

2019 FEE SCHEDULE – CANADIAN REGISTERED COVERED BOND PROGRAM

1.0 PURPOSE

To advise registered issuers and potential issuers of the **2019 fee schedule** for the Canadian Registered Covered Bond Program (“Covered Bond Program”).

2.0 BACKGROUND

Under Section 21.59 of the National Housing Act (“NHA”), CMHC has the authority to establish fees for issuers participating in the Covered Bond Program. The fees are established by CMHC at a level to offset internal and external costs with respect of the performance of its obligations under the NHA in relation to covered bonds. Such costs relate to the processing of applications for registered issuers and registered programs, reviewing program documentation for existing issuers, updating program requirements and maintaining the Canadian Covered Bond Registry.

Annual fees and application fees are revisited each year to ensure they are commensurate with the costs incurred by CMHC with respect to the administration of the program.

Covered bonds are a strategically important source of funding for uninsured mortgages in Canada. With a large international market, covered bonds have enabled issuers to broaden their sources of funding geographically and expand their investor base. Through continuous enhancements based on international best practices, CMHC plays an important role in ensuring that a robust, globally recognized legal framework is in place.

3.0 2019 FEE STRUCTURE

The 2019 annual fee and application fee will be reduced as follows:

- The annual fee is reduced from \$175,000 to **\$125,000** per issuer.
- The application fee to become a registered issuer and registered program is reduced from \$350,000 to **\$100,000**.

As such, the application fee and the annual fee in the initial year for a new issuer will be \$225,000 in total. The decrease in fees for 2019 reflects the recovery of the initial set-up costs for the Covered Bond Program.

The fees will continue to be reviewed annually by CMHC.

4.0 ENQUIRIES

For any enquiries related to the covered bond fees, please contact Lily Shum 416-218-3360 or lshum@cmhc-schl.gc.ca.



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