

CANADA MORTGAGE AND HOUSING CORPORATION

Assisted Housing Business Supplement

FOURTH QUARTER
December 31, 2017

To supplement CMHC's consolidated financial statements, which are prepared in accordance with IFRS, CMHC uses non-IFRS measures to analyze its performance. The following Assisted Housing Business Supplement is prepared for the third quarter ending December 31, 2017, and is intended to help readers better understand CMHC's Assisted Housing activity. CMHC believes that this business supplement provides meaningful information that enables greater transparency and clarity with respect to CMHC's Assisted Housing activity.

HOUSING PROGRAMS EXPENDITURES

(in Millions)	Three months ended 31 December		Twelve months ended 31 December	
	2017	2016	2017	2016
Funding Under Long-term Commitments for Existing Social Housing				
Cooperatives Housing	15	17	62	63
Limited Dividend	1	2	6	8
Non Profit Housing	19	32	110	217
On Reserve Housing	25	25	109	104
Public Housing	51	47	193	165
Rent Assistance	29	31	88	129
Transferred Programs (SHA)	223	209	916	878
Rural and Native Housing	1	3	10	12
Urban Native Housing	6	8	24	34
Other	1	2	5	7
Rent Subsidies*	2	0	5	0
Prepayment Flexibility*	11	42	43	42
Pyrrhotite*	0	0	10	0
Subtotal	384	418	1,581	1,659
Operating Expenditures	14	12	49	53
Total	398	430	1,630	1,712
Funding for New Commitments of Affordable Housing				
Investments in Affordable Housing	61	21	260	204
On-Reserve Housing	6	7	21	19
Other	0	0	21	0
Social Infrastructure Fund **	92	65	1,091	100
Housing Internships for First Nation and Inuit Youth*	1	1	6	2
Subtotal	160	94	1,399	325
Operating Expenditures	12	11	48	34
Total	172	105	1,447	359
Housing Support				
Affordable Rental Housing Innovation Fund*	0	13	73	13
Rental Construction Financing Initiative	4	0	4	0
Other	2	2	8	6
Subtotal	6	15	85	19
Operating Expenditures	1	1	5	7
Total	7	16	90	26
Market Analysis Information***	8	9	27	24
Housing Policy, Research and Information Transfer***	9	10	35	32
Total Spending	594	570	3,229	2,153

* Spending authority provided from initiatives announced through Budget 2015, 2016 and 2017.

** SIF (Budget 2016) includes Renovation and Retrofit (CMHC and Province/Territory Delivered), Investments in Affordable housing, On-Reserve Renovation Programs and Aboriginal Capacity.

***Includes operating expenditures.



HOUSING PROGRAMS HOUSEHOLDS ASSISTED

In 2017, CMHC provided support to 518,000 lower-income households living in social housing (including in First Nations communities).

Households Assisted (Calendar Year)	2016	2017*
Subject to Social Housing Agreement (SHA)	354,200	343,000
Subject to existing arrangements		
First Nation Housing	25,600	24,300
Affordable Housing	156,300	150,700
Total	536,100	518,000

*The social housing portfolio is maturing as a result of no new delivery with the exception of the On-Reserve Non-Profit Housing program which is delivered annually.

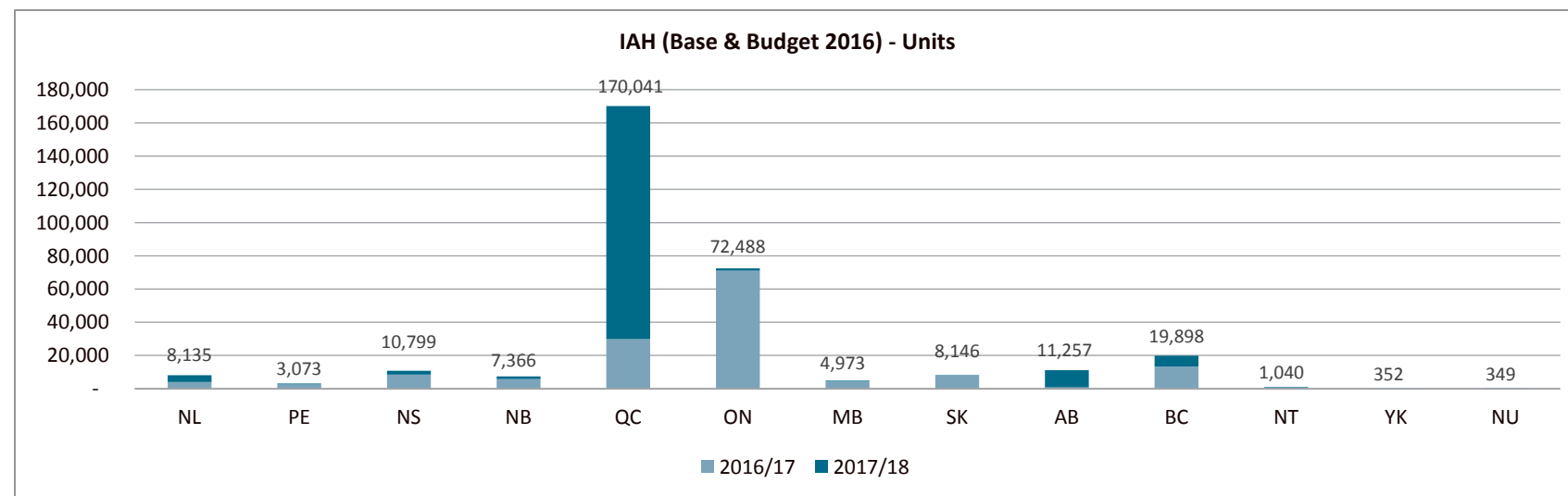
FIRST NATION HOUSING UNITS

In fiscal year 2017/18, 2,945 units received funding through the Non-Profit Housing program, Renovation programs and Renovation and Retrofit programs (Base funding and Budget 2016).

First Nation Housing Programs (Fiscal Year)	2016/17	2017/18 YTD
Non-Profit Housing	956	377
Renovation Programs	348	302
Renovation and Retrofit (Budget 2016)	3,300	2,266

INVESTMENTS IN AFFORDABLE HOUSING (IAH) UNITS

From April 1, 2016 to December 31, 2017, close to 318,000 households benefitted from the Investment in Affordable Housing funding. From this total, over 225,000 households benefitted from Budget 2016 funding and close to 93,000 households benefitted from the base funding.



LENDING PORTFOLIO

LOAN PORTFOLIO

By Program	31-Dec-17		31-Dec-16	
	No. of Loans*	O/S Loan Balance (\$M)**	No. of Loans*	O/S Loan Balance (\$M)**
Direct Lending Programs	8,630	3,961.0	9,143	4,439.0
Social Housing	4,013	1,767.1	5,198	2,041.6
Housing Support	565	1,387.1	643	1,542.5
Municipal Infrastructure Lending Program (MILP)	272	1,261.0	272	1,384.3
Sewage Treatment Program (STP)	293	126.1	371	158.2
Shelter Enhancement Program	75	5.7	79	5.5
Renovation Programs	10,233	225.1	10,882	232.4
Total	23,516	7,346.0	25,945	8,261.0

* The pay down in loans is a result of anticipated maturities and the prepayment initiative.

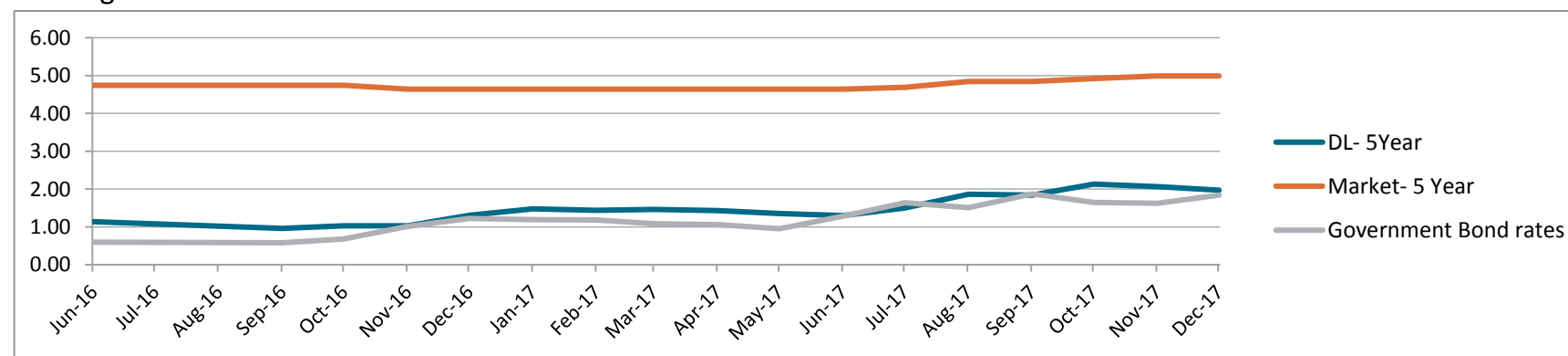
** Loan balance figures are presented at book value.

ARREARS REPORT*

By Program*	31-Dec-17		31-Dec-16	
	No. of Loans in Arrears	Arrears Rate	No. of Loans in Arrears	Arrears Rate
Direct Lending Programs	18	0.19%	46	0.50%
Social Housing	2	0.02%	7	0.04%
Renovation Programs	0	0.00%	1	0.00%
Total	20	0.21%	54	0.54%

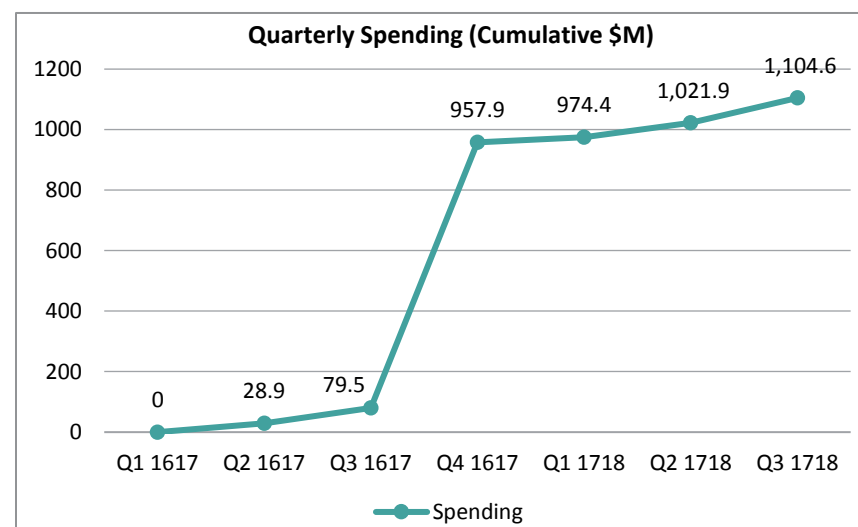
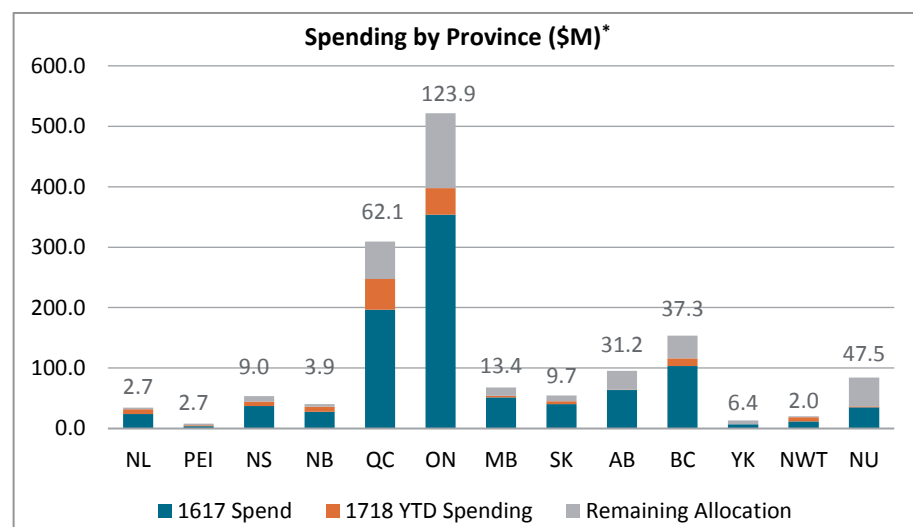
* There were no arrears under the Housing Support programs or the Shelter Enhancement Programs.

Lending Rates



SOCIAL INFRASTRUCTURE INVESTMENTS (SIF) IN AFFORDABLE HOUSING/SOCIAL HOUSING

Budget 2016 (SIF) increased the funding delivered by Provinces and Territories under the Investment in Affordable Housing (IAH) and provided an investment for retrofits and renovations to existing social housing administered by CMHC. Through the base funding IAH budget, the federal government invests more than \$1.9 billion over eight years to March 2019. Through the IAH, provinces and territories cost match the federal investment and are responsible for choosing the programs they design and deliver to address local housing needs and priorities. IAH funding is reported on a commitment basis and spending occurs once claims have been received from the provinces and territories. All figures are reported on a fiscal basis starting April 1 and ending on March 31.



* The figures above each bar are the remaining SIF allocation.

Affordable/Social Housing (SIF)	2016/17 Spending (\$M)	2016/17 Take-Up	2017/18 YTD Spending (\$M)	2017/18 Take-Up	Units - YTD Fiscal (cumulative)	Unit Take-up*	Projects - YTD Fiscal (cumulative)
IAH (Doubling IAH)	259.8	100.0%	74.5	30.8%	120,247	120.2%	4,205
Affordable Housing for Seniors	100.0	100.0%	19.4	19.4%	4,284	85.7%	1,204
Shelters for Victims of Family Violence	60.0	100.0%	4.3	14.4%	4,848	161.6%	3,147
Reno Retrofit Social Housing (P/T delivered)	490.4	100.0%	n/a	n/a	95,319	103.7%	2,317
Reno Retrofit Social Housing (CMHC delivered)	7.6	103.7%	44.1	57.1%	8,423		262
Northern Housing	40.0	100.0%	4.5	7.9%	500	83.3%	63
Total	957.9	100.0%	146.8	29.0%	233,621	112.0%	11,198

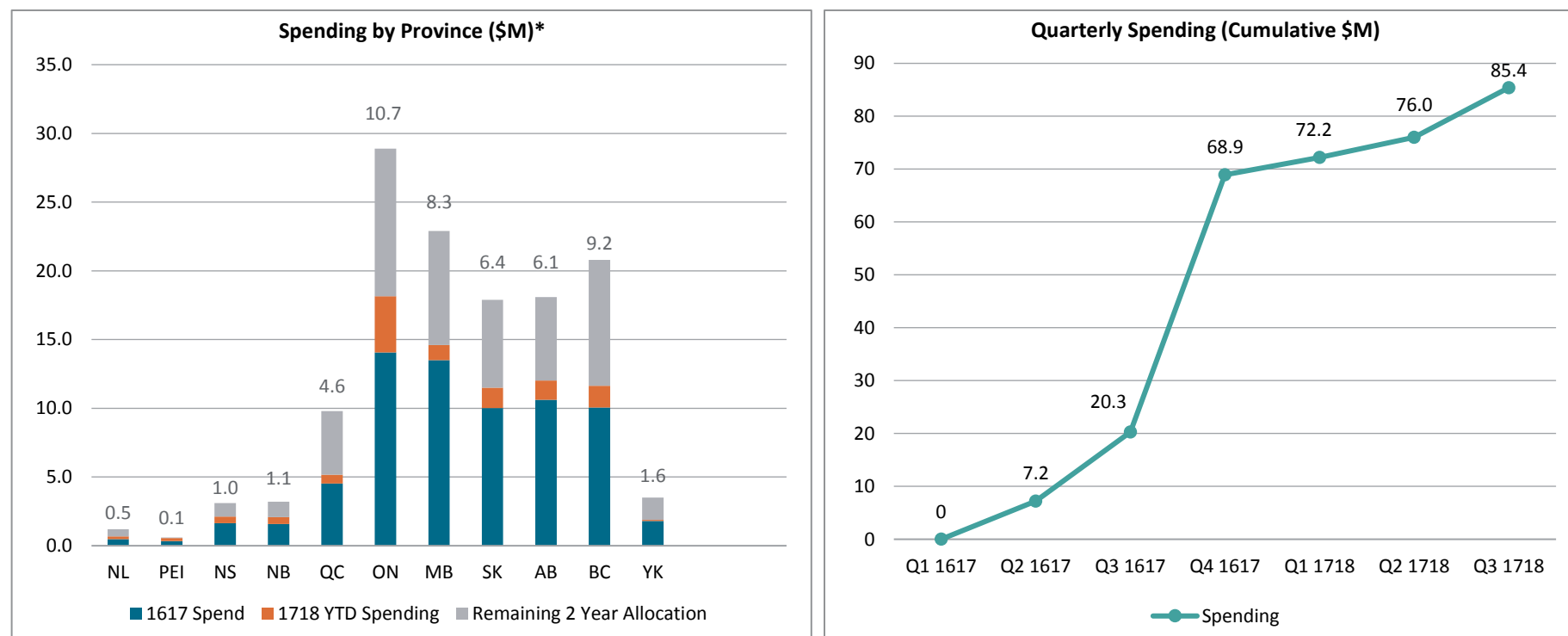
* "Units" is used interchangeably with "Households" under the Investments in Affordable Housing (IAH) program.

Affordable Housing (Base Funding)	Federal Allocation 2011-2019 (\$M)	CMHC Funding Claimed to date (\$M)	2017/18 Allocation (\$M)	2017/18 Claimed (\$M)	2017/18 - Fiscal YTD Units
Investments in Affordable Housing (IAH)	1,909.9	1,559.4	238.7	127.0	44,902



SOCIAL INFRASTRUCTURE INVESTMENTS (SIF) IN FIRST NATION HOUSING

Budget 2016 (SIF) provided additional investments to support the renovation and retrofit of existing housing on-reserve, improve housing capacity in First Nation communities and create new shelters for victims of family violence. First Nation housing program funding is tracked through commitments and spending occurs as work is completed. All figures are reported on a fiscal basis starting April 1 and ending on March 31.



*The figures above each bar are the remaining 2 year SIF allocation.

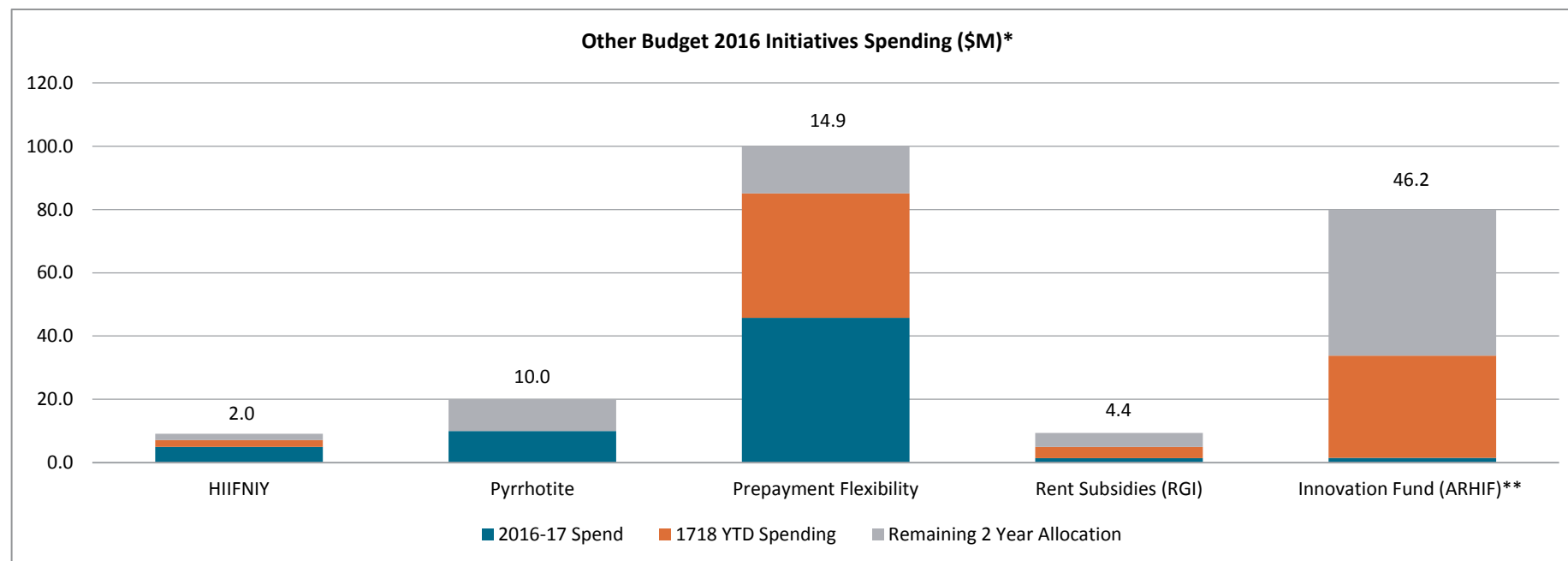
First Nation Housing Programs	2016/17 Spending (\$M)	2016/17 Take-Up	2017/18 YTD Spending (\$M)	2017/18 Take-Up	Units - YTD Fiscal (Cumulative)	Unit Take-Up	Projects - YTD Fiscal (Cumulative)
On Reserve Renovation and Retrofit	63.9	101.0%	13.6	24.1%	5,566	185.5%	3,051
Shelter Enhancement Program*	0.0	0.0%	0.0	0.0%	5	100.0%	5
Aboriginal Capacity Development**	5.0	100.0%	2.9	58.0%	464	464.0%	461
Total	68.9	101.0%	16.5	24.1%	6,035	194.4%	3,517

* SEP is a three year initiative and the units represent shelters.

** For Aboriginal Capacity Development, units represent the number of First Nations assisted.

OTHER BUDGET 2016 INITIATIVES

CMHC's Housing Internship for First Nations and Inuit Youth (HIIFNIY) program supports internships for indigenous youth by providing work experience and on-the-job training. CMHC also provides up to \$30 million over three years to help homeowners in Québec dealing with costly structural problems in their homes as a result of the presence of the mineral pyrrhotite in their foundations. Up to \$150 million is provided over four years under the Prepayment Flexibility to allow social housing providers (coops and non-profits) to prepay long-term non-renewable CMHC mortgages without penalty. Budget 2016 reallocates \$30 million to renew subsidies through the Rent Subsidies (RGI) initiative for all federally administered social housing projects with operating agreements expiring in the next two years. An investment of \$208.3 million is provided over 5 years under the Innovation Fund which encourages new funding models and innovative building techniques in the rental housing market. All figures are reported on a fiscal basis starting April 1 and ending on March 31.



* The figures above each bar are the remaining 2 year SIF allocation.

Other Budget 2016 Initiatives	2016/17 Spending (\$M)	2016/17 Take-Up	2017/18 YTD Spending (\$M)	2017/18 Take-up	Units - YTD Fiscal (cumulative)	2 Year Unit Take-Up	Projects - YTD Fiscal (Cumulative)
Housing Internships for First Nation and Inuit Youth*	5.0	100.0%	2.1	51.2%	840	102.4%	390
Pyrrhotite	10.0	100.0%	0.0	0.0%	162	40.5%	162
Prepayment Flexibility	45.7	91.5%	39.4	78.8%	n/a	n/a	357
Rent Subsidies (RGI)	1.4	9.3%	3.6	45.0%	8,598	n/a	304
Innovation Fund (ARHIF)**	1.5	15.0%	32.3	40.0%	3,648	91.2%	9

* HIIFNIY units represent number of youths employed

** The Affordable Rental Housing Innovation Fund figures represent commitments made. The full \$80M in appropriations has been received and reported as an HP expense.

