

CANADA MORTGAGE AND HOUSING CORPORATION

Securitization Business Supplement

**THIRD QUARTER
SEPTEMBER 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 third quarter ending September 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 September 30, 2024, CMHC guaranteed \$163.8 billion of securities (\$118.3 billion of NHA MBS and \$45.5 billion of CMB). Of the approximate 94 active participants in CMHC's securitization programs, 87 are regulated institutions.

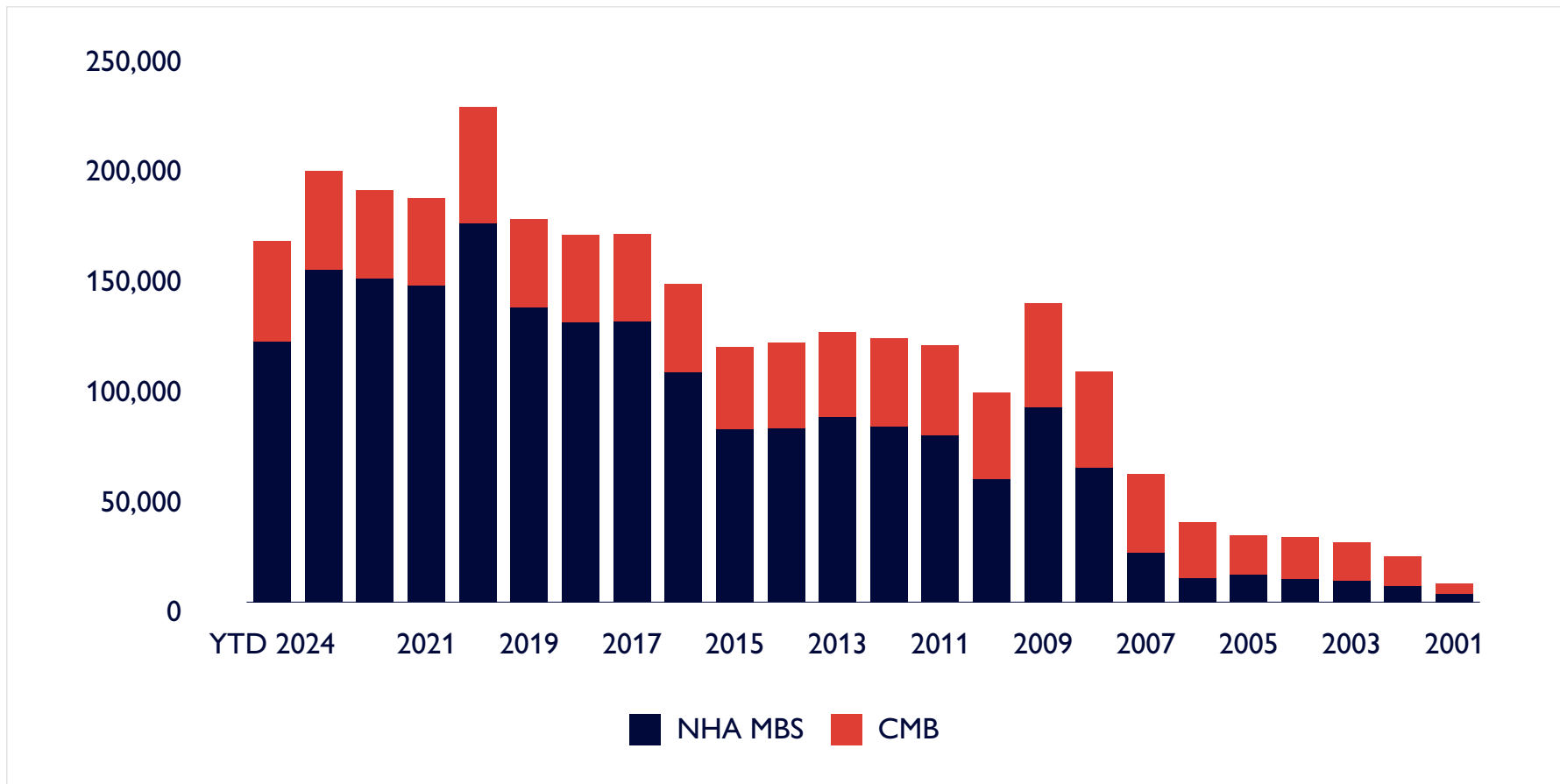
| Securities guaranteed | Three months ended | | | | | Year-to-date | |
|-------------------------------------------|--------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 30-Sep 2024 | 30-Jun 2024 | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 | 30-Sep 2024 | 30-Sep 2023 |
| Total Guaranteed (\$M) | 59,308 | 52,946 | 51,552 | 54,225 | 51,313 | 163,806 | 141,389 |
| NHA Mortgage-Backed Securities (NHA MBS)* | 44,808 | 37,446 | 36,052 | 39,725 | 41,313 | 118,306 | 110,889 |
| Canada Mortgage Bonds (CMB) | 14,500 | 15,500 | 15,500 | 14,500 | 10,000 | 45,500 | 30,500 |
| NHA MBS (\$M) | 44,808 | 37,446 | 36,052 | 39,725 | 41,313 | 118,306 | 110,889 |
| Federally Regulated Institutions | 23,256 | 20,855 | 20,491 | 22,695 | 21,547 | 64,603 | 63,267 |
| Provincially Regulated Institutions | 6,258 | 4,266 | 3,991 | 6,811 | 5,243 | 14,514 | 13,034 |
| IIROC Regulated Institutions** | 9,934 | 7,349 | 7,977 | 7,584 | 10,980 | 25,260 | 25,062 |
| Other Institutions | 5,360 | 4,976 | 3,593 | 2,634 | 3,543 | 13,929 | 9,526 |
| CMB (\$M) | 14,500 | 15,500 | 15,500 | 14,500 | 10,000 | 45,500 | 30,500 |
| Federally Regulated Institutions | 6,557 | 7,236 | 7,363 | 7,224 | 4,998 | 21,156 | 16,420 |
| Provincially Regulated Institutions | 2,576 | 2,647 | 2,596 | 2,845 | 1,566 | 7,818 | 4,361 |
| IIROC Regulated Institutions | 2,996 | 4,171 | 4,286 | 3,629 | 2,589 | 11,453 | 7,600 |
| Other Institutions | 2,370 | 1,446 | 1,256 | 803 | 848 | 5,072 | 2,119 |

Component items may not add to totals because of rounding.

* The NHA MBS amount of \$118.3 billion consists of \$117.2 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)



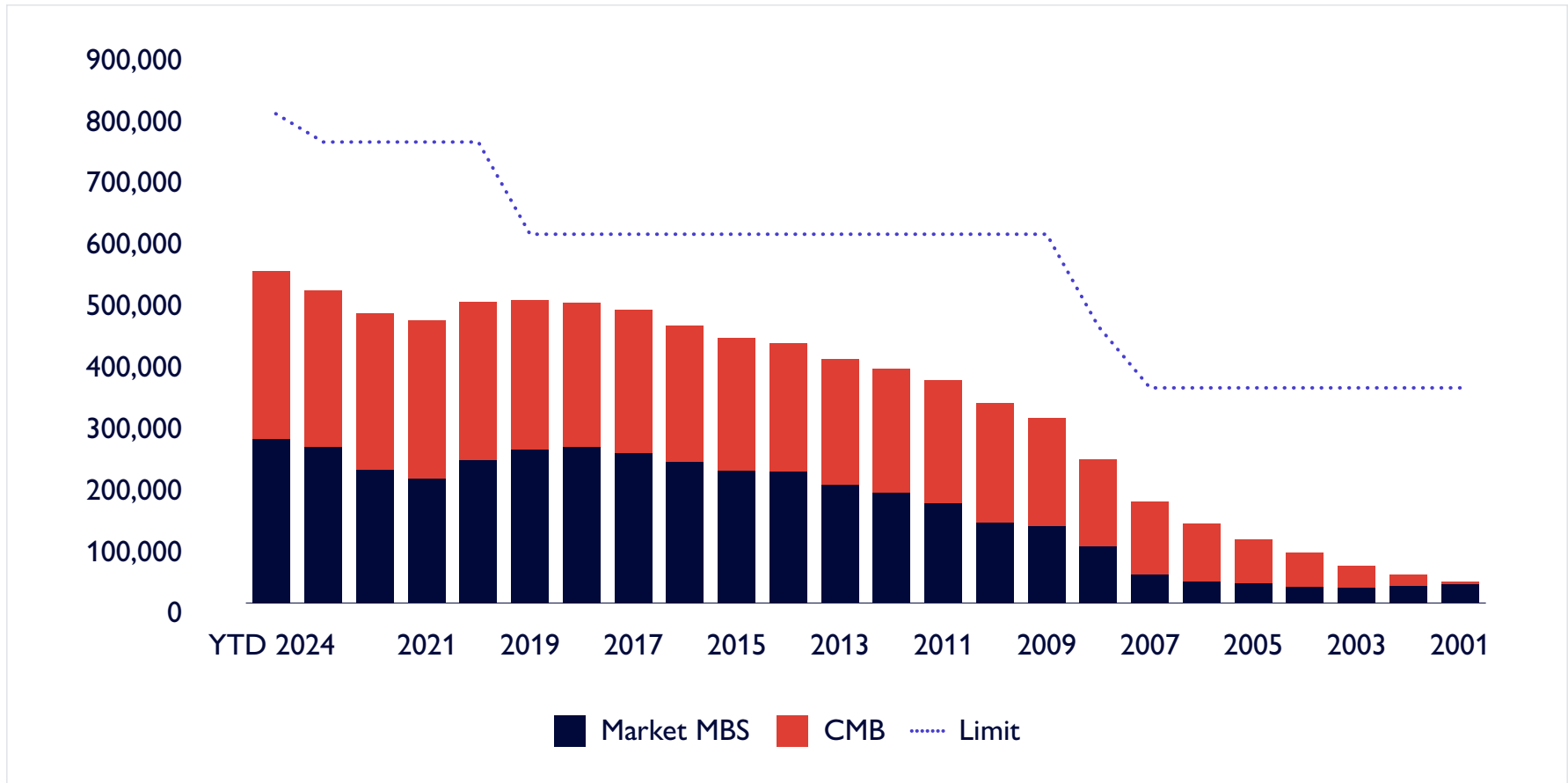
Guarantees-in-force

The amount of guarantees-in-force outstanding is a function of new guarantee activity and maturities/principal runoff from outstanding guaranteed securities. Approximately 90 per cent of the \$539.2 billion in guarantees-in-force outstanding as at September 30, 2024, is with regulated institutions; and 58 per cent of guarantees-in-force outstanding as at September 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-Sep 2024 | 30-Jun 2024 | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 |
| Total Guaranteed (\$M) | 539,215 | 527,685 | 523,539 | 508,073 | 493,224 |
| Market NHA MBS | 266,715 | 264,685 | 259,039 | 254,073 | 242,724 |
| CMB | 272,500 | 263,000 | 264,500 | 254,000 | 250,500 |
| Market NHA MBS (\$M) | 266,715 | 264,685 | 259,039 | 254,073 | 242,724 |
| Federally Regulated Institutions | 159,416 | 162,760 | 160,749 | 159,002 | 154,513 |
| Provincially Regulated Institutions | 23,006 | 21,674 | 21,549 | 22,156 | 18,702 |
| IIROC Regulated Institutions | 54,804 | 51,803 | 50,129 | 47,177 | 44,661 |
| Other Institutions | 29,489 | 28,447 | 26,612 | 25,737 | 24,849 |
| CMB (\$M) | 272,500 | 263,000 | 264,500 | 254,000 | 250,500 |
| Federally Regulated Institutions | 155,360 | 151,351 | 153,987 | 149,135 | 147,782 |
| Provincially Regulated Institutions | 41,998 | 40,044 | 39,753 | 37,824 | 37,210 |
| IIROC Regulated Institutions | 51,100 | 49,933 | 49,143 | 46,307 | 44,651 |
| Other Institutions | 24,042 | 21,672 | 21,617 | 20,733 | 20,857 |

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.

As at:

| Guarantees-in-force Maturity Profile (\$M) | 30-Sep-24 | | 30-Jun-24 | | 31-Mar-24 | | 31-Dec-23 | | 30-Sep-23 | |
|-----------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | NHA MBS | CMB | NHA MBS | CMB | NHA MBS | CMB | NHA MBS | CMB | NHA MBS | CMB |
| 2023 | | | | | | | | | 963 | 11,000 |
| 2024 | 2,881 | 10,500 | 10,152 | 15,500 | 17,131 | 32,500 | 21,520 | 37,500 | 25,530 | 37,500 |
| 2025 | 41,967 | 40,750 | 47,894 | 40,750 | 48,750 | 40,750 | 50,697 | 40,750 | 50,154 | 40,750 |
| 2026 | 69,212 | 32,500 | 74,102 | 32,500 | 75,130 | 32,500 | 76,303 | 32,500 | 71,697 | 32,500 |
| 2027 | 72,355 | 31,750 | 64,035 | 31,750 | 59,444 | 31,750 | 58,086 | 31,750 | 56,032 | 31,750 |
| 2028 | 42,390 | 39,000 | 43,976 | 39,000 | 44,101 | 39,000 | 42,953 | 39,000 | 32,011 | 33,000 |
| 2029 | 34,025 | 32,250 | 20,765 | 24,250 | 10,116 | 15,750 | 591 | 7,250 | 403 | 6,750 |
| 2030 | 1,666 | 10,750 | 1,734 | 10,750 | 1,910 | 10,750 | 1,469 | 10,750 | 1,710 | 10,750 |
| 2031 | 908 | 23,500 | 925 | 23,500 | 932 | 23,500 | 894 | 23,500 | 1,277 | 23,500 |
| 2032 | 293 | 11,000 | 318 | 11,000 | 446 | 11,000 | 532 | 11,000 | 831 | 11,000 |
| 2033 | 380 | 12,000 | 396 | 12,000 | 608 | 12,000 | 738 | 12,000 | 1,633 | 12,000 |
| 2034 | 489 | 28,500 | 239 | 22,000 | 321 | 15,000 | 138 | 8,000 | 334 | |
| 2035 | 60 | | 61 | | 61 | | 61 | | 62 | |
| 2040 | 74 | | 75 | | 75 | | 76 | | 76 | |
| 2041 | 14 | | 14 | | 14 | | 14 | | 14 | |
| Total | 266,715 | 272,500 | 264,686 | 263,000 | 259,039 | 264,500 | 254,072 | 254,000 | 242,727 | 250,500 |

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 September 30, 2024, the 90-day arrears rate—the number of loans in arrears (1,792) as a proportion of the total number of loans (1,653,296)—in the NHA MBS Program was 0.10 per cent.

| 90 days arrears for mortgages in NHA MBS outstanding | As at: | | | | |
|------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 30-Sep 2024 | 30-Jun 2024 | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 |
| Overall 90 days arrears rate | 0.11% | 0.10% | 0.10% | 0.11% | 0.10% |
| Federally Regulated Institutions | 0.14% | 0.13% | 0.13% | 0.13% | 0.12% |
| Provincially Regulated Institutions | 0.07% | 0.06% | 0.06% | 0.07% | 0.07% |
| IIROC Regulated Institutions | 0.06% | 0.06% | 0.07% | 0.07% | 0.06% |
| Other Institutions | 0.05% | 0.04% | 0.05% | 0.05% | 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.

| 2024-09-30 | | Mortgage | | | NHA MBS | |
|----------------------|---------------------------|------------------|---------------|------------------|-------------|-----------------|
| Pool Type | Balance Outstanding (\$M) | Spread to Index* | Mortgage Rate | Spread to Index* | MBS Coupon | Interest Spread |
| Fixed Rate | | | | | | |
| 867 | 56,110 | | 3.33 | | 2.07 | 1.27 |
| 964 | 75 | | 4.47 | | 3.29 | 1.18 |
| 965 | 89,013 | | 3.38 | | 2.53 | 0.84 |
| 966 | 56,640 | | 3.13 | | 2.31 | 0.82 |
| 967 | | | | | | |
| 970 | | | | | | |
| 975 | 274,004 | | 3.57 | | 2.36 | 1.2 |
| 990 | 4,217 | | 3.36 | | 2.75 | 0.61 |
| | 480,059 | | 3.45 | | 2.36 | 1.09 |
| Floating Rate | | | | | | |
| 880 | 1,174 | (0.92) | 5.47 | 0.05 | 4.7 | 0.76 |
| 881 | 5,962 | (0.89) | 5.48 | 0.2 | 4.56 | 0.92 |
| 885 | 1,276 | (0.97) | 5.48 | 0.03 | 4.68 | 0.8 |
| 886 | 1,643 | (0.74) | 5.71 | 0.29 | 4.64 | 1.07 |
| 980 | 20,649 | (1) | 5.48 | (0.19) | 4.46 | 1.02 |
| 981 | 16,156 | (0.94) | 5.51 | 0.27 | 4.63 | 0.88 |
| 985 | 3,146 | (0.88) | 5.64 | (0.02) | 4.64 | 1 |
| 986 | 8,484 | (0.77) | 5.73 | (0.04) | 4.32 | 1.41 |
| 987 | 2,300 | (0.86) | 5.75 | (0.5) | 5.25 | 0.5 |
| | 60,791 | | 5.55 | | 4.55 | 1 |
| Total | 540,850 | | 3.69 | | 2.6 | 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 on the Replacement Rate for 1M CDOR by using monthly Daily Compounded CORRA rate with Spread Adjustment at 0.29547. 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-Sep 2024 | 30-Jun 2024 | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 | 30-Sep 2024 | 30-Sep 2023 |
| Guaranteed (Market) NHA MBS | 44,804 | 36,541 | 35,823 | 39,248 | 41,255 | 117,167 | 105,597 |
| Replacement NHA MBS* | 725 | 361 | 630 | 505 | 1,537 | 1,716 | 5,737 |
| Total NHA MBS Volumes (\$M) | 45,528 | 36,902 | 36,453 | 39,753 | 42,793 | 118,883 | 111,335 |

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: | | | | |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 30-Sep 2024 | 30-Jun 2024 | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 |
| Guaranteed (Market) NHA MBS | 266,715 | 264,685 | 259,039 | 254,073 | 242,724 |
| NHA MBS sold to Canada Housing Trust | 273,637 | 264,232 | 266,858 | 256,634 | 251,888 |
| Replacement NHA MBS | 498 | 609 | 302 | 940 | 2,010 |
| Total NHA MBS Outstanding (\$M) | 540,850 | 529,525 | 526,199 | 511,646 | 496,622 |

Component items may not add to totals because of rounding.

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