

CANADA MORTGAGE AND HOUSING CORPORATION

Summary of the Corporate Plan

2025- 2029



Summary of the amended 2025-2029 Corporate Plan, including the summary of the amended 2025 Operating and Capital Budgets and 2025 Borrowing Plan, reflect new funding as per Federal Budget and Fall Economic Statement measures, as approved by Treasury Board.

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Canada





“CMHC plays a vital role in the federal government's response to Canada's housing challenges and in ensuring a well-functioning housing finance system for Canada.”

Land Acknowledgement

We respectfully acknowledge that Canada Mortgage and Housing Corporation (CMHC) offices across Turtle Island (North America) are located on the traditional and treaty territories of First Nations, Inuit, and Métis peoples. We humbly express our gratitude for this beautiful land and extend our utmost respect and appreciation for its many generations of caretakers. Today and always, it is important that we have truthful, reconciliatory, and inclusive conversations that strengthen the ties that unite us. We must continuously learn from each other with open hearts and minds. Only then can we look toward our future with hope and confidence for a better Canada for all.



The Summary of the 2025-2029 Corporate Plan has been prepared in accordance with section 125 of the Financial Administration Act (FAA) and serves to inform Canadians and Parliamentarians of the major objectives and priorities for the upcoming planning period, and reflects the current direction identified by Government and through internal management processes. Pursuant to section 153(1) of the FAA, the Summary excludes commercially sensitive information which if disclosed would be detrimental to the commercial interest of CMHC.



Table of Contents

Minister's Foreword.....	6
Executive Summary/Message from the President and CEO.....	7
Overview.....	9
Operating Environment.....	12
Objectives and Activities.....	15
Financial Overview.....	26
Appendix 1 Direction from the Responsible Minister.....	33
Appendix 2 Corporate Governance Structure.....	34
Appendix 3 Planned Results.....	39
Appendix 4 Chief Financial Officer Attestation.....	41
Appendix 5 Financial Statements and Budgets.....	42
Appendix 6 Borrowing Plan.....	61
Appendix 7 Risks and Risk Responses.....	70
Appendix 8 Compliance with Legislative and Policy Requirements.....	74
Appendix 9 Government Priorities and Direction.....	76
Appendix 10 Summary of Amendments to the CMHC 2025-2029 Corporate Plan... ..	80

Minister's Foreword

“Canada’s housing crisis presents one of the country’s greatest economic and social challenges.”

Canada’s housing crisis presents one of the country’s greatest economic and social challenges. The effects have impacted the affordability of housing in communities of all sizes across Canada, with rises in rent and home prices. This has young Canadians wondering if they can afford a place to live today or whether they will ever be able to own a home of their own. This has extended to vulnerable populations in our communities that continue to disproportionately experience these pressures.

In the face of these challenges, Canada Mortgage and Housing Corporation (CMHC) continues to play a critical role in the Government of Canada’s efforts to build more affordable homes by delivering programs to help increase supply, quickly. In addition, CMHC provides housing finance solutions, such as mortgage loan insurance, and its research, data and forecasting support a broad range of clients in the pursuit of a healthier housing system.

As Minister of Housing, Infrastructure and Communities, I present this 2025-2029 Corporate Plan Summary.

It lays out how CMHC, leveraging its financial expertise and resources, will deliver important federal housing programs and initiatives to help tackle current and future housing pressures. It recognizes the complexity of our housing system and its challenges, and positions CMHC to maximize its impact, working side-by-side with partners from various sectors across the country.

Everyone deserves a place to call home – and this Plan is a key part of the approach needed to achieve that.



**The Honourable
Nathaniel Erskine-Smith**
Minister of Housing, Infrastructure
and Communities

Executive Summary/ Message from the President and CEO

“Housing continues to be a top concern for Canadians, as far too many struggle to find and keep a home they can afford and that meets their needs.”



It is with pleasure that I submit my first Corporate Plan as the new CEO of CMHC. Having been appointed CEO on June 24, 2024, I can say that I am pleased to lead an organization with such an important mandate. And, I'm pleased to present our plan to you here.

This is a time of change and renewal for CMHC. I joined CMHC at the same time Don Iveson was named our new Board Chair, along with four new board members. We were able to hit the ground running thanks to the hard work of our predecessors and the whole of CMHC.

This is also a time when CMHC's new role in the federal family is offering us a clearer path forward. We have built a strong working relationship with Housing, Infrastructure and Communities Canada (HICC), the federal department now responsible for housing policy and program development, and for oversight of CMHC. We continue to be a critical partner in delivering the National Housing Strategy (NHS) and Canada's Housing Plan (launched in April 2024), working to make housing more attainable and affordable. With our respective responsibilities spelled out, HICC and CMHC will be able to focus our collective efforts where we can have the greatest impact.

Housing continues to be a top concern for Canadians, as far too many struggle to find and keep a home they can afford and that meets their needs. Canada needs to substantially increase its supply of housing to meet demand as our population continues to grow. And we must do so in a way that is equitable, that looks out for our most vulnerable neighbours, and that is future-proof in the face of climate change.

All these factors have informed CMHC's new strategy launched earlier this year – one that takes advantage of this moment in our history and the opportunity it brings to focus more keenly on our strengths.

Our new strategy lays out our mission, as a financial institution, to contribute to a well-functioning housing system.

It spells out our strategic objectives:

- offer solutions to enable access to housing financing and ensure housing finance system stability;
- deliver government programs to increase housing supply, support affordability and preserve housing stock;
- build and share our knowledge and expertise of the housing system to drive informed decision-making, stimulate dialogue, and improve outcomes in the housing sector; and
- be a high performing organization through sound risk, financial, people, knowledge, and technology management.

Our strategy also expresses why we're doing all this: ***to improve housing outcomes for the people of Canada.***

We, at CMHC, are the ones executing the strategy, but its success depends on engaging and working closely with many partners who share our goals. Through the delivery of our services and products, we bring together stakeholders from across the country, across governments and across sectors. And the housing system will need that kind of broad coalition to meet the housing challenges we face.

The challenges are great, and the plan before you will guide us forward.



Coleen Volk
President and CEO

Overview

Housing is a cornerstone of well-being for Canadians, providing security, stability, and a foundation for vibrant communities. Housing is vital to fostering social inclusion and economic prosperity across the nation and is a prominent issue for people living in Canada and the Government of Canada alike.

“CMHC recognizes its unique role within the broader and complex Canadian housing system.”



Our Role

CMHC plays a vital role in the federal government's response to Canada's housing challenges and in ensuring a well-functioning housing finance system for Canada as set out in the *National Housing Act* (NHA). We derive our authorities from the *Canada Mortgage and Housing Corporation Act* (CMHC Act) and the NHA. The CMHC Act established us as a Crown Corporation and sets out the various powers and functions of the corporation. Through HICC, the federal government is taking a lead role in building stronger communities and better aligning housing and public infrastructure investments. CMHC's growing collaboration with HICC ensures we play an essential role in supporting Canada's Housing Plan, the National Housing Strategy and federal housing priorities, including increasing housing supply and improving affordability.

Our Strategy

We recognize the unique role our organization plays in the broader and complex Canadian housing system. The housing system involves a network of participants, including all levels of government, lenders and issuers, developers, individuals, and communities. Addressing these challenges requires an all-of-government and partner-wide approach and requires CMHC to focus on areas where it can make the most significant impact.

Our Mission

As a financial institution, we contribute to a well-functioning housing system by providing housing finance solutions, delivering programs on behalf of the Government, making funding available, and providing trusted expertise on housing.

This mission underscores our targeted approach to focus on our core business activities: offering housing finance solutions, delivering housing programs, and building and sharing housing system expertise. These mission-critical priorities reflect our unique and distinct role in the housing system and how we mobilize our resources to produce outcomes and results.



Strategic Objectives

Based on our mission, we have identified four strategic objectives that target areas where we will focus over the next five years. These objectives ensure that our efforts are aligned with the needs of our stakeholders and that they concentrate on areas where we can have the most significant impact.

Our four objectives are:



Housing Finance Solutions

Offer solutions to enable access to housing financing and ensure housing finance system stability through all economic cycles. We support the stability of the Canadian housing finance market and contribute to the well-functioning of the housing sector by preserving the availability of capital, maintaining our ability to respond to disruptive events, and ensuring that we remain competitive and financially viable, with due regard for exposure to loss.

Our Mortgage Loan Insurance products continue to provide access to homeownership including the creation and preservation of multi-unit housing options, with certain products incentivizing affordable, accessible, and climate-compatible units. Together with our securitization activities and covered bond framework, which provide reliable access to mortgage funding, these products are key tools to respond to changing economic conditions and contribute to the stability of the housing finance system.



Housing Knowledge and Expertise

Build and share our knowledge and expertise of the housing system to drive informed decision-making, stimulate dialogue, and improve outcomes in the housing sector. We address critical knowledge gaps in the housing market by providing timely, relevant, and objective insights. Our leadership in housing research and analysis positions us as a trusted authority, empowering stakeholders to make strategic decisions and enhance the overall effectiveness of the housing sector. By offering valuable insights and solutions, we help address current and future housing challenges.



Housing Programs

Deliver housing programs to increase housing supply, preserve stock, and contribute to affordable housing. The programs we deliver address diverse needs and support populations made vulnerable, ensuring more Canadians have access to suitable housing. By building and maintaining our functions and capabilities, we enable the scalable delivery of programs to respond to changing Government of Canada priorities for addressing today's challenges and adapting to those of the future.



High Performing Organization

Be a high performing organization through sound risk, financial, people, knowledge, and technology management to effectively and efficiently deliver on our mandate. Our commitment to operational excellence ensures we can deliver on our mandate and meet stakeholder expectations. By continuously improving our internal processes and fostering a culture of high standards, we enhance our ability to achieve sustainable organizational success.

To ensure we achieve these objectives, we have established corresponding results and measures to guide our performance, which are detailed in the Objectives and Activities section.

Operating Environment



External

In recent years, Canada's housing landscape has been shaped by many factors leading to an urgent need for millions of new homes and more diverse housing options. Elevated interest rates and inflation are causing significant financial pressures for people living in Canada, and for homebuilders looking to expand supply.

As of June 2024, Canada's economy is expected to grow by 0.7% in 2024, which is considered modest. To control inflation, the Bank of Canada kept its policy rate in the 5% range throughout 2023. However, the Bank began reducing the rate in mid-2024, with further cuts anticipated until late 2026. Despite the cuts, many mortgage holders still face higher renewal rates, increasing financial strain. Some may extend amortization periods, while others with variable-rate mortgages could see rising balances and require large lump-sum payments at renewal. Additionally, lower interest rates may reignite homeownership demand, exacerbate price increases and worsen affordability, especially for first-time and lower-income buyers.

The elevated cost of homeownership, combined with projected population growth—though somewhat tempered by announced reductions in non-permanent residents—is expected to keep vacancy rates at historically low levels and keep rents elevated from 2025 to 2029. Without a significant increase in affordable rental supply, housing options for lower-income groups and vulnerable populations are likely to become even more scarce.

Canada continues to face a persistent challenge with housing supply. As outlined in *Housing Shortages in Canada: Updating How Much Housing We Need by 2030*, CMHC estimates that an additional 3.5 million housing units will be required—on top of those already being constructed—to restore affordability. In the short term, home construction is likely to be hampered by financing issues, labour shortages, and high material costs. As fewer new homes are built, the pressure on the current estimated supply gap will likely intensify, leading to potential price increases. This issue is being actively addressed through concerted policy action.

The housing market outlook remains uncertain due to several factors. Although interest rates have begun to decrease, potentially increasing demand for homeownership, rates remain elevated and pose renewal risks for mortgage holders. A downside risk is the potential for the economy to slow

down further, driven by the lagged effects of high interest rates, occurring at a time of higher levels of household debt, which makes Canadians and the housing system more financially vulnerable.

Addressing housing issues requires a systematic approach, involving collaborative efforts across all levels of government, the private sector, non-profit organizations, and other stakeholders. Achieving sustainable solutions will depend on collective efforts to navigate and mitigate the complexities of the housing market.

Internal

While our strategy focuses on the objectives and results we aim to achieve, there are additional initiatives that enhance our operations. These include initiatives that align to Government priorities, audits by the Office of the Auditor General, and actions required by broader Government or industry reviews and directives.

Recalibration with Housing, Infrastructure and Communities Canada

As reflected in our corporate strategy, we are progressing with the recalibration and transition of functions between CMHC and HICC. CMHC is focused on housing finance solutions, building and sharing our housing knowledge and expertise, and delivering housing programs. HICC is taking the lead on housing policy and program development, taking a central role in supporting the Minister on housing policy issues, and building capacity to meet new responsibilities. HICC and CMHC worked together to determine how the housing policy and program development function would be distributed across the two organizations. To support this transition, 83 full-time equivalents working in these areas at CMHC were transferred to HICC, which included both employees being offered interchange positions at HICC and funding being transferred for positions. We continue to collaborate and refine our working relationship with HICC to align and advance the mission and strategic objectives of both organizations.

Our Work Environment

Our strategy and achieving results are dependent on our corporate values: Courage, Community, and Impact. CMHC is increasing our in-office presence requirements for employees and executives to create a stronger community in the housing ecosystem and so we can

better serve those living in Canada. This will be a phased approach starting in 2025 and will help strengthen business acumen while balancing flexibility in the way we work.

Transforming CMHC Properties

We continue to explore repurposing CMHC buildings in the National Capital Region. This work had begun prior to the announcement of the Public Lands for Homes Plan in Budget 2024. Through this plan, the Government is aiming to deliver 250,000 new homes by 2031 by unlocking public lands for housing development. We have initiated feasibility and interdependency studies to explore converting surplus CMHC properties into housing and enabling additional housing units. Once these studies are complete, we will consult with stakeholders such as the City of Ottawa and the National Capital Commission on proposed options to make sure our final recommendations make sense for the local community.

Supporting Government Spending Review

CMHC continues to support the federal government's Refocusing Government Spending Review, announced in Budget 2023. Our operating budget incorporates cost savings consistent with the Minister of Finance's directive to reduce administrative expenses by 3% by 2026 and to reduce professional services and travel by 15% beginning in 2024. Details of these reductions are reflected in Appendix 5 – Financial Statements and Budgets within the operating budget table, with further information available in the Planned Budget 2023 Spending Reductions subsection.

Revisions to the Capital and Dividend Framework for Financial Crown Corporations

As part of Budget 2024, the Government of Canada announced changes to the Capital and Dividend Framework for Financial Crown Corporations. As part of the revisions, the Government is providing specific expectations on the amount of capital that should be held, how excess capital should be deployed and enhanced disclosure requirements. The primary impact to CMHC relates to enhanced disclosure requirements, regarding summary results of our corporate wide stress testing, scenarios that could lead to a recapitalization and the advance notice that could be provided to the Government, in the event a recapitalization is needed

in the future. In addition, CMHC reviewed output metrics for some international housing agencies and while there is no direct comparison due to differences across jurisdictions, output measures such as units supported, and dollar volumes, that are reported by CMHC, were also observed by international housing agencies. Detailed information about our stress testing program can be found in Appendix 7 – Risks and Risk Responses.

Compliance and Office of the Superintendent of Financial Institutions (OSFI) Guidelines

In accordance with our ongoing operational review and OSFI's recent recommendations, CMHC is enhancing governance, oversight, and operational capabilities, focusing on our Internal Control Framework, and cybersecurity. As part of this effort, CMHC is evolving and strengthening our processes to align with industry standards and OSFI guidelines, as discussed throughout this plan. This includes compliance with OSFI B-10 (Third Party Risk Management), OSFI E-21 (Operational Resilience), OSFI B-15 (Climate Risk Management), and OSFI B-13 (Technology and Cyber Risk Management) regulatory requirements. These prioritized initiatives are essential to maintaining robust operational controls and ongoing compliance with OSFI standards.

Cybersecurity

We have a comprehensive Cyber Security Roadmap that adopts a risk-based approach, considering independent assessments, our risk appetite, and industry best practices. Our approach to cybersecurity continues to mature these major areas of focus:

- Vulnerability management, hardening and patching
- Cyber governance including policy, oversight and roles and responsibilities
- Risk management including security incident and event management
- Identity and access management
- Security awareness and training
- Secure software development lifecycle
- Legacy application decommissioning

We also continuously adapt and enhance our security capabilities and controls to answer the increasing requirements from governments, industry regulations including OSFI guidelines, and to meet customer expectations.

Third Party Risks

CMHC's operations rely on multiple third parties. The Procurement and Vendor Risk Management Programs are designed to oversee and mitigate risks associated with third-party arrangements for the purchase of services and goods throughout the entire contract lifecycle. These programs ensure effective management of third-party performance, adherence to diversity objectives, adherence to Government of Canada procurement guidelines and proactive mitigation of potential business disruptions. Our programs are continuously evolving to align with industry standards and regulatory requirements of OSFI B-10 Third Party Risk Management.

Special Exams/Audits

There are no special examinations planned for 2025, nor are there any outstanding actions planned from prior special examinations.

In Q2 2024, the Office of the Auditor General (OAG) commenced a performance audit of Federal Real Property. The scope of the audit includes a review of the Federal Lands Initiative led by CMHC, as well as initiatives under other federal departments. This report is expected to be completed in Spring 2025.

The OAG Audit on Housing in First Nations Communities was completed and tabled in Parliament this past spring (2024). The objective of this audit was to examine the extent that CMHC and Indigenous Services Canada supported First Nations in closing the housing gap on-reserve by improving housing conditions and increasing First Nations' capacity to manage housing. Action items identified in the Management Action Plan (MAP) from this audit are expected to be completed by Q1 2027, and include: establishing CMHC-ISC Assistant Deputy Minister committees; revising CMHC programs; research projects; exploring options on revising the national allocation methodology and funding processes, and; engaging with First Nations on using data, supporting mould assessment and prevention, and building code compliance.

Lastly, all MAP action items from the OAG performance audit on Chronic Homelessness in 2022, whose objectives included examining whether CMHC contributed to the prevention and reduction of chronic homelessness, were completed in Q2 2024. This work included establishing HICC-CMHC committees, enhancing reporting through NHS quarterly progress reports and the latest Triennial Report to Parliament, and making improvements to outcome measurement through better monitoring processes, systems and tools, as well as research projects.

Objectives and Activities

Providing Housing Finance Solutions

Mortgage Loan Insurance

Our Mortgage Loan Insurance products offer solutions that facilitate access to housing financing to contribute to a well-functioning and stable housing finance system in all economic cycles.

Through NHA Approved Lenders, we help homebuyers fulfill their housing needs by offering a range of competitive Mortgage Loan Insurance products for homeowners and small rental (1 to 4 units), tailored to respond to evolving market and client demands. As announced by the Government of Canada and effective August 1, 2024, CMHC began insuring 30-year mortgage amortizations for first-time homebuyers purchasing new builds. Additionally, effective December 15, 2024, eligibility for 30-year mortgage amortizations will expand to include all first-time homebuyers and all buyers purchasing new builds, and the existing \$1 million price cap for insured mortgages will increase to \$1.5 million. Moreover, effective January 15, 2025, homeowners will also be able to refinance insured mortgages to support the addition of secondary suites, with the maximum home price, including the value added by the secondary suite(s) to \$2 million.

As Canada's only provider of Mortgage Loan Insurance for multi-unit residential properties (5+ units), we offer multi-unit Mortgage Loan Insurance to our NHA Approved Lenders to enable financing of new supply and preserve existing stock of multi-unit housing options for Canadians. Some of our products provide incentives for including affordable, accessible, and climate-compatible units.

Securitization

Our securitization solutions offer a reliable source of mortgage funding to approved issuers that supports the availability of mortgage lending through all economic cycles, while promoting competition in the mortgage finance system. Our programs enable approved financial institutions to pool eligible insured mortgages into marketable securities that can be sold to investors to generate funds for residential mortgage financing. CMHC's timely payment guarantee on these securities represents the full faith and credit of Canada and provides investors with a highly rated and marketable investment in the Canadian capital markets. As authorized by the Minister of Finance, CMHC's annual limit for NHA Mortgage-Backed Securities (MBS) and Canada Mortgage Bonds (CMB) has increased from \$150 billion to \$170 billion and \$40 billion to up to \$60 billion, respectively, with the increased amount allocated to insured mortgage loans on multi-unit projects.



We operate all these programs with due regard for loss and without the need for funding from the Government. Revenue from premiums, fees and investments cover all expenses, including insurance-claims losses, and we are expected to generate a reasonable return for the Government.

We are also responsible for the administration of the Covered Bond Legal Framework, intended to promote appropriate disclosures and continuity of payment for investors in this important source of funding for uninsured residential mortgages.

Our Focus 2025 –2029

We are committed to efficiently and effectively delivering our homeowner and multi-unit products as well as our securitization products to maintain a well-functioning and stable housing system. As the risk landscape changes, we are proactively reviewing and monitoring our business strategy and products to ensure CMHC is well positioned to support that stability. We are also continually improving our operational controls and internal and external quality assurance programs. We are constantly enhancing our internal processes to achieve greater efficiency and provide Approved Lenders and Approved Issuers with a better experience through faster decision-making. As part of this effort, we are continuing new technology initiatives such as CMHC Connect and multi-unit technology investments. CMHC Connect will transform our current underwriting system (*emili*), portfolio insurance and insurance servicing (claims and arrears) functionality. The current *emili* system used by Approved Lenders for submitting Mortgage Loan Insurance applications will be replaced by the CMHC Connect Platform, which will improve underwriting risk assessment and decision-making capabilities. In response to growing multi-unit application volumes, we are also evolving our multi-unit systems to enhance how we connect with our Approved Lenders, improve risk assessment and modernize our default prevention and management system.

Our securitization programs will continue to concentrate on developing and enhancing products to support the efficient functioning of the housing system and financial stability through access to mortgage funding and the adoption of market best practices.

Summary of Key Activities 2025 – 2029

Objectives	Activities ¹
Offer competitive mortgage loan insurance to facilitate access to homeownership everywhere in Canada.	<ul style="list-style-type: none"> Continue to deliver on a range of homeowner Mortgage Loan Insurance products to Approved Lenders, including the delivery of the expanded 30-year amortization period for eligible purchasers; the increase of the home purchase price limit to \$1.5 million; and the option to refinance insured mortgages to support the addition of secondary suites, including an increase of the home price to \$2 million to build these secondary suites (ongoing). Increase the scalability, agility and reliability of the homeowner-insurance underwriting system and complete improvements of portfolio insurance and insurance servicing functionality (CMHC Connect, to 2026). Maximize the use of data to provide deeper analysis and insights, and to support decision-making, risk management and reporting for homeowner Mortgage Loan Insurance (ongoing).
Offer effective mortgage loan insurance to enable adequate financing of new supply and preserve existing stock of multi-unit housing options for Canadians.	<ul style="list-style-type: none"> Review and optimize our product suite to meet evolving rental housing needs (ongoing). Modernize the multi-unit Mortgage Loan Insurance business by implementing the multi-unit Lender Portal that will improve turnaround time and client experience and enhance arrears and default reporting (multi-unit Mortgage Loan Insurance technology investments, to 2028). Maximize the use of data to provide deeper analysis and insights, and to support decision-making, risk management and reporting for multi-unit Mortgage Loan Insurance (ongoing).
Offer reliable securitization solutions while promoting competition in the mortgage finance system.	<ul style="list-style-type: none"> Ensure consistent and stable access to securitization solutions for approved financial institutions across mortgage products, adapting to changing market conditions and supporting Government direction and objectives (ongoing). Deliver the additional \$20 billion through the CMB program to increase access to low-cost financing intended to fund multi-unit projects (ongoing).

¹ Dates for new activities indicate the start year, while dates for existing activities represent the end year.

Building and Sharing our Housing Knowledge and Expertise

The complexity of housing affordability is driven by a web of financial, governance, fiscal, social, demographic, and environmental factors. To better understand the root causes and potential solutions, and to inform HICC's policy development, broad research and analysis is needed to make sense of these critical questions.

Our renewed Housing Knowledge and Expertise functional strategy aims to drive evidence-based decision-making, stimulate dialogue, and improve outcomes in the housing sector by:

- addressing critical knowledge gaps in the housing market, with the intent to better understand affordability and market stability;
- focusing our knowledge creation on topics related to housing finance and housing supply gaps and related barriers;
- collaborating with stakeholders to facilitate access to information such as building science and construction innovation, and housing needs;
- continuing to enable Indigenous-led housing research priorities and support transfer of care and control of housing; and,
- delivering timely, relevant, and objective insights.

Our Focus 2025 – 2029

We are focused on providing accurate and reliable information and research on housing. This helps decision-makers on housing to have trustworthy facts for making evidence-informed choices. Having good information is necessary for a well-functioning housing system.

We're concentrating our resources, partnerships, and leadership in key parts of the housing system – such as addressing supply gaps and improving affordability – areas where we can make the most positive impact.

We have teams that include experts from different fields. We want to increase understanding of important gaps in the system and raise awareness. Our data, research, and analysis will help decision-makers and people in the housing sector make better and more coordinated choices to improve housing now and in the future.



Summary of Key Activities 2025 – 2029

Objectives	Activities ¹
<p>Address critical knowledge gaps to better understand housing affordability</p>	<ul style="list-style-type: none"> • Conduct research and data collection on the housing market to better understand housing affordability (ongoing). • Collaborate on research that addresses Indigenous housing and homeownership needs (ongoing). • Pursue housing research priorities as identified in distinctions-based housing strategies for First Nations, Inuit and Métis (ongoing). • Increase understanding of how scientific and technological innovation across the building lifecycle can be applied to deliver improved sector productivity, quality, and sustainable housing (ongoing). • Increase understanding of challenges and solutions to facilitate improving access to affordable housing supply (ongoing).
<p>Support informed decision-making and motivate housing participants to take actions</p>	<ul style="list-style-type: none"> • Conduct housing surveys on new home construction and rental housing and share the data broadly to enable more informed research and decision making (ongoing). • Renew the 'Canadian Housing Survey' and 'Social and Affordable Housing Survey – Rental Structures' (2028). • <i>(new)</i> Provide updates to the Housing Design Catalogue, as requested by the Government of Canada, for use by developers and other levels of government to streamline permitting and approval processes and demonstrate innovative building techniques (2025). • Examine the longitudinal impacts of NHS investments on housing outcomes in Canada and the environment in which people live (to 2028). • Continue to work with First Nation, Métis, and Inuit partners, as well as Modern Treaty Partners, bilaterally and in permanent bilateral mechanisms, to seek opportunities to improve housing outcomes (ongoing). • Identify options on proposals by First Nations to exercise their jurisdiction over their housing and for CMHC to transfer the care and control of funding for on-reserve housing programs to these communities (ongoing). • Work with Statistics Canada to leverage federal administrative data sources to better understand who is assisted via the NHS (to 2028). • Publish reports to raise awareness of size and location of current and future supply gaps (ongoing).
<p>Share timely, relevant and objective insights while prioritizing impact.</p>	<ul style="list-style-type: none"> • <i>(new)</i> Use CMHC's new Integrated Housing Model for analyzing supply gaps and forecasting housing variables as well as scenario analysis for policy impacts (2025). • <i>(new)</i> Build machine learning models to improve our knowledge of the multi-unit market and our forecast of rents and apartment starts (2025). • <i>(new)</i> Implement the Modernizing Housing Data plan in alignment to Budget 2024, collaborate with Statistics Canada and HICC to explore the best options to modernize and enhance the collection and dissemination of housing data. This includes improving the availability of municipal-level data on housing starts and completions, as well as assessing the impacts of Canada's Housing Plan (2025). • <i>(new)</i> Establish a new platform as part of the technology transformation for the Starts and Completions Survey which will operate more efficiently and generate cost savings (2025).

¹ Dates for new activities indicate the start year, while dates for existing activities represent the end year.

Delivering Government Housing Programs and Priorities

CMHC delivers programs, on behalf of the federal government to increase housing supply, preserve existing stock, and enhance housing affordability. Many of our initiatives address needs across the housing continuum, contributing to the development of inclusive and sustainable communities. Our program delivery will also extend beyond housing related areas, such as the Indigenous Skills Training Program. We are dedicated to ensuring we have the necessary capabilities to deliver effectively and at scale in accordance with these priorities. We collaborate with HICC, broader federal partners and other levels of government to ensure a coordinated effort to deliver programs effectively and efficiently.

Additionally, we support other organizations in delivering initiatives under Canada's Housing Plan and other programs aimed at making housing attainable and meeting the needs of Canadians.

Our Focus 2025 – 2029

Our focus remains on delivering Government programs, including key housing initiatives announced in recent budgets to achieve the best possible housing outcomes, with emphasis on vulnerable populations. Our focus also includes the efficient and effective management and transition of resources related to several programs that are scheduled to end over the next two to five years.



Summary of Key Activities 2025 – 2029

Objectives	Activities ¹
<p>Build and maintain functions and capabilities that allow scalable delivery of housing programs to respond to changing Government of Canada priorities.</p>	<ul style="list-style-type: none"> • Review operating models of housing programs to maximize program delivery and operational maturity (e.g. standardized approach to ramping up and sunseting programs.) (ongoing). • Deliver internal and external training programs that ensure we have fully trained staff to deliver housing programs, and that proponents have the capability to apply for programming (ongoing).
<p>Focused delivery and administration of housing and other programs to achieve Government of Canada targets.</p>	<ul style="list-style-type: none"> • (new) The operationalization of new housing programs and other enhancements to support the Government of Canada's commitment to address Canada's housing crisis with additional funding from Fall Economic Statement 2023, Budget 2024 and Canada's Housing Plan including: <ul style="list-style-type: none"> – Reform (November 2024) and deliver the Affordable Housing Fund (to 2029). – Reform (December 2024) and deliver the Apartment Construction Loan program (to 2032). – Deliver the Federal Lands Initiative (to 2028). – Deliver the Housing Accelerator Fund (to 2028). – (new) Launch and deliver the Canada Secondary Suite Loan Program (2025). – Deliver the Co-operative Housing Development Program (to 2031). • Effective and efficient delivery of programs that address a variety of outcomes, including affordability, climate change, capacity development, and increasing housing supply: <ul style="list-style-type: none"> – Housing supply programs including the Affordable Housing Innovation Fund (to 2028). – Support to the community housing sector including the Federal Community Housing Initiative (to 2028) and the Community Housing Transformation Centre (to 2028). – Contribute to capacity development through the Indigenous Skills Training Program and the creation of youth job placements in the housing sector through the Housing Internship for Indigenous Youth Program (to 2026), a component of Employment and Social Development Canada's (ESDC) Youth Employment and Skills Strategy. – Initiatives and programs supporting Indigenous housing, including the Urban, Rural and Northern Indigenous Housing Strategy (to 2031), On-Reserve Non-Profit Housing Program (Section 95), Residential Rehabilitation Assistance Program, and the Indigenous Shelter and Transitional Housing Initiative (to 2026). – (new) Work with Public Safety and Department of Finance to stand-up a flood insurance program aimed at protecting households at high risk of flooding and without access to adequate insurance (2025). – Research and Data initiatives including the Demonstrations Initiative and Solutions Labs (to 2028). – Programs supporting climate resilience such as the Canada Greener Homes Loan (to 2026) and Canada Greener Affordable Housing (to 2027).

¹ Dates for new activities indicate the start year, while dates for existing activities represent the end year.



High Performing Organization

CMHC is committed to being a high-performing organization through sound risk, financial, people, knowledge, and technology management. This holistic approach underpins our strategic framework, ensuring that we remain agile, responsive, and impactful in fulfilling our mandate and mission.

We have a new mission and strategy that will guide our actions and decisions. Our culture supports innovation, continuous improvement, excellence and accountability. Our focus on talent management aims to attract, develop and retain top talent with strategies that invest in employee growth and supportive work environments. Finally, our new strategic framework enhances an existing focus on performance and results, while placing strong emphasis on our financial health, sustainability, clients, and organizational capacity.

Our Focus 2025 – 2029

CMHC is dedicated to achieving operational excellence through effective and adaptable management of our resources.

Summary of Key Activities 2025 – 2029

Activities¹

- **(new) Performance Measurement Framework** – complete our performance measurement framework and balanced scorecard, ensuring timely reporting, broader staff availability, and clear analysis to effectively guide decisions (2025).
- **(new) Enhanced Reporting** – improve our processes, governance, enterprise systems and role clarity to support integrated planning results and reporting (2026).
- **(new) Ergonomic hazard prevention** – adhere to updated program design aligned with the Canada Labour Code and the Canada Occupational Health and Safety Regulations, including provisions for basic equipment, guidance, and ergonomic assessments (2025).
- **Cybersecurity** – continuous enhancement of CMHC's cyber security program (ongoing).

¹ Dates for new activities indicate the start year, while dates for existing activities represent the end year.

Risk Management

As a financial institution that contributes to the well-functioning of Canada's housing system, we have adopted a tailored risk management approach designed to recognize both our commercial activities and government mandate. In delivering our core business activities, we make choices and manage risks in alignment with our board approved risk appetite.

Risks to Our Business

CMHC's **overall** level of risk is assessed as "moderate" and within CMHC's risk tolerance levels (see Appendix 7 – Risks and Risk Responses for details). In addition, CMHC is overall operating within the Board-approved risk appetite and corresponding risk limits.

Our top and emerging risk identification and corresponding mitigation activities focus on potential threats to our core business activities, strategic objectives, and the well-functioning of Canada's housing system.

Our **strategic risks** are assessed as "moderate" as we begin work to deliver the additional program funding for CMHC announced in Budget 2024, while continuing to execute major "in flight" projects and initiatives that enhance important organizational capabilities, programs, and processes. These parallel priorities, combined with other factors such as increased regulatory requirements, are leading to capacity pressures. Through enhanced planning and prioritization, including the creation of a new internal Planning and Priorities Committee, CMHC will further optimize our resources to deliver on our mandate and business results. Ongoing economic and market conditions will likely challenge Canadians renewing mortgages at higher rates in 2025. We continue to monitor trends and potential impacts on business results.

Overall, our **financial risks** (liquidity, market, credit, and insurance) remain "low" and well managed. There has been a sustained shift in CMHC's Mortgage Loan Insurance business mix from homeowner to multi-unit, driven largely by the success of the MLI Select multi-unit product. While this has had a positive impact on housing supply, we have been monitoring increasing capital requirements from our multi-unit products and responding accordingly. Also, for that reason, we have assessed our capital adequacy risk as "moderate".

Our **operational risks** are assessed as "moderate." We continue to enhance cyber and information security, third party management, and data governance. We're doing this by implementing our newly developed Corporate Cyber Strategy and OSFI Guideline B-10 (Third-party Risk Management) requirements. Our progress on key initiatives such as the Corporate Data Program (CDP) and the CMHC Connect project will also decrease corporate operational risks.

In 2024, we did stress testing based on the hypothetical scenarios of a financial crisis and a cyberattack. These indicate that CMHC's capital could fall below the supervisory threshold of 150% Mortgage Insurer Capital Adequacy Test (MICAT) for up to 18 quarters. CMHC would have several options to address capital shortfalls should they arise, such as recapitalization through a capital transfer from its securitization operations or seeking Government support.

Detailed information about key risks and responses and our stress testing program can be found in Appendix 7 – Risks and Risk Responses.

Expected Results and Performance Indicators

Our updated corporate strategy and mission align with our NHA mandate and focus our efforts on areas where we can have the most impact. By concentrating on what is in our control, we can best contribute to a well-functioning housing system.

We have adopted the Balanced Scorecard approach as a comprehensive framework for measuring organizational performance across four interconnected perspectives: financial, customer, internal processes, and organizational capacity. The measures within these perspectives align with intended results to achieve our strategic objectives. It also allows us to maintain a clear view of the interdependencies between these areas and enabling us to adapt as needed.

To fulfill our mandate, we must ensure we have adequate organizational capacity, efficient processes, and effective feedback mechanisms from our clients and stakeholders. These elements are essential for facilitating access to housing finance solutions, building and sharing relevant knowledge and expertise, and delivering government programs. Our ability to evolve and adjust our operations based on feedback further strengthens our capacity to deliver meaningful results.

Our expected results and performance measures reflect this renewed focus and are centred around our four strategic objectives, ensuring a holistic and adaptable approach to achieving our mandate and mission.

2025 – 2029 Corporate Performance Results



Housing Finance Solutions

- Our product turnaround times meet expectations.
- Our customers and stakeholders are satisfied.
- We generate a reasonable rate of return to the Government of Canada, with due regard to loss.
- Our commercial products facilitate access to financing.



Housing Programs

- Our program turnaround times meet expectations.
- We meet housing program targets.
- Our customers and stakeholders are satisfied.



Housing Knowledge and Expertise

- We understand and address the most relevant knowledge gaps to accelerate decisions and contribute to system stability.
- CMHC is seen as a leader on housing research.
- Our customers and stakeholders are satisfied.



High Performing Organization

- We use our budgets effectively.
- We manage our resources efficiently.
- Our workforce is engaged and enabled.
- We operate within our risk appetite.

2025 – 2029 Corporate Performance Measures

Organizational Capacity

- Operating Budget Expense Ratio.
- Employee Engagement and Enablement Index.
- Adherence to Risk Appetite Framework.

Financial

- Mortgage Loan Insurance Return on Required Equity Ratio.
- Adherence to housing program targets.
- Total Commercial Units Facilitated.



Customer and Stakeholder

- Customer Satisfaction Score.
- Insight Influence Index.

Internal Processes

- Adherence to Service Standards for Commercial Products.
- Adherence to Service Standards for Housing Programs.
- Non-personnel and Personnel Operating Expense Forecasting Accuracy.



Organizational Capacity

Operating Budget Expense Ratio. Being a high performing organization requires sound financial management where resources are managed efficiently. This measures the ratio of CMHC's operating expenses to the total income received from lending programs and regular Government funding.

Employee Engagement and Enablement Index. Being a high performing Organization requires sound people management. This measures the number of employees that are both engaged and enabled. Having an engaged and enabled workforce allows us to deliver on our mandate most effectively.

Adherence to Risk Appetite Framework. Being a high performing Organization requires sound risk management. This measures our adherence to risk appetite metrics and demonstrates how we are operating within our risk appetite.



Customer and Stakeholder

Customer Satisfaction Score. Satisfied customers and stakeholders are important to CMHC's success and understanding their satisfaction helps us to continually improve our products, programs, and services. This measure evaluates clients' and stakeholders' satisfaction with our services.

Insight Influence Index. We share our knowledge and expertise of the housing system to drive informed decision-making, stimulate dialogue and improve outcomes in the housing sector. This measure indicates the relevance of CMHC's knowledge and expertise, the timeliness of sharing, and the impact of its products and services on decision-making among CMHC stakeholders.



Internal Processes

Adherence to Service Standards for Commercial Products. We work to meet the expectations of Canadians and partners who use our commercial products by adhering to the established service standards and processing applications within set turnaround times. This ensures timely access to housing financing.

Adherence to Service Standards for Housing Programs. We work to meet the expectations of Canadians and partners who use our housing programs by adhering to the established service standards and processing applications within set turnaround times. This ensures timely access to programs which increase housing supply, preserve stock, and contribute to affordable housing.

Non-personnel and Personnel Operating Expense Forecasting Accuracy. Part of being a high performing Organization requires sound financial management with effective use of our budgets. This measure evaluates the accuracy of CMHC's Q2 full-year non-personnel operating expense and full-time equivalent forecasts, by calculating actual year-end spending as a percentage of those forecasted amounts.



Financial

Mortgage Loan Insurance Return on Required Equity Ratio. We offer solutions to enable access to housing financing and ensure housing finance system stability. This requires effective management to generate a reasonable return for the Government of Canada with a due regard to loss. This measures profitability of CMHC's Mortgage Loan Insurance businesses relative to capital holding requirements.

Adherence to housing program targets. We deliver housing programs on behalf of the Government of Canada. This measure evaluates CMHC's overall program delivery by assessing results against their targets on a yearly basis. This includes targets for new, repaired, and assisted units supported under the National Housing Strategy and includes those supported on and off reserve. It also includes the relevant categories based upon each program including total units, affordable units, units for Indigenous peoples, units for survivors of gender-based violence, seniors, young adults, and other targeted vulnerable populations. This contributes to increasing housing supply, preserving existing stock and contributing to affordable housing.

Total Commercial Units Facilitated. We provide housing finance solutions through our commercial products. This measures the number of units insured under homeowner and multi-unit Mortgage Loan Insurance products. This contributes to access to housing finance.

Detailed results information, including planned outcomes, performance indicators and targets, are provided in Appendix 3 – Planned Results.

Targets, achievements, and results of National Housing Strategy programs will continue to be published quarterly. This reporting includes funding committed to projects across Canada, and the number of units created, repaired, and protected. It also details the funding committed and units built or repaired in support of Indigenous and Northern housing communities, as well as funding committed to meeting the needs of priority populations. In support of evolving roles and responsibilities in housing policy evaluation and reporting, CMHC is working closely with HICC to establish effective data sharing processes and systems. Refer to the subsection on Transparency and Open Government in Appendix 9 – Government Priorities and Direction for further detail.

Financial Overview

Financial Highlights

Year ended December 31 (in millions of Canadian dollars, unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
CMHC Consolidated							
Net income	1,310	1,572	1,734	1,973	2,202	2,457	2,617
Cash and cash equivalents	1,939	2,396	971	1,343	2,183	2,880	3,299
Total assets	299,569	325,135	355,035	394,382	434,123	465,994	492,885
Total liabilities	287,006	310,851	338,887	376,152	413,623	442,927	467,448
Total equity of Canada	12,563	14,284	16,148	18,230	20,500	23,067	25,437
Total operating budget	644.9	704.6	744.9	671.3	656.1	639.6	632.7
Total capital budget	3,832	7,028	8,587	7,232	6,148	5,811	5,973
Operating budget expense ratio (%)	9.1	7.7	7.8	7.4	8.1	8.9	9.2
Employees (full-time equivalents [FTE])	2,345	2,477	2,536	2,330	2,214	2,071	2,038
Mortgage Insurance							
Insurance Revenue	1,004	1,186	1,307	1,507	1,754	2,030	2,222
Insurance service expense	(119)	(219)	(256)	(302)	(340)	(356)	(393)
Net income	676	794	860	1,056	1,289	1,519	1,690
Insurance service expense ratio (%)	11.9	18.5	19.6	20.0	19.4	17.5	17.7
Operating expense ratio (%)	17.1	17.9	15.1	14.3	12.3	11.2	10.6
Combined ratio (%)	29.0	36.4	34.7	34.3	31.7	28.7	28.3
Return on equity (%)	6.7	7.3	7.3	7.4	7.5	7.9	8.0
Return on required equity (%)	7.3	8.1	8.0	7.8	7.5	7.8	7.9
Securitization							
Operating expense ratio (%)	6.7	6.2	7.2	7.0	6.9	6.8	6.9
Net income	645	710	708	730	773	843	860
Return on equity (%)	46.3	42.1	31.1	36.9	47.6	38.1	49.7
Economic capital available to economic capital required (%)	109	130	159	109	112	115	122
Housing Programs							
Government funding	5,494	6,305	5,864	5,205	4,122	3,094	2,704
Assistance for housing needs	3,381	3,145	2,950	2,796	2,760	2,040	1,766
Financing for housing	1,182	2,117	2,245	1,743	1,459	1,445	1,668
Housing expertise and capacity development	925	1,508	1,248	1,211	451	144	115
Total government funding for housing programs	5,488	6,770	6,443	5,750	4,670	3,629	3,549
Operating expenses for housing programs	386	389	400	317	291	258	239

Net income increases over the planning period, mainly due to our mortgage insurance activity, as a result of higher multi-unit insurance volumes. Premiums received increase due to higher multi-unit insurance volumes. This, combined with the suspension of the dividend result in higher investment balances, which generates higher investment income. Government funding decreases over the planning period, as NHS programs begin to sunset with NHS initially planned to sunset in 2028. Refer to Appendix 5 – Financial Statements and Budgets for additional information.

Financial Management

Based on underlying economic and business assumptions, CMHC is adequately capitalized and positioned to withstand an economic downturn. We conduct regular and comprehensive stress testing to ensure we can continue to operate during unfavourable economic conditions and are committed to continuously adapting our risk management capabilities and integrating them into our operations (refer to Appendix 7). Management reviews our financial results regularly and makes operational adjustments and recommendations, as necessary. The Board of Directors oversees management's responsibilities for financial management, reporting and internal control systems.

Our financial planning process includes discussions and confirmation of key assumptions at various levels. We also work in close collaboration and consult with Housing, Infrastructure and Communities Canada. Internal governance of our financial planning process is managed through multiple committees. Our Planning and Priorities Committee reviews and challenges budget requests for alignment with strategy, risk appetite and return on investment. Our Management Risk and Reporting Committee reviews the initiatives recommended through this process for inclusion in our operating and capital budgets. Our Executive Committee reviews key projects, and the Corporate Plan, including the key underlying assumptions. Finally, our Board of Directors approves the Corporate Plan, including the key underlying assumptions, and recommends it to the Minister responsible for CMHC.

Significant initiatives that comprise cost uncertainty include an appropriate level of contingency based on our experience and best practices. Our planned program funding and budgets also capture the impacts of reprofiles to our programs and initiatives to reflect shifts in timing and delivery of multi-year programs and projects.

Summary of Operating and Capital Budgets

Investments made through our operating and capital budgets enable us to advance the achievement of our mandate and strategy. Our operating budget reflects cost reductions announced in Budget 2023, that were also included in our 2024-2028 Corporate Plan.

Our 2025 operating budget of \$745 million includes the following:

- Delivery of housing programs, including funding for new and existing programs and reprofiles.
- Investments in enhancing our cybersecurity program and implementing OSFI guidelines E-21 *Operational Resilience and Operational Risk Management* and optimizing our implementation of OSFI guidelines B-10 *Third-party Risk Management* and B-13 *Technology and Cyber Risk Management*.
- Development of our CDP to further strengthen governance, quality, and availability of data, as well as initiatives to fill critical data gaps.
- Enhancement to our management systems and processes, to efficiently deliver our products and programs.
- Cost reductions announced in Budget 2023, of 15% in discretionary travel, professional and technical services and a 3% phased-in reduction for all other costs (refer to Appendix 5 – Planned Budget 2023 Spending Reductions).

Our 2025 capital budget of \$8.6 billion includes investments for the following:

- \$8.4 billion in loans and investments for the Apartment Construction Loan Program (ACLP), the Affordable Housing Fund (AHF), the Co-operative Housing Development Program (CHDP) and other programs.
- Investment in technology, including critical business systems through our CMHC Connect initiative, the modernization of our multi-unit insurance operations, and our CDP.
- Business premises to accommodate sufficient office space for our workforce to be present a minimum three times a week.

Key Financial Assumptions

Mortgage Insurance

Planned homeowner business volumes increase due to higher housing activity and housing prices projected over the planning period. Homeowner business volumes include extended amortization to 30 years for first-time homebuyers purchasing newly built homes announced in Budget 2024. Changes to mortgage Insurance announced in the fall of 2024, that included extending the amortization to 30 years for all first-time homebuyers, the increase of the insured limit to \$1.5 million, and mortgage insurance for refinancing for the building of secondary suites, are not reflected in financial results included in this Corporate Plan. These will be reflected in financial results of future Corporate Plans. Our multi-unit insurance business volumes are expected to remain elevated compared to historical levels, throughout the planning period driven notably by MLI Select. The MLI Select product focuses on affordability, accessibility and climate compatibility, and the associated premiums are lower than and allow for certain flexibilities not available to market-based products. Also included in our multi-unit insurance business volumes, as insured by CMHC, are ACLP loans of \$5 billion per year. Insurance-in-force is projected to remain under the limit per Section 11 of the NHA. The limit was previously increased to \$750 billion effective March 2020 to enable us to deliver measures in response to the COVID-19 pandemic and was to revert to \$600 billion on March 25, 2025. To ensure that CMHC can continue to support multi-unit rental construction, Budget 2024 proposed to increase the insurance-in-force limit to \$800 billion, which became effective June 2024.

Securitization

Annual volumes of guaranteed securities for NHA MBS are projected to be stable throughout the planning period at \$166 billion, slightly lower than the annual limit of guaranteed securities of \$170 billion¹. Annual volumes of guaranteed securities for CMBs also remain unchanged over the planning period and equal the annual limit of guaranteed securities of \$60 billion¹. Our plan reflects a constant Tier-1 volume threshold of \$9 billion per issuer throughout the planning period. Affordability linked pools, subject to preferential guarantee fees, remain stable over the planning period.

Guarantees-in-force are expected to gradually increase throughout the planning period, as a result of the increase to CMB and NHA MBS limits and will remain below the limit under section 11 of the NHA. The limit was increased to \$750 billion effective March 2020 to enable us to deliver measures in response to the COVID-19 pandemic but was to revert to \$600 billion on March 25, 2025. The limit has since been increased to \$800 billion, effective June 2024 as proposed in Budget 2024, to ensure that CMHC continues to support multi-unit rental construction.

Housing Programs

Our plan includes updates to our capital commitments to match future projections of program delivery for initiatives under the NHS. Due to the multi-year and multi-variable nature of construction projects, we reprofile funds to ensure our projects are funded in accordance with the achievement of construction milestones.

Our plan includes funding approved and reflected in CMHC's 2024-2028 amended Corporate Plan for the following:

- The launch of a CHDP, co-developed with the Co-operative Housing Federation of Canada and other co-operative housing partners.
- The implementation of a co-developed Urban, Rural and Northern Indigenous Housing Strategy to ensure more Indigenous peoples have access to affordable housing.
- Additional funding for the AHF and ACLP, including to launch a new Rapid Housing sub-stream under the AHF to build deeply affordable housing, supportive housing, and shelters for our most vulnerable.

¹ Annual guarantee limits for NHA MBS and CMBs are subject to Minister of Finance approval.

- A top-up of funding for the Federal Lands Initiative (FLI), including to prioritize new approaches, such as leasing to make federal lands available to affordable housing providers.
- The development and launch of the Housing Design Catalogue.
- A top-up of funding to the Housing Accelerator Fund (HAF), which incentivizes local governments to implement initiatives that accelerate the pace of housing development.

The following initiatives announced in Budget 2024 are also included in our Corporate Plan:

- Funding to modernize and enhance the collection and dissemination of housing data, including municipal-level data on housing starts and completions.
- Funding for the Youth Employment and Skills Strategy.
- Funding announced to launch a new Canada Secondary Suite Loan Program (Secondary Suites) enabling homeowners to access low-interest loans to add secondary suites to their homes.

The following announced in Budget 2024 are not included in our Corporate Plan, as we will be seeking policy and Treasury Board approval in 2025:

- Funding announced for the Child Care Expansion Loan Program, providing funding to public and not-for-profit child-care providers to build more child care spaces and renovate their existing child care centres.
- Funding announced to launch a new Canada Rental Protection Fund to protect the stock of affordable housing in Canada.
- A top-up of funding to stand-up a low-cost flood insurance program, to advance implementation of a national flood insurance program.
- The implementation of a Flood Insurance Subsidiary.

Capital Management

We manage capital to ensure that our commercial operations have adequate capital to deliver their mandate while remaining financially self-sustaining and to follow prudent business practices and guidelines existing in the private sector as appropriate. We use the Capital and Dividend Policy Framework for Financial Crown Corporations (the “Framework”) issued by the Department of Finance in conjunction with our Risk Appetite Framework, Capital Management Policy and other internal capital adequacy processes to manage the capital of our commercial operations. We voluntarily follow guidelines set out by OSFI.

We adhere to the amended Framework announced in Budget 2024, which introduced amendments to support economic growth objectives and a more efficient capital structure at financial Crown corporations. Additional disclosures can be found in Appendix 7.

Our capital levels act as a signal and provide us with the opportunity to mitigate the impacts of adverse events. Should our mitigation efforts, such as the possible suspension of dividends, or temporary reallocation of capital from one commercial business line to the other, not be sufficient to limit the impact to our capital levels, we may seek borrowings or recapitalization from the government as approved by Parliament on March 24, 2020.

We perform an Own Risk and Solvency Assessment (ORSA), which is an integrated process that evaluates capital adequacy on both a regulatory and economic capital basis. The ORSA:

- Is used to establish capital targets taking into consideration our strategy and risk appetite.
- Determines our own view of capital needs by identifying our risks and evaluating whether an explicit amount of capital is necessary to absorb losses from each risk.
- For our mortgage insurance activity, we compare our ORSA to the Mortgage Insurer Capital Adequacy Test (MICAT) established by OSFI to set our capital targets as a function of MICAT.
- For our securitization activity, an applicable regulatory capital framework does not exist; therefore, our capital management framework follows industry best practices and incorporates regulatory principles from OSFI, including those set out in OSFI's E19 ORSA guideline, and those of the Basel Committee on Banking Supervision.

We validate and calibrate annually, if necessary, more frequently, both our internal capitalization target and the operating capital holding target for our mortgage insurance and securitization activities.

Internal target minimum capital required:

- calibrated using specified confidence intervals.
- designed to provide adequate capital to meet capital needs and remain above the supervisory target, where applicable, and to cover all risks, including those specified in the regulatory capital guidelines.
 - 155% for Mortgage Insurance (MICAT)
 - 105% for Securitization

Operating level minimum capital required:

- set in excess of the internal capitalization target.
- calibrated using confidence intervals and stress testing.
- designed to provide adequate capital for continued operations and to remain above internal minimum targets throughout the business cycle.
 - 165% for Mortgage Insurance (MICAT)
 - 110% for Securitization

Our risk appetite for capital ranges from our internal target at the low end to an amount in excess of our operating level at the high end. Although we aim to manage capital in line with our operating level on a long-term basis, short-term deviations will not lead to action, unless we project to be outside of our risk appetite in normal times. In times of crisis, however, we may deviate from our operating level as our focus shifts to ensuring we have sufficient liquidity.

Due to multi-unit insurance business significant growth in recent years, OSFI is implementing a new capital framework to address multi-unit insurance risks. The new framework leverages the Capital Adequacy Requirements (CAR) for standardized banks, which is based on Basel III and differentiates required capital based on the type of exposure. As a result, different considerations will be given to properties with and without elevated risks (retirement homes, nursing homes, student/assisted living), whether they are under development/construction, and second position mortgages. The target implementation date is January 1, 2026 and includes a 5-year transition plan for multi-unit insurance-in-force immediately prior to transition beginning in 2026 and ending in 2030. Under the proposed framework we estimate that the additional capital required at our operating level will be between \$2.4 billion and \$4.6 billion during the transition period. Our 2025-2029 Corporate Plan includes estimated impacts of the proposed changes. The above noted regulatory capital changes are only applicable to the multi-unit insurance business and do not have an impact on transactional homeowner or portfolio insurance.

In the event CMHC does not have sufficient capital to commercially run our programs, as contemplated in the Capital and Dividend Policy for Financial Crown Corporations issued by the Department of Finance, recapitalization may be sought from the Government of Canada. Alternatively, we may consider legal or regulatory relief, subsidies and other measures to achieve appropriate capitalization for our commercial activities.

For our Housing Programs activity, we maintain a reserve fund pursuant to section 29 of the CMHC Act to address interest rate risk exposure on pre-payable loans as well as credit risk exposure on unsecured loans. Lending programs' earnings are retained in this reserve fund except for the unrealized fair value fluctuations as well as remeasurement gains and losses on defined benefit plans. Unrealized fair value market fluctuations and remeasurement losses on the defined benefit plan are absorbed in retained earnings until the time they are realized. Aside from the reserve fund, we do not hold capital for our Housing Programs activities, as they do not present a material financial risk to us that we do not already otherwise mitigate.

Dividend Policy

Pursuant to our capital management policy, we intend to maintain capital available in line with capital required at the operating level by returning excess capital to the Government of Canada on a quarterly basis through dividends. Dividends are based on our view of capital and liquidity needs in accordance with our specific risk profile, our capital targets noted above, and our projected capital available over the planning period. To the extent possible, in normal times, we aim to maintain capital in line with our operating levels on a long-term basis and to limit fluctuation in our dividends, unless it is to return excess capital.

In August 2024, the Board of Directors approved the temporary suspension of our remaining dividend to the Government of Canada to retain capital to support the growth and sustainability of Canada's purpose-built rental supply, and in anticipation of increased capital requirements from the new multi-unit capital framework expected to gradually come into effect in 2026. As such, our plan assumes a temporary transfer of capital, from our Securitization activity to our Mortgage Insurance activity, starting in 2026 until the first quarter of 2029, to support additional capital requirements from our Mortgage Insurance activity.

A dividend could be re-introduced sooner than in 2029, if there is a lesser need for capital retention for the increase in multi-unit volumes and following the implementation of the multi-unit MICAT framework.

Possible dividend schedule

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Possible dividend schedule ¹	1,080	290	-	-	-	-	435

¹ The possible dividend schedule is based on a number of assumptions. The amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria approved by the Board of Directors.

Investment Plan

Mortgage Insurance

Our objective for the insurance investment portfolio is to maintain sufficient capacity to pay claims while prioritizing capital preservation and generating a reliable stream of income by investing primarily in high quality investment-grade fixed income assets. We do not expect any material changes over the planning period. The funds available for investment are generated primarily from net cash flows from insurance premiums and investment income. Changes in interest rates affect the fair value of these securities, as well as the costs associated with hedging foreign currency exposures.

We performed a sensitivity analysis of interest rate risk associated with the investment portfolio assuming a 1% parallel shift in the yield curve. The impact of a hypothetical parallel increase in interest rates of this magnitude would result in a \$0.6 billion decline to the fair market value of the portfolio, which had a value of \$18.2 billion as at June 30, 2024. Changes in market value would only be realized if investments were sold prior to maturity.

Securitization

Our objective for the securitization investment portfolio is to maximize the capacity to meet liquidity needs of the timely payment guarantee while preserving capital and reducing the variability of net assets through investments in Government of Canada and Provincial securities. The funds available for investment are generated primarily from net cash flows from guarantee and application fees.

Aligned with the sensitivity analysis conducted on the insurance investment portfolio, an equivalent analysis was performed on the securitization portfolio. The same hypothetical increase in interest rates would result in a \$0.2 billion decline in the fair market value of the portfolio, which had a value of \$3.9 billion as at June 30, 2024.

Credit Quality of Investment Portfolios

Exposure by Credit Rating (fixed income)
As at June 30, 2024

Credit Rating	Mortgage Insurance	Securitization
AAA	43%	81%
AA	20%	17%
A	22%	2%
BBB	15%	-
Average duration (years)	3	4

Asset Allocation of Portfolios

Allocation by Asset Type
As at June 30, 2024

Asset Type	Mortgage Insurance	Securitization
Canada fixed income	76%	100%
U.S. fixed income	24%	-

Housing Programs

We invest principal repayments and undrawn proceeds within our lending programs in high quality fixed income securities (with a minimum credit rating of single A), taking into consideration our risk appetite, business activities and liquidity needs. Investments under management including cash and cash equivalents had a market value of \$6.6 billion as at June 30, 2024, and are expected to increase to \$10.2 billion by the end of 2029. This reflects the management of funds that we have drawn from the Crown Borrowing Program (CBP) but that have not been fully advanced mainly for loans under the ACLP.

Appendix 1

Direction from the Responsible Minister

On July 26, 2023, the Prime Minister of Canada appointed a new Minister of Housing, Infrastructure, and Communities. We support the Minister, as Minister responsible for CMHC, in meeting federal commitments through the delivery of existing CMHC and National Housing Strategy initiatives, and other priorities. We frequently communicate with the Minister through regular meetings, briefings, and progress reporting against mandate-letter commitments.

We will continue to support the Minister in delivering federal housing priorities and their work to achieve housing affordability for all.

Appendix 2

Corporate Governance Structure

Board of Directors

The Board of Directors is responsible for managing our affairs and the conduct of our business in accordance with applicable legislation and the governing by-laws of CMHC. As stewards of the company, the Board of Directors sets strategic direction in support of Government policies and priorities, ensures the integrity and adequacy of company policies, information systems and management practices, ensures that principal risks are identified and managed, and evaluates and monitors performance and results. The Board of Directors has a duty to protect the long- and short-term interests of the company, safeguard CMHC's assets, and be prudent and professional in fulfilling its duties.

The Board consists of the Chair, the President and Chief Executive Officer, the Deputy Minister of HICC, the Deputy Minister of Finance and eight other directors appointed by the Minister with the approval of the Governor in Council. The mandates of the Board and its committees (Audit, Corporate Governance and Human Resources, Risk Management, Executive Committee of the Board of Directors, Pension Fund Trustees) are available on our website cmhc.ca.

The Board meets a minimum of five times per year and holds an annual public meeting, with the most recent one held on May 6, 2024. To understand the diversity of housing needs of people living in Canada, it also conducts meetings with community representatives and housing proponents from across Canada.

The Board undergoes regular assessments to identify opportunities for enhanced Board performance, development, and education. It alternates between a self-assessment and an overall assessment administered by a third party that examines the functioning and performance of the Board compared to the boards of other Crown corporations and financial institutions.

Compensation and Attendance Record

January to June 2024

Members	Compensation	Board of Directors	Committees			
			Corporate Governance and Human Resources Committee	Audit Committee	Risk Management Committee	Pension Fund Trustees
Derek Ballantyne*	11,335	2/3	-	0/2	-	1/2
Michel Tremblay		3/3	-	-	-	2/2
Navjeet (Bob) Dhillon**	9,204	3/3	2/2	-	2/2	-
Chris Forbes	n/a	3/3	-	2/2	2/2	-
Kelly Gillis	n/a	3/3	-	0/2	1/2	-
André Hébert	7,600	2/3	2/2	-	2/2	-
Darlene Hyde***		0/3	-	-	-	-
Don Iveson***		0/3	-	-	-	-
Gordon Laing	8,600	2/3	2/2	2/2	-	-
Laurie LeBlanc***		0/3	-	-	-	-
Linda Morris**	7,954	3/3	2/2	1/2	2/2	-
Chris Sicotte	10,714	3/3	1/2	2/2	-	-
Heather Tremain***		0/3	-	-	-	-
Coleen Volk****	n/a	0/3	-	-	-	0/2
Ray Williams***		0/3	-	-	-	-

* Derek Ballantyne's term ended on April 28, 2024

** Linda Morris and Navjeet (Bob) Dhillon terms ended on June 10, 2024

*** Don Iveson, Laurie LeBlanc, Heather Tremain, Darlene Hyde, and Ray Williams were appointed on June 11, 2024

**** Coleen Volk was appointed on June 24, 2024

Board of Directors



Donald (Don) Iveson
Chair of the Board of Directors
(June 11, 2024 – June 10, 2029)



Coleen Volk
President and
Chief Executive Officer
(June 24, 2024 – June 23, 2029)



Kelly Gillis (ex-officio)
Deputy Minister of Housing,
Infrastructure and Communities
(October 26, 2021 –
December 30, 2024)



Paul Halucha (ex-officio)
Deputy Minister of Housing,
Infrastructure and Communities
(Effective December 31, 2024)



Chris Forbes (ex-officio)
Deputy Minister of Finance
(Effective September 11, 2023)



Darlene Hyde
Chair of the Corporate
Governance and Human
Resources Committee
(June 11, 2024 – June 10, 2027)

Laurie LeBlanc
(June 11, 2024 – June 10, 2028)



Heather Tremain
(June 11, 2024 – June 10, 2027)



Raymond M. Williams
Chair of the
Pension Fund Trustees
(June 11, 2024 – June 10, 2028)



Gordon Laing
Chair of the Audit Committee
(December 12, 2018 –
February 2, 2026)



André Hébert
Chair of the Risk Management
Committee
(February 27, 2019 –
February 26, 2025)



Christopher Sicotte
(June 23, 2022 – June 22, 2026)



CMHC Management

Our Executive Committee consists of the President and Chief Executive Officer's direct reports and has ultimate responsibility for strategic direction and risk management and is supported by a senior leadership team. The following shows CMHC's management structure as of September 25, 2024:

Coleen Volk President and Chief Executive Officer						
Mathieu Laberge Senior Vice-President, Housing Economics and Insights	Nadine Leblanc Senior Vice-President, Corporate Affairs and Policy	Nadine Leblanc (interim) Chief Risk Officer	Paul Mason Senior Vice-President, Business Transformation	Caroline Sanfaçon Senior Vice-President, Insurance and Securitization	Michel Tremblay Chief Financial Officer and Senior Vice-President, Corporate Services	Lisa Williams Senior Vice-President, Housing Programs

Luisa Atkinson

Vice-President, Housing Operations

Caroline Bilodeau

Vice-President, People and Culture

Mark Chamie

Vice-President, Investments and Treasury

André Charbonneau

Deputy Chief Financial Officer

Samir Chhelavda

Vice-President, Audit and Evaluation

Brett Dietrich

Vice-President, Multi-Unit Operations

Amélie Lecompte

Chief Information Officer

Neil Levecque

Vice-President, Housing Solutions (Multi-Unit)

Marie-Anna Murat

Vice-President, Communications and Marketing

Stéphane Poulin

Vice-President, Data and Analytics

Camille Ringrose

Deputy Chief Risk Officer

Patricia Roset-Zuppa

Vice-President, Policy

Carla Staresina

Vice-President, Commercial Products

Mark Young

General Counsel

Annual Executive Cash Compensation Range Disclosure¹

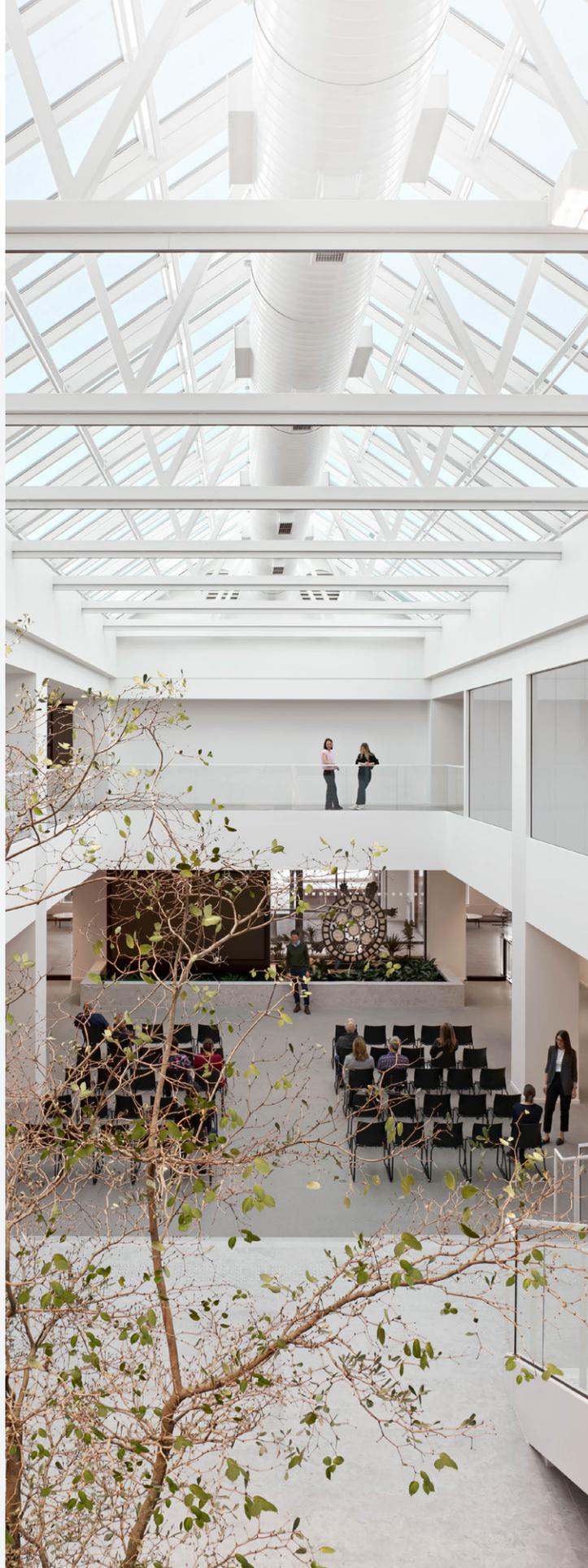
	Chief Executive Officer ³	Senior Vice President ⁴
Cash Compensation²		
Base Salary Range	\$468,900 - \$551,600	\$264,834 - \$397,252
Short-Term Incentive Plan Range	0.0% up to 28%	0.0% up to 24.75%
Long-Term Incentive Plan Range	N/A	0.0% up to 24.50%
Total Compensation Range per Calendar Year	\$468,900 - \$706,048	\$264,834 - \$592,898
Allowances		
Executive Allowance	\$25,000	\$25,000

¹ As per approved ranges at July 2024.

² Cash Compensation shows the range for each of the respective positions and does not reflect the actual salary and incentives paid to executives.

³ Cash Compensation is set by the Government of Canada as outlined in the Performance Management Program for Chief Executive Officers of Crown Corporations.

⁴ On September 25, 2024, the list of Executives includes: Chief Executive Officer, Chief Risk Officer, Chief Financial Officer and Senior Vice-President Corporate Services, Senior Vice-President Insurance and Securitization, Senior Vice-President Housing Programs, Senior Vice-President Business Transformation, Senior Vice-President Housing Economics and Insights, Senior Vice-President Policy and Corporate Affairs.



Appendix 3

Planned Results

CMHC seeks Treasury Board approval of the 2025 – 2029 Corporate Plan, including the 2025 Operating Budget, Capital Budget, and Borrowing Plan. The Corporate Plan outlines CMHC’s activities in support of our mandate.

Our corporate performance measures and targets help assess the impact of our products, programs, and activities, in line with affordability, accessibility, and other Government of Canada priorities.

2024 Mid-Year Performance

Performance Measures*	2024 Plan	Results to June 30, 2024 Plan	Results to June 30, 2024 Actual
Mortgage Loan Insurance Return on Required Equity ¹	6.5%	6.3%	8.7%
Adherence (composite) to housing program targets	100%	100%	113%
Total Commercial Units Facilitated	371,000	186,702	176,844
Customer Satisfaction Score	61%	61%	61%
Insight Influence Index ¹	58 ¹	N/A	56
Adherence to Service Standards for Commercial Products	100%	100%	97%
Adherence to Service Standards for Housing Programs	100%	100%	125%
Q2 full year Non-personnel and Personnel Operating Expense Forecasting accuracy	10%/5%	N/A	N/A
Operating Budget Expense Ratio	9.7%	9.6%	9.2%
Employee Engagement and Enablement Index	63%	63%	63%
Adherence to Risk Appetite Framework	95%	95%	100%

¹ 3-Year Target (2026)

Data Source: Administrative data/Strategy Execution Report

*For a detailed description on each performance measure refer to [page 24-25](#).

Planned Results

Performance Measures*	2025	2026	2027
Mortgage Loan Insurance Return on Required Equity	8.0%	7.8%	7.5%
Adherence (composite) to housing program targets	100%	100%	100%
Total Commercial Units Facilitated	395,600	371,200	345,100
Customer Satisfaction Score	61%	N/A**	N/A**
Insight Influence Index	57	58	N/A**
Adherence to Service Standards for Commercial Products	100%	100%	100%
Adherence to Service Standards for Housing Programs	100%	100%	100%
Q2 full year Non-personnel and Personnel Operating Expense Forecasting accuracy	10%/5%	10%/5%	10%/5%
Operating Budget Expense Ratio	7.8%	7.4%	8.1%
Employee Engagement and Enablement Index	63%	63%	63%
Adherence to Risk Appetite Framework	95%	95%	95%

Data Source: Administrative data/Strategy Execution Report

* For a detailed description on each performance measure refer to [page 24-25](#).

** Targets are updated every year.

Chief Executive Officer commitment

I, Coleen Volk, as President and Chief Executive Officer of Canada Mortgage and Housing Corporation, am accountable to the Board of Directors of Canada Mortgage and Housing Corporation for the implementation of the results described in this corporate plan and outlined in this appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.



Coleen Volk

President and Chief Executive Officer

Canada Mortgage and Housing Corporation

Original signed

Date: December 15, 2024

Appendix 4

Chief Financial Officer

Attestation

In my capacity as Chief Financial Officer of CMHC, I have reviewed the 2025-2029 CMHC Corporate Plan and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

- The nature and extent of the proposal are reasonably described and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
- Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
- Financial resource requirements have been disclosed and are consistent with the assumptions stated in the proposal, and options to contain costs have been considered.
- Funding has been identified and is sufficient to address the financial requirements for the expected duration of the Corporate Plan.
- The Corporate Plan and budgets are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan).
- Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the parent Crown corporation and its wholly owned subsidiaries.

In my opinion, the financial information contained in this proposal is sufficient overall to support decision-making.

CFO signature:



Michel Tremblay

Chief Financial Officer and Senior Vice-President, Corporate Services
Canada Mortgage and Housing Corporation

Date: December 15, 2024

Appendix 5

Financial Statements and Budgets

Operating Budget

Our operating budget enables the execution of our strategy and the delivery of programs, products and services to our clients and partners.

Our operating budget includes investments for new and reprofiled housing programs and for investments in our technology. The operating budget decreases over the planning period as CMHC continues to ensure cost reductions are reflected in our plan aligned with cost reductions announced in Budget 2023, and as multi-year programs and projects come to an end.

Technology

Our operating budget includes investments in technology to support our commercial operations, such as CMHC Connect, which is modernizing our portfolio mortgage insurance, and homeowner mortgage insurance claims and arrears functions. This transformation will focus on replacing our *emili* underwriting system over the next few years. In addition, investments to modernize our multi-unit insurance operations will enhance client experience and enable automation.

OSFI and compliance

CMHC is enhancing its governance, oversight and operational capabilities, focusing on our Internal Control Framework, OSFI commitments, and cybersecurity. Our operating budget includes investments to support our Corporate Cyber strategy and implementing the OSFI Guideline OSFI E-21 *Operational Resilience and Operational Risk Management*, and optimize our implementation of OSFI Guidelines B-10 *Third-party Risk Management* and B-13 *Technology and Cyber Risk Management*.

Data

Our Corporate Data program is critical to the achievement of our mandate and strategy. Data and analytics enable the understanding of challenges in the housing system, raise awareness of those challenges, and influence solutions. This program includes prioritizing initiatives to further strengthen governance, quality, and availability of data, as well as initiatives to fill critical data gaps.

NHS and Other Programs

Our operating budget includes funding for existing programs, new programs announced and reprofile requests as outlined in our key assumptions section above.

2023 actual operating budget (excluding depreciation) and 2024 performance at mid-year:

- Actuals for 2023 were \$218 million lower than the 2023 amended plan, mainly as a result of later than expected program launches and lower than planned take-up for some programs, including the One-time top-up of the Canada Housing Benefit launched at the end of 2022.
- For 2024, we are estimating total expenses will be lower compared to the amended plan, due to later than planned start of some programs and delayed project spending, including reprofiles to 2025.

2023 Results | 2024 Estimate | 2025-2029 Plan

Operating Budget

(in millions of Canadian dollars)	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Personnel Costs									
Salary, fringe benefits and related costs (excluding pension expense)	356.2	318.3	384.0	359.1	386.1	351.2	336.0	325.7	328.5
Total personnel costs	356.2	318.3	384.0	359.1	386.1	351.2	336.0	325.7	328.5
Non-Personnel Costs									
Recruitment costs	1.5	0.8	0.6	0.6	0.5	0.5	0.4	0.5	0.5
Training	6.2	4.1	5.3	5.0	5.4	4.9	4.9	4.9	4.9
Transportation	8.0	5.3	6.9	6.3	6.6	6.6	6.5	6.1	6.1
Marketing and promotion	4.6	5.4	3.7	3.3	3.2	2.9	2.5	2.0	1.6
Hospitality and representation	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Professional and technical services	259.1	149.6	167.2	144.9	124.0	108.1	114.9	122.3	112.9
Computer services	198.7	131.1	185.3	140.4	176.5	161.8	158.9	153.7	153.7
Business premises*	10.0	8.2	6.1	8.2	0.7	0.9	0.9	1.0	1.0
Other	(5.3)	(8.1)	4.0	(4.5)	5.9	0.2	(4.1)	(4.0)	(4.1)
Total non-personnel costs	483.6	297.1	379.9	304.9	323.5	286.6	285.6	287.2	277.3
Total operating budget (before pension expense)	839.8	615.4	763.9	664.0	709.6	637.8	621.6	612.9	605.8
Pension/post-employment expense	23.5	29.5	41.3	40.6	35.3	33.5	34.5	26.7	26.9
Total operating budget (authority required)	863.3	644.9	805.2	704.6	744.9	671.3	656.1	639.6	632.7
Plus: Depreciation*	41.9	36.1	43.9	41.5	40.4	59.1	56.5	56.2	53.7
Total operating budget (incl. depreciation)	905.2	681.0	849.1	746.1	785.3	730.4	712.6	695.8	686.4

* Depreciation for leased premises and leasehold improvements, which are capitalized, included with Business Premises until 2024. Starting in 2025 this is presented with Depreciation.

Pension costs

Our defined benefit pension plan reflects equal cost sharing between employees and CMHC. The cost sharing ratio is projected to be equal over the planning period and fluctuates annually. The changes in the pension expense across the planning period reflect discount rates used to estimate the expense. In general, a higher discount rate results in a lower present value of the cost of employees' service and therefore a lower pension expense. With this higher interest rate environment, current service costs are lower than in recent years; however, these could increase in the future with lower interest rates.

Full-time equivalents (FTEs)

	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Mortgage Insurance activity	955	917	954	1,048	986	1,022	1,056	1,049	1,061
Securitization activity	104	99	94	97	100	104	105	108	109
Housing Programs activity	1,612	1,330	1,561	1,332	1,450	1,204	1,053	914	868
Total	2,671	2,345	2,609	2,477	2,536	2,330	2,214	2,071	2,038

FTEs are expected to be lower than the amended plan in 2024 due in part to later than planned start, and later than planned staffing, for certain programs. New program funding announced in Budget 2023 and Budget 2024, as outlined in our key financial assumptions, contribute to the increase in Housing program FTEs in 2025. Housing Programs FTEs are projected to decrease thereafter as NHS programs sunset. Our plan reflects reductions in FTEs as a result of recalibration of our activities with HICC, and spending reductions announced in Budget 2023. Reductions are reflected in the 2024 estimate and starting in our 2025 plan. Mortgage Insurance activity FTEs fluctuate over the planning period in part due to business volumes and due to a higher proportion of indirect FTEs attributed to our Mortgage Insurance activity as Housing Programs decrease.

Capital Budget

The largest portion of our capital budget supports our lending activities and allows eligible borrowers to acquire and renovate existing housing or construct new housing under the various housing programs that are delivered in accordance with the NHA. Our capital budget is based on commitments. For our loan and investment capital budget, commitments occur prior to loan advancing or draws from borrowings.

Capital budget requirements for 2025 are \$8.6 billion and include commitments for loans and investment programs consistent with our key assumptions. The capital budget for loans and investments decreases over the planning period as programs sunset.

Investments in technology including for CMHC Connect, the modernization of our multi-unit insurance operations and our Corporate Data program are included in our capital budget. Also included are additional investments in our business premises to accommodate sufficient office space for our workforce returning to the office three days per week beginning in 2025. The increase in 2025 compared to 2024 is mainly the result of delayed spending in 2024, that is reprofiled to 2025.

2023 Results | 2024 Estimate | 2025-2029 Plan

Capital Budget

2023 actual capital budget, and 2024 performance at mid-year:

- In 2023, we made capital commitments of \$3.8 billion, \$2.1 billion lower than the amended plan, primarily due to the lower commitments under the ACLP and AHF. Lower commitments from AHF were due to project delays resulting from labour shortages, supply chain issues, and higher construction costs. Similarly, ACLP was also under committed compared to its projections, primarily due to delay in signing major accounts.
- For 2024, our capital commitments are projected to be \$7.0 billion, lower than the amended plan, mainly due to lower commitments expected for the AHF. Investments in technology are estimated lower than the amended plan in 2024 as a result of delayed spending that is reprofiled to 2025 as noted previously.

(in millions of Canadian dollars)	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Direct Lending	132	96	143	138	137	137	134	133	134
Innovation Fund	37	-	20	20	20	20	20	-	-
Innovation Fund – RTO	20	4	25	20	-	-	-	-	-
ACLP	3,380	2,007	4,201	4,201	5,594	5,200	5,108	5,200	5,500
AHF	1,181	588	1,705	1,123	2,015	1,132	-	-	-
FTHBI and SEMP	188	113	135	39	-	-	-	-	-
CGHL	886	987	1,289	1,291	200	-	-	-	-
CGAH	17	-	117	117	108	75	17	-	-
CHDP	-	-	50	-	294	332	320	77	-
Secondary Suites	-	-	-	-	60	260	500	380	320
Other	20	-	17	18	18	18	17	17	17
Total loans and investments	5,861	3,795	7,702	6,967	8,446	7,174	6,116	5,807	5,971
Business premises	7	4	4	4	18	5	23	2	2
Capital leases	1	2	-	-	15	1	7	-	-
Computer software and intangible assets	112	31	176	57	108	52	2	2	-
Total business premises and intangible assets	120	37	180	61	141	58	32	4	2
Total capital budget	5,981	3,832	7,882	7,028	8,587	7,232	6,148	5,811	5,973

Financial Statements and Notes

Basis of presentation

Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards approved and to be in effect as at January 1st, 2024, as issued by the International Accounting Standards Board (IASB).

For all activities, revenues are attributed to, and assets are located in Canada.

Significant accounting and other policies

Refer to our 2023 Annual Report for complete details on our significant accounting policies including under IFRS 17.

Consolidated Balance Sheet

As at December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Assets							
Cash and cash equivalents	1,939	2,396	971	1,343	2,183	2,880	3,299
Securities purchased under resale agreements	700	-	-	-	-	-	-
Accrued interest receivable	843	1,446	1,644	1,879	2,114	2,300	2,512
Investment securities:							
Fair value through profit or loss	69	17	8	-	-	-	-
Fair value through other comprehensive income	20,162	22,500	26,248	29,917	33,327	36,948	40,603
Amortized cost	3,229	4,723	8,360	9,717	9,353	9,495	9,765
Derivatives	161	-	-	-	-	-	-
Due from the Government of Canada	240	104	556	546	460	338	242
Loans:							
Fair value through profit or loss	512	482	406	339	292	248	218
Amortized cost	270,650	291,185	314,295	347,524	382,731	409,716	431,976
Accounts receivable and other assets	479	1,065	879	932	902	978	857
Investment property	398	417	438	459	481	505	530
Defined benefit plans asset	187	417	432	444	517	548	599
Deferred income tax assets	-	383	798	1,282	1,763	2,038	2,284
Total assets	299,569	325,135	355,035	394,382	434,123	465,994	492,885
Liabilities							
Accounts payable and other liabilities	573	521	883	903	857	766	689
Income taxes payable	545	-	-	133	61	-	24
Accrued interest payable	786	1,306	1,531	1,805	2,099	2,335	2,522
Derivatives	55	64	70	61	59	55	50
Insurance contract liabilities	7,079	8,804	10,760	12,793	14,557	16,114	17,596
Due to the Government of Canada	-	-	-	-	-	-	-
Borrowings:							
Fair value through profit or loss	219	147	21	-	-	-	-
Amortized cost	274,757	296,599	321,707	356,113	391,302	418,714	441,376
Defined benefit plans liability	180	179	184	185	180	181	183
Unearned premiums and fees	2,776	3,231	3,731	4,159	4,508	4,762	5,008
Deferred income tax liabilities	36	-	-	-	-	-	-
Total liabilities	287,006	310,851	338,887	376,152	413,623	442,927	467,448
Equity of Canada							
Contributed capital	25	25	25	25	25	25	25
Accumulated other comprehensive income or (loss)	(321)	(110)	(7)	75	56	128	257
Reserve fund	72	79	123	154	179	197	202
Retained earnings	12,787	14,290	16,007	17,976	20,240	22,717	24,953
Total equity of Canada	12,563	14,284	16,148	18,230	20,500	23,067	25,437
Total liabilities and equity of Canada	299,569	325,135	355,035	394,382	434,123	465,994	492,885

Notes to the Consolidated Balance Sheet

Mortgage Insurance

Total assets of \$18.3 billion at December 31, 2023, increase to \$41.3 billion over the planning period due to higher investment balances as a result of higher premiums received, investment income and no dividends declared, as capital is retained as outlined in the Dividend policy section. Total assets also increase due to higher deferred tax assets following the implementation of IFRS 17.

Total liabilities increase from \$8.0 billion at December 31, 2023, to \$19.1 billion in 2029 due to the growing volumes in multi-unit insurance whose premiums are reflected in the insurance contract liability. Furthermore, the duration of multi-unit insurance contracts can extend up to 50 years. This extended period leads to a slower recognition of premiums into revenue, thereby also contributing to the increase in the insurance contract liability balance.

Total equity increases from \$10.3 billion at December 31, 2023, to \$22.2 billion in 2029 as our plan includes a temporary transfer of capital from our Securitization activity, and assumes all capital is retained as discussed in the Capital Management and Dividend Policy sections.

Securitization

Total assets fluctuate over the planning period and increase from \$262.6 billion at December 31, 2023, to \$395.0 billion in 2029, mainly due to higher assets in Canada Housing Trust (CHT) as a result of higher CMB limits, as well as increases in investment balances.

Total liabilities fluctuate over the planning period and increase from \$261.2 billion at December 31, 2023, to \$393.5 billion in 2029, due to the same reasons as noted for the assets above.

The total equity is at \$1.5 billion at December 31, 2023 and then increases in 2024 and 2025 due to the dividend suspension. Total equity decreases in 2026 due to the temporary transfer of \$2.3 billion in capital transferred to the Mortgage Insurance segment and \$580 million thereafter until the 1st quarter of 2029. In 2029, the total equity returns to \$1.5 billion.

Housing Programs

Total assets of \$19.4 billion at December 31, 2023, increase over the planning period to \$57.1 billion due to the significant take-up of our lending programs generated by the NHS initiatives including the ACLP and AHF, CGHL and CHDP. Total liabilities of \$18.6 billion at December 31, 2023, also increase over the planning period, to \$55.3 billion as we borrow from the government's CBP to finance our lending programs.

Total equity increases over the planning period from \$814 million at December 31, 2023, to \$1.8 billion in 2029, as our annual net income and accumulated other comprehensive income increase. Refer to the Housing Programs section of the Notes to the Consolidated Statements of Equity of Canada for details.

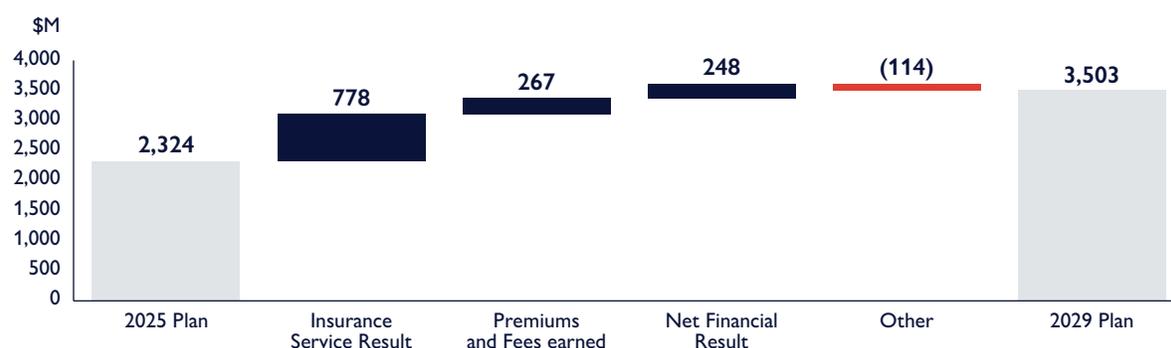
Consolidated Statement of Income and Comprehensive Income

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Interest income	7,077	7,543	9,135	10,836	12,382	13,577	14,816
Interest expense	(6,961)	(7,427)	(8,936)	(10,621)	(12,168)	(13,390)	(14,672)
Net interest income	116	116	199	215	214	187	144
Insurance revenue	1,004	1,186	1,307	1,507	1,754	2,030	2,222
Insurance service income (expense)	(119)	(219)	(256)	(302)	(340)	(356)	(393)
Insurance service result	885	967	1,051	1,205	1,414	1,674	1,829
Investment income	553	663	766	970	1,136	1,291	1,448
Net gains (losses) on financial instruments	(212)	3	78	74	36	1	7
Insurance finance expense for insurance contracts issued	(178)	(319)	(408)	(512)	(607)	(694)	(771)
Net financial result	163	347	436	532	565	598	684
Government funding	5,494	6,305	5,864	5,205	4,122	3,094	2,704
Housing programs	(5,114)	(5,915)	(5,464)	(4,888)	(3,831)	(2,836)	(2,465)
Premiums and fees earned	860	926	915	986	1,059	1,160	1,182
Operating expenses	(641)	(682)	(690)	(623)	(602)	(584)	(574)
Other income	(13)	37	14	11	8	(2)	-
Self-insurance service income (expense)	8	(1)	(1)	(1)	(1)	(1)	(1)
Income before income taxes	1,758	2,100	2,324	2,642	2,948	3,290	3,503
Income taxes	(448)	(528)	(590)	(669)	(746)	(833)	(886)
Net income	1,310	1,572	1,734	1,973	2,202	2,457	2,617
Other comprehensive income (loss), net of tax							
Items that will be subsequently reclassified to net income (loss)							
Net unrealized gains (losses) from debt instruments held at fair value through other comprehensive income	357	250	126	111	(33)	75	142
Reclassification of gains on debt instruments held at fair value through other comprehensive income on disposal in the year	122	-	-	-	-	-	-
Insurance finance income (expense) for insurance contracts issued	(75)	(39)	(23)	(29)	14	(3)	(13)
	404	211	103	82	(19)	72	129
Items that will not be subsequently reclassified to net income							
Remeasurement gains (losses) on defined benefit plans	(32)	228	27	27	87	38	59
Total other comprehensive income (loss), net of tax	372	439	130	109	68	110	188
Comprehensive income	1,682	2,011	1,864	2,082	2,270	2,567	2,805

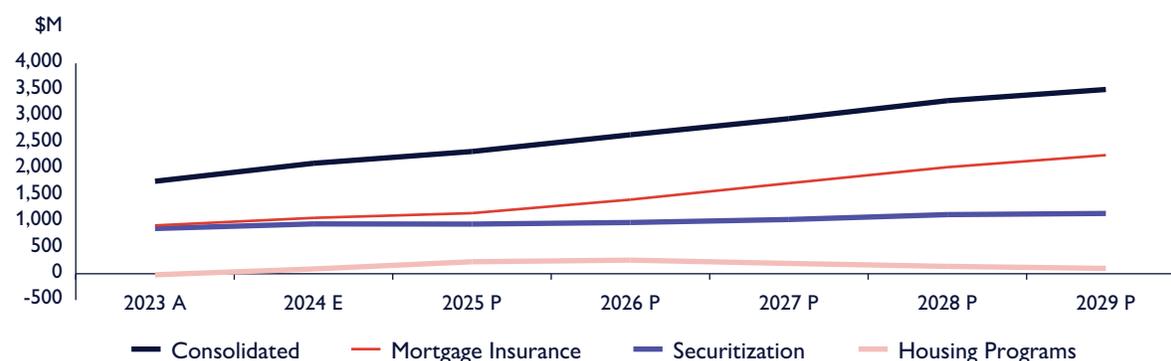
Notes to the Consolidated Statement of Income and Comprehensive Income

Our net income is primarily generated from our commercial activities. Pre-tax income is projected to increase over the planning period in part due to higher insurance revenue, net of expenses, as a result of higher multi-unit insurance volumes. Premiums and fees earned from our Mortgage Funding activity also increase over the planning period.

Pre-tax Income Comparison 2025 to 2029 Plan



Pre-tax Income by Activity



Mortgage Insurance

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Insurance service result	885	967	1,051	1,205	1,414	1,674	1,829
Net financial result	169	260	234	342	430	472	544
Premiums and fees earned	33	40	57	73	88	101	112
Operating expenses	(172)	(212)	(197)	(215)	(216)	(227)	(235)
Other income (loss)	(17)	5	3	4	5	6	6
Self-insurance service income (expense)	8	(1)	(1)	(1)	(1)	(1)	(1)
Income before income taxes	906	1,059	1,147	1,408	1,720	2,025	2,255
Income taxes	(230)	(265)	(287)	(352)	(431)	(506)	(565)
Net income	676	794	860	1,056	1,289	1,519	1,690

Insurance service result increases over the planning period due to higher volumes, mainly from multi-unit insurance.

Given that multi-unit insurance can have terms of up to 50 years, the premiums received related to these high volumes are recognized over time leading to increases in insurance revenue.

Net financial result includes Investment income and net gains (losses) on financial instruments net of Insurance finance expense for insurance contracts issued. Investment income increases over the planning period due to higher investment balances as a result of dividends being suspended and transfer of capital from our Securitization activity. Offsetting the higher investment income, is higher insurance finance expense, due to higher insurance contract liabilities as a result of elevated multi-unit volumes, as noted above. Also included in the net financial result, Net gains (losses) on financial instruments, fluctuates over the planning period due to changes in interest rates and foreign exchange rates.

Operating expenses are lower in 2023, and increase slightly over the planning period.

(in millions of Canadian dollars, unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Insurance-in-force (in \$ billions)	414	429	460	492	525	555	583
Transactional homeowner	169	157	150	145	143	144	144
Portfolio	77	68	61	57	55	51	49
Multi-Unit residential	168	204	249	290	327	360	390
Total new insured volumes (units)	295,916	369,106	361,286	336,722	311,703	290,455	281,610
Transactional homeowner	48,056	49,750	49,211	49,927	52,062	51,580	51,288
Portfolio	26,935	19,929	21,621	22,530	23,394	23,216	23,193
Multi-Unit residential	220,925	299,427	290,454	264,265	236,247	215,659	207,129
Total new insured volumes (\$)	66,472	85,894	87,270	86,897	85,719	84,606	85,299
Transactional homeowner	16,030	17,267	17,950	18,300	19,453	19,843	20,252
Portfolio	7,185	5,648	6,589	6,974	7,442	7,647	7,838
Multi-Unit residential	43,257	62,979	62,731	61,623	58,824	57,116	57,209
Total premiums and fees received (\$)	1,557	2,703	3,149	3,351	3,277	3,223	3,246
Transactional homeowner	561	604	627	639	678	691	705
Portfolio	28	28	32	34	36	37	38
Multi-Unit residential	968	2,071	2,490	2,678	2,563	2,495	2,503

Securitization

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Net interest income	9	8	8	8	8	8	8
Net financial result	82	109	142	119	122	132	144
Guarantee and application fees earned	827	886	858	913	971	1,059	1,070
Operating expenses	(64)	(65)	(72)	(74)	(78)	(83)	(84)
Other income	6	9	8	8	8	8	8
Income before income taxes	860	947	944	974	1,031	1,124	1,146
Income taxes	(215)	(237)	(236)	(244)	(258)	(281)	(286)
Net income	645	710	708	730	773	843	860

(in millions of Canadian dollars, unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Guarantees-in-force (in \$ billions)	508	542	574	595	618	639	650
NHA MBS	254	268	278	272	266	267	258
CMB	254	274	296	323	352	372	392
Total annual securities guaranteed (in \$ billions)	196	226	226	226	226	226	226
NHA MBS	151	166	166	166	166	166	166
CMB	45	60	60	60	60	60	60
Total guarantee and application fees received	935	1,144	1,129	1,127	1,127	1,127	1,127
NHA MBS	740	886	868	866	866	866	866
CMB	195	258	261	261	261	261	261

Guarantee and application fees earned increase over the planning period mainly due to higher pricing on Tier-1 and Tier-2 NHA MBS in recent years. These fees are amortized over the life of the underlying bonds. As time goes by, the older pools are being replaced by new ones carrying higher fees, which increases our fees earned.

Operating expenses increase over the planning period due to higher fees paid to the Government of Canada as a result of higher volumes commensurate with the increase in CMB limits from \$40 billion to \$60 billion.

Housing Programs

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Net interest income	89	94	154	191	189	162	120
Net financial result	(82)	(11)	92	86	29	10	12
Government funding	5,494	6,305	5,864	5,205	4,122	3,094	2,704
Housing programs expenses	(5,114)	(5,915)	(5,464)	(4,888)	(3,831)	(2,836)	(2,465)
Operating expenses ¹	(405)	(405)	(421)	(334)	(308)	(274)	(255)
Other income	(2)	23	3	(1)	(5)	(16)	(14)
Income before income taxes	(20)	91	228	259	196	140	102
Income taxes	-	(26)	(64)	(73)	(57)	(45)	(35)
Net income (loss)	(20)	65	164	186	139	95	67

¹ Refer to the financial highlights table for operating expenses excluding our lending activity.

Housing Programs, excluding lending, operate on a break-even basis as appropriations equal expenditures each year. Although lending programs are intended to operate on a break-even basis over the long-term, accounting adjustments and some elements of our operating expenses do not perfectly offset, which results in fluctuations to net income.

Government funding increases in 2024 as we will make significant investments in the HAF along with continuing to deliver on the remaining NHS programs. Starting in 2025, government funding begins to decrease over the remainder of the planning period as appropriated NHS programs start to sunset, the RHI is completed, and pre-NHS programs continue to decrease. Also starting in 2024, some NHS initiatives are reduced as part of the Budget 2023 Spending Reductions (refer to Planned Budget 2023 Spending Reductions). However, total government funding increases with significant Government investments in NHS lending programs (refer to Notes to the Consolidated Balance Sheet – Housing Programs).

Net interest income fluctuates over the planning period. This is due to the amortization of day one gains for both the ACLP and AHF, and short-term borrowings for the CGHL, part of interest expense.

Government Funding

We receive parliamentary appropriations in support of the various activities that we are mandated to deliver. Total government funding includes insurance premiums for ACLP that are managed through our Commercial Mortgage Insurance activity, credit risk and interest that are managed through our Lending activity as well as the emergency relief fund for Granville Island (refer to the section on Granville Island for more information). Government funding for housing programs excludes funding related to commercial, lending and Granville Island Fund.

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total Government funding	5,488	6,770	6,443	5,750	4,670	3,629	3,549
Allocated to commercial operations	92	152	193	212	260	290	589
Allocated to lending activities	45	311	386	333	288	245	256
Funding for Granville Island Emergency Relief Fund	10	2	-	-	-	-	-
Adjustment*	(153)	-	-	-	-	-	-
Government funding for Housing Programs	5,494	6,305	5,864	5,205	4,122	3,094	2,704

* Timing adjustment of 2022-2023 fiscal year funds drawn in 2022 recognized in 2023.

Consolidated Statement of Equity of Canada

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Contributed capital	25	25	25	25	25	25	25
Accumulated other comprehensive income (loss)							
Fair value reserve balance at beginning of year	(900)	(421)	(171)	(45)	66	33	108
Other comprehensive income (loss) – fair value	479	250	126	111	(33)	75	142
Fair value reserve balance at end of year	(421)	(171)	(45)	66	33	108	250
Opening insurance finance reserve	175	100	61	38	9	23	20
Other comprehensive income (loss) – insurance finance reserve	(75)	(39)	(23)	(29)	14	(3)	(13)
Insurance finance reserve balance at end of year	100	61	38	9	23	20	7
Balance at end of year	(321)	(110)	(7)	75	56	128	257
Reserve Fund							
Balance at the beginning of year	17	72	79	123	154	179	197
Net income (loss)	55	7	44	31	25	18	5
Balance at end of year	72	79	123	154	179	197	202
Retained earnings							
Opening retained earnings	12,644	12,787	14,290	16,007	17,976	20,240	22,717
Net income	1,255	1,565	1,690	1,942	2,177	2,439	2,612
Other comprehensive income (loss)	(32)	228	27	27	87	38	59
Possible dividends declared ¹	(1,080)	(290)	-	-	-	-	(435)
Total retained earnings	12,787	14,290	16,007	17,976	20,240	22,717	24,953
Equity of Canada	12,563	14,284	16,148	18,230	20,500	23,067	25,437

¹ The surplus capital available for possible dividend declaration is based on a number of assumptions. The amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria approved by the Board.

Notes to the Consolidated Statement of Equity of Canada

CMHC's three main operating activities contribute to the total equity of Canada. A breakdown of equity by activity is provided below.

Mortgage Insurance

Year ended December 31 (in millions unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Accumulated other comprehensive income (loss)	(271)	(90)	(4)	56	41	108	224
Appropriated retained earnings	9,282	9,999	10,810	15,815	18,439	20,371	22,210
Appropriated capital	9,011	9,909	10,806	15,871	18,480	20,479	22,434
Unappropriated retained earnings	1,269	1,451	1,509	255	(460)	(275)	(250)
Total mortgage insurance capital	10,280	11,360	12,315	16,126	18,020	20,204	22,184
Less: regulatory deductions	(170)	(252)	(271)	(267)	(280)	(277)	(293)
Total mortgage insurance capital available	10,110	11,108	12,044	15,859	17,740	19,927	21,891
Mortgage insurance internal capitalization target	155%	155%	155%	155%	155%	155%	155%
Operating level holding target ¹	165%	165%	165%	165%	165%	165%	165%
Capital available to minimum capital required (% MICAT)	185%	185%	184%	165%	158%	161%	161%
Contributed surplus	-	-	-	2,685	580	580	145
Surplus equity available from mortgage insurance for possible dividend declaration ²	(500)	-	-	-	-	-	-

¹ We appropriate equity (retained earnings and accumulated other comprehensive income) at the 165% operating level.

² Surplus capital available for possible dividend declaration, which include unappropriated retained earnings less regulatory deductions, is based on a number of assumptions, and the amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria in our dividend proposal approved by our Board.

For capital management purposes and as provided for in the CMHC Act and the NHA, we consider our capital available to be equal to the total equity of Canada for the Mortgage Insurance activity, less regulatory deductions. The appropriated capital is based on our Board approved capital management policy that follows guidelines developed by OSFI and the Capital and Dividend Framework for Financial Crown Corporations issued by the Department of Finance.

The 2023 Capital Adequacy Assessment confirmed our internal and operating targets, of the minimum capital required; OSFI's supervisory regulatory capital target is 150%. Our MICAT ratio dips below our operating level in 2027 to 2029 due to the increased capital required from the new multi-unit insurance MICAT framework. We are comfortable operating at this lower level for a short period of time considering we are above our internal target and the ratio trends upwards thereafter.

The Mortgage Insurance equity continually increases over the planning horizon due to net income, temporary suspension of dividends and the transfer of capital from Securitization to Mortgage Insurance, labelled as Contributed Surplus, above.

Securitization

Year ended December 31 (in millions unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Accumulated other comprehensive income (loss)	(102)	(71)	(54)	(32)	(36)	(31)	(18)
Appropriated retained earnings	1,282	1,001	688	422	247	143	65
Appropriated capital	1,180	930	634	390	211	112	47
Unappropriated capital	277	985	2,007	318	689	1,058	1,417
Total securitization capital available	1,457	1,915	2,641	708	900	1,170	1,464
Economic capital available to economic capital required (at 110 % target)	109%	130%	158%	112%	122%	132%	143%
Contributed surplus	-	-	-	(2,685)	(580)	(580)	(145)
Possible dividend considering capital floor and liquidity restraints ¹	(580)	(290)	-	-	-	-	(435)

¹ Surplus capital available for possible dividend declaration is based on a number of assumptions, and the amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria in our dividend proposal approved by our Board.

We set the minimum capital required for the Securitization activity through considering both the results of our ORSA as well as the liquidity required to sustain the Timely Payment Guarantee for our largest single name exposure. The capital adequacy assessment for the Securitization activity is consistent with our 2024 ORSA.

The Securitization activity equity fluctuates over the planning period, due to the dividend suspension in the second half of 2024, as well as a transfer of capital to our Mortgage Insurance segment between 2026 and the first quarter of 2029. We anticipate that, at all times over the planning period, the equity associated with the securitization programs will remain sufficient to provide for the claims, losses, expenditures and costs of those programs.

Housing Programs

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Retained earnings	714	888	1,025	1,197	1,355	1,450	1,541
Reserve fund ¹	75	82	126	157	182	200	205
Available capital	789	970	1,151	1,354	1,537	1,650	1,746
Contributed capital	25	25	25	25	25	25	25
Total equity	814	995	1,176	1,379	1,562	1,675	1,771

¹ A reserve fund is maintained pursuant to section 29 of the CMHC Act to address interest rate risk exposure on prepayable loans as well as credit risk exposure on unsecured loans. The reserve fund is subject to a statutory limit of \$240 million, which we have determined through our ORSA to be in a reasonable range. Should the statutory limit be exceeded, we would be required to return the excess to the government.

Total equity for the Housing Programs activity includes available capital for our lending activity and contributed capital. Capital for the lending activity is comprised of retained earnings and the reserve fund.

Retained earnings increase over the planning period, mainly due to the unamortized portion of the day one gains previously discussed for both the ACLP and AHF.

Consolidated Statement of Cash Flows

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Cash flows from operating activities							
Net income	1,310	1,572	1,734	1,973	2,202	2,457	2,617
Adjustment to determine net cash flows from operating activities							
Amortization of premiums and discounts on financial instruments	(8)	(18)	(69)	(125)	(132)	(111)	(82)
Net (gains) losses on financial instruments	394	(3)	(78)	(74)	(36)	(1)	(7)
Capitalized interest	(83)	(135)	(218)	(234)	(259)	(279)	(254)
Deferred income taxes	(241)	(419)	(415)	(484)	(481)	(275)	(246)
Depreciation, amortization and impairment of fixed and intangible assets	39	42	40	59	57	56	54
Net unrealized gains on investment property	(13)	-	-	-	-	-	-
Changes in operating assets and liabilities							
Derivatives	(193)	170	6	(9)	(2)	(4)	(5)
Accrued interest receivable	35	(603)	(198)	(235)	(235)	(186)	(212)
Due from (to) the Government of Canada	(230)	136	(452)	10	86	122	96
Accounts receivable and other assets	228	(586)	186	(53)	30	(76)	121
Accounts payable and other liabilities	(135)	(52)	362	20	(46)	(91)	(77)
Income taxes payable/receivable	633	(545)	-	133	(72)	(61)	24
Accrued interest payable	(32)	520	225	274	294	236	187
Insurance contract liabilities	581	1,725	1,956	2,033	1,764	1,557	1,482
Defined benefit plans	7	(231)	(10)	(11)	(78)	(30)	(49)
Unearned premiums and fees	172	455	500	428	349	254	246
Other	(6)	(24)	(61)	(144)	39	(55)	(78)
Loans							
Repayments	47,320	38,201	41,512	33,295	31,628	38,839	43,318
Disbursements	(48,739)	(65,835)	(66,940)	(66,276)	(66,550)	(65,519)	(65,309)
Borrowings							
Repayments	(58,227)	(56,240)	(68,035)	(61,354)	(62,324)	(72,636)	(78,861)
Issuances	59,035	85,226	95,693	96,057	97,707	100,191	101,642
	1,847	3,356	5,738	5,283	3,941	4,388	4,607
Cash flows from investing activities							
Investment securities							
Sales and maturities	8,442	10,460	8,591	11,765	11,065	10,965	11,087
Purchases	(9,741)	(13,069)	(15,754)	(16,676)	(14,166)	(14,656)	(14,840)
Foreign currency forward contract maturities							
Receipts	302	-	-	-	-	-	-
Disbursement	(413)	-	-	-	-	-	-
Investment property							
Additions	-	-	-	-	-	-	-
Disposals	17	-	-	-	-	-	-
Securities purchased under resale agreements	(50)	-	-	-	-	-	-
Property and equipment and intangible asset acquisitions	(34)	-	-	-	-	-	-
	(1,477)	(2,609)	(7,163)	(4,911)	(3,101)	(3,691)	(3,753)

Consolidated Statement of Cash Flows (continued)

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Cash flows from financing activities							
Dividends paid	(1,080)	(290)	-	-	-	-	(435)
Change in cash and cash equivalents	(710)	457	(1,425)	372	840	697	419
Cash and cash equivalents							
Beginning of year	2,649	1,939	2,396	971	1,343	2,183	2,880
End of year	1,939	2,396	971	1,343	2,183	2,880	3,299
Represented by							
Cash	106	-	-	-	-	-	-
Cash equivalents	1,833	2,396	971	1,343	2,183	2,880	3,299
	1,939	2,396	971	1,343	2,183	2,880	3,299
Amount of interest received during the period	8,040	7,849	9,703	11,212	12,871	14,246	15,630
Amount of interest paid during the period	7,503	7,426	8,961	10,320	11,827	13,079	14,385
Amount of dividends received during the period	2	-	-	-	-	-	-
Amount of incomes taxes paid (refunded) during the period	58	1,818	797	1,036	1,299	1,303	1,068

Notes to the Consolidated Statement of Cash Flows

Mortgage Insurance

Cash flows for the mortgage insurance activity are mainly generated from premiums and fees received. Premiums and fees received increase over the planning period due to increased volumes.

Securitization

Cash flows for the Securitization activity are mainly driven by guarantee fees received, investments and financing related activities. Cash not needed for operations or investments in projects is invested or returned to the government as dividends.

Housing Programs

The majority of the Housing Programs activity net cash flows are generated from the movement in our lending activity. Loan disbursements exceed repayments over the planning period due to a continued significant volume of loan issuances for the ACLP and some CHDP. These are slightly offset by repayments for both the ACLP and CHDP, as well as AHF, FTHBI, CGAH and CGHL programs that have sunset by the end of the planning period. Cash generated from our borrowing increases significantly in parallel to fund the loans.

Any excess funding held is invested until needed. The net cash inflow or outflow fluctuates year to year due to timing differences between funding, advances, and repayments of the loans.

Granville Island

Granville Island's financial plans are included below as the responsibility for the administration and management of Granville Island was transferred to CMHC in 1973 by an order in council. CMHC has been operating and managing the Island, uninterrupted ever since.

As an Agent Crown corporation, CMHC facilitated obtaining federal funding to support Granville Island.

From 2021 to 2024, Covid-19 related Government funding to support Granville Island has been allocated as follows (in fiscal years): \$6.7 million in 2021-2022, \$8.0 million in 2022-2023, and \$7.0 million in 2023-2024.

Granville Island Statement of Income (audited financial statements)

Year ended March 31 (in millions of Canadian dollars)	2023/ 2024 Actual	2024/ 2025 Plan	2024/ 2025 Estimate	2025/ 2026 Plan	2026/ 2027 Plan	2027/ 2028 Plan	2028/ 2029 Plan	2029/ 2030 Plan
Total revenues and government funding	26.6	20.1	20.2	21.7	22.1	22.4	22.9	25.3
Total expenses	16.1	18.2	18.3	18.7	18.6	19.1	19.6	20.4
Amortization	1.6	2.0	2.0	2.1	2.4	2.9	3.1	3.0
Net income (loss)	8.9	(0.1)	(0.1)	0.9	1.1	0.4	0.2	1.9

The \$8.9 million Net income for the 2023-2024 fiscal year reflects the capital costs allocated to re-tenanting vacant spaces related to the COVID-19 pandemic.

In 2024-2025 total revenue and government funding is expected to decrease from 2023-2024 as Granville Island has received no further COVID-related funding. The planned \$2.1 million increase in expenditures compared to the 2023-2024 actuals is due to wage increases and staffing previously unfilled vacancies, increases in maintenance expenses, higher insurance costs, and increased professional and technical expenditures. Capital acquisitions for 2024-2025 are planned to be \$15.2 million. The budget is based on completing \$4.5 million worth of building envelope and roof repairs, completing \$2.0 million in improvements to facilitate re-tenanting of vacant spaces, and nearly \$3.0 million in seawall upgrades.

In 2025-2026 and future years, it is assumed that economic conditions will improve resulting in minor increases to revenues. This alone, however, is not significant enough to offset rapidly increasing maintenance costs, let alone service Granville Island's aging infrastructure.

Impact of a Downside Scenario

The Corporate Plan has been prepared assuming a realistic view of future events with the information available at the time of preparation. It is based on our best estimate of future events.

We also define a reasonably plausible downside scenario, which assumes a more pessimistic view from the base plan scenario. The downside scenario reflects higher inflation and delayed rate reductions by the Bank of Canada compared to the baseline scenario, which leads to a higher interest environment. The downside scenario includes a recession in 2024. Under this scenario housing affordability is exacerbated, with lower real wages and higher mortgage rates combined with lower housing starts than in the baseline.

The Downside scenario is not expected to significantly impact our planned results.

Planned Budget 2023 Spending Reductions

Budget 2023 announced government-wide spending reductions of \$15.4 billion over the next five years, which includes spending by Crown corporations. Savings expectations for individual Crown corporations were set out in communications to portfolio ministers from the Minister of Finance and the President of Treasury Board.

As both an Enterprise and Appropriated Crown corporation, CMHC received operating expense and appropriations reduction targets and guidance from both the Minister of Finance and President of Treasury Board.

Consolidated Operating Expense savings

Six-Year Savings* based on year ended December 31, 2024 reference year**

Year ended December 31 (in millions of Canadian dollars)	2023	2024	2025	2026	2027	2028	Total
Administrative	-	2.7	5.7	10.1	10.1	10.1	38.7
Professional services and Travel	4.2	12.7	12.7	12.7	12.7	12.7	67.7
Total	4.2	15.4	18.4	22.8	22.8	22.8	106.4

* Savings are on an accrual basis.

** As per the 2023-2027 Corporate plan.

Savings in discretionary administrative, professional services and travel included in our operating expenses are consistent with Minister of Finance direction to reduce administrative expenses by 3% by 2026 and to reduce professional services and travel by 15%, starting in 2024. Efficiencies in spending have been found through review of our operating expenses and measures taken to reduce spending in discretionary areas. We ensure savings are met over the planning period and that impacts to delivery of our products and programs are minimized. We also ensure that efficiencies are found while delivering new Housing Programs and additional volumes for our Mortgage Insurance and Securitization activities.

Appropriated Program savings

Six-Year Fiscal Savings*

Year ended March 31 (in millions of Canadian dollars)	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	Total
Government funding	33.7	49.1	62.4	99.7	-	-	244.9
FTHBI	25.3	24.0	23.1	21.1	-	-	93.5
SEMP	2.2	2.1	1.9	1.6	-	-	7.8
Innovation Fund	-	-	14.2	53.6	-	-	67.8
Innovation Fund – Rent-to-own	6.2	23.0	23.2	23.4	-	-	75.8

* Net savings only (net of transition costs), cash and accruals basis.

As announced in Budget 2023, the Government of Canada committed to refocusing federal spending to continue to serve Canadians most effectively. Following a review of current federal housing programs, some programs were discontinued, or funding reduced.

The First-Time Home Buyer Incentive (FTHBI) and the Affordable Housing Innovation Fund – Rent-to-Own stream are being discontinued. The Affordable Housing Innovation Fund regular stream will continue to be available with a 50% reduced budget for uncommitted funding, which also impacts the loan component of this program. The Shared Equity Mortgage Providers (SEMP) Fund is sunsetting as planned.

The impacted programs do not affect transfers to provinces and territories, Official Languages or have regional or sectoral impacts. Finally, the appropriation reductions include reductions to administrative dollars associated to the respective programs.

The overall risk of discontinuing or reducing the proposed programs were considered as low to moderate given the programs have demonstrated low program take-up and other Federal programs exist that are complementary and/or potentially more effective.

Appendix 6

Borrowing Plan

CMHC borrows from the Government of Canada as part of the Crown Borrowing Program in the normal course of its business to finance loans and investments in housing and to meet its liquidity needs. CMHC borrows following the establishment of a commitment to fund loans under various programs discussed below.

Summary

We expect total borrowings outstanding as at December 31, 2024 to reach \$25.0 billion, consisting of \$24.8 billion to finance all lending programs and investments in housing, and \$158 million under the IMPP.

Maximum borrowings outstanding for 2024 are forecasted to reach \$32.6 billion to finance all lending programs and investments in housing, including \$2.8 billion under the IMPP and up to \$4 billion for cash and liquidity management. This is a decrease of \$2.0 billion from the estimate in the previous plan², mainly due to a slower than expected intake of ACLP and AHF.

All borrowings are for the calendar year unless otherwise stated.

Borrowing Authority

CMHC's funding activities are governed by section 21 of the *Canada Mortgage and Housing Corporation Act* and section 127 of the *Financial Administration Act* (FAA). Those activities must also comply with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

Under subsection 21(2) of the *Canada Mortgage and Housing Corporation Act*, CMHC is subject to a statutory borrowing authority constraint, which limits borrowings other than from the Crown to a maximum amount of \$15 billion, unless Parliament authorizes additional amounts. Under subsection 21(1), at the request of the Corporation, the Minister of Finance may lend money to the Corporation out of the Consolidated Revenue Fund on any terms and conditions that the Minister may fix.

In accordance with subsection 127(3) of the FAA, CMHC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction. This appendix outlines the borrowing plan that is subject to Minister of Finance approval.

CMHC requests the following authorities:

Short-term borrowings to be undertaken in 2025

To access overdraft facilities in place with private sector financial institutions amounting to \$4 billion intraday and \$300 million overnight; and to borrow short-term from the CBP up to a maximum outstanding of \$7.0 billion.

Additional short-term borrowings may be required to meet liquidity requirements under CMHC's securitization guarantee programs.

² Refer to CMHC's 2024-2028 Corporate Plan.

Long-term borrowings to be undertaken in 2025

CMHC forecasts long-term borrowing of \$9.0 billion and requests that the \$9.5 billion long-term borrowing ceiling be approved for 2025.

CMHC may need to borrow sums of money beyond the requested authority should it be called upon to respond to unanticipated events that pose risks to the housing or financial markets, such as those experienced as part of the COVID-19 pandemic and the global financial crisis. Under section 127(3) of the FAA, the Corporation may seek additional borrowings from the Minister of Finance, provided its total indebtedness outstanding at any time in respect of such borrowings does not exceed any statutory limit.

Direct Lending

Direct Lending loans help ensure the lowest risk-adjusted financing costs for eligible social housing projects on a sustained long-term basis. Direct Lending mortgages do not offer prepayment options and typically carry a term of five or ten years. Asset-liability management is conducted through market transactions and/or borrowings.

2024 Borrowings: \$590 million in new borrowings consisting of \$476 million for long-term and \$114 million for short-term borrowings.

2025 Borrowings: \$446 million in new borrowings consisting of \$360 million for long-term and \$86 million for short-term borrowings.

Apartment Construction Loan Program (ACLP)³

The 2023 Fall Economic Statement (FES) announced an additional \$15 billion in loan funding starting in 2025-2026 for the ACLP. Budget 2024 announced an additional \$15 billion funding, starting in 2025-2026 for the ACLP bringing the program's total loan funding to over \$55 billion.

The purpose of this initiative is to encourage the construction of purpose-built rental housing by making low-cost capital available to municipalities and housing developers during the earliest and most risky phases of development. Funding for these loans is through long-term borrowings. Total funding under the ACLP as at June 30, 2024, was \$12.4 billion of which, the total principal undrawn and reinvested amounted to \$4.6 billion. This reflects the management of funds that are drawn from the CBP for which loans are not fully advanced as we provide borrowing cost certainty to proponents by drawing the full amount upfront and invest until the loan is fully disbursed.

2024 Borrowings: Up to \$4.2 billion in new borrowings. The borrowing estimates rose by \$309 million compared to the original plan given the more favourable interest rate environment in 2024.

2025 Borrowings: Up to \$5.8 billion in new borrowings.

Affordable Housing Fund (AHF)⁴

The 2023 Fall Economic Statement (FES) announced an additional \$1 billion in contributions over three years starting in 2025-2026 for the AHF to support non-profit, co-operative and public housing providers and restored the program timeline to end in 2027-2028. Budget 2024 announced an additional \$976 million over five years starting in 2024-2025, and \$24 million in future years to launch a new Rapid Housing sub-stream under the AHF bringing the program's total loan funding to \$15 billion. The purpose of this program is to increase housing supply by partnering with other organizations to ensure Canadians across the country can access housing that meets their needs and that they can afford. This initiative prioritizes housing for populations who are vulnerable and sets minimum requirements for energy efficiency and accessibility. These loans are funded through long-term borrowings.

³ Formerly known as the Rental Construction Financing Initiative (RCFI).

⁴ Formerly known as the National Housing Co-Investment Fund (NHCF).

As of June 30, 2024, total borrowings under this program amounted to \$3.0 billion of which \$834 million was undrawn by proponents and reinvested.

2024 Borrowings: Up to \$1.3 billion in new borrowings, which is \$480 million lower than the previous plan.

2025 Borrowings: Up to \$2.3 billion in new borrowings.

First-Time Home Buyer Incentive (FTHBI)

In Budget 2019, the federal government introduced the FTHBI to help make homeownership more affordable for Canadians while maintaining prudent safeguards around Canadians' homeownership decisions. Under this program, eligible first-time homebuyers who qualify for an insured mortgage can apply for a 5% or 10% shared equity mortgage for a newly constructed home or a 5% shared equity mortgage for an existing home, which reduces their monthly homeownership cost.

Launched in September 2019 with funding of \$1.3 billion available to Canadians the FTHBI was extended to March 31, 2025 through Budget 2022. Funding for the FTHBI consists of short-term borrowings rolled forward periodically on a net basis, which is total funding less any repayments. This program was discontinued in 2024 as part of the refocusing government spending initiative. Applications were received until March 2024, and as at March 31, 2024, total FTHBI funding outstanding amounted to \$380 million.

2024 Borrowings: No new borrowings.

2025 Borrowings: No new borrowings.

Shared Equity Mortgage Provider Fund (SEMP)

Launched in July 2019, the Federal Government has committed up to \$100 million over five years in lending to existing and future third-party shared equity mortgage providers through this program. This program ended in 2024 and as at March 31, 2024, total borrowings under the program were \$16 million.

2024 Borrowings: Up to \$39 million in new borrowings.

2025 Borrowings: No new borrowings.

Canada Greener Homes Loan (CGHL)

The Canada Greener Homes Loan (CGHL) was launched in 2022 to help eligible homeowners undertake home retrofits to reduce their environmental footprint and energy bills. Funding for this initiative consists of short-term borrowings rolled forward periodically on a net basis, which is total funding minus any repayments.

2024 Borrowings: Up to \$1.3 billion in new short-term borrowings.

2025 Borrowings: Up to \$200 million in new short-term borrowings, and the outstanding balance of up to \$1.9 billion by the end of 2025.

Canada Greener Affordable Housing (CGAH)

The Canada Greener Affordable Housing (CGAH) program launched in 2023 and provides low-interest loans and grants to low-income housing providers as part of the low-income stream of the Canada Greener Homes Loan initiative.

2024 Borrowings: Up to \$87 million in new borrowings.

2025 Borrowings: Up to \$110 million in new borrowings.

Innovation Fund – Rent-to-Own (RTO)

The Rent-to-Own initiative to be delivered through the Affordable Housing Innovation Fund was announced in Budget 2022, this program was discontinued in 2024.

2024 Borrowings: Up to \$19 million in new borrowings.

2025 Borrowings: Up to \$5 million in new borrowings.

Co-operative Housing Development Program (CHDP)

Budget 2022 announced the reallocation of \$500 million of funding from the AHF and an additional \$1 billion in loans to be reallocated from the ACLP to support co-operative housing projects. The 2023 Fall Economic Statement announced an investment of \$309.3 million in additional contribution funding for the Co-operative Housing Development Program. The 2023 Fall Economic Statement also included a reallocation of \$309.3 million in loans and administrative funding back to ACLP. CMHC is working to launch this program in collaboration with the Co-operative Housing Federation of Canada and other co-operative housing partners.

2024 Borrowings: No new borrowings.

2025 Borrowings: Up to \$294 million in new borrowings.

Secondary Suites

Budget 2024 proposed to provide \$409.6 million over four years, starting in 2025-2026, to CMHC to launch a new Canada Secondary Suite Loan Program, enabling homeowners to access up to \$80,000 in low-interest loans to add secondary suites to their homes.

2024 Borrowings: No new borrowings.

2025 Borrowings: Up to \$58 million in new borrowings.

Other Loans and Investments in Housing Programs

Funds to support other loans and investments in our former existing housing programs were previously borrowed through the Consolidated Revenue Fund (CRF). No new advances are being made and balances decline over time as these loans mature. A small amount of short-term borrowings from the CBP is budgeted for liquidity purposes.

Municipal Infrastructure Lending Program (MILP)

The MILP received long-term funding (up to 30 years) through the CBP. These borrowings are matched with the amortization of MILP loans and closed to prepayment. A spread was added to the CBP borrowing rate to compensate for the credit risk of the municipalities. Under the MILP, which ran over a two-year period ending March 31, 2011, CMHC provided loans of \$2 billion to support housing-related municipal infrastructure. Total borrowings outstanding under the MILP were \$495 million as at March 31, 2024.

Cash and Liquidity Management

Short-term CBP borrowings are used to manage daily cash and liquidity requirements, which include potential obligations related to the Timely Payment Guarantee for the securitization programs. In addition, CMHC maintains two separate \$2 billion intraday overdraft facilities plus access to \$300 million through overnight overdraft facilities with private sector financial institutions for cash management, operational and liquidity purposes. Borrowings related to Timely Payment Guarantees are paid before year-end; therefore, these amounts, which are close to \$4 billion, are not included in the Cash and liquidity management line in the table titled Outstanding Borrowings as at December 31. The cash and liquidity management methodology complies with our liquidity policy, outlined at the end of this appendix, which requires that we broadly maintain liquidity sufficient to cover needs for five business days.

2024 Borrowings:

Short-term borrowings: cash and liquidity management, lending and other loans and investments in housing up to \$6.5 billion outstanding at any point during the year, including up to \$410 million outstanding for the FTHBI and up to \$1.8 billion outstanding for the CGHL. The 2024 borrowing estimates are \$123 million lower than planned mainly due to the slower intake of the FTHBI, also as the program was discontinued in 2024 as indicated above.

Overdraft facilities up to \$4 billion intraday and up to \$300 million overnight.

2025 Borrowings:

Short-term borrowings: cash and liquidity management, lending and other loans and investments in housing up to \$6.6 billion outstanding at any point during the year, including up to \$363 million outstanding for the FTHBI and up to \$1.9 billion outstanding for the CGHL.

Overdraft facilities up to \$4 billion intraday and up to \$300 million overnight.

Insured Mortgage Purchase Program (IMPP)

The IMPP was an emergency program launched as part of the Government of Canada's COVID-19 Economic Response Plan. The program allowed CMHC to purchase up to \$150 billion of insured mortgages pooled into NHA MBS directly from financial institutions. This provided financial institutions with funding so that they could continue to offer loans to businesses and Canadians that could require access to credit during the COVID-19 pandemic. The program was closed in December 2020, and total funding issued to financial institutions under the program amounted to \$5.8 billion. As of June 30, 2024, total IMPP funding outstanding was \$2.1 billion.

The following tables provide outstanding short and long-term borrowings as at December 31, and peak borrowings during the year. All figures are shown on a nominal basis.

Outstanding Borrowings as at December 31

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Short-term borrowings:							
Cash and liquidity management	-	-	-	-	-	-	-
Direct Lending	48	100	100	100	100	100	100
Other loans and investments	-	200	200	200	200	200	200
FTHBI	375	363	340	317	294	271	249
CGHL	517	1,766	1,882	1,798	1,714	1,630	1,546
Secondary Suites	-	-	58	303	754	1,036	1,220
Total short-term borrowings	940	2,429	2,580	2,718	3,062	3,237	3,315
Long-term borrowings:							
Direct Lending	2,150	2,013	1,834	1,659	1,595	1,592	1,558
Other loans and investments	949	747	585	443	338	279	198
MILP	525	418	312	246	195	143	88
ACLPL	10,921	15,113	20,941	26,239	31,285	36,156	40,113
AHF	2,661	3,918	6,207	7,739	8,154	8,250	8,234
SEMP	16	55	51	51	51	51	51
CGAH	-	87	198	281	312	317	317
INV-RTO	-	19	24	24	24	24	24
CHDP	-	-	294	626	946	1,023	1,023
Total long-term borrowings excl. IMPP	17,222	22,370	30,446	37,308	42,900	47,835	51,606
Total borrowings excl. IMPP	18,162	24,799	33,026	40,026	45,962	51,072	54,921
IMPP	2,785	158	-	-	-	-	-
Total long-term borrowings incl. IMPP	20,007	22,528	30,446	37,308	42,900	47,835	51,606
Total borrowings incl. IMPP	20,947	24,957	33,026	40,026	45,962	51,072	54,921

Peaks at Any Point During the Year

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Split by program							
Line of credit	-	-	-	-	-	-	-
Short-term borrowings	5,040	6,476	6,603	6,741	7,085	7,260	7,337
Cash and liquidity management	4,100	4,000	4,000	4,000	4,000	4,000	4,000
Direct Lending	48	100	100	100	100	100	100
Other loans and investments	-	200	200	200	200	200	200
FTHBI	375	410	363	340	317	294	271
CGHL	517	1,766	1,882	1,798	1,714	1,630	1,546
Secondary Suites	-	-	58	303	754	1,036	1,220
Long-term borrowings	18,171	23,292	31,257	37,965	43,467	48,524	53,464
Direct Lending	2,837	2,626	2,373	2,108	1,921	1,861	1,796
Other loans and investments	1,107	949	747	585	443	338	279
MILP	629	525	418	312	246	195	143
ACLPL	10,921	15,113	20,941	26,239	31,370	36,462	41,581
AHF	2,661	3,918	6,207	7,739	8,154	8,253	8,250
SEMP	16	55	55	51	51	51	51
CGAH	-	87	198	281	312	317	317
INV-RTO	-	19	24	24	24	24	24
CHDP	-	-	294	626	946	1,023	1,023
Maximum outstanding borrowings							
Cash and liquidity management	4,100	4,000	4,000	4,000	4,000	4,000	4,000
Direct Lending	2,885	2,726	2,473	2,208	2,021	1,961	1,896
Other loans and investments	1,107	1,149	947	785	643	538	479
MILP	629	525	418	312	246	195	143
ACLPL	10,921	15,113	20,941	26,239	31,370	36,462	41,581
AHF	2,661	3,918	6,207	7,739	8,154	8,253	8,250
FTHBI	375	410	363	340	317	294	271
SEMP	16	55	55	51	51	51	51
CGHL	517	1,766	1,882	1,798	1,714	1,630	1,546
CGAH	-	87	198	281	312	317	317
INV-RTO	-	19	24	24	24	24	24
CHDP	-	-	294	626	946	1,023	1,023
Secondary Suites	-	-	58	303	754	1,036	1,220
Total maximum outstanding borrowings excl. IMPP	23,211	29,768	37,860	44,706	50,552	55,784	60,801
IMPP	3,368	2,785	158	-	-	-	-
Total maximum outstanding borrowings incl. IMPP	26,579	32,553	38,018	44,706	50,552	55,784	60,801

Long-Term Borrowings as at December 31

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Opening balance	15,817	17,223	22,371	30,558	37,608	43,400	48,532
Maturities	(949)	(922)	(810)	(658)	(567)	(691)	(1,859)
Direct Lending	(688)	(613)	(538)	(449)	(327)	(269)	(239)
Other loans and Investments	(158)	(202)	(162)	(142)	(105)	(59)	(81)
MILP	(103)	(107)	(106)	(67)	(51)	(53)	(55)
ACLCP	-	-	-	-	(84)	(307)	(1,468)
AHF	-	-	-	-	-	(3)	(16)
SEMP	-	-	(4)	-	-	-	-
CGAH	-	-	-	-	-	-	-
INV-RTO	-	-	-	-	-	-	-
CHDP	-	-	-	-	-	-	-
New issuances	2,355	6,070	8,884	7,520	6,159	5,623	5,630
Direct Lending	422	476	360	274	262	266	205
ACLCP	1,330	4,192	5,827	5,299	5,131	5,177	5,425
AHF	592	1,257	2,288	1,532	415	99	-
SEMP	11	39	-	-	-	-	-
CGAH	-	87	110	83	31	4	-
INV-RTO	-	19	5	-	-	-	-
CHDP	-	-	294	332	320	77	-
Total excl. IMPP	17,223	22,371	30,445	37,420	43,200	48,332	52,303
IMPP	-	-	-	-	-	-	-
Opening balance	3,368	2,785	158	-	-	-	-
Retirements	(583)	(2,627)	(158)	-	-	-	-
New issuances	-	-	-	-	-	-	-
Total IMPP	2,785	158	-	-	-	-	-
Total incl. IMPP	20,008	22,529	30,445	37,420	43,200	48,332	52,303
Split by type							
Fixed-rate	20,008	22,529	30,445	37,420	43,200	48,332	52,303
Floating-rate	-	-	-	-	-	-	-
Total incl. IMPP	20,008	22,529	30,445	37,420	43,200	48,332	52,303

Information on Existing Leases as at December 31

CMHC is seeking approval from the Minister of Finance to enter into a lessee arrangement of \$14 million, for a term of 7 years in 2025, which is greater than \$10 million, the regulatory threshold of lesser of 5% of total assets or \$10 million.

(in millions, unless otherwise indicated)	2024 Estimate	2025 Requested	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 + Projected
Assets or asset class: Office space							
Short description of the lease: Several office space leases used for CMHC's operations across Canada with remaining terms ranging from 1 to 10 years and remaining undiscounted lease payments ranging from approximately \$1 million to \$15 million.							
Maximum expected liability on the lease ¹	15	12	18	19	13	6	4
Maximum expected number of years remaining	10	9	8	7	6	5	4

¹Incorporates estimates of renewals and terminations. This table is for information purposes only; therefore, the amount for 2025 is an estimate.

Liquidity Policy

Under our liquidity policy, liquidity must be equivalent to at least one week's forecasted cash requirements. Projected operating cash requirements are determined through cash forecast models that are updated weekly.

The securitization Timely Payment Guarantee poses the most significant potential liquidity risk to CMHC. Any corporate assets, reserves and means under any of our business lines and programs (and not specifically designated for securitization purposes) can be used to satisfy a call on a timely payment guarantee. We will look to the Department of Finance through the CBP for amounts beyond our internal sources of liquidity if there is a need to satisfy a call on the Timely Payment Guarantee.

We assess potential liquidity requirements on an actual and forecast basis, and maintain access to sufficient liquidity to meet the largest exposure to a single counterparty on any program payment date. We do so while taking into consideration market conditions, available cash, overdraft facilities, program lines of credit, market value of securities in the investment portfolios and borrowing authorities provided by the Minister of Finance and the terms of the CBP. Borrowings beyond those contemplated in the borrowing plan for cash and liquidity management purposes required to meet the obligations of the Timely Payment Guarantee would require additional authorities from the Minister of Finance.

Appendix 7

Risks and Risk Responses

The Enterprise Risk Management Framework (ERMF) is designed to support the achievement of CMHC's mission and strategic objectives and reinforce an effective risk culture across the organization. It defines and formalizes a holistic framework from which Enterprise Risk Management activities are conducted, while highlighting the specific risk management roles and responsibilities of key stakeholders including the Board of Directors, Executive Committee, and the Chief Risk Officer (CRO) function. Ultimately, the ERMF helps ensure risk management and risk oversight are integral to strategy formulation, day-to-day business activities, and decision making.

Key components of our ERM Program include:



Risk identification and assessment:

We focus on identifying and understanding the risks that may arise from existing or new business initiatives and the emerging risks that may arise from a continuously evolving business environment. All risks are assessed on an ongoing basis across CMHC's risk taxonomy. On an annual basis, CMHC undergoes an organization-wide risk assessment that identifies the material risks faced by CMHC for the purpose of its Own Risk and Solvency Assessment (ORSA) and the determination of internal capital.



Risk measurement and planning:

We integrate these processes across the organization through forward-looking projections and analysis. They include but are not limited to stress testing, crisis management planning, and reserve/credit provisioning.



Internal controls:

We have a set of policies, procedures, processes, and other activities in place to help us mitigate the probability and/or impact of risks and help manage risks within acceptable levels. We design and implement these internal controls with consideration of CMHC's risk universe, as defined in the risk taxonomy.



Monitoring and risk reporting:

On an ongoing basis, we monitor existing risks, emerging risks, and risk responses to ensure risks remain within an acceptable level. Risk reporting to senior management, the Board of Directors and its sub-committees is a key process under the ERM Program. These reports help the business and the Board make risk informed decisions and adjust strategy as needed.

Stress Testing

Stress testing is an analytical technique to show how a financial services company or bank will be affected by certain financial events or situations.

CMHC's corporate-wide stress testing program is forward-looking and responsive to emerging events. It helps us to better understand and respond to severe economic and financial stress. In 2024, we are conducting two rounds of stress testing to enhance our financial and operational resilience. The first round, in Q2, covered financial crisis and cyberattack scenarios, while the second round, in Q4, will feature four climate scenarios.

Scenarios	Purpose and description	Risk
Financial Crisis	<ul style="list-style-type: none"> This scenario illustrates how a combination of economic, market, and other risk factors could create a challenging environment for CMHC, affecting its business operations both directly and indirectly. Geopolitical tensions and trade disruptions lead to a 6% reduction in GDP, elevated unemployment peaking at 11%, persistent inflation, and a 35% drop in house prices, significantly impacting consumer confidence and economic stability. 	<ul style="list-style-type: none"> Largely due to the anticipated multi-unit new business volume and regulatory capital framework change, capital will consistently fall below the supervisory threshold for an extended time, prompting CMHC to consider recapitalization options.
Cyber Attack on CMHC	<ul style="list-style-type: none"> This scenario underscores the importance of robust cybersecurity measures, crisis management, and contingency planning in safeguarding not just the operational integrity of an organization like CMHC but also its market standing and financial health. The scenario aims to quantify a hypothetical online breach, which is severe yet plausible, using research, model-based projections, and benchmarking against the methodology employed in 2018. 	<ul style="list-style-type: none"> A ransomware attack on one of CMHC's critical systems could result in substantial financial impacts, necessitating improved cybersecurity measures, reputation management, regulatory compliance, and potential strategic realignment to maintain reliable housing finance services.

Notably, the results of the financial crisis and cyberattack scenarios indicate that:

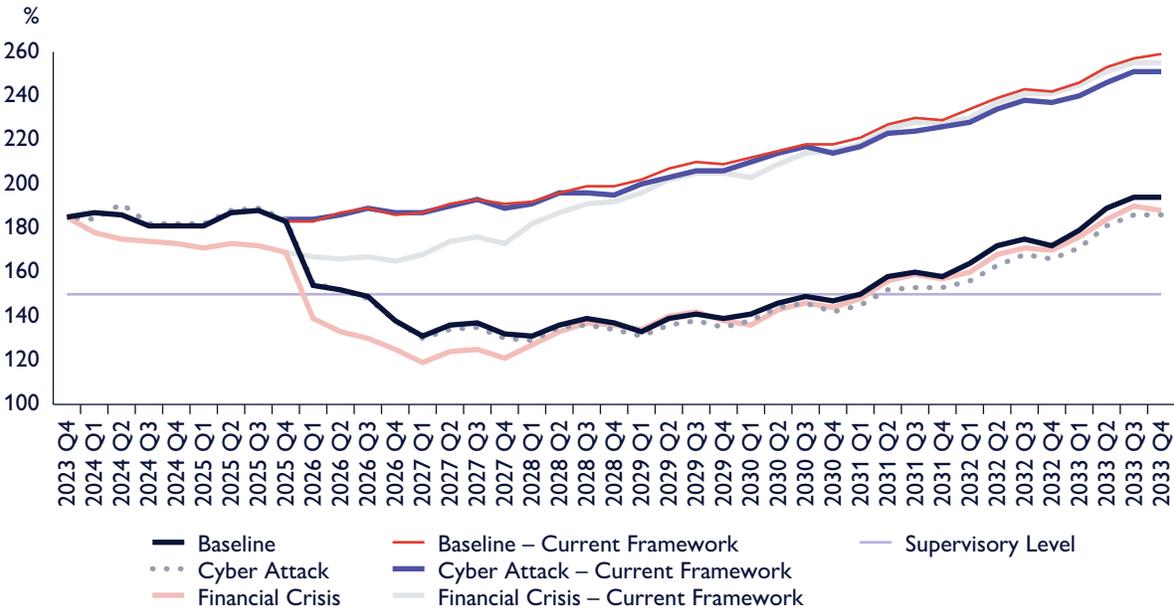
- Given the expected change in MICAT requirement for CMHC's multi-unit insurance business, under all scenarios CMHC would fall below supervisory capital requirements (the most impactful change is in fact the anticipated change in capital requirements for the multi-unit business). Specifically, for the scenarios tested, CMHC's capital would fall below the 150% MICAT supervisory threshold for 18 quarters or more and could lead to CMHC requiring a capital injection of up to \$600 million from the Government of Canada to return to the operating level of capital at 165% MICAT.
- Given that corporate-wide stress testing and own-risk and solvency assessment are conducted regularly to provide a forward-looking view of the solvency position under foreseeable risks, we expect to provide sufficient advance notice (at a minimum a quarter) in the event of any anticipated need for a capital injection, unless the scenario develops at a rapid pace, as observed with the COVID-19 pandemic, we could require a recapitalization on shorter notice.

In addition to the specific stress-testing scenarios performed in 2024, the following provides more details on the potential magnitude of financial losses in a reasonably possible crisis scenario and the associated management actions:

- The key macroeconomic variables that could lead to significant financial losses are gross domestic product, unemployment rate and a reduction in house prices.
- For example, excluding the anticipated MICAT change and considering existing capital levels, we would expect to stay above internal capital targets and the supervisory target as shown below even with a 6% drop in GDP, increase to unemployment of 5% and a decrease in house prices of 35%.

- However, due to the large anticipated multi-unit new business volume and regulatory capital framework change in 2026, our capital levels are projected to fall below the supervisory target even under the baseline scenario without considering any additional stress assumptions. Our plan assumes that between 2025 and 2029, \$3.99 billion of capital will be transferred from Securitization to Mortgage Insurance, as our primary management action to maintain our capital levels above our internal target of 155% MICAT. In the short-term, given dividends have been fully suspended and excess Securitization capital is planned to be transferred to Mortgage Insurance, we have limited remaining tools available to manage capital in crisis scenario. See Capital Management section for additional management actions we may take.

MICAT – With Dividend Suspension, but Additional Management Action Required



Note: The Stress Testing results are based on March Baseline projection, while the financial statements presented in the previous sections are based on June Baseline projection.

Key Risks and Responses

CMHC’s overall level of risk remains “moderate” and within risk tolerance levels based on our risk profile summarized below (as of June 30, 2024). CMHC’s risk ratings take into consideration both the likelihood and the impact of risks.

Strategic Risks

Strategic risk is the risk of uncertainties related to strategic decisions, relationships, and/or the ability to adapt to changes in the environment that could impact the achievement of our strategic objectives. Overall, our strategic risks are assessed as “moderate.”

Budget 2024 included additional program funding for CMHC, acknowledging the continued importance of addressing Canada’s housing challenges. Delivering Budget 2024 program funding while continuing to execute major projects and initiatives that are underway (e.g., Corporate Data Program and CMHC Connect) and strengthen our foundation in risk management, controls, and processes, is putting pressure on our resources. We have established a new Planning and Priorities Committee to support strategy execution and have developed a comprehensive plan based on our assessment of the level of resourcing required to address key risk management gaps and to meet increasing regulatory expectations.

Ongoing economic and housing market conditions continue to challenge affordability and the well-functioning of the housing system. Elevated household debt and the large number of borrowers who will renew mortgages at higher rates in 2025, present significant downside risks to growth in the economy and consumer spending. Housing supply and affordability are adversely affected by elevated construction and financing costs, due to the elevated inflation and interest rate environment. These macroeconomic factors present risks to our mortgage insurance portfolio (e.g., default risk) and adversely impact achievement of our strategic objectives.

Some of the key measures we're taking to mitigate such macroeconomic risks include:

- Monitoring household debt and renewal rates for vulnerabilities related to our mortgage insurance portfolio.
- Refining housing supply gap estimates at more granular geographic levels.
- Conducting annual stress testing, including severe financial crisis and cyberattack scenarios.

Financial Risks

Financial risk is the risk of loss due to deviation(s) from expected financial results that can occur from conducting our activities and/or changes in the environment that could affect the achievement of our financial objectives. Overall, our financial risks remain “low” and well-managed. We assessed capital adequacy risk as moderate but stable due to the increased pressure on capital requirements driven mainly by the growth in our multi-unit Mortgage Loan Insurance volumes, and in anticipation of a new capital framework.

While our primary exposure to loss arises from the risks we undertake in our Insurance and Securitization business lines, our lending programs under our Housing Program activity are also subject to risks that might require recapitalization. Under the NHS, we have several loan programs that we operate on behalf of the Government of Canada. To execute the loan programs, we borrow from the CBP and then disburse the loans in accordance with the criteria for the particular loan program. Most programs are designed with a loan loss provision such that, should we incur losses, we may draw from the consolidated revenue fund up to the maximum amount of the loan loss provision to support our repayment of the Crown Borrowings. In the event that loan losses for a particular program are in excess of the loan loss provision for the program, we may require recapitalization from the Government of Canada to repay the Crown Borrowings. The principal repayment terms on the Crown Borrowings differ by program, however, when considering the potential indicators of impairment, our default management practices and the repayment terms on the Crown Borrowings, we expect to provide sufficient advance notice (at a minimum a quarter) in the event of any anticipated capital injection.

Operational Risks

Operational risk is the risk of inadequate and/or failed internal processes, people, and systems and/or from external events, which may impact CMHC's resiliency to adapt its operations and strategies. Our operational risks are assessed as “moderate” as we continue to enhance our risk, financial, people, knowledge, and technology management.

Within operational risks, cyber and information security, third party, and data governance risks are rated as “high.” Effectively managing these risks is essential to the organization's core business activities. Some of the key measures we're taking to mitigate these risks include:

- Executing our roadmap to implement the newly developed Corporate Cyber Strategy and increase cyber related capabilities.
- Making progress on key initiatives that will bolster our cyber, information security, third party, and data governance risk management capabilities, including the Corporate Data Program, the CMHC Connect project, and implementing the OSFI Guideline B-10 (Third-party Risk Management) and OSFI Guideline B-13 (Technology and Cyber Risk Management).

Legal and Compliance

Legal and compliance risk is the risk of nonconformance with applicable laws, regulations, contractual obligations, internal policies and/or procedures. Our legal and compliance risks remain “low” with no material risks to report.

Appendix 8

Compliance with Legislative and Policy Requirements

CMHC's Risk Governance Model adds independence in the oversight of compliance risk. Our Chief Compliance Officer (CCO), who is also the Chief Risk Officer (CRO) reporting to the CEO, reports directly to the Audit Committee of CMHC's Board of Directors in their capacity as CCO.

CMHC maintains an enterprise-wide compliance risk management policy to manage and mitigate compliance risks. As appropriate, compliance risk management is integrated with operational risk management activities as well as our Internal Control Framework. An annual compliance opinion is provided to the Board of Directors covering our regulatory compliance with, for example, governing and enabling laws, regulations, other material laws, and applicable guidelines and directives, as further described below.

Governing and Enabling Laws

CMHC is a federal Crown corporation, accountable to Parliament through the Minister Responsible for CMHC.

Our legislative framework consists of the following:

- **Canada Mortgage and Housing Corporation Act:** The CMHC Act establishes our company as a Crown corporation, provides for our constitution and sets out our objects and powers.
- **National Housing Act:** The NHA, in relation to financing for housing: (i) promotes housing affordability and choice; (ii) facilitates access to, and competition and efficiency in the provision of, housing finance; (iii) protects the availability of adequate funding for housing at low cost; and (iv) generally contributes to the well-being of the housing sector in the national economy. And in relation to the company's housing finance activities a) promotes the efficient functioning and competitiveness of the housing finance market; b) promotes and contributes to the stability of the financial system, including the housing market; and c) has due regard to the company's exposure to loss.
- **Financial Administration Act:** The FAA sets out how Government spending is approved, and how expenditures can be made, revenues obtained, and funds borrowed, with Part X being specific to Crown corporations.
- **National Housing Strategy Act:** The NHS Act furthers the progressive realization of the right to adequate housing, as recognized under the *International Covenant on Economic, Social, and Cultural Rights*, including by requiring the adoption and maintenance of a National Housing Strategy, establishing a National Housing Council, and creating a Federal Housing Advocate.

CMHC must align its practices with relevant OSFI guidelines and Treasury Board policies, guidelines, and directives applicable to CMHC activities and also comply with other statutes and directives, including but not limited to, *Access to Information Act*, *Conflict of Interest Act*, *Canadian Human Rights Act*, *Canada Labour Code*, *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, *Employment Equity Act*, *Official Languages Act*, *Privacy Act*, *Pay Equity Act*, *Supply Chain Act*, *Directive on Travel, Hospitality, Conference and Event Expenditures*, *Official Languages Policy Instruments*, pension plan reform directives, and trade agreements.

Our corporate mandate, policies, corporate plan, by-laws, manuals, guidelines, authorities, agreements, strategic portfolio analysis, internal controls, and processes have been designed and implemented to meet our regulatory requirements. In addition, consistent with the enterprise risk management approach in Appendix 7, CMHC manages compliance risks with all statutes and regulatory requirements considered relevant (refer to previous list) to CMHC's activities by performing the following:

- Maintain a current list of the compliance requirements that pertain to CMHC.
- Keep current with new or updated compliance requirements.
- Assess risks using self-assessments and control testing.
- Maintain key controls including a suite of policies and procedures which align with regulatory requirements and other directives.
- Report compliance risks and effectiveness of controls to senior management and the Board via an annual opinion and quarterly risk reports. These reports help the business and the Board make risk informed decisions and adjust strategy as needed.
- Disclose required information publicly through its website.
- Obtain independent assurance and objective review over the effectiveness of risk management and internal control through Internal Audit.

Appendix 9

Government Priorities and Direction

Transparency and Open Government

CMHC publishes data extensively through our website, our Housing Market Information Portal and through various data redistributors for our time series data. We are working to also make our housing surveys microdata available to researchers and academics through Statistics Canada's Research Data Centres (RDCs). As a best practice, we continuously evaluate and adjust our survey activities to ensure that our data offerings reflect the needs of the market.

CMHC also participates in both the Open Government Coordinators Working Group and the Open Government Director General Committee. The goal of these groups is to promote the implementation and use of open data, sharing of open data tools and best practices, and leveraging the value of data and information held by the Government of Canada as part of the Open Government initiative.

As a result of a longstanding collaboration, Statistics Canada and CMHC have implemented a joint data and analysis strategy to enhance the housing data ecosystem based on each organization's respective mandates and strengths. This joint data strategy is informed by CMHC's Corporate priorities, Statistics Canada's evaluation of the Canadian Housing Statistics Program and Social Statistics Program, and joint aspirations to improve the use of data in answering complex questions about housing.

The Government of Canada through Budget 2024 directed HICC, CMHC and Statistics Canada to modernize and enhance the collection and dissemination of housing data, including municipal-level data on housing starts and completions, with a budget of \$20 million over four years, starting in 2024-2025. Consultations have been held with various stakeholders seeking feedback on the proposed options and any other ideas that could support the modernization of housing data.

Our primary transparency and accountability mechanism to Canadians is through public reporting. We publish the results of our programs through our web site, annual reporting and through other mediums such as a Place to Call Home managed by HICC. We are working to increase the availability of data to support accountability.

Gender-Based Analysis Plus

In line with the federal government's commitment to using Gender-Based Analysis Plus (GBA Plus), CMHC continues to improve the implementation of GBA Plus in our internal policies and programs. This helps us to be more responsive to the diverse needs and experiences of equity-denied and intersectional communities living in Canada. We are taking actions to:

- Identify and address barriers to applying GBA Plus within the Corporation.
- Implement lessons learned from the application of GBA Plus by CMHC and other government departments and leverage disaggregated data to take a deeper dive in to how our programs, internal policies, services, and research impact people living in Canada.

We will continue to work with federal partners to stay informed of the latest GBA Plus tools, training and related trends, information, and best practices.

Workplace Diversity, Equity, and Inclusion

Having a workplace where everyone can reach their full potential is essential to fulfilling our strategy. Our culture of inclusivity is what enables us to attract, engage, and develop top talent and make a difference for the communities we serve.

We recognize that advancing workplace diversity, equity and inclusion (DEI) is an ongoing journey that requires focus and sustained efforts. We will continue to deliver on our DEI strategy and implement initiatives to address our evolving priorities. To honour our ongoing commitment to progress and transparency, we will also continue to engage with our people to better understand their experiences and perspectives, and regularly assess our employment practices. Our key areas of focus will be:

- **Strengthening inclusion** by enhancing inclusive leadership capabilities, fostering a listening environment where people feel safe to speak up, ensuring fair and transparent employment practices, removing barriers to accessibility, and driving accountability across the company.
- **Advancing employment equity** by enhancing our hiring and recruitment strategies, driving equitable opportunities for pay, promotion and development, and improving representation from employment equity groups in leadership.

We believe that we can best contribute to Canada's housing system's sustainability and stability by having a workforce that represents the people we serve. Our minimum workforce representation goals for our entire employee population, including our people leader* population, are:

Group	Min. Goal 2025	Min. Goal 2026	Min. Goal 2027	Min. Goal 2028	Min. Goal 2029
Women	50.9%	50.9%	50.9%	50.9%	50.9%
Indigenous peoples	5.1%	5.1%	5.2%	5.2%	5.2%
Racialized people	28.9%	29.7%	30.5%	31.3%	31.3%
People with disabilities	12.0%	12.0%	12.0%	12.0%	12.0%
2SLGBTQI+ people	4.0%	4.0%	4.0%	4.0%	4.0%

* People leader means any individual with at least one reporting employee, or in an advisor position or higher, either permanently or temporarily.

Indigenous Reconciliation

To further guide our commitment to Reconciliation, CMHC's Reconciliation Action Plan (RAP), launched on June 20, 2024. The plan focuses on four key pillars where we can make an impact, while honouring the diverse needs and distinct rights of First Nations, Inuit and Métis. The four pillars are:

- 1. Culture and Inclusion** – strengthening learning to gain deeper understanding of the barriers and adapt our work to the distinct cultures which we serve.
- 2. Talent Development** – taking concrete steps to ensure that the corporate workforce reflects the diversity of Indigenous peoples.
- 3. Renewed Relationships** – recognizing our colonial institution and commit to improvement by building trust, respect through meaningful dialogue with Indigenous peoples.
- 4. Improved Indigenous Housing Outcomes** – acknowledging our role in inequitable Indigenous housing and committing to removing barriers across business lines.

We consider many existing frameworks and legislation to ensure we are progressing toward reconciliation in a good way. The Truth and Reconciliation Commission's (TRC) Calls to Action and the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) Calls for Justice recognize the importance of cultural training for federal government employees and the need for safe, violence-free environments for Indigenous women, girls, and 2SLGBTQI+ individuals.

CMHC will continue to integrate in our core business activities and improve our adherence to the principles of the RAP, respecting the Government of Canada's relationship with Indigenous peoples, which is founded on respect, cooperation, and partnership. Currently many of our core activities supporting our corporate priorities and commitments also advance the RAP. This includes supporting Indigenous peoples, institutions, organizations and governments through research and data collection to increase their autonomy and self-determination, understanding Indigenous peoples' interests and rights, consequently adapting and prioritizing Indigenous housing needs in program design and delivery, and supporting the establishment of the National Indigenous Housing Centre.

Sustainable Development and Greening Government Operations

Property and workplaces

We are committed to decarbonizing our operations and continuing to measure, manage, and reduce our footprint, water use, and waste through the setting and tracking of operational goals. Carbon Neutral Studies were prepared for all three facilities located at CMHC's Headquarters in 2023. These studies assessed the feasibility of reaching a net-zero commitment while factoring in current building conditions, planned building improvement projects, and emerging technologies that could be leveraged in future building improvement projects. The studies included lifecycle costing analysis and preferred options to progress towards our net-zero commitment.

The conclusion of the Carbon Neutral Studies was that it would be feasible to reduce the current operations-related carbon emissions (Scope 1 and 2) by over 75% by electrifying building heating, fully adopting LED lighting technology, recovering waste heat, improving the building envelopes, and installing on-site renewable energy generation. We will implement the necessary measures to ensure we meet the requirements for reducing building-related carbon emissions while taking into consideration CMHC's capital budget and ongoing facility plans.

As a signatory to the Sustainable IT Pledge from the Digital Governance Council, we are working to measure and disclose our IT operations' and supply chain's emissions and annual reduction progress. CMHC is committed to completing our transition to the cloud for all relevant applications and has adopted a cloud-first approach for all new IT initiatives.

We continue to mature our climate risk management practices and reporting in alignment with mandates such as the Greening Government Strategy and climate related financial disclosure requirements such as those from OSFI B-15.

- We began providing disclosures in our 2019 Annual Report, following guidance from the **Task Force on Climate-related Financial Disclosures (TCFD)**.
- We have also been enhancing our disclosures to comply with **OSFI Guideline B-15 Climate Risk Management**. This Guideline establishes OSFI's expectations related to the management of climate related risks by federally-regulated financial institutions.
- In March 2024, OFSI released updates that ensure its B-15 disclosure expectations align with those of the International Sustainability Standards Board (ISSB). ISSB is currently the international body responsible for the monitoring of the progress of companies' climate-related disclosures, via its **IFRS S2 Climate-related Disclosures**.
- We continue to enhance our disclosures as we work towards compliance with the updated OFSI Guideline.
- We have also advanced and continue to work on our risk management practices meeting these expectations and ensure we are resilient to climate risks. Additionally, we continue to monitor the development of sustainability disclosure standards by the ISSB and the Canadian Sustainability Standards Board's for potential future impacts on our climate related disclosures.

Procurement of goods and services

We continue to apply sustainable and greening principles to ensure proponents' values are aligned with those of CMHC. Going forward, we will consider factoring in environmental, social, and governance criteria in selecting proponents as part of the procurement competitive process and the risk assessment process under our vendor risk management program.

Safe Workspaces

We prioritize and support the well-being of our employees and are committed to an inclusive, healthy, and safe work environment free from harassment (physical, psychological, and digital), workplace violence, racism, and discrimination. We have a code of conduct and a comprehensive suite of policies and tools available to employees that articulate organizational expectations and employee accountabilities, including training, reporting and an anonymous redress option to address workplace issues, harassment and/or violence. We also use the results of our employee surveys to evaluate the supports in place and determine priority areas for future attention.

Accessibility

The inclusion and equitable treatment of people with disabilities is central to the success of our strategy. We will continue to take a proactive and inclusive approach to identifying, preventing, and eliminating barriers to accessibility at CMHC. We will also continue to learn more about accessibility by listening to people with disabilities and incorporating their perspectives as we create barrier-free and equitable access to our environments, programs, and services. We remain committed to reviewing their feedback in good faith and to taking steps to address, remove and prevent the barriers to accessibility that they identify.

To continue meeting our requirements under the *Accessible Canada Act (ACA)*, we will publish accessibility plans in years 2025 and 2028, and progress reports in the years in between. As new standards are published by Accessibility Standards Canada in support of the priority areas listed in the ACA, we will adjust our plan with the goal of implementing all published guidelines to the extent that they are applicable and reasonable.

Appendix 10

Summary of Amendments to the CMHC 2025-2029 Corporate Plan

CMHC is amending its 2025-2029 Corporate Plan to reflect planned spending for new and existing activities announced in the 2024 Fall Economic Statement *Reducing Everyday Costs and Raising Wages* tabled in Parliament on December 16, 2024, for the Canada Greener Homes Loan (CGHL), the Apartment Construction Loan Program (ACLP) and the Affordable Housing Fund (AHF).

CMHC is also amending its 2025-2029 Corporate Plan to reflect new planned spending for the top-up for Flood Insurance announced in Budget 2024 *Fairness for Every Generation* that was tabled in Parliament on April 16, 2024.

In addition, CMHC is amending its 2025-2029 Corporate Plan to reflect updates to planned spending for the Urban, Rural and Northern Indigenous Housing Strategy (URN), the Co-operative Housing Development Program (CHDP), and the AHF; and following the approval of a funding reprofile for the Canada Emergency Commercial Rent Assistance (CECRA).

Also included in this amendment, are revised planned results for 2025 for our Mortgage Insurance activities following changes announced by the Department of Finance for Mortgage Insurance in the fall of 2024.

Canada Greener Homes Loan (CGHL)

The Canada Greener Homes Loan program, launched in 2021, is an energy retrofit loan program available to homeowners. This loan program provides interest free loans for deep retrofits to increase energy efficiency, which contributes to reducing housing's impact on climate, while also improving climate compatibility of housing, as well as reducing energy bills. The 2024 Fall Economic Statement (FES) announced an additional \$600 million in interest free loans to support 15,000 to 24,000 more homeowners in reducing energy costs and advancing Canada's goal of achieving net-zero emissions by 2050. We are amending our 2025-2029 Corporate Plan to reflect new planned spending and amending the 2025 Operating and Capital Budgets, and the 2025 Borrowing Plan for the CGHL. Planned spending and budgets for future years will be included in CMHC's 2026-2030 Corporate Plan.

We are amending the following to reflect the new planned spending in 2025 for the CGHL:

- 2025 Operating Budget of \$23.7 million, including operating budget for the ongoing cost of Full Time Equivalents (FTEs) and for non-personnel Operating Budget to support loan management activities.
- 2025 Capital Budget for Loans and Investment to increase by \$600 million in 2025, to provide sufficient Capital Budget for loan commitments in 2025.
- We are also amending our Borrowing Plan to increase 2025 new borrowings by \$600 million to support additional loan advancement in 2025 for the CGHL. This results in 2025 Borrowings of up to \$800 million in new short-term borrowings, and the outstanding balance of up to \$2.5 billion by the end of 2025.

Apartment Construction Loan Program (ACLPL)

The ACLPL encourages the construction of rental housing by making low-cost repayable loans available to builders and housing developers. The 2024 Fall Economic Statement announced the acceleration of \$2 billion in low-cost financing, supporting 4,000 homes to be built faster. We are amending our 2025-2029 Corporate Plan to reflect revised planned spending and amending the 2025 Operating and Capital budgets, and the 2025 Borrowing Plan for the ACLPL. Planned spending and budgets for future years will be included in CMHC'S 2026-2030 Corporate Plan.

We are amending the following to reflect the new planned spending in 2025 for the ACLPL:

- 2025 Operating Budget of \$2.1 million, including operating budget for the cost of Full Time Equivalents (FTEs).
- 2025 Capital Budget for Loans and Investment to increase by \$1,200 million in 2025, to provide sufficient Capital Budget for loan commitments in 2025.
- We are also amending our Borrowing Plan to increase 2025 new borrowings by \$800 million for the ACLPL to support additional loan advancement in 2025. This results in 2025 Borrowings of up to \$6.6 billion in new borrowings.

Affordable Housing Fund (AHF)

The Affordable Housing Fund provides capital for new affordable housing and the repair and renewal of existing affordable and community housing. Funds are provided as low-interest and/or forgivable loans and contributions.

The 2024 FES announced that \$50 million over two years, starting in 2025-2026, will be available through the Affordable Housing Fund for affordable housing providers to use for pre-development work. This has no financial impact as funding is provided from available resources and does not require an amendment to our 2025-2029 Corporate Plan, or to our 2025 Operating and Capital budgets.

The 2024 FES also announced the acceleration of \$50 million from the Affordable Housing Fund's Rapid Housing Stream in 2025-2026 to build more women's shelter spaces. We are amending our 2025-2029 Corporate Plan to reflect new activities and accelerated planned spending in 2025. This has no impact on our 2025 Operating and Capital budgets.

The AHF also provides low interest repayable loans and CMHC is amending its 2025 Capital budget and Borrowing plan to reflect accelerated loan commitments in 2025 of \$300 million, from 2026. This advancement of loan commitments has no impact to our 2025 Operating Budget. Adjustments to planned spending and budgets for future years will be included in CMHC's 2026-2030 Corporate Plan.

We are amending the following to reflect the new planned Capital Budget for Loans and investments in 2025 for the AHF:

- 2025 Capital Budget for Loans and Investment to increase by \$300 million in 2025, to provide sufficient Capital Budget for loan commitments in 2025.
- 2025 Borrowing Plan to increase new borrowings by \$225 million for the AHF to support additional loan advancement in 2025. This results in 2025 Borrowings of up to \$2.5 billion in new borrowings.

Top-Up for Flood Insurance

Budget 2023 provided funding to CMHC to stand-up a low-cost flood insurance program, working with Public Safety Canada and the Department of Finance. Budget 2024 announced top-up of funding to advance implementation of a national flood insurance program. We are amending our 2025-2029 Corporate Plan to reflect new planned spending from the top-up of funding received and amending the Operating budget for 2025 to increase the 2025 Operating Budget by \$7.0 million for the costs of Full Time Equivalents (FTEs) and non-personnel Operating budget.

Urban, Rural and Northern Indigenous Housing Strategy (URN)

CMHC is collaborating with Indigenous governments, organizations, housing and service providers, as well as Indigenous Services Canada (ISC), Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) and Housing, Infrastructure and Communities Canada on the Urban, Rural and Northern Indigenous Housing Strategy. We are amending our 2025-2029 Corporate Plan to reflect funding repurposed from CMHC to support a new allocation from the fiscal framework to the ISC of \$300 million approved in 2024. This does not impact our 2025 Operating or Capital Budgets. Adjustments to planned spending for future years will be included in CMHC's 2026-2030 Corporate Plan.

Canada Emergency Commercial Rent Assistance (CECRA)

We are amending our 2025-2029 Corporate Plan to reflect reprofile of funding for CECRA that received approval December 2024, including to our 2025 Operating Budget. Adjustments to planned spending and budgets for future years will be included in CMHC's 2026-2030 Corporate Plan.

Co-operative Housing Development Program (CHDP)

CMHC launched this program in collaboration with the Co-operative Housing Federation of Canada and other co-operative housing partners. CMHC is amending its 2025 Capital budget and Borrowing plan to reflect accelerated loan commitments in 2025 of \$340 million, from Capital budget initially planned in 2027 and 2028. This advancement of loan commitments has no impact to our 2025 Operating Budget. Adjustments to planned spending and budgets for future years will be included in CMHC's 2026-2030 Corporate Plan.

We are amending the following to reflect the new planned spending in 2025 for the CHDP:

- 2025 Capital Budget for Loans and Investment to increase by \$340 million in 2025, to provide sufficient Capital Budget for loan commitments in 2025.
- 2025 Borrowing Plan to increase new borrowings by \$181 million for the CHDP, resulting in 2025 Borrowings of up to \$475 million.

Changes to Mortgage Loan Insurance products

Changes to Mortgage Loan Insurance announced in the fall of 2024, that included extending the amortization to 30 years for all first-time homebuyers, and all homebuyers purchasing new builds, the increase of the insured limit from \$1.0 million to \$1.5 million, and mortgage loan insurance for refinancing for the building of secondary suites, with the maximum home price, including the value added by the secondary suite(s) to \$2 million, were not reflected in financial results of our approved 2025-2029 Corporate Plan. We are amending our 2025-2029 Corporate Plan to reflect the impact of these changes to our 2025 financial plan results, mainly an increase to Insurance Service Expense as a result of higher provision for claims for the extension of the 30-year amortization. In addition, we are amending our 2025-2029 Corporate Plan, including increasing the 2025 Operating Budget by \$2.9M for additional FTEs required to support our Mortgage Insurance activities. Also included in our multi-unit insurance business volumes, as insured by CMHC, are ACLP loans, which are revised to reflect the increase presented in this amendment. Adjustments to planned spending and budgets for future years will be included in CMHC's 2026-2030 Corporate Plan.

Borrowing Plan

CMHC's 2025-2029 Borrowing Plan and Borrowing Authorities for 2025 require amendment for the incremental Capital Budget for the CGHL, the ACLP, the AHF, and the CHDP. Short-term borrowing authorities requested are increased by \$500 million, and \$1.0 billion for long-term borrowing authorities.

Borrowing Authority

CMHC's funding activities are governed by section 21 of the *Canada Mortgage and Housing Corporation Act* and section 127 of the *Financial Administration Act* (FAA). Those activities must also comply with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

Under subsection 21(2) of the *Canada Mortgage and Housing Corporation Act*, CMHC is subject to a statutory borrowing authority constraint, which limits borrowings other than from the Crown to a maximum amount of \$15 billion, unless Parliament authorizes additional amounts. Under subsection 21(1), at the request of the Corporation, the Minister of Finance may lend money to the Corporation out of the Consolidated Revenue Fund on any terms and conditions that the Minister may fix.

In accordance with subsection 127(3) of the FAA, CMHC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction. This appendix outlines the borrowing plan that is subject to Minister of Finance approval.

CMHC requests the following authorities:

Short-term borrowings to be undertaken in 2025:

To access overdraft facilities in place with private sector financial institutions amounting to \$4 billion intraday and \$300 million overnight; and to borrow short-term from the CBP up to a maximum outstanding of \$7.5 billion.

Additional short-term borrowings may be required to meet liquidity requirements under CMHC's securitization guarantee programs.

Long-term borrowings to be undertaken in 2025:

CMHC forecasts long-term borrowing of \$10.0 billion and requests that the \$10.5 billion long-term borrowing ceiling be approved for 2025.

CMHC may need to borrow sums of money beyond the requested authority should it be called upon to respond to unanticipated events that pose risks to the housing or financial markets, such as those experienced as part of the COVID-19 pandemic and the global financial crisis. Under section 127(3) of the FAA, the Corporation may seek additional borrowings from the Minister of Finance, provided its total indebtedness outstanding at any time in respect of such borrowings does not exceed any statutory limit.

Financial Authorities

The funding provided to CMHC for the CGHL and the top-up to Flood Insurance, the advancement of Government funding and Capital Budget for the AHF and the ACLP, the advancement of Capital Budget for the CHDP, the changes to the URN, CECRA and to our Mortgage Insurance activities will have the following incremental impact in 2025:

(in millions of Canadian dollars – except for FTEs)	CGHL	Top-Up Flood Insurance	AHF	ACLP	CHDP	URN	CECRA	Mortgage Insurance	Total
Incremental Government Funding*	\$32	\$10	\$38	\$5	-	(\$126)	\$1	-	(\$40)
Incremental Operating Budget	\$23.7	\$7.0	-	\$2.1	-	-	\$1.5	\$2.9	\$37.2
Incremental Capital Budget	\$600	-	\$300	\$1,200	\$340	-	-	-	\$2,440
Borrowing	\$600	-	\$225	\$800	\$181	-	-	-	\$1,806
Incremental FTEs	7	17	-	12	-	-	-	22	58

* Government Funding includes Program contributions and Administrative Costs. Financial authorities for Program Contributions on a fiscal year basis are received through the Mains and Supplementary Estimates.

The tables in the following sections only include the line items and totals that are amended. All other information in these tables in the approved Corporate Plan are unchanged. Adjustments for years 2026 onwards will be reflected in CMHC's 2026-2030 Corporate Plan.

Financial Highlights

Year ended December 31 (in millions of Canadian dollars, unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
CMHC Consolidated								
Net Income	1,310	1,572	1,734	1,674	1,973	2,202	2,457	2,617
Cash and cash equivalents	1,939	2,396	971	974	1,343	2,183	2,880	3,299
Total assets	299,569	325,135	355,035	356,892	394,382	434,123	465,994	492,885
Total liabilities	287,006	310,851	338,887	340,817	376,152	413,623	442,927	467,448
Total equity of Canada	12,563	14,284	16,148	16,075	18,230	20,500	23,067	25,437
Total operating budget	644.9	704.6	744.9	782.1	671.3	656.1	639.6	632.7
Total capital budget	3,832	7,028	8,587	11,027	7,232	6,148	5,811	5,973
Operating budget expense ratio (%)	9.1	7.7	7.8	8.2	7.4	8.1	8.9	9.2
Employees (full-time equivalents [FTE])	2,345	2,477	2,536	2,594	2,330	2,214	2,071	2,038
Mortgage Insurance								
Insurance Revenue	1,004	1,186	1,307	1,301	1,507	1,754	2,030	2,222
Insurance service expense	(119)	(219)	(256)	(280)	(302)	(340)	(356)	(393)
Net income	676	794	860	839	1,056	1,289	1,519	1,690
Insurance service expense ratio (%)	11.9	18.5	19.6	21.5	20.0	19.4	17.5	17.7
Operating expense ratio (%)	17.1	17.9	15.1	15.1	14.3	12.3	11.2	10.6
Combined ratio (%)	29.0	36.4	34.7	36.6	34.3	31.7	28.7	28.3
Return on equity (%)	6.7	7.3	7.3	7.1	7.4	7.5	7.9	8.0
Return on required equity (%)	7.3	8.1	8.0	7.8	7.8	7.5	7.8	7.9
Housing Programs								
Government funding	5,494	6,305	5,864	5,824	5,205	4,122	3,094	2,704
Assistance for housing needs	3,381	3,145	2,950	2,931	2,796	2,790	2,040	1,766
Financing for housing	1,182	2,117	2,245	2,232	1,743	1,459	1,445	1,668
Housing expertise and capacity development	925	1,508	1,248	1,240	1,211	451	144	115
Total government funding for housing programs	5,488	6,770	6,443	6,403	5,750	4,670	3,629	3,549
Operating expenses for housing programs	386	389	400	434	317	291	258	239

Planned Results

Performance Measures	2025	2025 Amended	2026	2027
Mortgage Loan Insurance Return on Required Equity	8.0%	7.8%	7.8%	7.5%
Operating Budget Expense Ratio	7.8%	8.2%	7.4%	8.1%

Operating Budget

(in millions of Canadian dollars)	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Personnel Costs										
Salary, fringe benefits and related costs (excluding pension expense)	356.2	318.3	384.0	359.1	386.1	394.7	351.2	336.0	325.7	328.5
Total personnel costs	356.2	318.3	384.0	359.1	386.1	394.7	351.2	336.0	325.7	328.5
Non-Personnel Costs										
Transportation	8.0	5.3	6.9	6.3	6.6	6.7	6.6	6.5	6.1	6.1
Professional and technical services	259.1	149.6	167.2	144.9	124.0	151.3	108.1	114.9	122.3	112.9
Computer services	198.7	131.1	185.3	140.4	176.5	176.9	161.8	158.9	153.7	153.7
Total non-personnel costs	483.6	297.1	379.9	304.9	323.5	351.3	286.6	285.6	287.2	277.3
Total operating budget (before pension expense)	839.8	615.4	763.9	664.0	709.6	746.0	637.8	621.6	612.9	605.8
Pension/post-employment expense	23.5	29.5	41.3	40.6	35.3	36.1	33.5	34.5	26.7	26.9
Total operating budget (authority required)	863.3	644.9	805.2	704.6	744.9	782.1	671.3	656.1	639.6	632.7
Total operating budget (incl. depreciation)	905.2	681.0	849.1	746.1	785.3	822.5	730.4	712.6	695.8	686.4

Full-Time Equivalents (FTEs)

	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Mortgage Insurance activity	955	917	954	1,048	986	1,008	1,022	1,056	1,049	1,061
Housing Programs activity	1,612	1,330	1,561	1,332	1,450	1,486	1,204	1,053	914	868
Total	2,671	2,345	2,609	2,477	2,536	2,594	2,330	2,214	2,071	2,038

Capital Budget

(in millions of Canadian dollars)	2023 Amended Plan	2023 Actual	2024 Amended Plan	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
CGHL	886	987	1,289	1,291	200	800	-	-	-	-
ACLPL	3,380	2,007	4,201	4,201	5,594	6,794	5,200	5,108	5,200	5,500
AHF	1,181	588	1,705	1,123	2,015	2,315	1,132	-	-	-
CHDP	-	-	50	-	294	634	332	320	77	-
Total loans and investments	5,861	3,795	7,702	6,967	8,446	10,886	7,174	6,116	5,807	5,971
Total capital budget	5,981	3,832	7,882	7,028	8,587	11,027	7,232	6,148	5,811	5,973

Consolidated Balance Sheet

As at December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Assets								
Cash and cash equivalents	1,939	2,396	971	974	1,343	2,183	2,880	3,299
Accrued interest receivable	843	1,446	1,644	1,656	1,879	2,114	2,300	2,512
Investment securities:								
Fair value through other comprehensive income	20,162	22,500	26,248	26,314	29,917	33,327	36,948	40,603
Amortized cost	3,229	4,723	8,360	8,993	9,717	9,353	9,495	9,765
Loans:								
Amortized cost	270,650	291,185	314,295	315,382	347,524	382,731	409,716	431,976
Accounts receivable and other assets	479	1,065	879	915	932	902	978	857
Deferred income tax assets	-	383	798	818	1,282	1,763	2,038	2,284
Total assets	299,569	325,135	355,035	356,892	394,382	434,123	465,994	492,885
Liabilities								
Accrued interest payable	786	1,306	1,531	1,539	1,805	2,099	2,335	2,522
Insurance contract liabilities	7,079	8,804	10,760	10,833	12,793	14,557	16,114	17,596
Borrowings:								
Amortized cost	274,757	296,599	321,707	323,482	356,113	391,302	418,714	441,376
Unearned premiums and fees	2,776	3,231	3,731	3,805	4,159	4,508	4,762	5,008
Total liabilities	287,006	310,851	338,887	340,817	376,152	413,623	442,927	467,448
Equity of Canada								
Accumulated other comprehensive income or (loss)	(321)	(110)	(7)	(10)	75	56	128	257
Retained earnings	12,787	14,290	16,007	15,937	17,976	20,240	22,717	24,953
Total equity of Canada	12,563	14,284	16,148	16,075	18,230	20,500	23,067	25,437
Total liabilities and equity of Canada	299,569	325,135	355,035	356,892	394,382	434,123	465,994	492,885

Consolidated Statement of Income and Comprehensive Income

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Interest income	7,077	7,543	9,135	9,157	10,836	12,382	13,577	14,816
Interest expense	(6,961)	(7,427)	(8,936)	(8,957)	(10,621)	(12,168)	(13,390)	(14,672)
Net interest income	116	116	199	200	215	214	187	144
Insurance revenue	1,004	1,186	1,307	1,301	1,507	1,754	2,030	2,222
Insurance service income (expense)	(119)	(219)	(256)	(280)	(302)	(340)	(356)	(393)
Insurance service result	885	967	1,051	1,021	1,205	1,414	1,674	1,829
Investment income	553	663	766	768	970	1,136	1,291	1,448
Net gains (losses) on financial instruments	(212)	3	78	25	74	36	1	7
Insurance finance expense for insurance contracts issued	(178)	(319)	(408)	(410)	(512)	(607)	(694)	(771)
Net financial result	163	347	436	383	532	565	598	684
Government funding	5,494	6,305	5,864	5,824	5,205	4,122	3,094	2,704
Housing programs	(5,114)	(5,915)	(5,464)	(5,390)	(4,888)	(3,831)	(2,836)	(2,465)
Premiums and fees earned	860	926	915	917	986	1,059	1,160	1,182
Operating expenses	(641)	(682)	(690)	(724)	(623)	(602)	(584)	(574)
Income before income taxes	1,758	2,100	2,324	2,244	2,642	2,948	3,290	3,503
Income taxes	(448)	(528)	(590)	(570)	(669)	(746)	(833)	(886)
Net income	1,310	1,572	1,734	1,674	1,973	2,202	2,457	2,617
Other comprehensive income (loss), net of tax								
Items that will be subsequently reclassified to net income (loss)								
Insurance finance income (expense) for insurance contracts issued	(75)	(39)	(23)	(21)	(29)	14	(3)	(13)
	404	211	103	105	82	(19)	72	129
Items that will not be subsequently reclassified to net income								
Total other comprehensive income (loss), net of tax	372	439	130	132	109	68	110	188
Comprehensive income	1,682	2,011	1,864	1,806	2,082	2,270	2,567	2,805

Notes to the Consolidated Statements of Income and Comprehensive Income

Mortgage Insurance

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Insurance service result	885	967	1,051	1,021	1,205	1,414	1,674	1,829
Premiums and fees earned	33	40	57	59	73	88	101	112
Income before income taxes	906	1,059	1,147	1,119	1,408	1,720	2,025	2,255
Income taxes	(230)	(265)	(287)	(280)	(352)	(431)	(506)	(565)
Net income	676	794	860	839	1,056	1,289	1,519	1,690

(in millions of Canadian dollars, unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Insurance-in-force (in \$ billions)	414	429	460	462	492	525	555	583
Multi-Unit residential	168	204	249	251	290	327	360	390
Total new insured volumes (units)	295,916	369,106	361,286	365,040	336,722	311,703	290,455	281,610
Multi-Unit residential	220,925	299,427	290,454	294,208	264,265	236,247	215,659	207,129
Total new insured volumes (\$)	66,472	85,894	87,270	88,864	86,897	85,719	84,606	85,299
Multi-Unit residential	43,257	62,979	62,731	64,325	61,623	58,824	57,116	57,209
Total premiums and fees received (\$)	1,557	2,703	3,149	3,233	3,351	3,277	3,223	3,246
Transactional homeowner	561	604	627	648	639	678	691	705
Multi-Unit residential	968	2,071	2,490	2,553	2,678	2,563	2,495	2,503

Housing Programs

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Net interest income	89	94	154	155	191	189	162	120
Net financial result	(82)	(11)	92	39	86	29	10	12
Government funding	5,494	6,305	5,864	5,824	5,205	4,122	3,094	2,704
Housing programs expenses	(5,114)	(5,915)	(5,464)	(5,390)	(4,888)	(3,831)	(2,836)	(2,465)
Operating expenses ¹	(405)	(405)	(421)	(455)	(334)	(308)	(274)	(255)
Income before income taxes	(20)	91	228	176	259	196	140	102
Income taxes	-	(26)	(64)	(51)	(73)	(57)	(45)	(35)
Net income (loss)	(20)	65	164	125	186	139	95	67

¹ Refer to the financial highlights table for operating expenses excluding our lending activity.

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Total Government funding	5,488	6,770	6,443	6,403	5,750	4,670	3,629	3,549
Government funding for Housing Programs	5,494	6,305	5,864	5,824	5,205	4,122	3,094	2,704

Notes to the Consolidated Statement of Equity of Canada

Mortgage Insurance

Year ended December 31 (in millions unless otherwise indicated)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Accumulated other comprehensive income (loss)	(271)	(90)	(4)	(7)	56	41	108	224
Appropriated capital	9,011	9,909	10,806	10,803	15,871	18,480	20,479	22,434
Unappropriated retained earnings	1,269	1,451	1,509	1,477	255	(460)	(275)	(250)
Total mortgage insurance capital	10,280	11,360	12,315	12,280	16,126	18,020	20,204	22,184
Total mortgage insurance capital available	10,110	11,108	12,044	12,009	15,859	17,740	19,927	21,891
Capital available to minimum capital required (% MICAT)	185%	185%	184%	183%	165%	158%	161%	161%

Housing Programs

Year ended December 31 (in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Plan	2025 Amended Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Retained earnings	714	888	1,025	987	1,197	1,355	1,450	1,541
Available capital	789	970	1,151	1,113	1,354	1,537	1,650	1,746
Total equity	814	995	1,176	1,138	1,379	1,562	1,675	1,771

Borrowing Plan – tables

Outstanding Borrowing as of December 31

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2025 Amended	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Short-term borrowings								
CGHL	517	1,766	1,882	2,482	1,798	1,714	1,630	1,546
Total short-term borrowings	940	2,429	2,580	3,180	2,718	3,062	3,237	3,315
Long-term borrowings								
ACLP	10,921	15,113	20,941	21,740	26,239	31,285	36,156	40,113
AHF	2,661	3,918	6,207	6,432	7,739	8,154	8,250	8,234
CHDP	-	-	294	475	626	946	1,023	1,023
Total long-term borrowings excl. Insured Mortgage Purchase Program (IMPP)	17,222	22,370	30,446	31,651	37,308	42,900	47,835	51,606
Total borrowings excl. IMPP	18,162	24,799	33,026	34,831	40,026	45,962	51,072	54,921
Total long-term borrowings incl. IMPP	20,007	22,528	30,446	31,651	37,308	42,900	47,835	51,606
Total borrowings incl. IMPP	20,947	24,957	33,026	34,831	40,026	45,962	51,072	54,921

Peaks at Any Point During the Year

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2025 Amended	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Split by program								
Short-term borrowings	5,040	6,476	6,603	7,203	6,741	7,085	7,260	7,337
CGHL	517	1,766	1,882	2,482	1,798	1,714	1,630	1,546
Long-term borrowings	18,171	23,292	31,257	32,462	37,965	43,467	48,524	53,464
ACLP	10,921	15,113	20,941	21,740	26,239	31,370	36,462	41,581
AHF	2,661	3,918	6,207	6,432	7,739	8,154	8,253	8,250
CHDP	-	-	294	475	626	946	1,023	1,023
Maximum outstanding borrowings								
CGHL	517	1,766	1,882	2,482	1,798	1,714	1,630	1,546
ACLP	10,921	15,113	20,941	21,740	26,239	31,370	36,462	41,581
AHF	2,661	3,918	6,207	6,432	7,739	8,154	8,253	8,250
CHDP	-	-	294	475	626	946	1,023	1,023
Total maximum outstanding borrowings excl. IMPP	23,211	29,768	37,860	39,665	44,706	50,552	55,784	60,801
Total maximum outstanding borrowings incl. IMPP	26,579	32,553	38,018	39,823	44,706	50,552	55,784	60,801

Long-Term Borrowings as at December 31

(in millions of Canadian dollars)	2023 Actual	2024 Estimate	2025 Requested	2025 Amended	2026 Projected	2027 Projected	2028 Projected	2029 Projected
New issuances	2,355	6,070	8,884	10,090	7,520	6,159	5,623	5,630
ACL P	1,330	4,192	5,827	6,627	5,299	5,131	5,177	5,425
AHF	592	1,257	2,288	2,513	1,532	415	99	-
CHDP	-	-	294	475	332	320	77	-
Total excl. IMPP	17,223	22,371	30,445	31,651	37,420	43,200	48,332	52,303
Total incl. IMPP	20,008	22,529	30,445	31,651	37,420	43,200	48,332	52,303
Split by type								
Fixed-rate	20,008	22,529	30,445	31,651	37,420	43,200	48,332	52,303
Total incl. IMPP	20,008	22,529	30,445	31,651	37,420	43,200	48,332	52,303

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Alternative text and data for figures

Pre-tax Income Comparison 2025 to 2029 Plan (in millions of Canadian dollars)

	2025 Plan	Insurance Service Result	Premiums and Fees earned	Net Financial Result	Other	2029 Plan
Bench marks	2,324					3,503
Rises		778	267	248		
Drops					(114)	

Pre-tax Income by Activity (in millions of Canadian dollars)

	Consolidated	Mortgage Insurance	Securitization	Housing Programs
2023 Actual	1,758	918	860	(20)
2024 Estimate	2,100	1,062	947	91
2025 Plan	2,324	1,152	944	228
2026 Plan	2,642	1,409	974	259
2027 Plan	2,948	1,721	1,031	196
2028 Plan	3,290	2,026	1,124	140
2029 Plan	3,503	2,255	1,146	102

MICAT – With Dividend Suspension, but Additional Management Action Required

	Baseline	Baseline – Current Framework	Cyber Attack	Cyber Attack – Current Framework	Financial Crisis	Financial Crisis – Current Framework	Supervisory Level
2023 Q4	185%		185%		185%		150%
2024 Q1	187%		184%		178%		150%
2024 Q2	186%		191%		175%		150%
2024 Q3	181%		182%		174%		150%
2024 Q4	181%		182%		173%		150%
2025 Q1	181%		182%		171%		150%
2025 Q2	187%		188%		173%		150%
2025 Q3	188%		189%		172%		150%
2025 Q4	183%	183%	184%	184%	169%	169%	150%
2026 Q1	154%	183%	155%	184%	139%	167%	150%
2026 Q2	152%	187%	152%	186%	133%	166%	150%
2026 Q3	149%	189%	148%	189%	130%	167%	150%
2026 Q4	138%	186%	138%	187%	125%	165%	150%
2027 Q1	131%	187%	130%	187%	119%	168%	150%
2027 Q2	136%	191%	134%	190%	124%	174%	150%
2027 Q3	137%	193%	135%	193%	125%	176%	150%
2027 Q4	132%	191%	130%	189%	121%	173%	150%
2028 Q1	131%	192%	129%	191%	127%	182%	150%
2028 Q2	136%	196%	135%	196%	133%	187%	150%
2028 Q3	139%	199%	136%	196%	137%	191%	150%
2028 Q4	137%	199%	134%	195%	136%	192%	150%
2029 Q1	133%	202%	131%	200%	134%	196%	150%
2029 Q2	139%	207%	136%	203%	140%	202%	150%
2029 Q3	141%	210%	138%	206%	142%	205%	150%
2029 Q4	139%	209%	135%	206%	138%	205%	150%
2030 Q1	141%	212%	138%	210%	136%	203%	150%
2030 Q2	146%	215%	144%	214%	143%	209%	150%
2030 Q3	149%	218%	146%	217%	146%	214%	150%
2030 Q4	147%	218%	142%	214%	144%	215%	150%
2031 Q1	150%	221%	145%	217%	148%	218%	150%
2031 Q2	158%	227%	152%	223%	156%	225%	150%
2031 Q3	160%	230%	153%	224%	159%	228%	150%
2031 Q4	158%	229%	153%	226%	157%	228%	150%
2032 Q1	164%	234%	156%	228%	160%	230%	150%
2032 Q2	172%	239%	163%	234%	168%	237%	150%
2032 Q3	175%	243%	168%	238%	171%	241%	150%
2032 Q4	172%	242%	166%	237%	170%	241%	150%
2033 Q1	179%	246%	171%	240%	176%	245%	150%
2033 Q2	189%	253%	181%	246%	184%	251%	150%
2033 Q3	194%	257%	186%	251%	190%	255%	150%
2033 Q4	194%	259%	186%	251%	188%	255%	150%