4.62	4.13	4.19	4.36	3.87
MBS Non-prepayable		4.81	4.26	4.55	4.05	4.12	4.30	3.78
Mortgage rates		7.02	6.39	6.63	6.20	6.28	6.45	5.85
GOCs		4.58	4.00	4.31	3.82	3.86	4.02	3.51
<b>SPREADS OVER GOC (5-year maturity,%)</b>								
Prepayable (with PIP)		0.31	0.32	0.31	0.31	0.33	0.34	0.36
Non-prepayable		0.23	0.26	0.25	0.24	0.26	0.28	0.27
Mortgage rates		2.44	2.39	2.33	2.38	2.42	2.43	2.34

\* PIP stands for Penalty Interest Payments.

Sources: CMHC, Bank of Canada, Statistics Canada

CMHC - MAC 2004