

CANADA MORTGAGE AND HOUSING CORPORATION

# Securitization Business Supplement

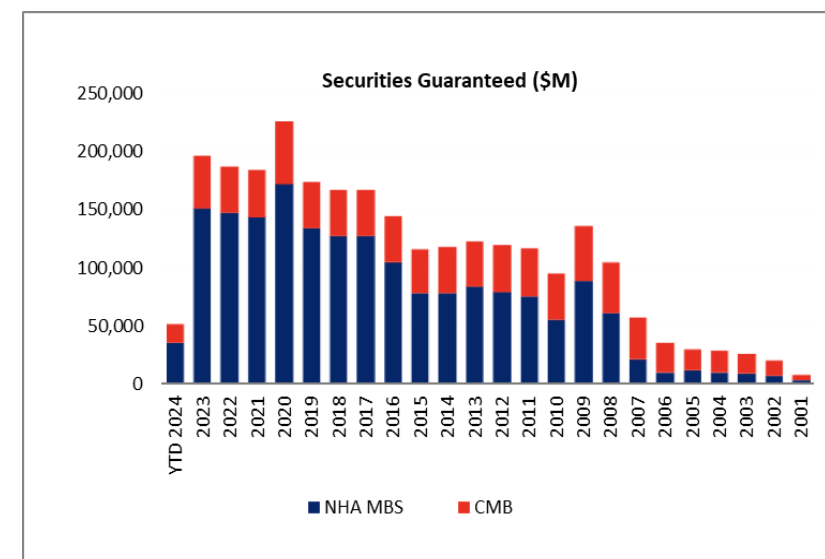
**FIRST QUARTER  
MARCH 31, 2024**

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, 2024 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

The 2024 annual CMB issuance limit is \$60B and the 2024 annual NHA MBS guarantee limit is \$170B. As at March 31, 2024, CMHC guaranteed \$51.6 billion of securities (\$36.1 billion of NHA MBS and \$15.5 billion of CMB). Of the approximate 97 active participants in CMHC's securitization programs, 90 are regulated institutions.

Securities guaranteed	Three months ended				Year-to-date	
	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Mar 2024
<b>Total Guaranteed (\$M)</b>	<b>51,552</b>	<b>54,225</b>	<b>51,313</b>	<b>47,030</b>	<b>43,047</b>	<b>51,552</b>
NHA Mortgage-Backed Securities (NHA MBS)*	36,052	39,725	41,313	36,780	32,797	36,052
Canada Mortgage Bonds (CMB)	15,500	14,500	10,000	10,250	10,250	15,500
<b>NHA MBS (\$M)</b>	<b>36,052</b>	<b>39,725</b>	<b>41,313</b>	<b>36,780</b>	<b>32,797</b>	<b>36,052</b>
Federally Regulated Institutions	20,491	22,695	21,547	21,822	19,898	20,491
Provincially Regulated Institutions	3,991	6,811	5,243	3,827	3,964	3,991
IIROC Regulated Institutions**	7,977	7,584	10,980	8,329	5,753	7,977
Other Institutions	3,593	2,634	3,543	2,802	3,182	3,593
<b>CMB (\$M)</b>	<b>15,500</b>	<b>14,500</b>	<b>10,000</b>	<b>10,250</b>	<b>10,250</b>	<b>15,500</b>
Federally Regulated Institutions	7,363	7,224	4,998	5,775	5,647	7,363
Provincially Regulated Institutions	2,596	2,845	1,566	1,279	1,516	2,596
IIROC Regulated Institutions	4,286	3,629	2,589	2,520	2,492	4,286
Other Institutions	1,256	803	848	676	596	1,256



Component items may not add to totals because of rounding.

\* The NHA MBS amount of \$36.1 billion consists of \$35.8 billion in new NHA MBS issued and guaranteed in 2024 and \$229 million in replacement NHA MBS issued prior to 2024 but on which NHA MBS guarantee fees were paid in 2024.

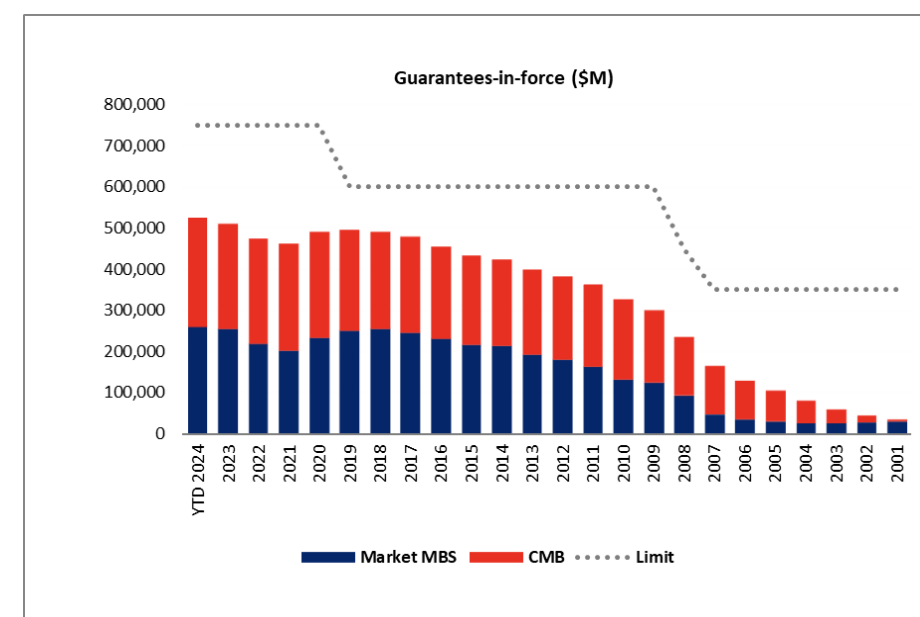
\*\* IIROC: The Investment Industry Regulatory Organization of Canada is the national self-regulatory organization that oversees all investment dealers in Canada (<http://www.iiroc.ca/>).

## 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 91 per cent of the \$523.5 billion in guarantees-in-force outstanding as at March 31, 2024, is with regulated institutions; and 60 per cent of guarantees-in-force outstanding as at March 31, 2024, is with federally regulated institutions. In support of the Insured Mortgage Purchase Program in 2020, the Guarantee-in-force limit was raised to \$750 billion from the prior \$600 billion for a five-year period.

Guarantees-in-force	As at:				
	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
<b>Total Guaranteed (\$M)</b>	<b>523,539</b>	<b>508,073</b>	<b>493,224</b>	<b>487,961</b>	<b>480,597</b>
Market NHA MBS	259,039	254,073	242,724	227,961	220,347
CMB	264,500	254,000	250,500	260,000	260,250
<b>Market NHA MBS (\$M)</b>	<b>259,039</b>	<b>254,073</b>	<b>242,724</b>	<b>227,961</b>	<b>220,347</b>
Federally Regulated Institutions	160,749	159,002	154,513	149,050	147,014
Provincially Regulated Institutions	21,549	22,156	18,702	16,628	15,146
IIROC Regulated Institutions**	50,129	47,177	44,661	37,847	33,920
Other Institutions	26,612	25,737	24,849	24,436	24,267
<b>CMB (\$M)</b>	<b>264,500</b>	<b>254,000</b>	<b>250,500</b>	<b>260,000</b>	<b>260,250</b>
Federally Regulated Institutions	153,987	149,135	147,782	155,163	155,061
Provincially Regulated Institutions	39,753	37,824	37,210	37,629	38,341
IIROC Regulated Institutions	49,143	46,307	44,651	46,506	45,869
Other Institutions	21,617	20,733	20,857	20,702	20,979

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-24		31-Dec-23		30-Sep-23		30-Jun-23		31-Mar-23	
YEAR	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB
2023					963	11,000	5,181	30,500	10,914	41,000
2024	17,131	32,500	21,520	37,500	25,530	37,500	28,134	37,500	29,863	37,500
2025	48,750	40,750	50,697	40,750	50,154	40,750	51,453	40,750	53,669	40,750
2026	75,130	32,500	76,303	32,500	71,697	32,500	65,156	32,500	61,335	32,500
2027	59,444	31,750	58,086	31,750	56,032	31,750	54,935	31,750	50,988	31,750
2028	44,101	39,000	42,953	39,000	32,011	33,000	18,510	27,000	9,737	20,750
2029	10,116	15,750	591	7,250	403	6,750	372	6,750	355	6,750
2030	1,910	10,750	1,469	10,750	1,710	10,750	1,655	10,750	1,388	10,750
2031	932	23,500	894	23,500	1,277	23,500	1,240	23,500	1,090	23,500
2032	446	11,000	532	11,000	831	11,000	734	11,000	656	11,000
2033	608	12,000	738	12,000	1,633	12,000	383	8,000	143	4,000
2034	321	15,000	138	8,000	334	-	55	-	56	-
2035	61	-	61	-	62	-	62	-	62	-
2040	75	-	76	-	76	-	77	-	77	-
2041	14	-	14	-	14	-	14	-	15	-
<b>Total</b>	<b>259,039</b>	<b>264,500</b>	<b>254,073</b>	<b>254,000</b>	<b>242,724</b>	<b>250,500</b>	<b>227,961</b>	<b>260,000</b>	<b>220,347</b>	<b>260,250</b>

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, 2024, the 90-day arrears rate—the number of loans in arrears (1,742) as a proportion of the total number of loans (1,685,856)—in the NHA MBS Program was 0.10 per cent.

90 days arrears for mortgages in NHA MBS outstanding	31-Mar 2024	31-Dec 2023	As at:			31-Mar 2023
			30-Sep 2023	30-Jun 2023		
<b>Overall 90 days arrears rate</b>	<b>0.10%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.09%</b>	
Federally Regulated Institutions	0.13%	0.13%	0.12%	0.11%	0.11%	
Provincially Regulated Institutions	0.06%	0.07%	0.07%	0.06%	0.06%	
IIROC Regulated Institutions	0.07%	0.07%	0.06%	0.06%	0.06%	
Other Institutions	0.05%	0.05%	0.04%	0.04%	0.04%	

## 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.

2024-03-31	MORTGAGE		NHA MBS			
Pool Type	Balance Outstanding (\$M)	Spread to Index*	Mortgage Rate	Spread to Index*	MBS Coupon	Interest Spread
<b>Fixed Rate</b>						
867	59,757		3.13		1.84	1.28
964	19		5.18		3.84	1.34
965	71,618		3.21		2.38	0.83
966	53,554		3.00		2.19	0.81
967	-					-
970	-					-
975	278,291		3.27		2.07	1.20
990	4,069		3.25		2.64	0.61
	<b>467,309</b>		<b>3.21</b>		<b>2.11</b>	<b>1.11</b>
<b>Floating Rate</b>						
	-					
880	1,359	(0.91)	6.20	0.06	5.38	0.82
881	6,029	(0.88)	6.22	0.20	5.22	1.00
885	1,628	(0.97)	6.23	0.03	5.34	0.89
886		(0.75)	6.45	0.29	5.31	1.13
980	23,977	(1.00)	6.13	(0.17)	5.14	0.99
981	12,310	(0.94)	6.18	0.25	5.27	0.91
985	3,731	(0.86)	6.39	(0.02)	5.30	1.09
986	6,190	(0.76)	6.46	(0.00)	5.02	1.44
987	2,067	(0.83)	6.27	(0.50)	5.77	0.50
	<b>58,890</b>		<b>6.22</b>		<b>5.21</b>	<b>1.01</b>
<b>Total</b>	<b>526,199</b>		<b>3.55</b>		<b>2.45</b>	<b>1.09</b>

Component items may not add to totals because of rounding.

\* Adjustable (880/980), variable (885/985) and CORRA (881/886/981/986) mortgage rates are based on lenders' prime rates. Floating rate NHA MBS coupons for NHA MBS 880/980/885/985 pool types are based on the one-month Canadian Dollar Offered Rate (CDOR). Floating rate NHA MBS coupons for NHA MBS CORRA (881/886/981/986) pool types are based on one month daily compounded CORRA rate. 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 <https://www.cmhc-schl.gc.ca/en/finance-and-investing/nha-mortgage-backed-securities/securitization-reports>.

## NHA MBS ISSUANCE VOLUMES

NHA MBS issued during the period	Three months ended					Year-to-date	
	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Mar 2024	31-Mar 2023
Guaranteed (Market) NHA MBS	35,823	39,248	41,255	36,780	32,037	35,823	32,037
Replacement NHA MBS*	630	505	1,537	2,306	1,126	630	1,126
<b>Total NHA MBS Volumes (\$M)</b>	<b>36,453</b>	<b>39,753</b>	<b>42,793</b>	<b>39,086</b>	<b>33,163</b>	<b>36,453</b>	<b>33,163</b>

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 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Guaranteed (Market) NHA MBS	259,039	254,073	242,724	227,961	220,347
NHA MBS sold to Canada Housing Trust	266,858	256,634	251,888	259,733	262,365
Replacement NHA MBS	302	940	2,010	1,304	934
<b>Total NHA MBS Outstanding (\$M)</b>	<b>526,199</b>	<b>511,646</b>	<b>496,622</b>	<b>488,999</b>	<b>483,646</b>

Component items may not add to totals because of rounding.