

CANADA MORTGAGE AND HOUSING CORPORATION

Securitization Business Supplement

**SECOND QUARTER
JUNE 30, 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 second quarter ending June 30, 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.

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Canada



New Securitization Guarantee Activity

The 2024 annual CMB issuance limit is \$60B and the 2024 annual NHA MBS guarantee limit is \$170B. As at June 30, 2024, CMHC guaranteed \$104.4 billion of securities (\$73.5 billion of NHA MBS and \$31 billion of CMB). Of the approximate 96 active participants in CMHC's securitization programs, 89 are regulated institutions.

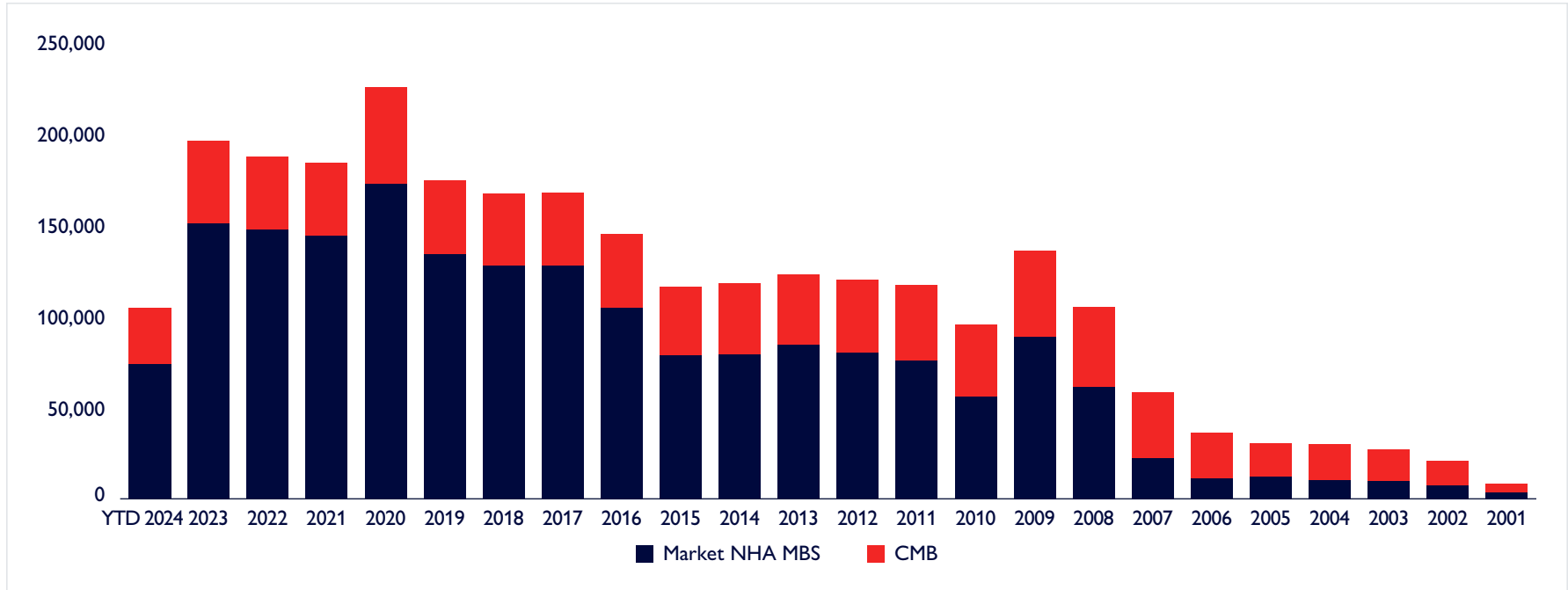
Securities guaranteed	Three months ended					Year-to-date	
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	30-Jun 2024	30-Jun 2023
Total Guaranteed (\$M)	52,946	51,552	54,225	51,313	47,030	104,498	90,077
NHA Mortgage-Backed Securities (NHA MBS)*	37,446	36,052	39,725	41,313	36,780	73,498	69,577
Canada Mortgage Bonds (CMB)	15,500	15,500	14,500	10,000	10,250	31,000	20,500
NHA MBS (\$M)	37,446	36,052	39,725	41,313	36,780	73,498	69,577
Federally Regulated Institutions	20,855	20,491	22,695	21,547	21,822	41,346	41,720
Provincially Regulated Institutions	4,266	3,991	6,811	5,243	3,827	8,257	7,791
IIROC Regulated Institutions**	7,349	7,977	7,584	10,980	8,329	15,326	14,082
Other Institutions	4,976	3,593	2,634	3,543	2,802	8,569	5,983
CMB (\$M)	15,500	15,500	14,500	10,000	10,250	31,000	20,500
Federally Regulated Institutions	7,236	7,363	7,224	4,998	5,775	14,599	11,422
Provincially Regulated Institutions	2,647	2,596	2,845	1,566	1,279	5,242	2,795
IIROC Regulated Institutions	4,171	4,286	3,629	2,589	2,520	8,457	5,012
Other Institutions	1,446	1,256	803	848	676	2,702	1,271

Component items may not add to totals because of rounding.

* The NHA MBS amount of \$73.5 billion consists of \$72.4 billion in new NHA MBS issued and guaranteed in 2024 and \$1.1 billion 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/>).

Securities Guaranteed (\$M)



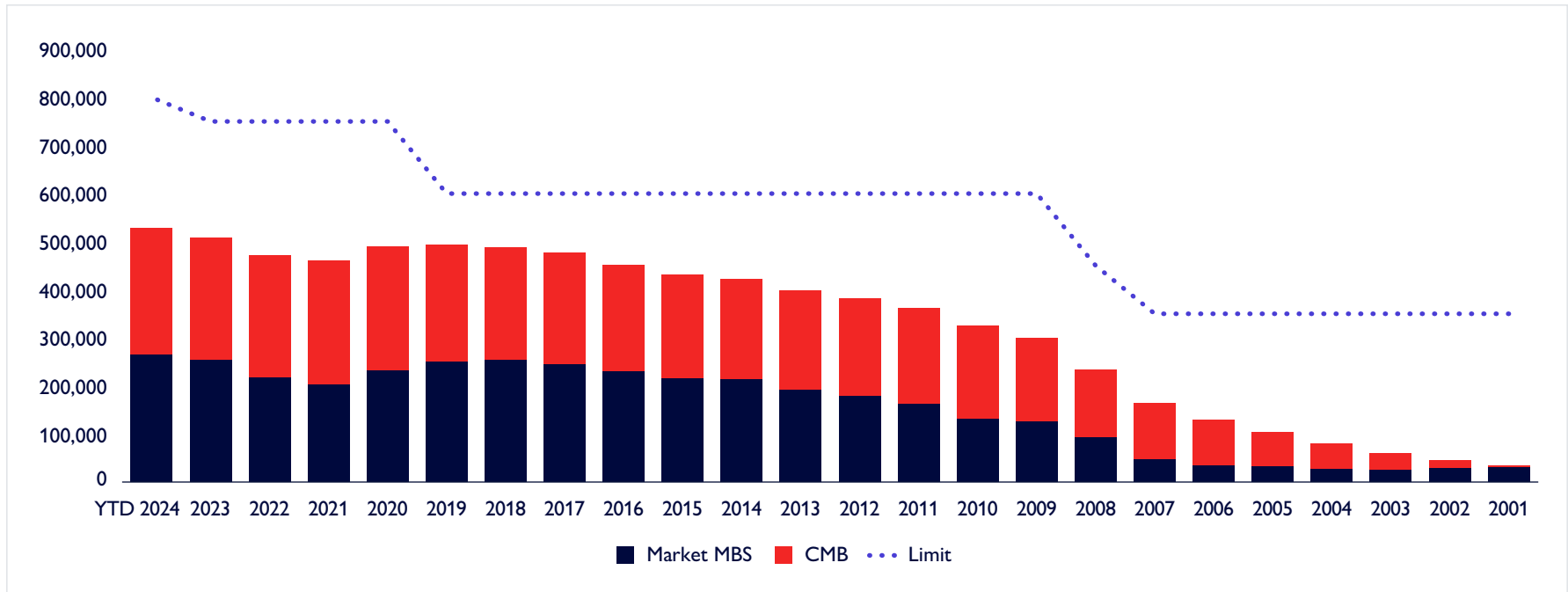
Guarantees-in-force

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 \$527.7 billion in guarantees-in-force outstanding as at June 30, 2024, is with regulated institutions; and 60 per cent of guarantees-in-force outstanding as at June 30, 2024, is with federally regulated institutions. The Guarantee-in-force limit was raised in 2024 to \$800 billion.

Guarantees-in-force	As at:				
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023
Total Guaranteed (\$M)	527,685	523,539	508,073	493,224	487,961
Market NHA MBS	264,685	259,039	254,073	242,724	227,961
CMB	263,000	264,500	254,000	250,500	260,000
Market NHA MBS (\$M)	264,685	259,039	254,073	242,724	227,961
Federally Regulated Institutions	162,760	160,749	159,002	154,513	149,050
Provincially Regulated Institutions	21,674	21,549	22,156	18,702	16,628
IIROC Regulated Institutions	51,803	50,129	47,177	44,661	37,847
Other Institutions	28,447	26,612	25,737	24,849	24,436
CMB (\$M)	263,000	264,500	254,000	250,500	260,000
Federally Regulated Institutions	151,351	153,987	149,135	147,782	155,163
Provincially Regulated Institutions	40,044	39,753	37,824	37,210	37,629
IIROC Regulated Institutions	49,933	49,143	46,307	44,651	46,506
Other Institutions	21,672	21,617	20,733	20,857	20,702

Component items may not add to totals because of rounding.

Guarantees-in-force (\$M)



Securitization Business Supplement

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:									
	30-Jun-24		31-Mar-24		31-Dec-23		30-Sep-23		30-Jun-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
2024	10,152	15,500	17,131	32,500	21,520	37,500	25,530	37,500	28,134	37,500
2025	47,894	40,750	48,750	40,750	50,697	40,750	50,154	40,750	51,453	40,750
2026	74,102	32,500	75,130	32,500	76,303	32,500	71,697	32,500	65,156	32,500
2027	64,035	31,750	59,444	31,750	58,086	31,750	56,032	31,750	54,935	31,750
2028	43,976	39,000	44,101	39,000	42,953	39,000	32,011	33,000	18,510	27,000
2029	20,765	24,250	10,116	15,750	591	7,250	403	6,750	372	6,750
2030	1,734	10,750	1,910	10,750	1,469	10,750	1,710	10,750	1,655	10,750
2031	925	23,500	932	23,500	894	23,500	1,277	23,500	1,240	23,500
2032	318	11,000	446	11,000	532	11,000	831	11,000	734	11,000
2033	396	12,000	608	12,000	738	12,000	1,633	12,000	383	8,000
2034	239	22,000	321	15,000	138	8,000	334	-	55	-
2035	61	-	61	-	61	-	62	-	62	-
2040	75	-	75	-	76	-	76	-	77	-
2041	14	-	14	-	14	-	14	-	14	-
Total	264,685	263,000	259,039	264,500	254,073	254,000	242,724	250,500	227,961	260,000

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 June 30, 2024, the 90-day arrears rate—the number of loans in arrears (1,676) as a proportion of the total number of loans (1,653,002)—in the NHA MBS Program was 0.10 per cent.

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

2024-06-30	Mortgage			NHA MBS		
Pool Type	Balance Outstanding (\$M)	Spread to Index*	Mortgage Rate	Spread to Index*	MBS Coupon	Interest Spread
Fixed Rate						
867	57,585		3.21		1.94	1.27
964	43		4.81		3.66	1.15
965	79,654		3.29		2.45	0.84
966	54,006		3.06		2.25	0.81
967	-					-
970	-					-
975	274,993		3.40		2.21	1.19
990	3,918		3.25		2.63	0.61
	470,200		3.32		2.23	1.09
Floating Rate						
880	1,242	(0.92)	5.96	0.05	5.27	0.69
881	6,087	(0.88)	5.97	0.20	5.05	0.92
885	1,407	(0.97)	5.98	0.02	5.24	0.74
886		(0.74)	6.21	0.29	5.14	1.07
980	21,914	(1.00)	5.98	(0.19)	5.03	0.95
981	13,895	(0.94)	6.01	0.27	5.11	0.90
985	3,370	(0.87)	6.15	(0.02)	5.20	0.94
986	7,732	(0.76)	6.24	(0.01)	4.84	1.41
987	2,077	(0.84)	6.02	(0.26)	5.76	0.26
	59,325		6.04		5.07	0.96
Total	529,525		3.62		2.55	1.08

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		
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	30-Jun 2024	30-Jun 2023
Guaranteed (Market) NHA MBS	36,541	35,823	39,248	41,255	36,780	72,363	68,817
Replacement NHA MBS*	361	630	505	1,537	2,306	992	3,432
Total NHA MBS Volumes (\$M)	36,902	36,453	39,753	42,793	39,086	73,355	72,249

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:				
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023
Guaranteed (Market) NHA MBS	264,685	259,039	254,073	242,724	227,961
NHA MBS sold to Canada Housing Trust	264,232	266,858	256,634	251,888	259,733
Replacement NHA MBS	609	302	940	2,010	1,304
Total NHA MBS Outstanding (\$M)	529,525	526,199	511,646	496,622	488,999

Component items may not add to totals because of rounding.

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