

CANADA MORTGAGE AND HOUSING CORPORATION

SECURITIZATION BUSINESS SUPPLEMENT

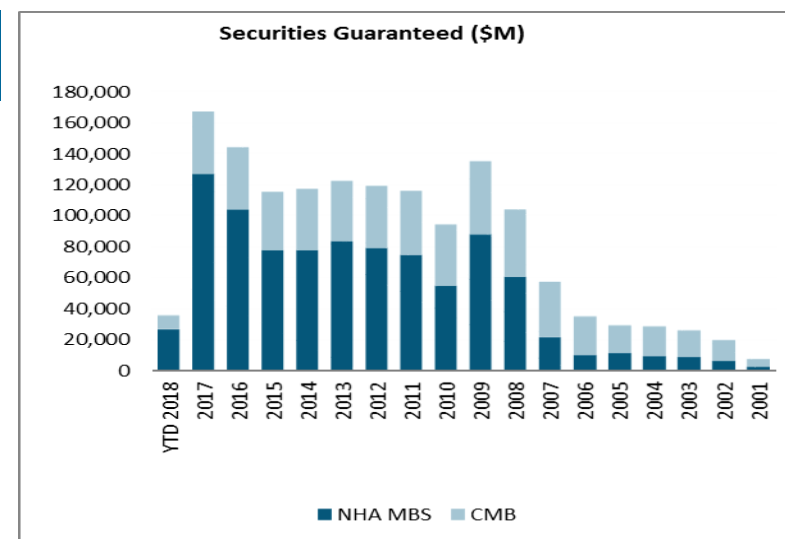
First QUARTER
March 31, 2018

To supplement CMHC's consolidated financial statements, which are prepared in accordance with IFRS, CMHC uses non-IFRS measures to analyze its performance. The following Securitization Business Supplement is prepared for the first quarter ending March 31, 2018, and is intended to help readers better understand CMHC's securitization activity. CMHC believes that this business supplement provides meaningful information that enables greater transparency and clarity with respect to CMHC's securitization activity.

NEW SECURITIZATION GUARANTEE ACTIVITY

As at March 31, 2018, of the \$135 billion NHA MBS and \$40 billion CMB guarantee limits for 2018, \$36.7 billion of securities were guaranteed (\$27.2 billion of NHA MBS and \$9.5 billion of CMB). Of the approximate 92 active participants in CMHC's securitization programs, 88 are regulated institutions.

Securities guaranteed	Three months ended				Year-to-date	
	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017	31-Mar 2017	31-Mar 2018
Total Guaranteed (\$M)	36,733	54,149	41,172	37,730	34,180	36,733
NHA Mortgage-Backed Securities (NHA MBS)*	27,233	44,399	31,672	27,730	23,430	27,233
Canada Mortgage Bonds (CMB)	9,500	9,750	9,500	10,000	10,750	9,500
NHA MBS (\$M)	27,233	44,399	31,672	27,730	23,430	27,233
Federally Regulated Institutions	18,196	32,462	20,325	17,598	13,745	18,169
Provincially Regulated Institutions	3,284	3,537	3,202	2,985	3,478	3,284
IIROC Regulated Institutions**	2,256	4,787	4,183	4,240	3,731	2,256
Other Institutions	3,498	3,614	3,962	2,907	2,475	3,524
CMB (\$M)	9,500	9,750	9,500	10,000	10,750	9,500
Federally Regulated Institutions	5,443	5,645	5,510	5,853	6,200	5,443
Provincially Regulated Institutions	1,527	1,869	1,510	1,764	1,796	1,527
IIROC Regulated Institutions	1,815	1,620	1,734	1,832	1,969	1,815
Other Institutions	715	615	747	551	784	715



Component items may not add to totals because of rounding.

* The NHA MBS amount of \$27.2 billion consists of \$25.5 billion in new NHA MBS issued and guaranteed in Q1 2018 and \$1.7 billion in replacement NHA MBS issued prior to 2018 but on which guarantee fees were paid in Q1 2018.

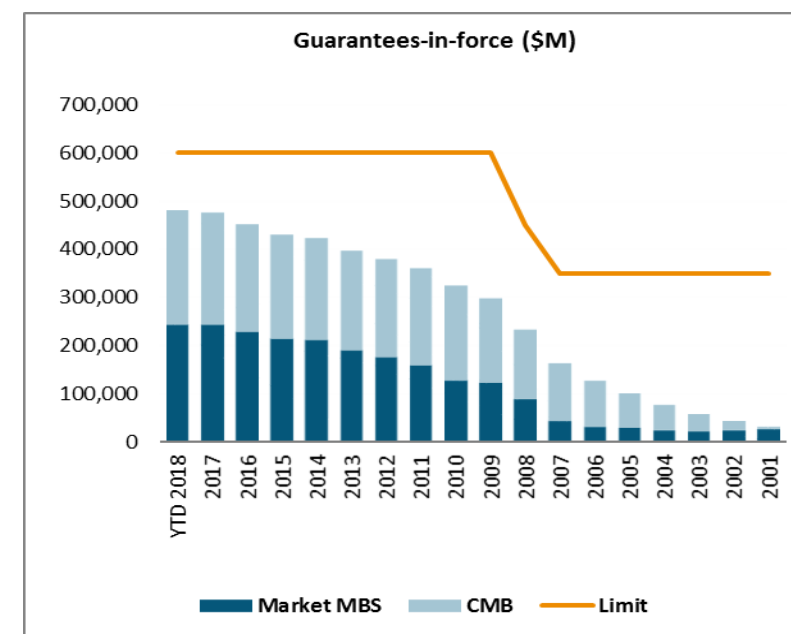
** IIROC: The Investment Industry Regulatory Organization of Canada is the national self-regulatory organization that oversees all investment dealers in Canada (<http://www.iiroc.ca/>).



GUARANTEES-IN-FORCE

The amount of guarantees-in-force outstanding is a function of new guarantee activity and maturities/principal runoff from outstanding guaranteed securities. Approximately 89 per cent of the \$480.9 billion in guarantees-in-force outstanding as at March 31, 2018, is with regulated institutions, and 68 per cent of guarantees-in-force outstanding as at March 31, 2018, is with federally regulated institutions.

Guarantees-in-force	31-Mar 2018	31-Dec 2017	As at: 30-Sep 2017	30-Jun 2017	31-Mar 2017
Guarantees-in-force (\$M)	480,920	477,200	458,915	456,092	456,760
NHA MBS	244,272	244,052	225,550	227,321	227,958
CMB	236,649	233,149	233,366	228,772	228,802
NHA MBS (\$M)	244,272	244,052	225,550	227,321	227,958
Federally Regulated Institutions	179,991	179,613	165,451	167,706	170,488
Provincially Regulated Institutions	8,274	7,577	6,135	5,760	5,053
IIROC Regulated Institutions	24,975	26,474	24,731	25,355	24,559
Other Institutions	31,032	30,388	29,233	28,499	27,858
CMB (\$M)	236,649	233,149	233,366	228,772	228,802
Federally Regulated Institutions	145,459	145,385	145,349	144,057	144,032
Provincially Regulated Institutions	31,129	29,985	29,289	27,785	27,095
IIROC Regulated Institutions	39,856	38,243	38,499	37,255	37,514
Other Institutions	20,204	19,535	20,229	19,674	20,162



Component items may not add to totals because of rounding.

The maturity profile of the outstanding guaranteed obligations is generally distributed across a five-year term, reflecting the predominance of the five-year mortgage term of the mortgages securitized under the NHA MBS Program and the core five-year CMB term.

Guarantees-in-force Maturity Profile (\$M)	As at:									
	31-Mar-18		31-Dec-17		30-Sep-17		30-Jun-17		31-Mar-17	
YEAR	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB
2017					989	9,967	6,266	14,870	13,621	24,900
2018	16,461	32,650	23,403	38,650	28,514	38,650	33,041	38,650	35,352	38,650
2019	37,888	30,750	39,902	30,750	39,319	30,750	41,886	30,750	43,268	30,750
2020	61,128	39,999	63,190	39,999	59,494	39,999	62,905	40,002	63,504	40,002
2021	70,808	37,750	71,642	37,750	65,644	37,750	65,492	37,750	63,091	37,750
2022	49,060	44,250	43,354	44,250	29,109	39,000	15,238	31,750	6,679	23,750
2023	6,947	15,500	588	8,000	598	6,000	620	6,000	636	6,000
2024	815	6,000	826	6,000	834	6,000	837	6,000	841	6,000
2025	334	11,500	334	11,500	343	11,500	364	11,500	366	11,500
2026	54	7,000	58	7,000	61	7,000	74	7,000	69	7,000
2027	270	6,750	364	6,750	303	6,750	257	4,500	187	2,500
2028	474	4,500	359	2,500	311		308		313	
2033	26		26		26		27		27	
2034	5		5		5		5		5	
Total	244,272	236,649	244,052	233,149	225,550	233,366	227,321	228,772	227,958	228,802

Component items may not add to totals because of rounding.



MORTGAGE ARREARS RATE IN THE NHA MBS PROGRAM

At the time of an NHA MBS issuance, no pooled mortgage must be in arrears and mortgages must have mortgage default insurance coverage in accordance with the Government of Canada regulations for mortgage insurance. Mortgage arrears of the pooled mortgages are analyzed and monitored, at the Issuer level, on a monthly basis, in the context of the overall financial condition of the Issuer. This information, along with established arrears triggers and the financial viability of the Issuer, is considered when permitting the Issuer new guarantee approvals.

As at March 31, 2018, the 90-day arrears rate—the number of loans in arrears (3,627) as a proportion of the total number of loans (2,047,730)—in the NHA MBS Program was 0.18 per cent.

90 days arrears for mortgages in NHA MBS outstanding	31-Mar	31-Dec	As at:	30-Jun	31-Mar
	2018	2017	30-Sep	2017	2017
Overall 90 days arrears rate	0.18%	0.17%	0.19%	0.19%	0.22%
Federally Regulated Institutions	0.21%	0.21%	0.23%	0.23%	0.26%
Provincially Regulated Institutions	0.08%	0.09%	0.08%	0.08%	0.09%
IIROC Regulated Institutions	0.12%	0.10%	0.12%	0.12%	0.12%
Other Institutions	0.06%	0.07%	0.08%	0.08%	0.09%



INTEREST SPREAD

CMHC establishes a minimum spread requirement between the NHA MBS coupon and the lowest mortgage rate in the pool. This interest spread, which is for the benefit of the Issuer in good standing, is an important feature that incentivizes the Issuer to fulfil its responsibilities under the NHA MBS Program. This program feature ensures that program participants have significant “skin in the game.” In the event of a failure of an Issuer to fulfill its responsibilities under the NHA MBS Program, CMHC, as guarantor and trustee on behalf of the NHA MBS investor, will have access to the interest spread to be used in ensuring the obligations under the NHA MBS are fulfilled.

31-Mar-18	MORTGAGE			NHA MBS		
Pool Type	Balance Outstanding (\$M)	Spread to Index *	Mortgage Rate	Spread to Index *	MBS Coupon	Interest Spread
Fixed Rate						
867	67,959		2.82		1.58	1.24
964	764		2.63		1.62	1.00
965	19,572		3.02		2.27	0.74
966	16,955		2.64		1.97	0.67
967	6		2.52		1.89	0.62
970	0		6.99		5.88	1.12
975	288,162		2.78		1.55	1.23
990	4,446		3.54		2.98	0.55
	397,864		2.80		1.62	1.18
Floating Rate						
880	6,886	(0.45)	2.98	0.45	2.03	0.95
885	7,601	(0.48)	2.96	0.06	1.64	1.33
980	37,621	(0.58)	2.86	0.23	1.81	1.04
985	27,263	(0.49)	3.02	0.14	1.72	1.30
987	9,035	(0.47)	2.96	(1.03)	1.93	1.03
	88,406		2.94		1.80	1.14
Total	486,270		2.83		1.66	1.17

Component items may not add to totals because of rounding.

* Adjustable (880/980) and variable (885/985) mortgage rates are based on lenders' prime rates. Floating rate NHA MBS coupons, with the exception of the NHA MBS 987 pool, are based on the one-month Canadian Dollar Offered Rate (CDOR). The coupon rate of the NHA MBS 987 pool is based on a spread to the weighted average mortgage rate in the pool. All spreads and rates shown in the table are weighted averages.



ADDITIONAL INFORMATION

To complement the monthly reports on CMHC's website, additional details on NHA MBS issuance volumes, including by pool type and issuer, can be found at http://www.cmhc.ca/en/hoficlincl/mobase/mobase_006.cfm.

NHA MBS ISSUANCE VOLUMES

NHA MBS issued during the period	Three months ended				Year-to-date	
	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017	31-Mar 2017	31-Mar 2017
Guaranteed (Market) NHA MBS	25,489	43,750	31,593	26,316	21,559	21,559
Replacement NHA MBS *	8,710	8,935	11,136	5,793	9,776	9,776
Total NHA MBS Volumes (\$M)	34,199	52,685	42,730	32,109	31,335	31,335

Component items may not add to totals because of rounding.

* NHA MBS designated for future sale to Canada Housing Trust (CHT) under the CMB Program to replace the monthly principal runoff from the NHA MBS assets held by CHT with respect to CMB transactions. Replacement NHA MBS are restricted securities and can only be used as reinvestment assets in CMB transactions issued prior to July 1, 2016.

NHA MBS OUTSTANDING

All NHA MBS issued and outstanding	As at:				
	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017	31-Mar 2017
Guaranteed (Market) NHA MBS	244,272	244,052	225,550	227,321	227,958
NHA MBS sold to Canada Housing Trust	230,485	228,040	225,988	221,816	223,288
Replacement NHA MBS	11,514	11,684	11,551	12,718	17,224
Total NHA MBS Outstanding (\$M)	486,270	483,776	463,089	461,855	468,471

Component items may not add to totals because of rounding.

