

THE NHA MORTGAGE-BACKED SECURITIES GUIDE

2013





CMHC — HOME TO CANADIANS

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**THE NHA
MORTGAGE-BACKED
SECURITIES GUIDE**

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PART A	Revision History	
PART B	General Information	
	Authority	B-1
	Rationale	B-1
	Scope	B-1
	Inquiries	B-1
PART C	Guidelines	
Chapter 1	The NHA Mortgage-Backed Securities Program	1-1
Chapter 2	Role of the Issuer	2-1
Chapter 3	Issuer Approval and Annual Reporting Requirements	3-1
Chapter 4	Risks, Losses, Expenses and Fees	4-1
Chapter 5	Which Loans Are Eligible?	5-1
Chapter 6	Procedures for the Issuance of NHA MBS	6-1
Chapter 7	Assembly and Submission of Pool Documentation	7-1
Chapter 8	Custodian and the Title Custodian	8-1
Chapter 9	NHA MBS and the NHA MBS Information Circular	9-1
Chapter 10	Pool Administration	10-1
Chapter 11	Transfers of Custodial/Trust Accounts, Servicing and Issuer Responsibility	11-1
Chapter 12	General Provisions	12-1
Chapter 13	Default of the Issuer	13-1
PART D	Forms	
	Filling Out and Accessing Program Forms	D-1
	Distribution and Routing of Forms	D-1
	Forms and Completion Instructions	
2802	Application for Participation as an NHA Mortgage-Backed Securities Issuer	D-7
2804	Resolution of Board of Directors	D-11
2805	Certificate of Incumbency	D-13
2806	Letter Agreement for Issuer's P & I Custodial/ Trust Account	D-17
2808	Central Clearing House Debit Authorization	D-21
2810	Application for Approval as a Private Mortgage Insurer under the NHA MBS Program	D-25
2812	NHA MBS Guarantee Application and Approval	D-29
2814	Mortgage Pool Servicing Agreement	D-33
2816	Certification and Agreement	D-35

CONTENTS

2820	Custodial Agreement	D-37
2822	Release of Security Interest	D-43
2824	Schedule of Pooled Mortgages	D-47
2825	Title Custodian Certifications	D-51
2830	Schedule of Subscribers and Contractual Agreement	D-55
2832	Letter Agreement for Issuer's Tax Custodial/Trust Account	D-59
2834	NHA MBS Information Circular	D-63
2834	Circulaire d'information sur les titres hypothécaires LNH	D-75
2835	Mortgage Pool Transfer and Servicing Agreement (Quebec)	D-87
2835 (TC)	Mortgage Pool Transfer and Servicing Agreement (Quebec) (Title custodian)	D-95
2836	Mortgage Pools Transfer Agreement	D-103
2836 (TC)	Mortgage Pools Transfer Agreement (Title custodian)	D-109
2837	Assignment of Universality of Claims (Issuer)	D-117
2837RH	Assignment of Universality of Claims (Registered Holder)	D-119
2840	Issuer's Monthly Accounting Report	D-121
2841	Power of Attorney	D-141
2841(TC)	Power of Attorney (Title custodian)	D-143
2841Q	Power of Attorney (Quebec)	D-165
2841Q (TC)	Power of Attorney (Quebec) (Title custodian)	D-167
2843	MBS Mortgage Security Registration Agreement	D-171
2843 (NR)	MBS Mortgage Security Registration Agreement (Non-regulated Issuer)	D-177
PART E	Reference Material	
Appendix 1	NHA MBS Certificate	E-1
Appendix 2	Rules on NHA MBS Marketing and Trading	E-7
Appendix 3	Remittance Advice and Sample Cheque	E-15
Appendix 4	Issuer Assignment Agreement	E-17
Appendix 5	Net Worth	E-20
Appendix 6	CPTA Fees and Charges	E-26
Appendix 7	Mortgage Formulas and Accounting Conventions	E-28
Appendix 8	CFO Certification	E-31
PART F	Definitions	
Glossary		F-1
Common MBS Acronyms		F-7



Revision History

WHAT'S INSIDE....

The *NHA Mortgage-Backed Securities Guide* (also referred to as “NHA MBS Guide” or “Guide”) is revised frequently. This edition will be updated whenever amendments are required due to changes in laws or policies. For your reference, the modifications incorporated into this version of the Guide are provided in this section.

Please note the following modifications made to the 2006 NHA MBS Guide (as of June 2013):

Changes have been made to incorporate Advices to Approved Issuers with the following titles:

1. Changes to NHA MBS Approved Issuer Qualification Criteria
2. NHA MBS Pooling Criteria Related to Interest Adjustment Date and the Maximum Number of Maturing Tranches
3. Revisions to the NHA MBS Payment Date Convention
4. Introduction of Delayed Certificate Inventory for NHA MBS Issued for Use in the CMB Program
5. Securitization of the Amortizing Loan(s) for Homeowner Mortgages with Multiple Components
6. Floating-Rate NHA MBS Mortgage Index Spreads

Certain forms have been updated as noted in the various Advices to Approved Issuers or for clarification purposes. The most recent version of each form is available on CMHC's website. Individual forms can be saved. All forms have been updated to conform with CMHC's branding criteria.

The following forms have been added to this version of the Guide:

- Title Custodian Certifications, [CMHC 2825](#)
- Mortgage Pool Transfer and Servicing Agreement (Title custodian), [CMHC 2835 \(TC\)](#)
- Mortgage Pools Transfer Agreement (Title custodian), [CMHC 2836 \(TC\)](#)
- Assignment of Universality of Claims (Issuer), [CMHC 2837](#)
- Assignment of Universality of Claims (Registered Holder), [CMHC 2837RH](#)
- Power of Attorney (Title custodian), [CMHC 2841 \(TC\)](#)
- Power of Attorney (Quebec)(Title custodian), [CMHC 2841Q \(TC\)](#)
- MBS Mortgage Security Registration Agreement, [CMHC 2843](#)
- MBS Mortgage Security Registration Agreement (Non-regulated Issuer), [CMHC 2843 \(NR\)](#)

Other additions or modifications include:

Chapter 3

- CFO Certification added to annual documentation required from Issuer
- Statements of adjusted net worth provided by Issuers must now be verified/examined by the Issuer's auditors (see [Appendix 5](#) for additional details)

Chapter 5

- Assumed Loans: Describes conditions under which an assumed Loan may remain in a Pool
- Clarifications to the 965 and 966 pool type descriptions

Chapter 7

- Insurer Confirmation requirement is now specified

Chapter 10

- A new float requirement applicable to Issuers with arrears rates (based on loans at 3 or more months in arrears) equal to or greater than 2.00%

Part E

- [Appendix 5](#) – Certain clarifications concerning the calculation of adjusted Net Worth
- [Appendix 6 – CPTA Fees and Charges](#): New schedule for CPTA fees and charges
- [Appendix 8 \(new\)](#) – Form and wording of the CFO Certification

General

- Where the Registered Holder is different from the Issuer, the requirements are now specified
- Clarifications to the terminology and wording in respect of the excess spread
- Name change from “Securitization Operations Centre” to “CMHC Securitization Centre”
- New mailing and e-mail address for the CMHC Securitization Centre

Definitions:

- New or revised Glossary definitions for: Approved Lender, Approved Private Mortgage Insurer, Business Day, Delayed Certificate Inventory, Fixed Rate Loan, Insurance Account Number, Loan, NHA MBS, Non-regulated Issuer, Pool, Qualified Mortgage Lender, Registered Holder, Regulated Institution and Title Custodian
- New acronyms for DCI, IIROC (formerly the IDA) and PRMHIA.

Deletions:

- The following section has been deleted: Part C of Appendix 7 - Test Pool Data

Wording changes have also been made for clarification purposes.

The following previous electronic versions of the English NHA MBS Guide can be accessed from the NHA Mortgage-Backed Securities web page found at www.cmhc.ca:

1998 version	1999 version	2000 version	2006 version
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PART B

General Information

WHAT'S INSIDE....

Authority	B-1
Rationale	B-1
Scope	B-1
Inquiries	B-1

Authority

CMHC is a Crown corporation wholly owned by and acts solely as agent on behalf of and for the Canadian government. CMHC's powers are prescribed in the *Canada Mortgage and Housing Corporation Act*, the *Financial Administration Act* and the *National Housing Act*. The *National Housing Act* Chapter N-11 of the 1985 Revised Statutes of Canada, as amended, contains the following:

Section 4 provides that:

“Every right or obligation acquired or incurred by the Corporation under this Act, whether in its name or in the name of Her Majesty, is a right or obligation of Her Majesty.”

Section 14 provides that:

“(1) The Corporation may – with the Minister of Finance’s approval and on any terms or conditions that are specified by him or her – guarantee payment of any or all of the principal or interest, or both, in respect of securities issued on the basis of housing loans...”

Rationale

The policies detailed within this NHA MBS Guide are required to document the minimum requirements of the NHA MBS Program.

Scope

Loans insured under the *National Housing Act* or by Approved Private Mortgage Insurers under the *Protection of Residential Mortgage or Hypothecary Insurance Act* are eligible to be pooled, subject to the criteria detailed in the NHA MBS Guide.

Inquiries

For information please contact:

CMHC Securitization Centre

130 Adelaide Street West

Suite 2000, 20th Floor

Toronto, Ontario

M5H 3P5

E-mail: securitization@cmhc.ca

Telephone: 416-250-2700

Fax Number: 416-218-3312

or

Visit the NHA Mortgage-Backed Securities web page at www.cmhc.ca/mbs.



PART C

Guidelines

WHAT'S INSIDE....

Chapter 1	The NHA Mortgage-Backed Securities Program	1-1
Chapter 2	Role of the Issuer	2-1
Chapter 3	Issuer Approval and Annual Reporting Requirements	3-1
Chapter 4	Risks, Losses, Expenses and Fees	4-1
Chapter 5	Which Loans Are Eligible?	5-1
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Chapter 7	Assembly and Submission of Pool Documentation	7-1
Chapter 8	Custodian and the Title Custodian	8-1
Chapter 9	NHA MBS and the NHA MBS Information Circular	9-1
Chapter 10	Pool Administration	10-1
Chapter 11	Transfers of Custodial/Trust Accounts, Servicing and Issuer Responsibility	11-1
Chapter 12	General Provisions	12-1
Chapter 13	Default of the Issuer	13-1

CHAPTER

1

The NHA Mortgage-Backed Securities Program

WHAT'S INSIDE...

NHA MBS Program	1-1
Program Authority	1-2
CMHC's Form of Guarantee	1-2
How the Program Works	1-3
Key Program Provisions	1-4
CMHC Securitization Centre	1-5
Central Payor and Transfer Agent	1-6
Linkage to Canada Mortgage Bonds (CMB) Program	1-6

AT A GLANCE

This chapter gives an overview of the NHA Mortgage-Backed Securities Program also referred to as “the NHA MBS Program” or “the Program” and describes CMHC's role under federal statutes. Chapter 1 also summarizes the form of the CMHC Guarantee, outlines Issuer participation in the Program, and outlines principal provisions of the NHA MBS Program. In addition, this chapter describes the relationship between the NHA MBS Program and the Canada Mortgage Bonds (CMB) Program.

NHA MBS Program

Canada Mortgage and Housing Corporation (CMHC) guarantees timely payment on NHA Mortgage-Backed Securities (NHA MBS) that are issued by Issuers and backed by Pools. Under the Program, Investors receive principal and interest (P & I) payments.

CMHC as agent of Her Majesty in right of Canada undertakes to make payment of principal and interest in respect of any such NHA MBS where the Issuer has defaulted in fulfilling such obligation of timely payment to Investors or their representative. Such guarantee is a surety and is referred to hereafter as the CMHC Guarantee or the NHA MBS Guarantee. The NHA MBS Program aims to provide a mechanism to convert the supply of private Investor funds to Loans at reasonable rates of interest, and to provide a more efficient secondary mortgage market.

The NHA MBS Program utilizes a Central Payor and Transfer Agent (CPTA). The use of one designated CPTA for all Issuers makes greater Program efficiency possible in paying Investors, transferring NHA MBS and issuing new NHA MBS.

NHA MBS issued under the Program use the “modified pass-through” approach. When borrowers fail to make timely payments on their Loans that at least equal the monthly payments made to Investors, the Issuer ensures that the necessary funds are available. CMHC guarantees that the monthly payments are made to Investors on a timely basis. See [Part E](#) for a sample of the NHA MBS Certificate (the “Certificate”).

Program Authority

CMHC is a Crown corporation wholly owned by the Canadian government. CMHC's powers are prescribed in the *Canada Mortgage and Housing Corporation Act*, the *Financial Administration Act* and the *National Housing Act*. The *National Housing Act*, Chapter N-11 of the 1985 Revised Statutes of Canada, as amended, contains the following:

Section 4 provides that:

“Every right or obligation acquired or incurred by the Corporation under this Act, whether in its name or in the name of Her Majesty, is a right or obligation of Her Majesty.”

Section 14 provides that:

“(1) The Corporation may – with the Minister of Finance’s approval and on any terms or conditions that are specified by him or her – guarantee payment of any or all of the principal or interest, or both, in respect of securities issued on the basis of housing loans...”

CMHC’s Form of Guarantee

The CMHC Guarantee appears on the face of the Certificate and in the NHA MBS Information Circular and provides that:

“CMHC, as agent for Her Majesty in right of Canada, guarantees the timely payment of the principal and interest set forth in the Certificate and Circular in accordance with terms and conditions applicable to the NHA MBS, pursuant to the powers given to CMHC in sections 4 and 14 of the *National Housing Act*, R.S.C. 1985 as amended which expressly provide that “Every right or obligation acquired or incurred by the Corporation under this Act, whether in its name or in the name of Her Majesty is a right or obligation of Her Majesty” (Section 4), and the Corporation may “guarantee payment of any or all of the principal or interest, or both, in respect of securities issued on the basis of housing loans” (Section 14). It is certified that no provision of any law or contract adversely affects the rights of the holder to the benefit of this guarantee.”

In addition, the Certificate provides that the Investor, in purchasing an ownership interest in the guaranteed Pool, agrees to CMHC acting as its trustee with respect to the holding of the Loans and related security and in the enforcement of any rights against the Issuer. If and to the extent payment is made under the CMHC Guarantee to the Investor, CMHC will no longer hold such ownership as trustee on behalf of Investors. Instead, such ownership shall be solely CMHC’s, as agent of Her Majesty in right of Canada, and all rights against the Issuer will be subrogated to CMHC.

In the event of any failure, delay or default under the terms of the Certificate, while the Issuer remains directly responsible and liable for such failure, delay or default, the Investor has the option of recourse to CMHC and Her Majesty in right of Canada, as provided in the CMHC Guarantee of timely payment set out on the face of the Certificate, without having to first or jointly claim against the Issuer.

This CMHC Guarantee, executed by facsimile signatures of authorized officers of CMHC and countersigned by the CPTA at the time of issuance of each NHA MBS, constitutes the contract between CMHC and the Investor.

Under certain circumstances that are acceptable to CMHC, NHA MBS will be issued utilizing the Delayed Certificate Inventory (DCI) system, in which case, rather than a Certificate, a receipt evidencing ownership is issued and held in segregated custody for the Holder. For additional details, refer to [Delayed Certificate Inventory](#).

How the Program Works

Issuers participate in the NHA MBS Program by issuing NHA MBS backed by Pools.

The Issuer assembles and administers the Pool itself, but may use a Servicer to service the Loans in the Pool on its behalf. The Issuer issues the NHA MBS. The CPTA issues Certificates and registers the NHA MBS of the Investors in accordance with the instructions of the Issuer and CMHC, and later on with the instructions of successive Investors.

CMHC provides the CMHC Guarantee under the NHA MBS Program where the Issuer, the Pools and the NHA MBS to be issued fit within certain criteria. A specific commitment will be provided by CMHC to guarantee timely payment of amounts due on the NHA MBS.

Issuer eligibility requirements and the procedure to follow in applying for approval to become an Issuer are described in [Chapter 3](#). [Chapter 6](#) gives the procedures for Issuers to follow in submitting a CMHC Guarantee application.

With the Guarantee application and approval processed, if it has not already done so, the Issuer begins originating or acquiring Loans for inclusion in a Pool.

The Issuer arranges for a Custodian. The Custodian must be acceptable to CMHC. The Custodian maintains possession of the required documents. Arrangements must also be made for Custodial/Trust Accounts at a deposit-taking institution. There must be Custodial/Trust Accounts for P & I funds and for tax deposits. The Issuer assigns all rights, title and interest in the Pool and pooled Loans to CMHC as trustee on behalf of Investors. The procedures for marketing NHA MBS are set forth in [Chapter 9](#).

[Chapter 7](#) includes a description of the nature of the assignment process for the pooled Loans. [Chapter 8](#) sets forth the procedures relating to the custodial relationship, and [Chapter 10](#) provides the requirements for establishing the Custodial/Trust Accounts.

Under the NHA MBS Program, CMHC reviews the Pool documentation and allows the delivery of NHA MBS registrations and Certificates within five (5) full business days of receipt by CMHC of a complete document package.

After CMHC has approved the Pool based on the documentation submitted, and after the Custodian has reviewed that documentation, the CPTA prepares and delivers the NHA MBS registrations and certificates in accordance with instructions provided by the Issuer and CMHC. The Issuer can then plan to sell the NHA MBS to Investors. [Chapter 9](#) describes the preparation, delivery and registration of the NHA MBS.

Once NHA MBS are issued, the Issuer no longer owns the Loans in the Pool. All Loans and related security in the Pool have now been assigned by the Issuer to CMHC, as trustee on behalf of Investors. CMHC, as agent for Her Majesty in right of Canada, by the CMHC Guarantee set forth in the Certificate and as described in this Guide, guarantees to the Investor that the amounts due on the Certificate will be remitted to the Investor on their due dates even if the corresponding amounts have not been paid and collected in respect of the Pool. The Issuer is responsible for the servicing of the Loans and depositing the amounts collected into a P & I Custodial/Trust Account for payment to the Investors by the CPTA. The Issuer is also responsible for periodic reporting to the CPTA and CMHC (as required). The CPTA, in turn, reports to CMHC in accordance with the procedures set forth in [Chapter 10](#).

Key Program Provisions

Characteristics of Loans in the Pools:

- 1) Loans are insured against borrower default under the *National Housing Act* or by an Approved Private Mortgage Insurer.
- 2) Pooled Loans must be equal payment Loans or floating rate Loans with either fixed or adjustable payments, payable at least once monthly.
- 3) Loans with remaining amortization periods of up to 15 years must be pooled separately from Loans that have remaining amortization periods of 15 years or more (does not apply to social housing or multi-family Loans).
- 4) As at the date of issue, the maturity date of any and all pooled Loans must fall within six (6) months prior to the maturity date of the NHA MBS.
- 5) Before granting the CMHC Guarantee approval, CMHC considers whether the Loans underlying a Pool are diversified geographically.

Interest Rates on Loans

Loans with different interest rates, within a 2% range, may be included in the same Pool. Interest rate eligibility requirements for different Pools are described in [Chapter 5](#).

Minimum Size of Pools

The minimum is \$2 million.

Principal Amount

NHA MBS are issued in an aggregate principal amount not exceeding the aggregate amount of principal outstanding on the Loans.

Minimum Denominations of Certificates

The original principal or face amounts of the Certificates issued, as well as re-issues and exchanges of these Certificates, shall be in denominations of at least \$1,000 or in denominations that are multiples of \$1,000. To make the aggregate of the issue of Certificates equal to the aggregate outstanding principal balance of the Loans comprised in the Pool, one (1) Certificate per Pool may be issued in a denomination that is not a multiple of \$1,000. This Certificate may afterwards be consolidated with other Certificates for re-issues and exchanges. Where only one (1) or two (2) Certificates are being issued, they need not be in multiples of \$1,000.

CMHC Fees

The following are fees payable to CMHC:

- 1) An application fee for each Pool submitted for the CMHC Guarantee.
- 2) A NHA MBS Guarantee fee payable for the CMHC Guarantee of timely payment.

The fee to be paid for the CMHC Guarantee of timely payment to Investors is based on the principal amount and the term of the Pool at the date of issue.

CPTA Fees

The applicable fees detailed in [Part E, Appendix 6 - CPTA Fees and Charges](#), are payable to the CPTA for services provided.

CMHC Securitization Centre

Unless otherwise directed in this Guide, please address your questions concerning the NHA MBS Program to:

CMHC Securitization Centre
130 Adelaide Street West
Suite 2000, 20th Floor
Toronto, Ontario
M5H 3P5

E-mail: securitization@cmhc.ca

Telephone: 416-250-2700

Fax Number: 416-218-3312

Central Payor and Transfer Agent

The functions of the CPTA are carried out at the offices of:

Computershare Trust Company of Canada

Corporate Trust Services

100 University Avenue, 8th Floor

Toronto, Ontario

M5J 2Y1

E-mail: mbs@computershare.com

Telephone: 1-800-564-6253

Fax Number: 416-981-9788

Linkage to Canada Mortgage Bonds (CMB) Program

Under the CMB Program, CMHC guarantees the bonds of a special purpose trust, Canada Housing Trust (CHT). CHT uses the proceeds of its bond issuances to finance the purchase of NHA MBS from Sellers.

One (1) guarantee fee is payable at the time of each CMB issuance (the CMB guarantee fee) to cover the following:

- 1) The NHA MBS timely payment guarantee for NHA MBS issued for sale directly to CHT at the time of the CMB issue.
- 2) The CMB timely payment guarantee for the CMB issue.
- 3) Replacement NHA MBS to be purchased by CHT in order to re-invest the monthly principal amortization payments and prepayments of the original NHA MBS acquired by CHT, provided:
 - (a) the amount of replacement NHA MBS held by the Issuer/Seller does not exceed 15% of the aggregate amount of original NHA MBS issued by the Issuer/Seller for all outstanding CMB issues; and
 - (b) the replacement NHA MBS is held by the Issuer/Seller and is not used for any purpose other than the CMB Program.

For replacement NHA MBS backed by Loans insured by Approved Private Mortgage Insurers, an **additional fee** corresponding to the costs associated with otherwise keeping such Loans on the balance sheet will be levied to reflect the fact that an additional economic benefit is obtained.

For additional details on the CMB Program, Sellers should refer to the CMB User Guide and program agreements.

Delayed Certificate Inventory (DCI)

For NHA MBS designated for sale to CHT, Certificates will be held in Delayed Certificate Inventory (DCI) and individual Investors will receive receipts reporting ownership position, not Certificates. At any time, however, the holder will have the right to obtain a physical Certificate upon payment of applicable CMHC Guarantee fees (for details, [see Chapter 4 – Guarantee fee](#)).

CHAPTER

2

Role of the Issuer

WHAT'S INSIDE...

Issuer and Servicer Responsibilities	2-1
Administrative Activities	2-2
Important Dates and Deadlines	2-4

AT A GLANCE

This chapter provides an overview of the Issuer's responsibilities, listing the principal functions that must be performed by the Issuer, the functions that may be performed by a Servicer on the Issuer's behalf, and the functions that must be performed by the CPTA. Important dates and deadlines for Issuers and Servicers are also provided.

Issuer and Servicer Responsibilities

An Issuer of NHA MBS under the NHA MBS Program has the following roles and responsibilities: originates or acquires eligible Loans; creates a Pool from eligible Loans and sells the Pool; reports on Pools and NHA MBS data on a timely basis; and makes available to the CPTA on a timely basis the amount due Investors in the NHA MBS.

The Issuer is responsible for covering shortfalls in amounts due Investors that result from mortgagor delinquencies, foreclosures or any other cause. The CMHC Guarantee covers those shortfalls for the benefit of the Investors (see [Chapter 13](#) for a detailed explanation).

There can be only one Issuer for each Pool. The Issuer is responsible for the servicing of the Loans in the Pool. For Loans insured by CMHC, if the Issuer is not an Approved Lender authorized to administer Loans, it must arrange for the servicing of the Loans to be performed, on its behalf, by one or more Approved Lenders acceptable to CMHC. For Loans insured by Approved Private Mortgage Insurers, the Issuer must be satisfied that servicing is being completed by a Qualified Mortgage Lender authorized to administer Loans.

The Issuer or Servicer, where appropriate, must deposit the monthly payments received on the pooled Loans into a P & I Custodial/Trust Account. The Issuer or Servicer can make other arrangements at the discretion of CMHC, provided that CMHC and the CPTA have full access to the account so that the interests of Investors and CMHC as Guarantor are protected in the event of default.

Where the Issuer is not the Servicer, it remains responsible and liable for the performance of any Servicer. All duties and obligations of any Servicer must be set out in a written agreement between it and the Issuer and must be subordinate to and consistent with all duties and obligations of the Issuer contained in this Guide.

Administrative Activities

The Issuer may not delegate or transfer to any other party or agent its obligations in connection with:

- a) making required funds available in the Central P & I Account for transfer to the CPTA;
- b) withdrawing funds from the P & I Custodial/Trust Accounts;
- c) submitting to and withdrawing mortgage-related documents from the Custodian.

While other administrative activities may be delegated to other parties by the Issuer, ultimate responsibility for such activities is still vested with the Issuer. The Issuer is not thereby transferring any of its obligations, rights or benefits.

Figure 2.1 lists the principal functions that must be performed by the Issuer, the functions that may be performed by a Servicer on the Issuer's behalf, and the functions that must be performed by the CPTA.

Figure 2.1 Allowed Distribution of Administrative Activities

	Functions that must be performed by Issuer	Functions that may be performed by a sub-contract Servicer on Issuer's behalf	Functions to be performed by CPTA
Access mortgage documents	✓		
Collect P & I and property taxes		✓	
Make deposits into a P & I Issuer Custodial/Trust Account and Tax Account		✓	
Authorize withdrawal of funds from Tax Account		✓	
Authorize withdrawal of funds from Central P & I Account	✓		
Withdraw funds from P & I Custodial/Trust Account for transfer to Central P & I Account	✓		
Debit Central P & I Account for amount of P & I due to Investors. Transfer funds to CPTA	✓		✓
Prepare, sign and send cheques to Investors; or deposit amounts in designated accounts			✓
Submit monthly accounting reports to CPTA		✓	
Prepare monthly reports for CMHC			✓
Maintain register of Investors			✓
Assure accuracy of reported monthly data and timely submission of data	✓		
Disseminate factor data			✓

All collections made in connection with the pooled Loans must be held in a P & I Custodial/Trust Account established for the Pool. In addition, each Issuer is required to maintain a Central P & I Custodial/Trust Account from which the monthly funds transfer to the CPTA's account shall be made for all of that Issuer's NHA MBS Pools (see [Chapter 10](#)).

For any one Pool, collections of P & I must be deposited into a single P & I Custodial/Trust Account, and tax collections, where applicable, must be deposited by the Issuer or Servicer into a separate Tax Custodial/Trust Account. Such accounts, however, may contain funds for more than one Pool, provided that separate accounting is kept in respect of each Pool.

The documents for each Pool described in [Chapter 7](#) must be held by only one Custodian.

Under the NHA MBS Program, Issuers are required to make funds available monthly in the Central P & I Account, on the date specified in this Guide and in amounts necessary for the CPTA to make full payment on the NHA MBS. The Issuer will transfer the funds to the account specified by the CPTA as agreed between them, with the approval of CMHC. The confirmation number will be sent by the Issuer to the CPTA.

Important Dates and Deadlines

Issuers and Servicers must perform their duties and obligations within the time limits established by CMHC as described in this Guide. Figure 2.2 lists key functions with time limits for the performance of each function.

Figure 2.2 Important Deadlines for the Issuer

	Function	Deadline
1	Submits documents to CMHC to support obtaining the CMHC Guarantee for the NHA MBS to be issued.	CMHC, the Custodian and the CPTA must receive the documents at least five (5) full business days prior to the settlement.
2	Issues NHA MBS with the CMHC Guarantee approval.	Within six (6) months of the NHA MBS Guarantee approval date.
3	Submits monthly accounting reports for each Pool.	CPTA must receive the reports by the end of the third full business day of the month.
4	Deposits Loan payments in Issuer's Custodial/Trust Account.	Payments must be deposited by the end of the third full business day of the month.
5	Deposits necessary funds in a Central P & I Account. Transfers funds to CPTA account to cover CPTA's distribution of P & I payments to Investors.	No later than 12:00 noon Toronto time on the business day immediately preceding the applicable NHA MBS Payment Date.

CHAPTER

3

Issuer Approval and Annual Reporting Requirements

WHAT'S INSIDE...

Basic Eligibility Requirements	3-1
Issuer Participation	3-2
Forms Required for Issuer Participation	3-3
Annual Documentation Required	3-3
Additional Requirements Applicable to Non-regulated Issuers	3-4
Restrictions on and Termination of Issuer Authority	3-5
Approval of Private Mortgage Insurers under the NHA MBS Program	3-5
Termination of Private Mortgage Insurer Approval	3-7

AT A GLANCE

This chapter sets out requirements, prerequisites and criteria that a participant must meet before it will be authorized to issue NHA MBS, complete the issuance and administer the Loans in the Pools. Chapter 3 also provides a summary of the documents that the Issuer must supply annually to CMHC and outlines CMHC's right to terminate an Issuer's authority in the event of default. This chapter also references the approval procedures for a private mortgage insurer to participate in the NHA MBS Program and references CMHC's right to terminate a private mortgage insurer's participation.

Basic Eligibility Requirements

An Issuer must meet and comply with the requirements set out in Chapter 3 to issue NHA MBS that carry the CMHC Guarantee, complete the issuance and administer the Loans in the Pools. CMHC has, at its sole discretion, the right to refuse for any reason any request to participate as an Issuer of NHA MBS.

The Issuer must be operating in Canada, subject to Canadian laws and be legally authorized to issue NHA MBS.

The Issuer must have the experience, management capability and facilities necessary to assure CMHC of its ability to issue and administer NHA MBS.

The Issuer must also meet an adjusted net worth requirement, as defined and calculated as per [Part E, Appendix 5 – Net Worth](#), of this Guide.

If the Issuer is not a Regulated Institution, additional specific requirements apply. For details, see [Additional Requirements Applicable to Non-regulated Issuers](#), below.

Issuer Participation

When an Issuer wishes to participate in the NHA MBS Program, it must supply CMHC with copies of its audited annual financial statements (which shall include any notes to the financial statements) for the three (3) most recent fiscal years. If an audited financial statement covers a period ending more than six (6) months prior to the date CMHC receives the application for participation, a current unaudited statement signed by the Issuer's chief financial officer must also be submitted.

The Issuer must provide CMHC with evidence that it maintains standard financial institution fidelity bond coverage for its employees and directors. The evidence may be in the form of a certificate of insurance showing the types and limits of coverage. CMHC may ask for a copy of the policy or another relevant document in lieu thereof.

The Issuer must complete the following tasks upon approval as an Issuer:

- execute a Mortgage Pools Transfer Agreement, [CMHC 2836](#), for NHA MBS activity in Common Law Canadian provinces and territories;
- execute a Mortgage Pool Transfer and Servicing Agreement, [CMHC 2835](#), and register an Assignment of Universality of Claims, [CMHC 2837](#), for NHA MBS activity in the Province of Quebec; and
- complete a Power of Attorney, [CMHC 2841](#), for all Common Law Canadian jurisdictions from which Loans will be pooled and/or a Power of Attorney (Quebec), [CMHC 2841Q](#), for Loans from the Province of Quebec. The Powers of Attorney are to be registered in each land registry or land title office in which pooled Loans will be originated, as applicable. The Power of Attorney and Assignment of Universality of Claims (Quebec) are to be deposited with the Custodian along with proof of registration, as applicable.

Prior to receiving the CMHC Guarantee approval, the Issuer must provide satisfactory evidence of system capability to handle electronic file transfer to the Custodian and to complete the standardized accounting for transmission to the CPTA.

Issuers under the NHA MBS Program must also:

- 1) Maintain sound Loan servicing without excessive delinquency rates. Generally, the Issuer will not receive new NHA MBS Guarantee approvals if more than 1% of the Loans in its existing Pools have been delinquent for three or more months (including Loans in legal action). A lower delinquency ratio, however, will not assure the issuance of further commitments.
- 2) Adequately administer all Pools and issues of outstanding NHA MBS under the Program. [Part E, Appendix 7](#) details Mortgage Formulas and Accounting Conventions.
- 3) Meet all CMHC reporting requirements outlined in this Guide within the time limits provided.

- 4) Comply with CMHC's securities marketing and trading requirements (see [Part E, Appendix 2 – Rules on NHA MBS Marketing and Trading](#)).
- 5) Maintain a sound financial, business and management structure. Examples of what CMHC will consider the Issuer's business structure to be unsound are: if the Issuer's Approved Lender status (if an Approved Lender) is withdrawn or suspended under the NHA, or if there exists detrimental findings in CMHC or other official audit or investigation of the Issuer, or if there is regulator intervention or restrictions imposed.
- 6) Notify CMHC, the CPTA and the Custodian in writing of any change in its business status on a timely basis. This includes merger, consolidation, sale of the business, change in name and other action materially affecting the Issuer's business status. It also includes but is not limited to the start of any action or proceeding under liquidation or bankruptcy law.

Following a default, the Issuer cannot issue NHA MBS with the CMHC Guarantee for a period of three (3) years.

Forms Required for Issuer Participation

A sample of each of the following forms is provided in [Part D](#). A current version will be maintained on the CMHC website.

- Application for Participation as an NHA MBS Issuer, [CMHC 2802](#)
- Resolution of Board of Directors, [CMHC 2804](#)
- Certificate of Incumbency, [CMHC 2805](#)
- Letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#) (see [Chapter 10 – Establishment and Maintenance of Central P & I Account](#)) or other documentation as may be satisfactory to CMHC
- Central Clearing House Debit Authorization, [CMHC 2808](#)

CMHC will not provide the CMHC Guarantee for NHA MBS proposed to be issued by parties that do not meet the criteria for Issuers.

The participation package can be sent to the [CMHC Securitization Centre](#).

Annual Documentation Required

The Issuer must provide CMHC annually with:

- 1) A copy of the Issuer's annual financial statements (which shall include any notes to the financial statements) audited by an independent public accountant. The copy must be delivered on or before the 90th day after the Issuer's fiscal year-end. An electronic copy is preferred. If the annual financial statement is posted on the Issuer's website, an e-mail notification with a link to the website is acceptable.

- 2) A statement of adjusted net worth certified by the Issuer and examined/verified by the Issuer's auditors, assessed at the end of the most recent fiscal year for which audited financial statements are submitted. The form of the statement and certification is set forth in [Part E, Appendix 5 – Net Worth](#).
- 3) Evidence of financial institution fidelity bond coverage for the employees and directors in effect or renewals thereafter, delivered on or before the 90th day after the effective/renewal date of the coverage.
- 4) A CFO Certification, signed by the Issuer's chief financial officer, delivered on or before the 90th day after the Issuer's fiscal year-end. The CFO Certification is found in [Part E, Appendix 8 – CFO Certification](#).
- 5) A "Specified Procedures Report." CMHC requires that each Issuer retain the services of an external auditor to examine its accounting processes and financial controls in relation to the Pools, and report on them in a "Specified Procedures Report." The "Specified Procedures Report" is to be submitted within 90 days after the Issuer's fiscal year-end or 90 days after the Issuer's chosen "as at" date. The Issuer must also submit audited financial statements along with the "Specified Procedures Report." The "Specified Procedures Report" must include confirmation from the auditor of conformance with the requirements in this Guide for, as well as the accuracy of:
 - [monthly accounting reports](#)
 - [penalty interest and indemnity payments](#)
 - [P & I Custodial/Trust Accounts](#)
 - [Tax Custodial/Trust Accounts \(if applicable\)](#)
 - [interest calculation methodology](#)

Furthermore, if CMHC requires more current or frequent information, the Issuer will submit internally prepared, unaudited financial statements and a net worth statement upon demand. These statements must be signed by the Issuer's chief financial officer.

Additional Requirements Applicable to Non-regulated Issuers

In addition to the materials required under the Application for Participation as an NHA MBS Issuer, [CMHC 2802](#), a Non-regulated Issuer must also:

- provide evidence acceptable to CMHC of registration under its constituting legislation and a related certificate/confirmation of status;
- provide evidence acceptable to CMHC of registration and compliance under applicable mortgage lending, dealing, trading or broker legislation for every jurisdiction in which it intends to originate and/or obtain Loans for inclusion in the NHA MBS Program; and
- be an Approved Lender (confirmation to be provided annually).

Once approved, a Non-regulated Issuer participating in the NHA MBS Program is required to comply with the following additional requirements:

- Pooled mortgages must be registered on title in the name of an OSFI-regulated Title custodian ([Chapter 8](#) provides the eligibility requirements of a Title custodian);
- All payments, including any unscheduled prepayments, collected on account of the pooled Loans must be deposited daily in the P & I Custodial/Trust Account; and
- At all times maintain a float amount in their P & I Custodial/Trust Account which, during their first year as an Issuer, is equivalent to 1% of the previous month's payments for the pooled Loans. In subsequent years, this float amount shall be based on the Issuer's arrears ratio (see [Chapter 10 – Establishment and Maintenance of P & I Custodial/Trust Account – Collections](#)).

In addition, Non-regulated Issuers must provide the annual documents detailed in [Chapter 5 – Servicing of Pooled Loans](#).

Restrictions on and Termination of Issuer Authority

CMHC may terminate an Issuer's authority to act as an Issuer, to administer Pools and/or to further issue NHA MBS, if CMHC, in its sole discretion, determines that an Issuer is in breach of or has defaulted under the terms and conditions applicable to it as an NHA MBS Issuer (see [Chapter 13](#)).

CMHC has sole discretion regarding the Issuer's authorities under the NHA MBS Program and may impose restrictions on, or terminate those authorities at any time. CMHC reserves the right to have the Issuer re-demonstrate at anytime that it continues to meet the approval requirements

Approval of Private Mortgage Insurers under the NHA MBS Program

An Issuer seeking to securitize Loans insured by a private mortgage insurer must ensure that the private mortgage insurer has been approved by CMHC and that the Loans are eligible for pooling.

A private mortgage insurer interested in becoming an Approved Private Mortgage Insurer must indicate its interest to the [CMHC Securitization Centre](#), complete an Application for Approval as a Private Mortgage Insurer under the NHA MBS Program, [CMHC 2810](#), and submit the corresponding materials outlined in the form.

1. CMHC assesses the private mortgage insurer against the following criteria:
 - The private mortgage insurer must be an Approved Mortgage Insurer under the *Protection of Residential Mortgage or Hypothecary Insurance Act* and must have approval from the applicable federal and provincial government authorities/regulators to carry on the business of mortgage insurance in all the provincial and territorial jurisdictions in which pooled mortgages are registered;

- The private mortgage insurer must demonstrate that it has the technological and operational capabilities to carry out the business of mortgage insurance and meet the verification, reporting, administrative, and operational requirements of the NHA MBS Program;
 - The private mortgage insurer insurance offered for Loans must meet CMHC's criteria for insurance coverage against borrower default and the general eligibility criteria for securitization under the NHA MBS Program;
 - The mortgage insurance obligations of the private mortgage insurer must comply with the terms of the *Protection of Residential Mortgage or Hypothecary Insurance Act*.
2. Once CMHC confirms that the private mortgage insurer meets the above criteria, CMHC will notify the applicant private mortgage insurer that it has received approval conditional on the private mortgage insurer (specifically, the legal entity carrying out the mortgage insurance business in Canada) entering into an Indemnification Agreement and an Administrative Agreement with CMHC. Under these Agreements, the private mortgage insurer agrees to the following:
 - The private mortgage insurer indemnifies CMHC for discrepancies, deficiencies or incongruities between its insurance coverage as compared to NHA mortgage insurance coverage;
 - The private mortgage insurer indemnifies CMHC, the Issuer and Servicer for all losses, costs and expenses resulting from borrower default;
 - The private mortgage insurer is required to provide verification of mortgage insurance coverage for all Loans submitted for pooling;
 - The private mortgage insurer indemnifies CMHC against all losses, costs and expenses resulting from errors and omissions in the verification of insurance;
 - The private mortgage insurer confirms the terms and conditions of the administrative and operational processes to be undertaken by a private mortgage insurer as part of the NHA MBS Program.
 3. The private mortgage insurer is required to test system interfaces with CMHC and the Custodian. This will include testing the specific Loan edits specified in the Administrative Agreement entered into with CMHC.
 4. Further to the completion of the approval, signing of the Agreements and completing the system testing, CMHC will issue an Advice to Issuers indicating that the private mortgage insurer has been approved and that the Loans insured by the private mortgage insurer are eligible under the NHA MBS Program.

If a private mortgage insurer application is rejected, CMHC will notify the applicant private mortgage insurer in writing, stating reasons for rejection. An applicant may submit a new application 60 days after the date of rejection. CMHC has, at its sole discretion, the right to refuse for any reason any applicant's request.

Termination of Private Mortgage Insurer Approval

CMHC may discontinue the eligibility for pooling of Loans insured by a private mortgage insurer and, if necessary, terminate its approval of a private mortgage insurer if CMHC, in its sole discretion, determines that a private mortgage insurer has defaulted under the terms and conditions of the Indemnification Agreement or the Administrative Agreement, or if CMHC has reasonable belief that the private mortgage insurer is in jeopardy of no longer meeting the required criteria for approval.

CMHC reserves the right to have the Approved Private Mortgage Insurer re-demonstrate at any time that it continues to meet the approval requirements.

CHAPTER

4

Risks, Losses, Expenses and Fees

WHAT'S INSIDE...

General	4-1
Risks, Losses and Expenses	4-1
Fees and Charges Paid by Issuer	4-4
Servicing and Spread Received by Issuer	4-5

AT A GLANCE

This chapter begins with a brief introduction of the risks faced by Issuers of NHA MBS, as well as losses, expenses and fees for which they are liable. The chapter then lists some of these risks, losses and expenses, followed by the fees and charges to be paid by the Issuer in connection with the NHA MBS guaranteed by CMHC. The chapter concludes with a discussion of the payment to which Issuers are entitled for servicing Pools.

General

Issuers of NHA MBS face risks and are liable for certain losses, expenses and fees that are not usually the responsibility of a Servicer. Issuers should be aware of these risks, losses, expenses and fees, and must make financial arrangements to ensure that they can cover them throughout the period that NHA MBS issued by them are outstanding.

Risks, Losses and Expenses

Listed below are some of the risks, losses and expenses associated with the issue of NHA MBS. The list is not exhaustive. The Issuer is responsible for determining its own risks, potential for losses and expenses.

Advances to Pay Amounts Due Investors

Issuers are responsible for paying amounts due to Investors by making funds available in a timely manner to the CPTA to pay Investors. Issuers are responsible for paying amounts due to Investors whether or not they receive timely payments from mortgagors. Issuers must advance an amount into the appropriate P & I Custodial/Trust Account equal to the total scheduled P & I payments due in connection with pooled Loans at maturity as well as for Loans that are delinquent or in the process of legal remedial action.

Liquidation of Pool at Maturity

Issuers must make available to the CPTA all funds required to pay Investors when the Pool is terminated at the NHA MBS maturity. The amount should equal the outstanding principal balance of all maturing Loans in the Pool. The Issuer or the Servicer must notify the CPTA if no Loans are maturing on the NHA MBS maturity date as a result of prepayments. The notification is required so that the CPTA can send a letter to all Investors informing them that NHA MBS Certificates must be surrendered for early redemption.

Interest Due Investors but Not Payable by Mortgagors

Issuers must make funds available to the CPTA for interest even if mortgagors are not required to make associated interest payments on the underlying pooled Loans. For example, a Loan may be prepaid in full at mid-month, with interest due from the mortgagor only to the date of the payout. The Investors nevertheless are entitled to interest through the end of the month, including any penalty interest payment whether collected or not by the Issuer. The Issuer must make up any shortfall in the amount collected from the mortgagor.

Losses Associated with Defaults

Investors are entitled to monthly amounts of principal and interest at the rate provided on the NHA MBS until the loan is liquidated from the pool and to a full recovery at maturity of all unpaid principal balances of the NHA MBS. For defaulted pooled Loans, the Issuer must pay or make available monthly all principal amounts and interest to the CPTA out of its own funds to the extent that such amounts are not collected monthly.

For 800-series Pools (i.e. Pools with a 8xx prefix), Issuers must report and then liquidate a pooled Loan if that Loan, or any loan cross-defaulted with that Loan, is reported 90 days in arrears or is otherwise in default for 90 days in accordance with its terms.

For homeowner Loans in 900-series Pools (i.e. Pools with a 9xx prefix), in instances of Loan default, Issuers must liquidate the Loan from the Pool at the end of the legal action to enforce the mortgage security and Issuers must use their own resources to pay Investors for the full amount of the outstanding principal balance of the Loan at the time of title transfer or when foreclosure is completed. The Issuers must pay Investors even if they have not yet recovered any funds through the claim process under a mortgage insurance policy. The amount the Issuer must pay may include both unpaid principal and interest from the date of default until settlement of the claim.

For multi-family loan defaults, Issuers must liquidate the Loan from the Pool and pay the remaining principal and applicable interest after the mortgage insurance claim is paid in whole or in part, or when the mortgage insurance claim is rejected.

Pool types are described in [Chapter 5](#).

Liability for Ineligible Loans

Issuers are liable for any defects in pooled Loans. If a Loan is defective before final certification, the defect will be promptly cured or the Loan will be replaced by an eligible Loan (see [Chapter 5 – Substitution of Loans](#)) if one is available before final certification (no later than 120 days from NHA MBS issuance). Loans that are defective after final certification should be brought to the attention of the [CMHC Securitization Centre](#). Such defective Loans may have to be liquidated from the Pool without possibility of substitution. An example of a defective Loan is one found not to be insured by CMHC or an Approved Private Mortgage Insurer. The Issuer remains liable to CMHC for the acceptability of the title with respect to each mortgage and with respect to the applicable mortgage insurance until full payment of the Loan.

Pool Administration Costs

Issuers must pay for the administration of a Pool. Without limiting what may be involved in the administration, Issuers are responsible for the cost of:

- servicing pooled Loans;
- establishing and maintaining P & I and Tax Custodial/Trust Accounts;
- making investor payments to the CPTA account;
- taking legal action where Loans are in default;
- preparing reports and records required by CMHC as stated in this Guide;
- other administrative tasks associated with Issuer status and responsibilities;
- paying the CPTA;
- paying the Custodian;
- paying the Title custodian, where applicable; and
- an annual external “Specified Procedures Report”.

Miscellaneous Expenses

Other expenses that Issuers must cover include: any catastrophic losses not covered by insurance; losses arising from expropriation or other legal proceedings affecting the property securing the pooled mortgage; and the reimbursement of other costs or expenses not mentioned in this Guide.

Liability for Incorrect Calculation of P & I Payment

CMHC and the CPTA rely on the data reported by each Issuer to calculate the amount to be paid by the Issuer. Even though an Issuer may have made a reporting error, the Issuer must make funds available to the CPTA on the basis of the reported data. Adjustments to the reports must be made in the subsequent reporting month with notice of the adjustment details provided to CMHC and the CPTA.

Fees and Charges Paid by Issuer

The following are fees and charges that must be paid in connection with the NHA MBS Guarantee:

Application Fee

The fee is computed as 2 basis points based on the actual aggregate amount of commitment applied for at the issue date (see [Chapter 6](#)).

The fee must be submitted at the same time as the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#). A portion of the application fee may be returned if the issued Pool's principal balance as reported on [CMHC 2830](#) is less than the approved Pool amount shown on the NHA MBS Guarantee Application and Approval, [CMHC 2812](#).

Guarantee Fee

For Pools not designated for sale to CHT, the fee is based on the principal amount and the term of the Pool at the date of issue. It must be enclosed with the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#). The fee is calculated as follows:

Term of NHA MBS Pool	Fee Payable (%)
6 months to 2 years 6 months	0.10
2 years 7 months to 3 years 6 months	0.14
3 years 7 months to 4 years 6 months	0.17
4 years 7 months to 5 years 6 months	0.20
5 years 7 months to 6 years 6 months	0.23
6 years 7 months to 7 years 6 months	0.26
7 years 7 months to 8 years 6 months	0.29
8 years 7 months to 9 years 6 months	0.32
9 years 7 months to 10 years 6 months	0.35
10 years 7 months to 11 years 6 months	0.37
11 years 7 months to 12 years 6 months	0.39
12 years 7 months to 13 years 6 months	0.41
13 years 7 months to 14 years 6 months	0.43
Above 14 years 6 months	0.45

For Pools designated for sale to CHT, no separate NHA MBS Guarantee fee is due; however, a CMB guarantee fee will be payable. (Sellers should refer to the CMB User Guide for additional details.)

Applicable NHA MBS Guarantee fees will be charged on the amount of replacement NHA MBS that exceeds the 15% maximum for more than three (3) months.

In addition, applicable NHA MBS Guarantee fees will be charged against the outstanding principal balance of NHA MBS held in DCI which is then certificated. The NHA MBS Guarantee fee will be calculated based on the remaining term of the replacement Pool. This fee must be remitted directly to CMHC.

In the event of Issuer default, actions to be taken to collect unpaid NHA MBS Guarantee fees on replacement NHA MBS in Pools designated for sale to CHT can be found in [Chapter 13](#).

Privately-Insured Loan Fee

For replacement NHA MBS Pools comprised of Loans insured by Approved Private Mortgage Insurers, an additional fee corresponding to the costs that would have been associated with keeping such Loans on the Issuer's balance sheet is payable. This compensatory amount is a monthly fee calculated as 0.06 per cent per annum or 0.005 per cent per month of the principal balance of the unsold replacement NHA MBS as of the first of the month. The fee is to be deposited by the Issuer into the NHA MBS Central P & I Account for wire transfer to the CPTA concurrently with funds due to investors.

Underwriting or Brokerage Fee

The Issuer must pay any fees or expenses incurred through the sale and marketing of an issue of NHA MBS.

CPTA Service Fee

The maximum applicable fees are detailed in [Part E, Appendix 6 - CPTA Fees and Charges](#).

Custodial Service Fee

Issuers negotiate the fee for custodial services directly with their Custodian, and where applicable, their Title custodian. The fee(s) must be remitted directly to the applicable custodian.

Servicing and Spread Received by Issuer

The spread received by the Issuer out of the Loan payments received, after making the NHA MBS payments, also covers servicing of the Pools. The Issuer does not receive a separate servicing fee for servicing the Loans.

CHAPTER

5

Which Loans Are Eligible?

WHAT'S INSIDE...

Eligible Loans – General	5-1
Eligible Multiple Family Loans	5-3
Eligible Floating Rate Loans	5-3
Eligible Collateral Mortgage Loans	5-3
Social Housing Loans	5-4
Pool Types	5-4
Loan and Pool Parameters	5-7

AT A GLANCE

This chapter provides instructions relating to Loans that may be included in NHA MBS Pools. Eligibility requirements applicable to all Loans and Pools, as well as specific requirements for Pools of social housing Loans are detailed. It is the responsibility of the Issuer to ensure that each Loan, which is proposed to be included in an NHA MBS Pool, continues to comply with the conditions of the NHA Loan insurance coverage or those of Approved Private Mortgage Insurers, as applicable.

Eligible Loans – General

Loans insured against borrower default under Part I of the *National Housing Act (NHA)*, Chapter N-11 of the 1985 Revised Statutes of Canada as amended or Loans insured against borrower default by an Approved Private Mortgage Insurer under the *Protection of Residential Mortgage or Hypothecary Insurance Act (PRMHIA)*.

All Loans within a Pool must be insured by the same insurer and must have valid insurance under the NHA or PRMHIA, as applicable, for the entire term.

All Loans in a Pool must have an Interest Adjustment Date (IAD) or a renewal date that occurs on or prior to the issue date of the NHA MBS.

For Pools with an initial term equal to or greater than one (1) year, all Loans in the Pool must have an IAD or renewal date within six (6) months of each other. This IAD requirement does not apply to the pooling of non-prepayable social housing or multiple-family Loans or to Pools that have a term less than one year.

Example 1: Renewals/IAD's: May 2, 2008 to November 1, 2008
Issue Date: June 1, 2009
Pool Maturity Date: November 1, 2012
Loan Maturity Dates: May 2, 2012 to November 1, 2012
Date of Last Payment: November 15, 2012

Example 2: Renewals/IAD's: January 2, 2010 to July 1, 2010
Issue Date: July 1, 2010
Pool Maturity Date: July 1, 2015
Loan Maturity Dates: January 2, 2015 to July 1, 2015
Date of Last Payment: July 15, 2015

Example 3: Renewals/IAD's: August 2, 2006 to February 1, 2007
Issue Date: December 1, 2007
Pool Maturity Date: August 1, 2012
Loan Maturity Dates: February 2, 2012 to August 1, 2012
Date of Last Payment: August 15, 2012

Loans must be equal payment Loans that are amortized by equal monthly payments of principal and interest or floating rate Loans with either fixed or adjustable payments. Amortization periods must be acceptable under the NHA. Graduated payment Loans, floating rate Loans with interest rate caps or non-amortizing Loans are not eligible for the NHA MBS Program. Payment frequency must be at least once monthly. Whenever the terms of a Loan are changed outside the terms permitted in a Pool/Loan, including going from floating to fixed rate, the Loan is to be liquidated from the Pool.

As at the issue date, all Loans must be fully advanced and fully insured against borrower default for the entire term. In addition, no Loan in a Pool or loan cross-defaulted with a pooled Loan may be in arrears as at the issue date.

In the case of multi-family Loans, a Loan reported in arrears within the six (6) months prior to the issue date may not be pooled. In addition, Loans on market or non-profit multi-family projects proposed to be included in a Pool must not be subject to any financial arrangements that, in the opinion of CMHC, adversely affect risk of default.

Insured first and second mortgage Loans are eligible for pooling. The second mortgage need not be in the same Pool as a related first mortgage.

Pari passu mortgages will be considered as eligible security, provided that their arrangements were approved by CMHC or the Approved Private Mortgage Insurer when the mortgage security was registered. *Pari passu* mortgages need not be in the same Pool.

Individual Loans containing cross-default clauses can be placed in separate Pools by the same Issuer provided full disclosure is made in the NHA MBS Information Circular, [CMHC 2834](#), upon issuance.

Eligible Multiple-Family Loans

Loan borrowers, guarantors or property managers and the related properties or projects that are mortgaged must not be subject to any financial arrangements that, in the opinion of CMHC, adversely affect risk of default on the Loans to be pooled. In addition, at the time of pooling they must not be experiencing financial difficulties for which special remedial arrangements are being negotiated.

A Loan proposed for pooling must not apply to or be secured by a property or project that is subject to another Loan that is not in good standing.

Where any of the above requirements are not met, the affected Loans cannot be included in a Pool unless CMHC's consent is given prior to pooling.

Eligible Floating Rate Loans

All such Loans must be floating rate for the term of the Pool. If a Loan is converted to fixed rate, it must be liquidated from the Pool.

All such Loans must have a payment sufficient to pay down principal each month. If the equivalent monthly Loan payment is equal to or less than the interest obligation, the Loan must be liquidated from the Pool. Loans with deferred interest at time of pooling are not eligible.

All such Loans in a Pool must have an interest rate based on the same index. If the index is a lending institution's prime rate, the prime rate used must be comparable to the prime rates of Approved Lenders generally.

All such Loans in a Pool must have the same payment and interest rate reset frequency.

Eligible Collateral Mortgage Loans

All such Loans must be amortizing and secured by a collateral mortgage that allows for more than one separate and distinct loan.

Loans secured by the same collateral mortgage may be included in the same Pool as long as they satisfy the eligibility requirements of the Pool.

Loans secured by the same collateral mortgage may be securitized in separate Pools provided the Pools have the same issue date and the NHA MBS Information Circular, [CMHC 2834](#), for these Pools specifies that the collateral mortgage is securing loans in more than one Pool. Loans secured by the same collateral mortgage cannot be securitized in Pools with different issue dates.

Social Housing Loans

Social housing Loans must be closed to prepayment during the term of the Pool and all requests for early payment of principal will require CMHC's prior approval.

For the purposes of this Guide, social housing Pools include only the following classes of Loans:

- a) New or existing NHA-insured Loans in respect of private, municipal or provincial Non-Profit projects receiving assistance under Section 95 of the NHA.
- b) Existing NHA-insured Loans in respect of Cooperative Housing projects with equal payment Loans and Section 95 assistance.
- c) Other unilaterally delivered Provincial Social Housing Programs insured under Part 1 of the NHA receiving prior CMHC approval for pooling purposes under Pool type "99".

Pool Types

The following provides a description of the types of Loans that can be found in each Pool type:

Prefix 867 – Homeowner Pool: Fixed Rate Loans secured by collateral mortgages (which allow for more than one separate and distinct loan) on individual properties comprised of up to four (4) self-contained residential units. Liquidation of a Loan from the Pool is required upon the pooled Loan or any loan cross-defaulted with the pooled Loan becoming 90 days in arrears or being otherwise in default for 90 days in accordance with its terms. With this Pool type, all penalty interest or indemnifications for any prepayment or renegotiation are retained by the Issuer.

Prefix 880 – Homeowner Pool: Loans secured by collateral mortgages (which allow for more than one separate and distinct loan) on individual properties comprised of up to four (4) self-contained residential units. Loans are adjustable rate Loans with an interest rate based upon an index that resets at least once monthly. Loan payments are adjusted as the interest rate is adjusted so that the amortization period is not affected by changes to the interest rate. The Adjustable Rate NHA MBS coupon resets on a monthly schedule based on the posted one-month CDOR rate applicable on the first business day of the report month, plus or minus a constant spread established when the NHA MBS is issued. If Loans are not referenced to CDOR, the coupon must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. Liquidation of the Loan from the Pool is required upon the pooled Loan or any loan cross-defaulted with the pooled Loan becoming 90 days in arrears or being otherwise in default for 90 days in accordance with its terms. With this Pool type, all penalty interest or indemnifications for any prepayment or renegotiation are retained by the Issuer.

Prefix 885 – Homeowner Pool: Loans secured by collateral mortgages (which allow for more than one separate and distinct loan) on individual properties comprised of up to four (4) self-contained residential units. Loans are variable rate Loans with an interest rate based upon an index that resets at least once monthly. Loan payments are not adjusted as the interest rate is adjusted. Non-amortizing Loans are liquidated from the Pool. The Variable Rate NHA MBS coupon resets on a monthly schedule based on the posted one-month CDOR rate applicable on the first business day of the report month, plus or minus a constant spread established when the NHA MBS is issued. If Loans are not referenced to CDOR, the coupon must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. Liquidation of the Loan from the Pool is required upon the pooled Loan or any loan cross-defaulted with the pooled Loan becoming 90 days in arrears or being otherwise in default for 90 days in accordance with its terms. With this Pool type, all penalty interest or indemnifications for any prepayment or renegotiation are retained by the Issuer.

Prefix 964 – Homeowner Pool: Fixed Rate Loans on individual properties comprised of up to four (4) self-contained residential units. With this Pool type, all penalty interest or indemnifications for any prepayment or renegotiation are paid to the Investors.

Prefix 965 – Mixed Pool: Any combination of at least two Loan categories, such as multiple-family and homeowner, homeowner and social housing, or multiple-family and social housing; and a Pool containing multiple-family Loans. This Pool type may include any multiple properties where the mortgage can be fractured or where prepayments are allowed. For prepayments occurring on this Pool type, the Issuer will pay to Investors the principal amount received together with an indemnity calculated in accordance with the methodology disclosed in the Information Circular, CMHC 2834.

Prefix 966 – Multiple-family: Fixed Rate Loans on insured multiple properties, small rental, large multiple-family projects, and/or social housing projects. Loans in this pool type must be closed to prepayment and administered accordingly. Where repayment occurs prior to the end of the term, Investors will be paid an indemnity calculated using the NHA MBS coupon rate.

Prefix 967 – Homeowner Pool: Fixed Rate Loans on individual properties comprised of up to four (4) self-contained residential units. With this Pool type, all penalty interest or indemnifications for any prepayment or renegotiation are retained by the Issuer.

Prefix 970 – Homeowner Pool: Fixed Rate Loans on individual properties comprised of up to four (4) self-contained residential units. With this Pool type, applicable indemnities for early prepayments are paid to the NHA MBS Investors for any prepayment or renegotiation that occurs within the first 36 months of the term following the interest adjustment date in all circumstances other than those where the prepayment is specifically permitted and disclosed in the Loan documents and summarized in the NHA MBS Information Circular, CMHC 2834. In no case shall the Loan prepayment provisions disclosed allow for partial prepayment in any year that exceeds 20% of the original principal amount of the Loan, unless such prepayment is as a result of a bona fide sale to

a third party of the underlying property or due to Loan default resulting in a mortgage insurance claim to CMHC or an Approved Private Mortgage Insurer. In only these circumstances will the Issuer retain prepayment penalties or indemnities.

Prefix 975 – Homeowner Pool: Fixed Rate Loans on individual properties comprised of up to four (4) self-contained residential units. With this Pool type, applicable indemnities for early prepayments are paid to the NHA MBS Investors for any prepayment or renegotiation that occurs within the first 60 months of the term following the interest adjustment date in all circumstances other than those where the prepayment is specifically permitted and disclosed within the mortgage document and summarized in the NHA MBS Information Circular, [CMHC 2834](#). In no case shall the Loan prepayment provisions disclosed allow for partial prepayment in any year that exceeds 20% of the original principal amount of the mortgage, unless such prepayment is as a result of a bona fide sale to a third party of the underlying property or due to Loan default resulting in a mortgage insurance claim to CMHC or an Approved Private Mortgage Insurer. In only these circumstances will the Issuer retain prepayment penalties or indemnities.

Prefix 980 – Homeowner Pool: Loans on individual properties comprised of up to four (4) self-contained residential units. Loans are adjustable rate Loans with an interest rate based upon an index that resets at least once monthly. Loan payments are adjusted as the interest rate is adjusted so that the amortization period is not affected by changes to the interest rate. The Adjustable Rate NHA MBS coupon resets on a monthly schedule based on the posted one-month CDOR rate applicable on the first business day of the report month, plus or minus a constant spread established when the NHA MBS is issued. If Loans are not referenced to CDOR, the coupon must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. No prepayment penalties or indemnities are passed through to Investors.

Prefix 985 - Homeowner Pool: Loans on individual properties comprised of up to four (4) self-contained residential units. Loans are variable rate Loans with an interest rate based upon an index that resets at least once monthly. Loan payments are not adjusted as the interest rate is adjusted. Non-amortizing Loans are liquidated from the Pool. The Variable Rate NHA MBS coupon resets on a monthly schedule based on the posted one-month CDOR rate applicable on the first business day of the report month, plus or minus a constant spread established when the NHA MBS is issued. If Loans are not referenced to CDOR, the coupon must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. No prepayment penalties or indemnities are passed through to Investors.

Prefix 987 – Homeowner Pool: Loans on individual properties comprised of up to four (4) self-contained residential units. Loans in this Pool type have floating rates, all of which are either adjustable or variable. The coupon rate is based on a spread to the Weighted Average Mortgage Rate (WAC) of the Loans in the Pool. The coupon rate must be at least 50 basis points below the WAC inclusive of incentive discounts. No prepayment penalties or indemnities are passed through to the investor.

Prefix 99 – Characteristics described under the section in this Chapter entitled “[Social Housing Loans](#)” above.

For all Pools, all applicable prepayment privileges/provisions, penalties and/or indemnities must be disclosed to Investors in the NHA MBS Information Circular, [CMHC 2834](#).

Loan and Pool Parameters

Minimum Pool Amount

As at the issue date, which will be the first day of a month, the aggregate outstanding principal balance of all Loans in a Pool must be \$2 million or more.

Loan Term

As at the issue date of an NHA MBS Pool, the maturity date of a pooled Loan must fall within six (6) months prior to the maturity date of the NHA MBS and at least one Loan must mature on the maturity date of the Pool.

Example: For a 60-month Pool issued July 1, 2009 and maturing on July 1, 2014, all Loans in the Pool must mature between January 2, 2014 and July 1, 2014. This means that Investors will receive a maximum of six (6) payments of maturing principal.

Pool Term

The Pool term for floating rate Pools is limited to a range between six months and seven years.

Interest Rate

As at the issue date, each Loan interest rate in a Pool must be at least 50 basis points higher than the coupon rate of the respective NHA MBS. For 880, 885, 980 and 985 Pools containing Loans referenced to one-month CDOR this 50 basis point rule applies. For 880, 885, 980 and 985 Pools containing Loans that are not referenced to one-month CDOR, each Loan interest rate must be at least 60 basis points higher than the coupon rate of the respective NHA MBS. For 987 Pools, the Weighted Average Interest Rate must be at least 50 basis points higher than the coupon rate. The difference between the highest and lowest pooled Loan interest rates must not exceed 2%. All interest rates in a Pool are to be fixed for the term or for floating rate Pools, all Loans must have the rate set off the same index.

The Issuer must state the weighted average rate on the Issuer’s Monthly Accounting Report, [CMHC 2840](#).

Amortization

As of the issue date, the remaining amortization period for all Loans in a Pool must be equal to or greater than the term of the Loan.

Loans that have a remaining amortization period of 15 years or less must be placed in short-term band Pools, and Loans that have amortization periods of 15 years or more must be placed in long-term band Pools. This requirement does not apply to social housing or multiple-family Loans.

The remaining amortization period used to qualify a Loan at the time of pooling shall be based on the calculation provided in [Part E, Appendix 7 – Mortgage Formulas and Accounting Conventions](#). In some cases, this may be different than the remaining contractual amortization of the Loan.

Payment Frequency

Loans with repayment privileges more frequent than monthly (e.g. weekly) are eligible for pooling; however, for NHA MBS reporting purposes they must be converted to the equivalent of monthly payments (see [Appendix 7](#) for conversion formulas). In such cases, the Issuer's Monthly Accounting Report, [CMHC 2840](#), will still generate a single monthly payment of NHA MBS principal to Investors. Issuers must ensure that any change in an amortization period brought about by such a conversion is reflected in the amortized NHA MBS schedule of monthly principal payments.

Loan Limits within a Pool

As at the issue date, each homeowner Loan within a Pool must not exceed 25% of the total aggregate principal amount of the Pool. In the case of social housing, mixed and multiple-family housing Pool types, a multiple Loan may be greater than 25% of the Pool's value provided the fact is disclosed in the NHA MBS Information Circular, [CMHC 2834](#).

Loan Substitution

Issuers are not entitled to substitute Loans; however, if prior to final certification (within no more than 120 days of NHA MBS issuance) a Loan is deemed ineligible and must be withdrawn from the Pool, it may be replaced by a comparable Loan.

When an ineligible Loan is replaced with a substitute Loan, the Issuer must ensure the interest rate, term and remaining amortization of the substitute Loan are within acceptable ranges for the specific Pool. The substitute Loan is to have an outstanding principal balance that is close to, but not exceeding, the remaining principal balance of the original Loan. The difference between the principal balance of the original Loan and the substitute Loan is to be passed through to Investors. Substitutions are not permitted after final certification.

Substitutions must be reported on the Issuer's Monthly Accounting Report, [CMHC 2840](#), as well as on the Schedule of Pooled Mortgages, [CMHC 2824](#). The number of liquidated Loans does not need to match the number of replacing Loans. The total balance of the liquidated Loans must be greater than or equal to the balance of the Loans that are substituted as replacements.

Ported Loans

Loans may be transferred to a different property and remain in their original Pool (Ported Loans) provided there is no change in the outstanding balance, term or conditions of the Loan and its insurance. To remain in the Pool, the Loan must be discharged from the pre-existing property and transferred to the new property during the same NHA MBS accounting period. Otherwise, the Loan must be liquidated from the Pool. The Issuer must ensure that appropriate documentation is deposited with the Custodian within 30 days of the transfer. Ported Loans that remain in their original Pool should not be reported on the Issuer's Monthly Accounting Report, [CMHC 2840](#), as a liquidation or substitution.

Assumed Loans

Loans may be transferred to a new mortgagor or may undergo a release or transfer of borrower covenant (Assumed Loans) and remain in their original Pool provided there is no change in the outstanding balance, term or conditions of the Loan and its insurance. Otherwise, the Loan must be liquidated from the Pool. The Issuer must ensure that appropriate documentation is deposited with the Custodian within 30 days of the transfer. Assumed Loans that remain in their original Pool should not be reported on the Issuer's Monthly Accounting Report, [CMHC 2840](#), as a liquidation or substitution.

Pool Diversification

Issuers are to ensure that the properties securing the pooled Loans reflect a diversification of geographic location to limit the risks associated with Loan defaults. CMHC will consider the extent of diversification before approving a Pool.

Issuers are required to disclose Pool diversity within the NHA MBS Information Circular, [CMHC 2834](#).

Servicing of Pooled Loans

A Servicer engaged by the Issuer must meet and maintain compliance with the following requirements in order to service pooled Loans on behalf of the Issuer:

- For CMHC-insured Loans, the Servicer must be an NHA Approved Lender authorized to administer Loans. For Loans insured by an Approved Private Mortgage Insurer, the Servicer must be a Qualified Mortgage Lender.
- A Servicer engaged by an Issuer must meet such additional requirements as CMHC may from time to time establish at its sole discretion.

In addition, Non-regulated Issuers must provide the following documents on an annual basis:

- For Loans insured by Approved Private Mortgage Insurers, confirmation of the Servicer's Qualified Mortgage Lender status from the Approved Private Mortgage Insurer;
- For CMHC insured Loans, confirmation of the Servicer's Approved Lender designation for Loan administration.

Limitation Against Encumbrances

Pooled Loans (including their proceeds and related mortgages and other security) must be cleared of any security interests or encumbrances arising from any previous or future assignments, pledges, hypothecations, or subject to any transfers of the right, title and interest in and to the Loans (including their proceeds and related mortgages and other security). This is expected to occur prior to the issuance of the NHA MBS (see [Chapter 8, Final Certification](#)).

The Issuer must provide the Custodian with releases of all security interests in relation to the Loans and related mortgages included within each specific Pool (see Release of Security Interest, [CMHC 2822](#)). In addition, the Issuer must certify that the releases encompass all pooled Loans (see Certification and Agreement, [CMHC 2816](#)).

Loans to be included in Pools may not be “warehoused” in a manner that results in the existence of a security interest in, or encumbrance of, any of the Loans on or after the effective date of the assignments to CMHC. The Issuer may finance its transaction with the “warehousing lender” by other assets, or by the pledge of the prospective proceeds to be received at the time of the issuance and the sale of the NHA MBS. Such arrangements are acceptable provided that the pooled Loans (including their proceeds and related mortgages and other security) are free from any interests, claims and encumbrances at the time the assignments to CMHC become effective.

Having already assigned all rights, title and interests in and to the Loans to CMHC, as trustee on behalf of Investors, the Issuer, its successor and assigns shall service each of the said Loans in accordance with usual and prudent mortgage practice. As part of such servicing, the Issuer may grant releases or partial releases of covenants and security, with or without consideration, make any arrangement, consent to an agreement or amend or discharge any mortgage and accept a payout of the Loan without the consent of CMHC provided that any such payout, agreement, arrangement or amendment is not contrary to the requirements of this Guide and Program, nor to disclosures made to Investors; and provided it is in accordance with the Issuer’s usual mortgage practice and is in no way prejudicial to Investors or CMHC.

After the securities are issued, an Issuer may pledge that portion of the excess spread it receives which equates to the administration/servicing fee that a Servicer may reasonably charge, provided, however, that the agreement pledging such amount shall stipulate that the secured third party shall acquire none of the rights of the Issuer in respect of the Pool of Loans other than the right to receive an amount that equates to a servicing fee out of the excess spread payable to the Issuer in respect of the Pool while the Issuer is in good standing and is not in default under the Program. For additional details, refer to [Chapter 13 – CMHC’s Rights](#).

CHAPTER

6

Procedures for the Issuance of NHA MBS

WHAT'S INSIDE...

Applications for the CMHC Guarantee Approval	6-1
Adjustments to the CMHC Guarantee Approval	6-2
Delivery of NHA MBS Guarantee Application and Approval	6-3
Pool Type Designation	6-3

AT A GLANCE

This chapter outlines requirements and procedures for applying for the CMHC Guarantee approval.

Applications for the CMHC Guarantee Approval

General Commitment Procedure

In order to obtain the CMHC Guarantee and issue NHA MBS, Issuers complete and receive back from CMHC an NHA MBS Guarantee Application and Approval, [CMHC 2812](#). This may be done at the same time a participant submits its [Pool documentation](#) (see [Chapter 7](#)). An approval authorizes the Issuer to issue NHA MBS up to a stated amount within the six-month period immediately following the date of the approval. The Issuer must remain in good standing and comply with this Guide and any conditions specified in the CMHC Guarantee approval between the granting of the approval and the issue date.

Each approval by CMHC is accompanied by, and identified in the records of CMHC by, an 8-digit Pool Number.

Application Procedure

Issuers must submit a number of forms and exhibits to the [CMHC Securitization Centre](#) to apply for a CMHC approval to issue NHA MBS. The forms and exhibits are described in more detail in [Chapter 7](#) and in [Part D](#) of this Guide. The most current version of each form is located on the CMHC website.

To apply for the CMHC Guarantee, Issuers must submit the following forms and exhibits:

- NHA MBS Guarantee Application and Approval, [CMHC 2812](#).
- An annual (or more often if deemed necessary) certified statement of adjusted net worth as defined in [Part E, Appendix 5](#) of this Guide.
- Current information concerning the Issuer's key officers and employees. CMHC must be notified of changes in key officers and employees as they occur through submissions on Certificate of Incumbency, [CMHC 2805](#).
- Payment of the application fee. The fee payable is calculated as (2) basis points based on the actual aggregate amount of the commitment applied for at the issue date.

If it is determined that the proposed issue of NHA MBS is not eligible for the CMHC Guarantee, CMHC will advise the applicant in writing of its decision, stating the reasons for rejection.

Term of the CMHC Guarantee Approval

Commitments for the CMHC Guarantee expire six (6) months from the date of the CMHC Guarantee approval. The applicant is under no obligation to issue the NHA MBS. CMHC may at the request of the Issuer approve an extension of the term of the CMHC Guarantee approval for a period not exceeding 45 days. A request for an extension must be made in writing before the expiration of the outstanding commitment and must be accompanied by the original NHA MBS Guarantee Application and Approval, [CMHC 2812](#).

Adjustments to the CMHC Guarantee Approval

The amount of issued NHA MBS must not exceed the amount specified in the corresponding CMHC Guarantee approval. Issuers are encouraged to request a CMHC Guarantee approval amount that is slightly greater than the anticipated amount of the proposed issue of NHA MBS. CMHC Guarantee approval requests should be for more than the minimum allowable Pool amount because it is virtually impossible to ensure that the NHA MBS principal issued will end up being equal to the minimum amount allowed. By following this procedure, Issuers will avoid having to request an increase of the original CMHC Guarantee approval amount.

CMHC Guarantee Approval Increases

If it is necessary to increase the amount specified in a Guarantee approval, the Issuer may make the request in writing to CMHC. The original NHA MBS Guarantee Application and Approval, [CMHC 2812](#), must accompany the written request. CMHC must receive the request at least five (5) full business days prior to the settlement date. These requests will be approved only if the Issuer meets all the conditions for granting the CMHC Guarantee approval.

Requests for an increase in the amount of the NHA MBS issue must be accompanied by a payment to CMHC in an amount computed as two (2) basis points based on the requested increase. This is the amount of the additional application fee.

Unused CMHC Guarantee Approval

A NHA MBS issue may be in an amount less than the original CMHC Guarantee approval amount as long as no issue amount is less than the minimum \$2 million amount described in this Guide. If the amount of NHA MBS issued is less than the amount specified in the CMHC Guarantee approval, the approval does not apply to the amount that exceeds the amount of the actual issue. A part of the application fee may be refundable in such cases.

Combining CMHC Guarantee Approvals

Issuers may request that two (2) or more CMHC Guarantee approvals be used together with a single issue of NHA MBS. The Issuer must submit to CMHC the original NHA MBS Guarantee Application and Approval, [CMHC 2812](#), for all CMHC Guarantee approvals that are to be combined, along with a written request to combine the approvals under a single CMHC Guarantee approval number. These requests must be received by CMHC at least five (5) full business days before the Custodian receives the Pool documents. The total amount of each CMHC Guarantee approval will be included in the combined amount for the NHA MBS Guarantee approval. The combined CMHC Guarantee approval will have the same CMHC Pool Number and expiration date as the CMHC Guarantee approval with the shortest term.

Delivery of the NHA MBS Guarantee Application and Approval

An NHA MBS Guarantee Application and Approval, [CMHC 2812](#), must be submitted to the [CMHC Securitization Centre](#) at least five (5) full business days before the settlement date.

Pool Type Designation

On the NHA MBS Guarantee Application and Approval, [CMHC 2812](#), the Issuer must indicate the type of Pool for which it is applying (see [Chapter 5 – Pool types](#)).

CHAPTER

7

Assembly and Submission of Pool Documentation

WHAT'S INSIDE...

Obtaining NHA MBS Program Forms	7-1
Required Documents	7-1
Insurer Confirmation	7-4
Guarantee Fee	7-4
The Pooling Method	7-4
Mortgage Pools Transfer to CMHC Acting on Behalf of Investors	7-5
Powers of Attorney, Notices and Assignments	7-7
Re-assignment to Issuer	7-7
Deficiency in Principal Balance at Issue Date	7-8

AT A GLANCE

This chapter details the steps the Issuer must follow to deliver its Pool document package to CMHC once the Pool is assembled.

Obtaining NHA MBS Program Forms

Copies of all forms used in connection with the NHA MBS Program are available on the CMHC website. Samples and completion instructions are available for general reference only in [Part D](#) of this Guide. Issuers may input data directly to these forms, print them and forward the signed copies as per the [distribution instructions](#). Note that the NHA MBS Information Circular, [CMHC 2834](#), must be a bilingual document, and that the Issuer's Monthly Accounting Report, [CMHC 2840](#), is submitted electronically to the Central Payor and Transfer Agent in the electronic format specified by the CPTA.

Required Documents

The Issuer and other appropriate parties must complete all documents on or before the issue date. The only document exempted from this requirement is the initial certification on the reverse of the Schedule of Pooled Mortgages, [CMHC 2824](#). CMHC must be informed of the intended settlement date of the NHA MBS when the documents are submitted. If the Issuer submits documents containing errors, or if documents are missing, the processing time requirement will start only when the fully corrected documents are received.

For a Pool to achieve initial certification, the proper forms of security assignment for each Loan in a Pool (as outlined below in the section [Mortgage Pools Transfer to CMHC Acting on Behalf of Investors](#)), as well as the following documents related to the Pool, must be submitted to CMHC and the CPTA at least five (5) full business days before the settlement date of the NHA MBS Pool.

[NHA MBS Guarantee Application and Approval, CMHC 2812](#)

This form provides updated financial and business information about the Issuer; identifies the amount, type and purpose of the Pool applied for; stipulates some of the approval conditions; and permits CMHC to identify the Pool and account for the application fee.

[Schedule of Subscribers and Contractual Agreement, CMHC 2830](#)

This form lists the name, address and the face amount of NHA MBS subscribed for by each Investor. NHA MBS that are not sold may be registered in the name of the Issuer. The list of subscribers and the delivery instructions may not be revised after the form is submitted to CMHC. The Issuer must state on the form the name of its authorized courier or other representative if NHA MBS Certificates are to be picked up at the offices of the CPTA. The executed form references the establishment of a contract between CMHC as trustee on behalf of Investors and the Issuer. The form also requires that the Issuer provide the CUSIP number (a unique number that identifies and describes a particular security) applicable to the issue.

[Schedule of Pooled Mortgages, CMHC 2824](#)

This form describes the pooled Loans. The Custodian must sign the initial certification on the reverse side of the Schedule of Pooled Mortgages, [CMHC 2824](#), before the settlement date of the NHA MBS. These Loan details must be provided to the Custodian in an electronic format at least five (5) full business days prior to the settlement date. The Issuer and appropriate parties must complete the documents specified in [Chapter 8](#) in order to allow the Custodian to complete [initial certification](#). The Custodian must have these documents before the CPTA delivers the NHA MBS. The Custodian must complete the final certification within 120 days from the issue date. The documents required for [final certification](#) are also specified in [Chapter 8](#).

[Mortgage Pool Servicing Agreement, CMHC 2814](#)

This agreement indicates whether the servicing of the pooled Loans will be performed by the Issuer or by a sub-contract Servicer (or different Servicers for different Loans in a Pool). If there is more than one Servicer, a CMHC 2814 must be completed for each Servicer. Applicable Insurance Account Numbers must identify the Loans they are administering.

Letter Agreement for Issuer's P & I Custodial/Trust Account, CMHC 2806

This agreement provides CMHC with a standard [P & I Custodial/Trust Account](#), along with the name and address of the depository institution and the account number. The agreement should specify “All Pools” if the same Custodial/Trust Account is used for all the Issuer’s Pools.

Letter Agreement for Issuer's Tax Custodial/Trust Account, CMHC 2832

If the Issuer collects property taxes on the pooled multiple-family Loans, this agreement provides CMHC with a standard Custodial/Trust Account along with the name and address of the depository institution maintaining the [Tax Custodial/Trust Account](#) number (see [Chapter 10](#)). This agreement can also provide alternate security that is acceptable to CMHC. The agreement should specify “All Pools” if the same Tax Custodial/Trust Account is used for all the Issuer’s Pools.

Custodial Agreement, CMHC 2820

This agreement describes the duties and responsibilities of both the Issuer and the Custodian as to the custody of the Loan documents.

Title Custodian Certifications, CMHC 2825

This form is required for each Pool issued by a Non-regulated Issuer to confirm that all Loans in the Pool are registered in the name of an OSFI-regulated Title custodian. If there are different Title custodians for different Loans in a Pool, this form must be completed for each Title custodian.

If at initial certification the Pool contains any Loans that have not been certified by Title Custodian Certifications, [CMHC 2825](#), the Issuer must, prior to delivery of the NHA MBS, either liquidate those Loans or provide the Custodian with cash collateral equal to their outstanding principal balance. The cash collateral will be held in a trust account by the Custodian.

At final certification, any uncertified Loans will be considered ineligible and immediately liquidated from the Pool. Investors will receive the outstanding principal balance of the liquidated Loans on the next scheduled Payment Date. The Custodian will then return the cash collateral to the Issuer.

NHA MBS Information Circular, CMHC 2834

This form provides a standard description of the NHA MBS to be issued and discloses to Investors a summary of the terms and provisions in the mortgage documents that may materially affect the cash flow behaviour of the Pool, including, but not limited to, any prepayment provisions and any re-advancing or refinancing rights that may lead to a Loan’s early liquidation. This form also discloses the circumstances under which the Investors will or will not receive an indemnity or penalty for early prepayments as well as the applicable indemnity or penalty calculation. This form should be bilingual, properly printed and bound.

Insurer Confirmation

For each NHA MBS Pool, an insurance confirmation is required from the mortgage insurer to ensure the following:

- that the pooled Loans are 100% insured against borrower default;
- that the Loan information submitted for the Pool matches the insurer's records, including mortgage particulars;
- that the pooled Loans comply with the terms of the PRMHIA or the NHA, as applicable; and
- that the mortgage insurer has complied with its responsibility for verifying all applicable Loan eligibility criteria relating to mortgage insurance status and Loan status.

The form of confirmation is available by contacting the [CMHC Securitization Centre](#).

Guarantee Fee

The NHA MBS Guarantee fee payable to CMHC must be calculated and remitted as outlined in [Chapter 4](#).

The Pooling Method

Issuers must use the pooling method outlined below for all Pools.

The initial unpaid balance of a Pool shown on the Schedule of Pooled Mortgages, [CMHC 2824](#), is the balance remaining after all principal payments scheduled for payment up to and including the first day of the month of issue have been credited. That day is called the "issue date." The aggregate principal amount of the NHA MBS and the amount of principal outstanding on the Loans on the basis of which the NHA MBS are issued are equal at the date of issue of NHA MBS.

The first payment due Investors will be made on the Payment Day of the month following the issue date (approximately 45 days). This payment consists of the following:

- the expected principal due on the first day of the month immediately following the month of issue;
- unscheduled principal payments made in the report month of issue plus interest penalties and indemnities; and
- one (1) month's interest (based on a 10-digit monthly factor) at the coupon rate of the NHA MBS multiplied by the original principal amount of the Pool.

The maturity date of NHA MBS based on this method of pooling is the last maturity date of an underlying pooled Loan. If the last maturing pooled Loan matures on a day other than the first of the month, the maturity date of the issue is the first of the following month.

Mortgage Pools Transfer to CMHC Acting on Behalf of Investors

The following conditions apply to Loans originated in all provinces and territories other than the Province of Quebec:

- The Issuer and any Registered Holder of pooled mortgages different from the Issuer must execute a Mortgage Pools Transfer Agreement, [CMHC 2836](#), and Power of Attorney, [CMHC 2841](#).
- The Power of Attorney is to be registered in all land registry or land titles offices in all provinces or territories where Loans are registered, as applicable.
- These documents give CMHC all the Issuer's (and Registered Holder's) rights, title and interests to the pooled Loans.

The following conditions apply to Loans originated in the Province of Quebec:

- The Issuer and any Registered Holder of pooled mortgages different from the Issuer must execute a Pooled Mortgage Loan Transfer and Servicing Agreement, [CMHC 2835](#), and Power of Attorney (Quebec), [CMHC 2841Q](#), and must also provide a registered copy of an Assignment of Universality of Claims, [CMHC 2837](#) or [CMHC 2837RH](#), as applicable. Where applicable (and as further described in the following paragraphs), Issuers that are Regulated Institutions must also provide, from the Registered Holder, the appropriate form of registerable mortgage assignment documentation required in Quebec. These documents must be delivered to the Custodian (see [Chapter 8](#))
- For Loans securitized by investment grade Issuers (minimum senior long-term debt rating of BBB (low) with DBRS or equivalent with other rating agencies) that are Regulated Institutions, CMHC can rely on the Power of Attorney (Quebec), [CMHC 2841Q](#), provided in lieu of registerable Quebec mortgage assignments.
- For Loans securitized by investment grade Issuers (minimum senior long-term debt rating of BBB (low) with DBRS or equivalent with other rating agencies) that are Regulated Institutions, the following trigger events apply for the preparation and/or execution of registerable Quebec mortgage assignments:
 1. The Issuer's senior long-term debt rating is, at any time, reduced below investment grade (that is, below BBB (low) with DBRS or equivalent with other rating agencies) by any rating agency.
 2. The Issuer defaults in the performance of any of its obligations under the NHA MBS Guide (the contract) specifically relating to the collection, remittance, deposit or payment of amounts to the Central Payor and Transfer Agent (CPTA).
 3. The Issuer fails to report accurate monthly accounting data on a timely basis for any Pool backing NHA MBS of the Issuer as required under the NHA MBS Guide (the contract), and such default remains unremedied for a period of one (1) business day after written notice has been given by CMHC.

4. Any impending or actual insolvency on the part of the Issuer, as evidenced by, but not limited to:
 - a. The commencement of a dissolution or insolvency proceeding involving the Issuer;
 - b. The appointment of a receiver-manager, trustee or other similar court, regulator or creditor appointed officer over the Issuer's business, or the taking of control or possession by such officer of the Issuer's business, in whole or in part, before the commencement of a dissolution or insolvency proceeding;
 - c. A general assignment by the Issuer for the benefit of any of its creditors; or
 - d. The general failure of, or the inability to, or the written admission of the inability of the Issuer to pay its debts as they become due.
5. Generally, any change in the business status of an Issuer, which is considered by CMHC to materially adversely affect the liability or rights of CMHC under the terms of the NHA MBS Guide or to CMHC risk exposure which has not been eliminated or remedied within five (5) business days after notice has been given by CMHC.

For pooled mortgages registered in the name of an entity different than the Issuer, an MBS Mortgage Security Registration Agreement, [CMHC 2843](#) or [CMHC 2843 \(NR\)](#), as applicable, is required to clarify the ownership of the pooled mortgages and the responsibilities of the parties involved. This agreement must be executed by the Issuer, the Registered Holder and CMHC.

These documents give CMHC all the Issuer's (and Registered Holder's) rights, title and interests to the pooled Loans. CMHC holds all such rights, title, and interests in trust for the benefit of Investors for the purpose of protecting the rights of Investors under the NHA MBS Program. The trust provided for in this arrangement is established under and governed by the laws of the Province of Ontario. CHMC is acting as trustee on behalf of the Investors in the Pool in either instance.

CMHC gives the Issuer the right to hold registered title to the pooled mortgages while it remains in good standing or, in certain circumstances, gives an entity different from the Issuer the right to hold registered title to the pooled mortgages. Instances in which CMHC may allow a third-party to hold registered title include, but are not limited to, where title is held by a third-party for administrative reasons (e.g. Loan servicing) or where the Issuer is restricted from holding title (e.g. Non-regulated Issuers).

Notwithstanding the above, the Issuer acknowledges and agrees that it continues to be fully responsible under the Program for all Issuer responsibilities, including ensuring that CMHC will at all times have an enforceable right to the pooled Loans (and related mortgages), security and insurance coverages.

CMHC can require that title be registered in its name, in its own right as trustee on behalf of Investors upon a declaration of an [event of default](#).

CMHC is authorized to prepare, sign and deliver on behalf of and as attorney for the Issuer (and where applicable, any Registered Holder different from the Issuer), assignments and transfers to CMHC of all rights and interests which the Issuer (and where applicable, any Registered Holder different from the Issuer) has at the Issue Date or acquires at a later date. These assignments and transfers can be in or under any of the documents relating to the Loans and mortgages in the Pool, including:

- the mortgagee's interest in the Loan insurance policy;
- the report on title or the mortgagee's interest in title insurance relied upon by the originator of the Loan;
- the mortgagee's interest in indemnity against fire and other standard insurable perils; and
- any other additional security ordinarily obtained by a prudent lender in connection with the Loan and mortgage.

Powers of Attorney, Notices and Assignments

The registration requirements, required execution, certification and affidavits will differ from jurisdiction to jurisdiction within Canada and will change from time to time in each jurisdiction. Issuers and Registered Holders (as applicable) should consult local counsel and notaries before completing their powers of attorney, assignments and registrations, to ensure they are registerable, valid and enforceable. If the Issuer is advised of differences from or issues related to what is provided under the Program by their counsel or notary, it should be brought to CMHC's attention.

Re-assignment to Issuer

Once an Issuer in good standing has discharged all of its obligations to CMHC and Investors in respect of a Loan in a Pool and otherwise upon termination of a Pool in accordance with the terms of the NHA MBS Guide, the mortgage assignment documentation (Mortgage Pool Transfer and Servicing Agreement, [CMHC 2835](#); Mortgage Pools Transfer Agreement, [CMHC 2836](#) and/or the specific registerable mortgage assignments) will no longer apply in respect of that Loan or Pool, as the case may be. Once the Issuer has discharged all of its obligations in respect of any Loan in a Pool and otherwise upon termination of a Pool, the Loan-specific documents in respect of the Loan or Loans, as the case may be, will be returned to the Issuer.

Where a mortgage secures two (2) or more Loans securitized under the Program, the mortgage assignment documentation in respect of that mortgage will continue to apply until all pooled Loans secured by that mortgage are paid out to Investors.

Where an assignment to CMHC has been registered and needs to be re-assigned or discharged upon payout in accordance with the Program, or where CMHC is satisfied that such re-assignment or discharge is the appropriate course of action to deal with a borrower default situation, CMHC will execute such assignment or discharge. In such instances, the Issuer is responsible for preparing, carrying out and registering the documents at its own expense.

Deficiency in Principal Balance at Issue Date

An Issuer may discover that a Pool contains an ineligible Loan subsequent to the submission of Pool documentation to CMHC, but prior to the issue date, often because a Loan has failed to fund in time. In such circumstances, the Issuer must [substitute](#) a Loan (see [Chapter 5](#)) and immediately provide the Custodian with the appropriate documentation for initial certification.

As well, the Issuer must provide the Custodian, before settlement of the Pool, with a cheque for the difference between the amount of the original Loan and the substituted Loan(s). The cheque will be held in a trust account by the Custodian. If the P & I Custodial/Trust Account does not contain the necessary funds, the Custodian will release the cheque to the CPTA. However, normally the Issuer debits the P & I Custodial/Trust Account for that amount and includes it with the monthly accounting funds in the first monthly accounting report and the funds are passed through to the Investors as a principal adjustment with the first payment. The Custodian then returns the cheque to the Issuer.

CHAPTER

8

Custodian and the Title Custodian

WHAT'S INSIDE...

Role of Custodian	8-1
Custodian Eligibility Requirements	8-2
Document Delivery and Certification	8-2
Custodian's Review Procedures	8-8
Release of Documents	8-8
Issuer Review of Custodial Documents	8-9
Transfer of Custodial Responsibilities	8-9
Termination of Pool	8-10
Role of the Title Custodian	8-10
Title Custodian Eligibility Requirements	8-10

AT A GLANCE

This chapter describes the criteria that must be met by the custodial institutions and the role they hold relating to pooled Loans. It also provides a list of the required documents, the review procedures and the release of documents. The terms and conditions for transferring custodial responsibilities and for terminating a Pool arrangement are also described.

Role of Custodian

A custodial institution acceptable to CMHC will hold documents and data relating to the pooled Loans and Issuers, on CMHC's behalf, for the life of a Pool. This Custodian will also insure that all data is kept current in electronic form. Before the submission of documentation, the Issuer shall enter into an agreement with the Custodian to hold the documents. A Custodial Agreement, [CMHC 2820](#), must be completed for each Pool. The Custodian will certify in two (2) stages on the reverse side of the Schedule of Pooled Mortgages, [CMHC 2824](#), that it has examined the required documents in its possession and has found them to be acceptable and in compliance with the requirements of this Guide.

Custodian Eligibility Requirements

To be a Custodian, the institution must:

- be a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to valuable documents or be a bank listed in Schedule I of the *Bank Act*, S.C. 1991, C.46;
- be equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety, confidentiality and security of the documents, in accordance with customary standards for such storage facilities;
- in its custodial function, use employees who are knowledgeable in the handling of mortgage documents and in the duties of a mortgage document custodian;
- satisfy such other reasonable requirements that CMHC deems necessary to protect its interest in the Pool documents;
- have computer systems that can accept electronic versions of Loan details, and be able to transmit that data to CMHC, to an Approved Private Mortgage Insurer and to the Central Payor and Transfer Agent in a form that is readable by CMHC's, the Approved Private Mortgage Insurer's and the CPTA's computer systems; and
- be at arms length from the Issuer.

Document Delivery and Certification

The Issuer must deliver the documents outlined below to the Custodian in accordance with the conditions of the Custodial Agreement, [CMHC 2820](#), and in order to obtain the certification required on the Schedule of Pooled Mortgages, [CMHC 2824](#). In addition to the originals and copies of documents to be delivered, individual Loan details are to be provided to the Custodian in electronic format for all Pools, which are then forwarded to the insurer of the Loans for verification of valid insurance coverage. This verification is sent by the insurer to the [CMHC Securitization Centre](#). For each Pool, the CMHC Securitization Centre forwards a list of all ineligible Loans to the Custodian and the Issuer. The Custodian will ensure that the documents relate to the Loans listed in the [CMHC 2824](#), and will certify receipt of the documents. The Custodian will also certify that it has examined the documents and determined that the documents satisfy the requirements of the Program as defined in this Guide.

Initial Certification

Prior to the delivery of the NHA MBS by the CPTA, the Custodian must certify that it has received from the Issuer a Schedule of Pooled Mortgages, [CMHC 2824](#), listing all Loans in the Pool. The Custodian will also certify that it has the requisite number of copies or originals (as prescribed in Part D of this Guide) of the following documents for all Loans originated in provinces and territories other than the Province of Quebec:

- an executed Mortgage Pools Transfer Agreement, [CMHC 2836](#), from the Issuer and any Registered Holder of pooled mortgages different from the Issuer; and

- an executed Power of Attorney, [CMHC 2841](#), from the Issuer and any Registered Holder of pooled mortgages different from the Issuer, together with proof of registration for all the applicable registry and land titles offices. For those jurisdictions where registration is not applicable, the executed copy of the Power of Attorney, [CMHC 2841](#).

For Loans originated in the Province of Quebec, the Custodian will certify that it has received from the Issuer and any Registered Holder different than the Issuer an executed Mortgage Pool Transfer and Servicing Agreement, [CMHC 2835](#), a Power of Attorney, [CMHC 2841Q](#), and a registered Assignment of Universality of Claims, [CMHC 2837](#) or [CMHC 2837RH](#), as applicable

In addition, where the registered holder of pooled mortgages is different from the Issuer, the Custodian will also certify that it has an MBS Mortgage Security Registration Agreement, [CMHC 2843](#) or [CMHC 2843 \(NR\)](#), executed by the Issuer, Registered Holder and CMHC.

Finally, for each Pool issued by a Non-regulated Issuer, the Custodian will certify that it has a Title Custodian Certifications, [CMHC 2825](#), for each Title custodian of Loans in the Pool, executed by an authorized officer of the Issuer and Title custodian. The Custodian will examine the Title Custodian Certifications provided, identify any and all uncertified Loans and, if applicable, ensure that it has received cash collateral equal to the principal balance of such Loans.

The Issuer must provide the Custodian with the Insurance Account Number at the time of initial certification.

The initial certification made by the Custodian on the reverse side of the Schedule of Pooled Mortgages, [CMHC 2824](#), must be notarized (on the last page only if there is more than one page to the schedule). The Custodian should then forward a completed original Schedule of Pooled Mortgages, [CMHC 2824](#), directly to CMHC and to the Issuer.

Final Certification

The Custodian must provide its final certification with respect to the following documents that relate to each and all pooled Loans within 120 days of the Pool issue date.

In order to obtain final certification, the Issuer must provide the Custodian with the Insurance Account Number for all pooled Loans, plus the requisite number of copies or originals (as prescribed in [Part D](#) of this Guide) of the following:

- The appropriate registerable mortgage assignment documentation (from the Registered Holder) for Loans originated in Quebec as prescribed in [Chapter 7 – Mortgage Pools Transfer to CMHC Acting on Behalf of Investors](#).
- The appropriate assignment documentation (from the Registered Holder) prescribed by CMHC as set out below in the section [Mortgage Documentation Trigger Events](#). Trigger events specific to Quebec mortgages are listed in [Chapter 7 – Mortgage Pools Transfer to CMHC Acting on Behalf of Investors](#).

- If any Loan in the Pool is encumbered by other interests, the Issuer must obtain an executed original Release of Security Interest, [CMHC 2822](#), for each person or institution with any interests or rights in and to any and all pooled Loans and related mortgages.

For 867, 880 and 885 Pools, a Release of Security Interest, [CMHC 2822](#), is always required from the Issuer and any Registered Holder different than the Issuer.

Upon the execution of the Releases of Security Interest, only the Investors and CMHC will have any interest, other than nominal title, in and to the pooled Loans (including their proceeds and related security).

- The Custodian must hold one (1) or more releases per Pool to the extent necessary to encompass all pooled mortgages. If there are no such security interests, this submission is not required and the fact should be reported on the Certification and Agreement, [CMHC 2816](#).
- An executed Certification and Agreement, [CMHC 2816](#), signed by an officer of the Issuer stating that:
 - Chain of title is complete and documentary evidence will be available to CMHC upon request showing that the Issuer is the Registered Holder of the mortgages or alternatively that the Issuer has entered into an MBS Mortgage Security Registration Agreement for that purpose which has been approved by CMHC;
 - The Release of Security Interest, [CMHC 2822](#), delivered by the Issuer to the Custodian encompasses all security agreements affecting any mortgages in this Pool; or
 - There are no other transfer, assignment or security agreements other than the assignment to CMHC affecting any Loan in this Pool.

The Certification and Agreement, [CMHC 2816](#), maintains that where a mortgage securing a pooled Loan also secures the payment of other obligations, such obligations are released from those mortgages and are no longer secured by them.

Such certification will be dated and shall identify the name of the Issuer, and the name and title of the authorized officer who has signed the statement.

- The Issuer's Custodian is to hold any additional security required by CMHC such as a letter of credit or guaranteed investment certificate in lieu of a Tax Custodial/Trust Account if there is additional security held for an NHA MBS Pool on behalf of CMHC as trustee.

Documents must be complete and deposited with the Issuer's Custodian when the period of time allotted for final certification expires. Loans that are not completely documented within the prescribed time must be replaced with a fully documented and Pool-eligible Loan.

If the Issuer fails to achieve final certification within the specified time, it will constitute default according to the provisions of this Guide. Default will result in suspension of authority to originate further issues of NHA MBS. As well, CMHC in its sole discretion, may take further action under the provisions of [Chapter 13](#).

Mortgage Documentation Trigger Events

An Issuer will also be required to provide the Custodian with the following mortgage documentation and, in some circumstances registerable mortgage assignments from the Registered Holder, for pooled Loans following written notification from CMHC stating that a documentation trigger event has occurred:

- a photocopy of the one (1) or two (2) individual pages of the duplicate of the registered mortgage (DRM) document bearing the legal description of the property and the registration certification, or a complete photocopy of the DRM document bearing a certificate or proof of registration;
- photocopies of all registered assignments or transfers and agreements to show a complete chain of title from the originating mortgagee to the Issuer, if the Issuer did not originate the Loan;
- copies of any additional security related to the Loan are to be included in the documentation, where the Loan is secured by a mortgage on a multiple-family project or social housing project. Without restricting the foregoing, “security” includes any and all documents securing the Loan, such as chattel mortgages, assignments of rents or assignments of leases; and
- in some circumstances, registerable mortgage assignments from the Registered Holder.

The mortgage documentation trigger events are listed below:

- The Issuer defaults in the performance of any of its obligations under the NHA MBS Guide specifically relating to the collection, remittance, deposit or payment of amounts to the Central Payor and Transfer Agent (CPTA). The Issuer will be required to provide the Custodian with registerable assignments of all mortgages and related security in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages.
- The Issuer fails to report accurate monthly accounting data on a timely basis for any Pool backing NHA MBS of the Issuer as required under the NHA MBS Guide (the contract), and such default remains unremedied for a period of one (1) business day after written notice has been given by CMHC. The Issuer will be required to provide the Custodian with registerable assignments of all mortgages and related security in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages.

- Any impending or actual insolvency on the part of the Issuer, as evidenced by, but not limited to:
 - the commencement of a dissolution or insolvency proceeding involving the Issuer;
 - the appointment of a receiver-manager, trustee or other similar court, regulator or creditor appointed officer over the Issuer's business, or the taking of control or possession by such officer of the Issuer's business, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy;
 - a general assignment by the Issuer for the benefit of any of its creditors;
 - the general failure of, or the inability to, or the written admission of the inability of the Issuer to pay its debts as they become due.

The Issuer will be required to provide the Custodian with registerable assignments of all mortgages and related security in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages. In addition, if the Issuer is already insolvent, the Issuer may be required to provide the Custodian with DRMs for all Loans in all outstanding Pools, on demand.

- Any change in the business status of an Issuer, which is considered by CMHC to materially adversely affect the liability or rights of CMHC as guarantor or pursuant to the NHA MBS Guide, which has not been eliminated or remedied within five (5) business days after notice has been given by CMHC. The Issuer will be required to provide the Custodian with registerable assignments of all mortgages in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages.
- If the Issuer is rated and its senior long-term debt rating is, at any time, reduced below investment grade (that is, below BBB (low) with DBRS, or equivalent with other rating agencies), the Issuer will be required to provide the Custodian with registerable mortgage assignments of all mortgages in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages.

If the Issuer is unrated and reports negative cash flow from operations in its annual financial statements, which is determined by CMHC to have a material adverse effect on the Issuer's financial stability, the Issuer will be required to provide the Custodian with registerable assignments of all mortgages in all outstanding Pools on demand, failing which CMHC shall be entitled to unfettered access to books, records and accounts as described below and will complete the assignments itself by way of the Powers of Attorney that CMHC has from the Issuer and Registered Holder(s) of pooled mortgages.

- An Issuer's average default (defined as Loans being three (3) months or more in arrears) ratio for all outstanding Pooled Loans for any consecutive three (3) month period exceeds 2.0%. The Issuer will be required to provide the Custodian with copies of DRMs for all mortgages in all outstanding Pools within 60 days of written notice from CMHC.
- The Issuer neglects to observe or perform any other term, condition, covenant or obligation contained in the NHA MBS Guide (other than those listed above), which failure could have material adverse effect and remains unremedied for 30 business days after written notice from CMHC. The Issuer will be required to provide the Custodian with copies of DRMs for all mortgages in all outstanding Pools within 60 days of written notice from CMHC.

In the administration of the trigger events, CMHC will review the situation under which the trigger event occurs in each case and, in its discretion, determine the circumstances under which the required documentation must be provided by the Issuer to CMHC.

Where a Registered Holder different from the Issuer holds title to pooled mortgages, CMHC shall have the right to effect assignments and transfer all rights, title and interest of the Registered Holder in or under all documents relating to or ancillary to such pooled mortgages, in its name or in the name of an entity specifically designated by CMHC. In this regard, the Registered Holder irrevocably appoints CMHC as its attorney for the purpose of the preparation, execution and delivery on behalf of and as attorney for the Registered Holder of all such assignments and transfers of all rights, title and interest of the Registered Holder in or under all documents relating to or ancillary to the Loans in the Pools.

Access to Books, Records and Accounts

The Issuer acknowledges and agrees that the Investors in an NHA MBS Pool, the owners of the Loans and underlying mortgages, are also, for so long as the Loans are in such Pool, the proper owners of all books, records or accounts of the Issuer, Loan Servicer, custodian, agent or other person that relate to the CMHC Guarantee of the NHA MBS and the mortgages. The Issuer further acknowledges and agrees that CMHC acts as trustee on behalf of the Investors in this regard. Accordingly, the Issuer agrees that it shall:

- immediately upon the request of an authorized representative of CMHC, make available and give unfettered access to any books, records or accounts of the Issuer that relate to the CMHC Guarantee of the NHA MBS and the Loans; and

- cause to make available and have unfettered access given to any books, records or accounts of any Loan Servicer, Custodian, agent or other person that relate to the CMHC Guarantee and the Loans for inspection, copying and obtaining by an authorized representative of CMHC such books, records or accounts. This acknowledgement and agreement inure to and are binding upon all successors and assigns of the Issuer.

Custodian's Review Procedures

The Custodian shall conduct the review described below before making the final certification on the Schedule of Pooled Mortgages, [CMHC 2824](#). The listing of Loans on the Schedule of Pooled Mortgages, [CMHC 2824](#), is to be used as a control in determining that the documents in the Pool file relate to the pooled Loans. The Custodian will retain a photocopy of the [CMHC 2824](#) as an inventory control of the Pool documents. The Custodian ensures that:

- The Insurance Account Number and original principal amount of the Loan appear on the [CMHC 2824](#). Final certification is not to be granted if all insurer reference numbers do not appear on the [CMHC 2824](#);
- It has a copy of the Mortgage Pools Transfer Agreement, [CMHC 2836](#), and a copy of the Power of Attorney, [CMHC 2841](#), for all the provinces and territories other than the Province of Quebec, with registered copies as applicable, from the Issuer and for each Registered Holder of pooled mortgages different from the Issuer;
- It has a copy of the Pooled Mortgage Loan Transfer and Servicing Agreement, [CMHC 2835](#), a registered copy of the Assignment of Universality of Claims, [CMHC 2837](#) or [CMHC 2837RH](#) (as applicable), the appropriate mortgage assignment documentation required in Quebec for all Loans originated in Quebec, and applicable Power of Attorney, [CMHC 2841Q](#), required for Quebec, from the Issuer and for each Registered Holder of pooled mortgages different from the Issuer;
- It has a copy of an MBS Security Registration Agreement, [CMHC 2843](#) or [CMHC 2843 \(NR\)](#), where pooled mortgages are registered in the name of an entity different from the Issuer.

Release of Documents

Under the terms of the Custodial Agreement, [CMHC 2820](#), copies of documents may be released to the Issuer from time to time in connection with the servicing of Loans, including foreclosure or other legal actions under the mortgage. The assignment documents in favour of CMHC will continue to apply in respect of a particular mortgage unless all the Loans securitized under the Program that are secured by that mortgage have been paid out.

The mortgage documents will be released normally to the Issuer upon payout to the investors in respect of all the Loans securitized under the Program that are secured by that particular mortgage. Otherwise, CMHC agrees to the release of documents from the Custodian only if the documents are necessary in carrying out administrative actions relating to the Loans. The Custodian must receive from the Issuer a written request for the release of documents before any documents can be released for purposes other than payout or liquidation. The Custodian must retain the written request from the Issuer as evidence of its compliance with the document request procedures.

The standards of care in safeguarding documents that are applicable to Custodians are also applicable to Issuers who have obtained possession of the documents for administrative purposes.

Issuer Review of Custodial Documents

Routine reviews of custodial documents by the Issuer's auditors or staff must be made on the premises of the Custodian while the documents are under the control of the Custodian.

Transfer of Custodial Responsibilities

Custodial responsibilities must not be transferred without the written approval of CMHC. If a transfer is contemplated, a written request by the Issuer should be addressed to the [CMHC Securitization Centre](#).

The Custodian is responsible for controlling the documents until the time of their release to the substitute Custodian. The substitute Custodian is responsible for the safe transfer of the documents to its premises. The existing Custodian must not release the documents until it has received from the Issuer a copy of CMHC's notice of approval.

CMHC's approval will be granted only where a new Custodial Agreement, [CMHC 2820](#), executed by the Issuer and new Custodian, is submitted to CMHC for each Pool.

Following the transfer, the following documents must be submitted to CMHC for each Pool involved:

- A written notice of release of documents by the prior Custodian, stating: "All documents held by (name of Custodian) pertaining to CMHC Pool Number _____ have been released to (name of substitute Custodian). The release was made to (name of individual representing substitute Custodian) and was completed on (date)."
- An updated Schedule of Pooled Mortgages, [CMHC 2824](#), on which Loans that have been satisfied are deleted and the certification countersigned by the new Custodian (a copy of the original Schedule of Pooled Mortgages, [CMHC 2824](#), with the terminated Loans being manually crossed out is acceptable). The substitute Custodian must determine, through a review of the inventory control record in the possession of the prior Custodian, Schedule of Pooled Mortgages, [CMHC 2824](#), that it has received all required documents relating to all Loans in the Pool.

Termination of Pool

A Pool arrangement may be terminated prior to the final maturity date of the outstanding NHA MBS in accordance with provisions in [Chapter 10](#). CMHC will notify the Custodian and authorize the release of any mortgage documents to the Issuer.

Role of the Title Custodian

An OSFI-regulated custodial institution acceptable to CMHC will hold registered title to all mortgages securitized by a Non-regulated Issuer, on CMHC's behalf, for the life of the Pool. The Title custodian will also hold all additional security provided in connection with the pooled mortgages, including any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder. Prior to initial certification of the Pool, the Title custodian shall certify on the Title Custodian Certifications, [CMHC 2825](#), that title to pooled mortgages are registered in its name.

Title Custodian Eligibility Requirements

To be a Title custodian, the institution must:

- be a federally incorporated institution regulated by OSFI and authorized to act in a fiduciary capacity with respect to valuable documents, namely a trust company;
- be equipped with secure, fireproof storage facilities with adequate controls on access to assure the safety, confidentiality and security of the documents, in accordance with customary standards for such storage facilities;
- in its custodial function, use employees who are knowledgeable in the handling of mortgage documents and in the duties of a mortgage Custodian;
- satisfy such other reasonable requirements that CMHC, as beneficial owner of the pooled mortgages, deems necessary to protect its interests in the mortgage documents; and
- maintain segregated mortgage records for each Servicer/Issuer with registration numbers of the mortgages.

Provided the above criteria are satisfied, the Title custodian may be the same institution the Issuer has enlisted as its Custodian.

CHAPTER

9

NHA MBS and the NHA MBS Information Circular

WHAT'S INSIDE...

General	9-1
Preparation of the NHA MBS Information Circular	9-2
Delivery of the NHA MBS Information Circular	9-2
Advertising Guidelines	9-2
NHA MBS Marketing and Trading Requirements	9-2
Preparation of NHA MBS	9-2
Central Registry of Investors	9-3
Registration, Transfer and Assignment of Certificates	9-3
Replacement in the Event of Loss, Theft, Destruction, Mutilation or Defacement of Certificates	9-4

AT A GLANCE

This chapter explains procedures for preparing, registering and delivering the NHA MBS, both at the time of issuance and in connection with subsequent transfers from one registered owner to another.

General

The form and text of the Certificate are shown in [Part E, Appendix 1 – NHA MBS Certificate](#). Issuers and other participants in the Program should read and understand the provisions in the Certificate. These provisions outline the terms of the Investor's rights and the terms of the CMHC Guarantee.

The NHA MBS provide for payments to be made to Investors by the CPTA on the Payment Day each month.

The Issuer alone is responsible for marketing its NHA MBS in accordance with the requirements set out in this Guide. The Issuer, on its own, makes all arrangements for the sale of the NHA MBS to Investors, either directly or through securities brokers or dealers. The Issuer also makes all arrangements to receive payment for the NHA MBS it issues.

Preparation of the NHA MBS Information Circular

The Issuer is responsible for completing the NHA MBS Information Circular, [CMHC 2834](#), for an issue of NHA MBS. The Issuer should have CMHC review the prepayment provisions included in the Information Circular before printing the form.

Delivery of the NHA MBS Information Circular

No NHA MBS of any Issuer shall be sold in the primary market unless an NHA MBS Information Circular, [CMHC 2834](#), has been given to the person to whom the NHA MBS are sold or has been sent to such a person before payment of all or any part of the purchase price of the NHA MBS is received. The Issuer is responsible for delivering Information Circulars relating to all Pools to CMHC and the CPTA.

Advertising Guidelines

Advertising in any form and the issuance of statements or releases to the press are prohibited until CMHC approves the proposed advertisements, statements or releases.

NHA MBS Marketing and Trading Requirements

CMHC has established NHA MBS marketing and trading requirements intended to ensure that Issuers carry out their NHA MBS marketing and trading activities in a manner consistent with prudent business practices and according to their own and others' financial capacity. These requirements are found in [Part E, Appendix 2 - Rules on NHA MBS Marketing and Trading](#). There are three components to these requirements:

- a suitability rule;
- prudent business practice rules; and
- minimum forward delivery contract requirements relating to so-called market-to-market deposit requirements. There are also record keeping and reporting requirements.

Preparation of NHA MBS

The CPTA prepares and readies the NHA MBS for delivery in accordance with instructions provided by the Issuer on the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#). The Issuer or its designated courier can pick up NHA MBS at the offices (window) of the CPTA, where applicable.

NHA MBS may also be delivered to the Issuer in accordance with the Issuer's instructions provided on the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#).

If any officer of CMHC or the CPTA who has signed a NHA MBS instrument, either manually or in facsimile, ceases to be an officer before the NHA MBS is delivered or disposed of, the NHA MBS instrument can still be delivered or disposed of as if the person who signed it had not ceased to be an officer of CMHC or the CPTA.

Central Registry of Investors

The CPTA maintains a record of NHA MBS ownership and transfer information at one central facility. This central register is an automated system that records information on:

- new issues of NHA MBS;
- the history of NHA MBS transfers for each issue; and
- the current registered ownership of all outstanding NHA MBS.

Issuers do not need to maintain a register of Investors. Therefore, information on ownership and transfers of NHA MBS is not routinely provided to individual Issuers.

Registration, Transfer and Assignment of Certificates

Certificates may be sold and assigned and the transfer may be registered either through the form of assignment appearing on the reverse side of each Certificate, or through a form of detached assignment that is acceptable to the CPTA.

Transfers of the Certificates are carried out through the CPTA. Transfers of registered ownership are made by the CPTA according to instructions received from a securities dealer, a trust company, a bank or the new owner. Certificates may be presented for registration of a transfer either at the CPTA's offices (window) or by mail.

Each Certificate presented to the CPTA for transfer must be accompanied by a letter of direction that includes the following information on the Certificate forwarded for transfer:

- Pool Number
- CUSIP number
- number of the Certificate
- original principal amount of the Certificate
- exact spelling of name in which the replacing Certificate is to be issued
- complete address of the new Investor
- name and telephone number of the person handling the transfer
- complete instructions for delivering the new Certificate.

A cheque payable to the CPTA for a transfer or replacement fee must accompany the request for each new Certificate (see [Part E, Appendix 6](#) - CPTA Fees and Charges). Improper or incomplete items will be returned to the presenter and the transfer will not be registered until a correct item has been received.

The CPTA will prepare the new Certificate and either mail it or deliver it at its window according to the instructions it receives no more than two business days after the receipt of proper transfer instructions.

Replacement in the Event of Loss, Theft, Destruction, Mutilation or Defacement of Certificates

If the owner needs a replacement Certificate because of loss, theft, destruction, mutilation or defacement, the owner of the Certificate must provide the CPTA with full identification of the Certificate and details of the situation reported. Also, a fixed bond of indemnity or indemnification in an amount equal to the remaining principal value of the Certificate at the time the loss is declared must be supplied to the CPTA to be held on behalf of CMHC.

The indemnification must be in a form and with such surety, sureties or security as may be required by CMHC to protect the interest of CMHC and the CPTA. Information regarding indemnification requirements may be obtained from the CPTA. CMHC and the CPTA must be named in the bond as beneficiaries. The CPTA will charge a fee for each replacement Certificate to be issued.

Loss or Theft

Report of the loss or theft of a Certificate must be made promptly to the CPTA in an Affidavit of Loss (copies of the form of affidavit may be obtained from the CPTA). The affidavit shall include:

- The name and address of the registered holder. If another person makes the affidavit, the capacity in which he or she represents the holder must be stated.
- The identification of the Certificate by CMHC Pool Number, Certificate number, original principal amount and the name of the Issuer, together with the exact form in which the Certificate was registered and a statement that the Certificate has not been sold, assigned, hypothecated or gifted, nor has any endorsement or any other writing on it.
- A complete description of the circumstances surrounding the loss or theft.

When the CPTA has been notified of loss or theft, it will acknowledge the receipt, make a notation on the records of the loss or theft, and will not register any further transfer of the NHA MBS. This will allow the registered owner to obtain the required bond of indemnity and other documentation.

Destruction, Mutilation or Defacement

If a Certificate is destroyed or becomes so mutilated or defaced as to impair its value to the owner, an affidavit and a bond of indemnity or other indemnification as outlined above shall be forwarded to the CPTA. All available portions of the mutilated or defaced Certificate must also be submitted. The CPTA will then arrange for the preparation of a replacement Certificate.

Issuer's Responsibilities

The Issuer must promptly notify the CPTA in the manner described above if it becomes aware of a lost, stolen, destroyed, mutilated or defaced Certificate.

CHAPTER 10 Pool Administration

WHAT'S INSIDE...

General	10-1
Servicing Standards and Requirements	10-2
Funds to Pay Investors	10-2
Establishment and Maintenance of Central P & I Account	10-4
Establishment and Maintenance of P & I Custodial/Trust Account – Collections	10-5
CPTA Payment Procedure (Funding Date)	10-7
Establishment and Maintenance of Tax Custodial/Trust Accounts	10-7
Monthly Accounting Reports	10-8
Reporting and Withholding on Income Flows	10-8
Records	10-8
Miscellaneous	10-9
Maturity or Termination of Pool and NHA MBS	10-10
Audit and Examinations	10-10

AT A GLANCE

This chapter describes the authorities under which the servicing of pooled Loans must be carried out. It discusses scheduled payment to Investors, and why Issuers must designate and maintain a Central P & I Custodial/Trust Account for P & I collections. The chapter summarizes the CPTA monthly debit procedures and explains Tax Custodial/Trust Accounts. Next, the chapter summarizes the procedures for submitting monthly accounting reports, and examines monthly accounting reports. The chapter examines the custodial agreement, transfers of Issuer responsibility and Custodial/Trust Accounts, the monthly accounting report, the Issuer's change of status and other reports. The date of maturity for an issue of NHA MBS, the termination of a Pool and the corresponding NHA MBS, and the surrender of Certificates are then discussed.

General

The Issuer shall either service the pooled Loans or arrange for them to be serviced by an NHA Approved Lender authorized to administer Loans or for Loans that are insured by Approved Private Mortgage Insurers, a Qualified Mortgage Lender authorized to administer Loans. The Issuer will make the necessary funds available for payment to the Investors according to the provisions of this Guide. Any arrangements for sub-contract servicing of the pooled Loans must follow the requirements outlined in [Chapter 2](#) and [Chapter 5](#). Non-regulated Issuers must also comply with the additional annual confirmation requirements set forth in [Chapter 5 – Servicing of Pooled Loans](#). Additional servicing arrangement terms are contained in the Mortgage Pool Servicing Agreement, [CMHC 2814](#), which must be submitted to CMHC before it issues the NHA MBS.

Servicing Standards and Requirements

Subject to the provisions of this Guide, pooled Loans must be serviced according to the provisions of the NHA (including those provisions that were repealed by the amendments to the NHA effective June 17, 1999), the *National Housing Loan Regulations* (as they were prior to their repeal effective June 17, 1999), the CMHC Mortgage Loan Insurance Handbook and prudent mortgage practices in the mortgage lending industry.

The Issuer or any sub-contract Servicer shall not remove a Loan from a Pool, reduce a balance on the pooled Loan or remove funds from a Custodial/Trust Account without the prior written approval of CMHC for any reason not authorized in this Guide.

The pooled Loans shall be serviced in a prudent and diligent manner. The Issuer or sub-contract Servicer will manage collections, foreclosure or other legal proceedings or remedies in a timely fashion under applicable laws and contracts and in conformity with all applicable rules, procedures and regulations.

Funds to Pay Investors

The Issuer will make available to the CPTA the funds required for the scheduled payment to the Investors each month in a timely manner.

Payments to NHA MBS Investors are made on the 15th of each month. If the fifteenth (15th) day of a calendar month is not a business day, the applicable payment date is the first business day after the 15th (the “Payment Date”). The Issuer is required to deposit the NHA MBS payment into the CPTA account by noon of the business day immediately preceding the applicable NHA MBS Payment Date. A business day is a day on which banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or public holiday there.

Timing of Remittance to the CPTA

The Issuer must have in its Central P & I Account “same-day-funds” for each of its NHA MBS Pools. By 12:00 noon Toronto time on the business day immediately preceding the applicable NHA MBS Payment Date, the Issuer is to transfer to the account specified by the CPTA all funds due to the Investors and CMHC pertaining to the monthly accounting requirements. The confirmation number of the wire transfer is to be sent to the CPTA by 4:00 p.m. Toronto time on the business day prior to the day that the transfer is sent.

Amounts Due Investors

The funds due in the Central P & I Account for each Pool shall equal the sum of:

- For fixed rate Pools, interest compounded semi-annually (10-digit monthly factor) at the rate of interest provided for in the NHA MBS and multiplied by the unpaid principal balance of the NHA MBS at the end of the prior reporting period. Issuers must use monthly interest rate factors compounded semi-annually at the interest face rate of the NHA MBS;

OR

- For floating rate Pools, simple interest (10-digit monthly factor) at the rate of interest provided for in the NHA MBS and multiplied by the unpaid principal balance of the NHA MBS at the end of the prior reporting period. Issuers must use the number of days in the reporting month divided by 365 in determining the interest to be paid;
PLUS
- Expected principal payments due on the pooled Loans;
PLUS
- Unscheduled recoveries of principal, including all unscheduled recoveries of principal on the Loans received up to the monthly reporting cut-off date, including additional principal payments, liquidations and indemnities paid by expropriating authorities or insurers covering the destruction of the improvements. Early payments may also occur where the borrower pays all principal and interest in full due to the end of the term as well as in circumstances where the Loan goes into default or when the property is sold and the lender exercises a due on sale clause. All these payments must be made available to the CPTA in the Issuer's Central P & I Custodial/Trust Account in the month following the reporting month in which the payment is received. Any unscheduled recoveries of principal that occur after the reporting cut-off date, within a given month, will be paid through and reported in the following accounting period. The Issuer shall further adjust the amount made available from its own funds to remit to the Investors any principal that remains unrecovered after the withdrawal from a Pool of a defective Loan or after any other liquidation or other disposition of Loans. These adjustments from the Issuer's own funds constitute unscheduled recoveries of principal;
PLUS
- The full amount of interest penalties or indemnifications due to Investors as set out in the NHA MBS Information Circular, [CMHC 2834](#).

Funds to Pay CMHC

The privately-insured mortgage fee as referenced in [Chapter 4](#) due on the unsold replacement NHA MBS is deposited to the Central P & I Account by the third business day of the month and included in the monthly funds transfer to the CPTA.

Obligation to Make Advances

Each Issuer shall establish and maintain controls that allow the Issuer to determine accurately whether it will have collected and have sufficient funds available for timely remittance to the CPTA.

If the Issuer finds that it will not have enough funds available, the Issuer must either make sufficient advances from its own funds or must make a timely request to CMHC that it advance sufficient funds to the CPTA. The Issuer will be considered in default if CMHC has to advance funds (see [Chapter 13](#)).

Use of Excess Funds to Cover Shortfalls in Loan Collections

The Issuer may use excess funds attributable to one or more Pools to cover deficiencies, instead of advancing new funds, to transfer to the CPTA the amount needed to pay Investors, as required in this section. Excess funds, for this purpose, are:

- interest collected on account of a Pool of Loans that is greater than the sum of interest payable on the NHA MBS based on that Pool;
- where specifically approved by CMHC, a proportion of the P & I amounts collected on account of the pooled Loans that is payable to the Issuer where it remains the owner of NHA MBS based on that Pool;
- any part of the reserves built up by the Issuer in its Custodial/Trust Accounts for whatever purpose that are not required to be paid out for another purpose in the month; and
- interest accrued on any of these amounts.

Excess funds do not include unscheduled recoveries of principal on Loans and related penalties or indemnities that will form part of the remittance to Investors in the following month, nor any early receipts of scheduled P & I.

Establishment and Maintenance of Central P & I Account

Each Issuer must designate and maintain an account as its single Central P & I Custodial/Trust Account. The Issuer must submit a Central Clearing House Debit Authorization, [CMHC 2808](#), that authorizes the CPTA to debit this account monthly. The account may be opened and maintained by the Issuer in its own institution or with another deposit-taking institution, provided the account is insured under the Canada Deposit Insurance Corporation or an equivalent provincial deposit insurance agency.

The depository institution must be a member of the Canadian Payments Association. The CPTA must be able to debit the Central P & I Account instantly. The account may be one of the Issuer's P & I Custodial/Trust Accounts or a separate account. In either case, it must have been established using a Letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#).

The Issuer must deposit, in the Central P & I Account, "same-day-funds" for each of its Pools equal to the amounts needed by the CPTA to pay Investors. These deposits must be made no later than the date and time each month specified above in [Timing of Remittance to the CPTA](#).

Issuers that are Regulated Institutions will be required to deposit a float amount in the Central P & I Account if their arrears ratio (based on residential mortgage loans reported three or more months in arrears) reaches or exceeds 2.00%. This float amount, which is in addition to any other float amount that the Issuer is responsible for (as set forth below), is calculated by multiplying the Issuer's prior month's total arrears rate (based on residential mortgage loans reported one or more months in arrears) by the previous month's scheduled principal payments (including maturities) and NHA MBS coupon payments, for all pools. The Issuer

must deposit the required float no later than the 3rd business day of the month on which the arrears ratio reaches or exceeds 2.00%. The Issuer may only withdraw this float amount after its arrears rate falls below 2.00% for two (2) consecutive months. For as long as the float amount is required, the Issuer must, on a monthly basis, provide CMHC with an independent auditor's report confirming compliance with this policy.

The Issuer shall make withdrawals from a separate Central P & I Account only to remove the float amount, as applicable, or to remove amounts deposited in that account by mistake.

Establishment and Maintenance of P & I Custodial/Trust Account – Collections

The Issuer must establish and maintain a P & I Custodial/Trust Account using Letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#), for the Loans in each Pool. The account may be drawn upon by the Issuer and by CMHC. The account may be opened and maintained by the Issuer in its own institution or with another deposit-taking institution as long as the account is insured under the Canada Deposit Insurance Corporation or an equivalent provincial deposit insuring agency. Other arrangements may be considered by CMHC as long as CMHC has full access to the account and is satisfied that its interests are protected. The P & I Custodial/Trust Account may be an interest bearing account.

The Issuer shall on a daily basis deposit and retain in this account all interest and principal collected on account of the pooled Loans. Prepayments and other recoveries of principal, advances made by the Issuer or CMHC and repayments of previously withdrawn excess funds (as defined in this chapter) can also be deposited in this account. The use of separate clearing accounts to receive funds is permitted as long as those accounts are cleared daily to the P & I Custodial/Trust Account.

If Issuers are unable to clear on a daily basis to the P & I Custodial/Trust Account any payments of principal and interest collected on account of pooled Loans, they must ensure that all payments of principal and interest collected and reported on the Issuer's Monthly Accounting Report, [CMHC 2840](#), are deposited to the P & I Custodial/Trust Account by the end of the third full business day of the month. These Issuers must maintain an additional dollar amount in the P & I Custodial/Trust Account at all times to cover deposits of unscheduled principal prepayments (UPP). This requirement does not apply if amounts collected are deposited to the Custodial/Trust Account daily.

The additional dollar amount will be based on the Issuer's average monthly UPP rate during the previous calendar year and calculated on the basis of the end of year principal balance. This amount is to be reviewed and revised annually by the Issuer and will become an item examined as part of the Issuer's Specified Procedures Report.

Notwithstanding the above, Loan payments and unscheduled prepayments collected on account of Loans that back Pools issued by Non-regulated Issuers must be cleared to the P & I Custodial/Trust Account on a daily basis. In addition, Non-regulated Issuers must at all times maintain a float amount in their P & I Custodial/Trust Account which, during the first year they are approved as an Issuer, is equivalent to 1% of the previous month's scheduled

principal payments (including maturities) and the NHA MBS coupon payments for all applicable pools. In subsequent years, this float amount shall be determined by the Issuer's monthly arrears ratio (based on the number of loans that are one or more months in arrears) of pooled Loans.

The Issuer will only withdraw funds from this account for the following purposes:

- To transfer funds to the Central P & I Account so that the CPTA can pay Investors.
- To reinvest funds in short-term government T-Bills or bonds, Purchase and Resale Agreements with the Bank of Canada, comparable grade provincial or federal debt instruments, or Bankers' Acceptances.

The Issuer must invest the funds on behalf of the P & I Custodial/Trust Account and make sufficient investments by 12:00 noon Toronto time of the business day immediately preceding the applicable NHA MBS Payment Date to make sure funds are available for the CPTA.

- To reimburse itself or CMHC for any advances used to make timely payments on NHA MBS. This reimbursement, in the case of each advance, shall be for interest and principal advanced and only from related collections or other recoveries of interest and principal that are received separately from or on account of the same Pool.
- To reimburse itself or CMHC for the amount greater than any advance over and above the amount needed for the purpose of the advance.
- To use excess funds (as described in this Chapter) instead of using the Issuer's own funds to cover deficiencies in other Pools using the same P & I Custodial/Trust Account.
- To withdraw any portions of instalments deposited in the account and collected on the pooled Loans for the payment of late charges or the removal of any other amounts deposited temporarily through error or otherwise.
- To compensate itself for servicing the pooled Loans or to recover all or any part of any interest differential, including reinvestment interest, between the inflow of interest funds derived from the Loans and the outflow of interest funds to Investors. For greater clarity, compensation for servicing and recovery of any interest differential for a given report month shall only occur after the Issuer has transferred to the CPTA all funds due to the Investors.
- To clear and terminate the Custodial/Trust Account at the maturity or termination of the issue of NHA MBS and of the Pool, or at such time as CMHC approves a transfer of the funds on deposit to a substitute P & I Custodial/Trust Account.

For any Pool, P & I collected on account of the pooled Loans must be deposited into a single P & I Custodial/Trust Account. These accounts may contain funds for more than one Pool as long as each one is accounted for separately.

CPTA Payment Procedure (Funding Date)

General – On the Funding Date of each month, the Issuer must have “same-day-funds” for each of its Pools deposited in the Central P & I Account. The deposit must be sufficient to cover interest and principal due on its NHA MBS. The Issuer debits the account on the Funding Date of each month and wires the funds to the account specified by the CPTA in amounts necessary to pay the Investors, and CMHC if privately-insured mortgage fees are applicable

Custodial/Trust Account Verification – The Issuer must arrange with the CPTA for a verification before the first regular monthly payment of any Central P & I Account. This must be conducted before the first calendar day of the month in which the first regular monthly payment will occur for the specific account. The Issuer will provide the account name and transit information to the CPTA to verify that the account is properly established. The verification can be arranged by contacting the CPTA.

Timing of Monthly Debit – The Issuer will wire the monthly NHA MBS payment to the account designated by the CPTA no later than 12:00 noon Toronto time on the business day immediately preceding the NHA MBS Payment Date. The confirmation number(s) and the amount(s) of the wire transfer(s) are to be sent to the CPTA via email by 4:00 p.m. Toronto time on the business day prior to the wire transfer.

Amount of Monthly Debits – The CPTA anticipates receipt of a single amount covering all the Issuer’s Pools on the Funding Date of each month. This amount consists of the total P & I due Investors including indemnities with respect to all Pools, and fees due to CMHC for Loans insured by Approved Private Mortgage Insurers. The CPTA calculates the amount of P & I for each debit based on the information provided by the Issuer in the Issuer’s Monthly Accounting Report, [CMHC 2840](#), and confirms the amount with the Issuer prior to the Funding Date.

Establishment and Maintenance of Tax Custodial/Trust Accounts

The Issuer shall establish and maintain a Tax Custodial/Trust Account using a Letter Agreement for Issuer’s Tax Custodial/Trust Account, [CMHC 2832](#), for Loans in any Pool secured by multi-unit projects – i.e., 965, 966, 990 Pool types – if they require deposits of monthly instalments for property taxes. The account may be drawn on by the Issuer and CMHC (and Servicer, if any). The Issuer may establish the Tax Custodial/Trust Account in its own institution or with another deposit-taking institution as long as the institution where the account is held is insured under the Canada Deposit Insurance Corporation or equivalent provincial deposit insuring agency. CMHC may consider other arrangements as long as it has full access to the account and is satisfied that its interests are protected.

The Issuer or Servicer shall deposit and retain in this account all collections for taxes, assessments or comparable items on account of the pooled Loans. The Issuer may provide a letter of credit or other acceptable form of security instead of a Tax Custodial/Trust Account. These must be payable to CMHC for an amount equalling 50% of the annual property taxes payable for the pooled Loans on which the Issuer collects property taxes. The security must be deposited with the Issuer’s Custodian.

The Issuer or Servicer shall make withdrawals from the Tax Custodial/Trust Accounts only to make timely payment of mortgagors' taxes, assessments or comparable items. The Issuer may also make withdrawals to clear and terminate the Custodial/Trust Account(s) at the termination of the Pool and of the issue of NHA MBS or whenever CMHC may approve a transfer of the funds on deposit to a substitute Tax Custodial/Trust Account.

Issuers may deposit tax funds in interest-bearing accounts. The disposition of any earnings must be carried out according to the requirements of the Loans and according to any other requirements of provincial and federal laws and regulations.

Monthly Accounting Reports

Each Issuer must submit monthly to the CPTA the Issuer's Monthly Accounting Report, [CMHC 2840](#), for every Pool. The reverse side of this report contains a liquidation schedule and a substitution schedule, both of which must be completed and submitted for each NHA-insured Loan replaced in the Pool.

For collateral mortgage Pools (i.e. prefix 8xx), Issuers must also provide CMHC and the CPTA with a schedule listing the pooled Loans that are reported 90 days in arrears.

The Issuer's Monthly Accounting Report, [CMHC 2840](#), along with any supporting documents, must be sent to the CPTA no later than the third business day of each month. The report must be delivered as soon as possible after the cut-off date for the reporting period.

Reporting and Withholding on Income Flows

The CPTA will prepare, file with the appropriate authorities and distribute all reports required under federal or provincial income tax laws for all NHA MBS issued. In doing so, the CPTA as Paying Agent will rely on information obtained from the Issuers through monthly accounting reports and any necessary clarifications. Issuers are responsible for the accuracy of all the information supplied to the CPTA. Each Issuer authorizes the CPTA to fulfill the foregoing requirements on its behalf and, if requested by CMHC or the CPTA, will execute any necessary authorizations to do so.

Records

The Issuer must be able to produce at any time, for all pooled Loans, an accounting that identifies the CMHC Pool Number for each listed Loan. It must also have the capability to provide the following documents: a transcript itemizing, in chronological order, the monthly instalment due dates for each Loan; the amount and date of each collection, disbursement, advance, adjustment or other transaction affecting the amounts due from or to the Loan borrower(s)/debtor(s); and the latest outstanding balances of principal, deposits, advances and unapplied payments. The accounts and records relating to the pooled Loans must be maintained according to sound accounting practices and in a manner that will permit CMHC's representatives to examine and audit these accounts and records at any reasonable time.

Further, the Issuer shall establish and maintain records of advances made into the Custodial/Trust Accounts to indicate:

- the use made of advances for payments required on NHA MBS, including their allocation as between interest and principal on such NHA MBS;
- the pooled Loans with respect to which advances are made; and
- recoveries and losses of advances made to such Loans, including their allocation between interest and principal.

Miscellaneous

Custodial Agreement – The Issuer shall establish and maintain for the life of any Pool a Custodial Agreement according to the procedures in Chapter 8.

Transfers of Issuer Responsibility and Custodial/Trust Accounts – The Issuer must receive prior written approval from CMHC to transfer its responsibility, a P & I, Central P & I, or Tax Custodial/Trust Account. This must be carried out according to the procedures in Chapter 11.

Monthly Accounting Report – Issuers must report Pool information for each Pool on a monthly basis according to the completion procedures contained in the Issuer's Monthly Accounting Report, [CMHC 2840](#). A reporting cut-off date between the 25th and the last day of the month must be established for the accounting report. This report must be received by the CPTA no later than the third business day of the month following the reporting month.

Issuer's Change of Status – The Issuer must promptly notify CMHC, the CPTA, and the Custodian in writing of any change in the Issuer's business status on a timely basis. This includes merger, consolidation, sale of the business, change in name and other action materially affecting the Issuer's business status or role as Issuer or Servicer. It includes but is not limited to the start of any action or proceeding under liquidation or insolvency law. Subsequently, CMHC must be informed in a timely manner of the status of the change and of its implementation.

To make a change in name only on CMHC's records, the Issuer must provide a copy of the documents effecting the change and approved and registered under the applicable law. A new Resolution of Board of Directors, [CMHC 2804](#) and Certificate of Incumbency, [CMHC 2805](#), must be provided to CMHC and the CPTA.

Other Reports – The Issuer will provide CMHC during the life of any Pool any information that is necessary, reasonable or appropriate in respect to CMHC in its capacity as Guarantor.

Maturity or Termination of Pool and NHA MBS

Maturity

An issue of NHA MBS matures on the stated maturity dates of the NHA MBS or on the last maturity date of an underlying pooled Loan, whichever is earlier. If the last maturing pooled Loan matures on a day other than the first of the month, the maturity date of the issue is the first of the following month. Any Loans maturing in tranches prior to the maturity date of the Pool must be forecast and passed through as maturing principal.

Example: Loans maturing Oct. 1, Nov. 1, Dec. 1
Pool maturing Dec. 1

October 1 maturing principal to be passed-through to Investors is included in the September accounting report.

Termination

A Pool and the corresponding NHA MBS may be terminated at any time before the final maturity date of the NHA MBS as described in the previous paragraph as long as the Issuer and all Investors of the outstanding NHA MBS have entered into a written agreement requesting this termination. No Pool may be terminated as a result of the Issuer's unilaterally prepaying principal amounts on the NHA MBS in excess of the scheduled or received payments of the mortgagors. The CMHC Guarantee will be void upon formal notification to CMHC and accompanied by satisfactory evidence that all parties involved in the termination agreement have concurred. All outstanding Certificates pertaining to this termination must be returned to the CPTA for cancellation before the Custodian will be allowed to release the documents relating to the pooled mortgages.

Surrender of Certificates

At maturity or upon earlier termination of a Pool, all outstanding Certificates must be surrendered to the CPTA for cancellation before the final disbursement to Investors. Payments for unsurrendered Certificates will be retained by the CPTA until it receives the Certificates. Investors will receive only the amount owing on the Certificate at maturity date regardless of the actual date of surrender of the Certificate.

Audit and Examinations

CMHC or its agent will have the right to examine and audit, at any reasonable time, any and all records of any Issuer, any custodian or any agent or sub-contract Servicer of the Issuer bearing on its NHA MBS Guarantee. These records may be in the form of microfilm or other form of documentation acceptable to CMHC.

Without limiting the foregoing, CMHC shall have the right, without prior notice to the Issuer, to perform or arrange for an audit of the Issuer's compliance with the provisions of this Guide and of the accuracy of the Issuer's Monthly Accounting Report, [CMHC 2840](#). This audit can take place for the first time during the first year after an Issuer issues NHA MBS under the Program and periodically thereafter.

CHAPTER

11

Transfers of Custodial/Trust Accounts, Servicing and Issuer Responsibility

WHAT'S INSIDE...

Transfer of P & I or Tax Custodial/Trust Accounts	11-1
Transfer of Central P & I Accounts	11-1
Transfer of Custodian	11-2
Transfer of Servicing	11-2
Transfer of Issuer Responsibility	11-3

AT A GLANCE

This chapter outlines requirements and procedures to apply to CMHC for approval to transfer Custodial/Trust Accounts, servicing and other forms of Issuer responsibility under the NHA MBS Program. It also outlines how to carry out these transfers.

Transfer of P & I or Tax Custodial/Trust Accounts

P & I and Tax Custodial/Trust Accounts may be transferred from one institution to another or may be consolidated into one (1) P & I account and one (1) tax account as long as the transfer receives CMHC's prior written approval. To request written approval for a transfer of Custodial/Trust funds, either to a new institution or to a different account in the same institution, the Issuer must make a submission to CMHC for each Pool that will be affected by the transfer:

- For the P & I Custodial/Trust Account, a new Letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#), which covers each affected Pool.
- For the Tax Account, a new Letter Agreement for Issuer's Tax Custodial/Trust Account, [CMHC 2832](#), which covers each affected Pool.

If accounts are consolidated, only one new form needs to be executed for any one account as long as all of the affected Pool Numbers are clearly listed and incorporated in the letter agreement. Issuers must submit revised forms for P & I or Tax Custodial/Trust Account changes for Issuer Pools to CMHC at its [designated address](#).

Transfer of Central P & I Accounts

The Central P & I Account may be transferred from one institution to another as long as the new institution meets the requirements specified in [Chapter 10](#). The transfer must also receive CMHC's prior written approval and the steps indicated below must be followed:

Request Approval of Transfer

The Issuer must submit to CMHC a new Central Clearing House Debit Authorization, [CMHC 2808](#), covering all Pools for which the Issuer is responsible in order to request written approval for a transfer.

If the new Central P & I Account is an account not previously established and reported to CMHC, then a new Letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#), covering all Pools must also accompany the request. The request must be received by CMHC no later than the first calendar day of the month before the month in which the new account will first be debited.

P & I Account Control

It is clearly understood that CMHC must have control over the account as per the agreement with the Issuer in the event of Issuer default.

Transfer of Custodian

Custodian responsibilities may be transferred as long as any transfer is carried out according to the procedures outlined in [Chapter 8](#) of this Guide.

Transfer of Servicing

CMHC must give prior written approval of any transfer of pooled Loan servicing. Any change in pooled Loan servicing arrangements must be approved in writing by CMHC before the transfer. CMHC will approve a transfer only when it is satisfied that the requirements for Servicers outlined in this section and in [Chapters 2, 5, and 10](#), as well as the terms of the Mortgage Pool Servicing Agreement, [CMHC 2814](#), will be met by the new arrangements.

The Issuer must supply CMHC with the following documents to request a transfer of servicing responsibility:

- An explanation of the reasons for the transfer.
- A new Mortgage Pool Servicing Agreement, [CMHC 2814](#), fully executed. The new Servicer must meet CMHC requirements to be a Servicer and have facilities and staff adequate for the number and type of Loans to be transferred.
- A new Central Clearing House Debit Authorization, [CMHC 2808](#), Letter Agreement for Issuer's Tax Custodial/Trust Account, [CMHC 2832](#), and Custodial Agreement, [CMHC 2820](#), as appropriate. This is required if there are to be changes in the P & I or Tax Accounts or in the Custodian.

Issuers must send their written requests to the [CMHC Securitization Centre](#). CMHC's written approval will be based on its review of the above submissions. The transfer of servicing may take place only after the Issuer receives CMHC's written approval. The request must be received by CMHC no later than the first calendar day of the month before the month in which the new Servicer will begin servicing the Loans.

Transfer of Issuer Responsibility

An Issuer may transfer rights and responsibilities as Issuer for some or all of the Pools it administers only as long as the transfer is first approved in writing by CMHC and the transfer is carried out using the assignment agreement prescribed by CMHC. The substitute Issuer must assume all of the duties and obligations of the prior Issuer. Only Pools that have been certified by the Custodian may be transferred.

Transfers of Issuer responsibility should only be requested relatively infrequently and for the purpose of addressing non-recurring business situations. These transfers may not be a routine part of an Issuer's business. For such a transfer to be approved, the following requirements must be met:

- The proposed substitute Issuer must be an Issuer under the NHA MBS Program in good standing with experience and facilities adequate to administer the Pools to be transferred.
- The proposed substitute Issuer must have a net worth in assets acceptable to CMHC in an amount sufficient to meet CMHC's requirements for the full amount of the NHA MBS for which it will be responsible.
- The reasons for the requested transfer must be described to CMHC in writing and follow sound business practices and the promotion of stable Pool administration arrangements. The Issuer must demonstrate that the transfer is required due to special, non-recurring business circumstances and will not be a routine part of its business.
- The transfer must be determined by CMHC not to be detrimental to CMHC or to the Investors.

The existing Issuer must make a written request to CMHC to initiate a transfer of Issuer responsibility, addressing each of the requirements above.

When the existing Issuer receives approval for the transfer, but before the actual transfer, the existing Issuer must submit the following to CMHC:

- A corporate resolution of the existing Issuer approving the request for the transfer.
- A new Custodial Agreement, [CMHC 2820](#), for each Pool executed by the substitute Issuer and Custodian. If there is to be a new Custodian, the existing Custodian must receive a written request for the release of documents for each Pool. The document will state that the existing Custodian is to be released of its responsibility for the documents after their transfer to the new Custodian.
- A new Mortgage Pool Servicing Agreement, [CMHC 2814](#), executed by the substitute Issuer (and sub-contract Servicer, if any) for each Pool.
- A letter Agreement for Issuer's P & I Custodial/Trust Account, [CMHC 2806](#) and Letter Agreement for Issuer's Tax Custodial/Trust Account, [CMHC 2832](#). The substitute Issuer will use its [Central P & I Account](#), established and verified according to the procedures in [Chapter 10](#).
- An executed Assignment Agreement (see [Part E, Appendix 4 - Issuer Assignment Agreement](#)) submitted for CMHC's signature.

The transfer of Issuer responsibility will be effective on the date CMHC executes the Issuer Assignment Agreement. Therefore, the Issuer-executed Assignment Agreement must be received by CMHC no later than the first calendar day of the month before the month in which the new Issuer will cover the payment to the CPTA.

Following CMHC's signing of the Issuer Assignment Agreement, the substitute Issuer must obtain, and submit to CMHC:

- copy of a written release of documents from the prior Custodian unless the same Custodian is to be used;
- following the transfer of all documents, an updated copy of the original Schedule of Pooled Mortgages, [CMHC 2824](#), for each Pool from which Loans that have been satisfied are deleted, with the certification signed by the new or existing Custodian. A copy of the original Schedule of Pooled Mortgages, [CMHC 2824](#) with terminated Loans being manually crossed out is satisfactory.

In addition to the above-stated requirements:

- The prior Issuer must endorse in favour of the substitute Issuer, without recourse, each note or other instrument showing indebtedness included in the subject Pools. The substitute Issuer must then endorse each such instrument in blank without recourse. By executing the Schedule of Pooled Mortgages, [CMHC 2824](#), the Custodian acknowledges to CMHC that the instruments have been properly endorsed.
- For each Loan in the Pools, the parties must execute and register a transfer of nominal title to the mortgage to the substitute Issuer or a nominee acceptable to CMHC. The Custodian must then be sent the registered assignment documentation or a certified copy.
- For all Loans originated in the Province of Quebec, the prior Issuer must have executed and registered, in favour of the substitute Issuer or a nominee acceptable to CMHC, the appropriate assignment documentation covering each pooled mortgage.
- The substitute Issuer must also execute and give the Custodian a copy of the Mortgage Pools Transfer Agreement, [CMHC 2836](#), and the applicable registered Power of Attorney, [CMHC 2841](#), for all Loans originated in all provinces and territories other than the Province of Quebec. The substitute Issuer must complete a Mortgage Pool Loan Transfer and Servicing Agreement, [CMHC 2835](#), an Assignment of Universality of Claims, [CMHC 2837](#), and the appropriate mortgage assignment documentation for all Loans originated in Quebec. If the substitute Issuer has an investment grade senior long-term debt rating (minimum BBB (low) with DBRS or equivalent with other rating agencies), an executed Power of Attorney for the Province of Quebec, [CMHC 2841Q](#), may be provided and filed with the Custodian in lieu of completing the assignments. Document triggers as described in [Chapter 7](#) for assignment documentation will apply.

CHAPTER 12 General Provisions

WHAT'S INSIDE...

Formation of the Contract	12-1
Issuer's Representations and Warranties	12-2
CMHC's Representations, Warranties and Obligations to Investors	12-2
Term of Contract	12-4
Notices	12-4
Assignment	12-4
Amendment	12-4

AT A GLANCE

The terms and provisions of this Guide, each NHA MBS Certificate and each NHA MBS Information Circular form the contracts between CMHC, each Issuer and investors. This chapter sets out certain general provisions.

Formation of the Contract

Issuance and sale of NHA MBS that carry the CMHC Guarantee and the completion and execution of the forms, including the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#), and documents contemplated under the NHA MBS Guide establish the contracts between the parties. The Loans subject to the contract are identified through the Schedule of Pooled Mortgages, [CMHC 2824](#).

Nothing expressed or implied in this Guide shall give any benefit or any legal or equitable right, remedy or claim to any person other than the CPTA, CMHC and each Issuer. The only exception is that the provisions contained below in section *CMHC's Representations, Warranties and Obligations to Investors*, and the Issuer's NHA MBS Certificates and NHA MBS Information Circulars shall inure to the benefit and advantage of all Investors as provided in that section below.

Issuer's Representations and Warranties

Each Issuer of NHA MBS represents and warrants, as of the issue date of the respective NHA MBS that:

- the Issuer is and will remain in compliance with all Issuer eligibility requirements provided under this Guide;
- all Loans included in each Pool submitted to CMHC or its agent for processing in respect of an issue of NHA MBS are, and will be, in compliance with all eligibility requirements provided under this Guide;
- the Issuer is and will remain in compliance with all other conditions, obligations, restrictions and requirements contained in this Guide and as it may be amended from time to time according to the Amendment at the end of this chapter or in any related Certificate, agreement, form or other document;
- the Issuer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; that the issuance of the NHA MBS, the performance by the Issuer of all provisions in this Guide and the consummation of the transactions contemplated hereby have been duly and validly authorized; that this Guide constitutes the Issuer's valid, binding and enforceable obligations; and that the Issuer has taken all requisite corporate actions to make the provisions of this Guide valid and binding upon the Issuer in accordance with its terms;
- there are no actions, suits or proceedings pending (nor, to the knowledge of the Issuer, are any actions, suits or proceedings threatened) against or affecting the Issuer or any of the pooled Loans that, either individually or in the aggregate, would restrict the Issuer's ability to perform its obligations under this Guide; and
- the consummation of the transactions contemplated by this Guide are in the ordinary course of business of the Issuer and will not result in the breach of any term or provision of the charter or by-laws of the Issuer or result in the breach of any term or provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under, any agreement or other instrument to which the Issuer or its property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Issuer or its property is subject.

CMHC's Representations, Warranties and Obligations to Investors

The NHA MBS Guarantee provided by CMHC as agent of Her Majesty in right of Canada in relation to each of the NHA MBS issued under the Program, pursuant to section 14 of the *National Housing Act*, guarantees to the Investors the timely payment of the P & I set forth in the Certificate. The CMHC Guarantee is subject only to the terms and conditions in the NHA MBS Certificates.

CMHC represents and warrants that it has full power and authority to provide the CMHC Guarantee of timely payment. In the event of any failure, delay or default under the terms of the Certificate, while the Issuer remains directly responsible and liable for such failure, delay or default, the Investor has the option of recourse to CMHC and Her Majesty in right of Canada, as provided in the CMHC Guarantee of timely payment set out on the face of the Certificate, without having to first or jointly claim against the Issuer.

CMHC, as agent for Her Majesty in right of Canada, represents and warrants that it will not contest or defend against a demand by Investors for the timely payment of the amount outlined in and provided for in, and unpaid on, any NHA MBS duly and validly issued with the CMHC Guarantee if it faces any legal action or proceeding or otherwise, and renounces any right to do so (including any benefit of discussion available under the *Civil Code* of Quebec). CMHC will notify the Issuer of a claim or payment to be made under the NHA MBS Guarantee and will make payment on it on a timely basis.

The Issuer is liable for timely payment of principal and interest to Investors on the Loans in a Pool sold to such Investors. For that purpose, the amounts due under the Loans include all the principal sums outstanding, interest accruing and other payments or recoveries due or made on such Loans on and after the date of issue of the NHA MBS. All those assets and income after that date belong to the Investors. The Issuer shall pursue all collections and recoveries to be made on these Loans. The Issuer shall otherwise conform and comply with all the terms and provisions of this Guide, with due diligence and according to the Mortgage Pool Servicing Agreement, [CMHC 2814](#), signed by the Issuer and with generally accepted loan servicing practices and with applicable laws and standards.

All the Loans (as well as their proceeds and related security) in the Pool have been assigned by the Issuer to CMHC, as trustee on behalf of Investors. CMHC, as agent for Her Majesty in right of Canada, by the NHA MBS Guarantee set out on the face of the Certificate, guarantees to the Investor that the amounts due on the Certificate will be remitted to the Investor on their due dates even if the corresponding amounts have not been paid and collected in respect of the Pool.

The Investor, in purchasing an ownership interest in the Pool, agrees to CMHC acting as its trustee with respect to the holding of ownership in the Loans and related security and in the enforcement of any rights against the Issuer. If and when payment is made under the CMHC Guarantee to the Investor such trust shall terminate and CMHC will no longer hold such ownership in the Loans and related security and in the enforcement of any rights against the Issuer as trustee on behalf of Investors. Instead such ownership shall be solely CMHC's in its own right, as agent of Her Majesty in right of Canada, as guarantor, and all Investors' rights against the Issuer will be subrogated to CMHC.

The Corporation will be entitled to reimbursement for any sums due to the Investors that it has had to pay as a result of the default of the Issuer and of its necessary performance under the terms of its CMHC Guarantee given to the Investors.

This section shall inure to the benefit and advantage of all Investors in NHA MBS issued under this Guide, subject to and in accordance with the terms and provisions outlined in this Guide. Nothing stated in this Guide will limit or detract from the rights of such Investors outlined and provided for in the NHA MBS.

Term of Contract

As between CMHC and each respective Issuer, and with respect to any issuance of NHA MBS under this Guide, the contract encompassed in this Guide shall continue in existence and effect until payment in full to the Investors of all amounts owed with respect to the NHA MBS or until written consent for cancellation thereof is obtained from all the owners of the NHA MBS as may be outstanding and not paid in full, and, in either event, until CMHC has been validly released from all liability and responsibility under this Guide and under all the foregoing NHA MBS by reason of its CMHC Guarantee of such NHA MBS or otherwise, and has received or recovered any and all amounts owed to it under the provisions of this Guide.

Notices

Notice, demand or request to Her Majesty in right of Canada or CMHC or any Issuer in any case arising under this Guide, or required by the terms and provisions required by law, will be in writing. They may be served in person or by registered mail with postage prepaid and addressed to the party to whom such notice, demand or request is directed.

Assignment

The contract encompassed in this Guide between CMHC and any Issuer may not be voluntarily assigned or otherwise transferred, in whole or in part, by the Issuer, except as provided in, [Chapter 11 – Transfer of Issuer Responsibility](#). When assigned or otherwise transferred according to this section, the contract governed by this Guide and all its terms and provisions shall inure to the benefit of and shall be binding upon the successors and assigns of the Issuer.

Amendment

This Guide and the rights and obligations under the NHA MBS Program are subject to the NHA, any regulations thereunder, and any conditions imposed by the Minister of Finance (Canada), as amended from time to time.

CMHC may also amend this Guide from time to time at its sole discretion and without the consent of any Issuer. CMHC will publish notice of any amendment according to procedures established by CMHC. As between CMHC and each Issuer, any such amendment will be effective on the effective date determined by CMHC, as long as such amendment constitutes a change that does not adversely affect the rights of Investors. Where any such amendment would constitute a change that adversely affects the rights of Investors, CMHC will limit the applicability of such amendment to NHA MBS that have an issue date following the effective date of such amendment. CMHC may also limit the applicability of any amendment it makes to NHA MBS that have an issue date following the effective date of the amendment where such amendment would substantially increase the obligations of Issuers.

CHAPTER 13 Default of the Issuer

WHAT'S INSIDE...

Events of Default	13-1
CMHC's Rights	13-2

AT A GLANCE

This chapter describes the circumstances under which an Issuer will be considered in default of the terms and conditions of the contract between the Issuer and CMHC as outlined in this Guide. This chapter also describes CMHC's rights and obligations in the event or default.

Events of Default

Each of the following occurrences constitutes an “event of default” as of the time indicated.

1. If the Issuer fails to make timely payment under an NHA MBS. For the purposes of this Guide, failure to make a timely payment on an NHA MBS includes, but is not limited to:
 - Any failure by an Issuer to have funds in its Central P & I Account before each scheduled monthly transaction under, [Chapter 10 – Funds to Pay Investors](#). The funds must be in an amount equal to the scheduled debits for the given month. The amount of the scheduled debits for any given month is the total of all P & I payments due Investors for all Pools against which the Issuer has issued NHA MBS. Default shall be as of the scheduled date of the transaction.
 - Any failure by an Issuer to make any payment when and as required under the Program. Default shall be as of the date of such required payment.
2. Any failure by an Issuer in any month to report accurate monthly accounting data on a timely basis for any Pool backing NHA MBS of the Issuer. Default shall be as of the date of written notice consequently given to the Issuer by CMHC.
3. Any impending or actual insolvency on the part of the Issuer as shown by but not limited to:
 - the commencement of a dissolution or insolvency proceeding involving the Issuer;
 - the appointment of a trustee or other similar court officer, or the taking of control or possession by such officer of the Issuer's business, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy;

- a general assignment by the Issuer for the benefit of any of its creditors;
- the general failure, the inability or the written admission of the Issuer's inability to pay its debts as they become due; or
- the failure of the Issuer to meet CMHC's [minimum net worth requirements](#).

Default shall be as of the date of occurrence without prior notice given to the Issuer by CMHC.

4. Any other change in the business status of an Issuer, which is considered by CMHC to materially adversely affect the liability or rights of CMHC as NHA MBS Guarantor or under the terms of this Guide. Default shall be as of the date of written notice thereof given to the Issuer by CMHC.
5. Any failure by an Issuer to meet any of the other terms and provisions of this Guide, as it is in effect on the Issue Date of the NHA MBS or as amended according to [Chapter 12 – Amendment](#), shall result in default if such failure continues for 30 days after the date of written notice given to the Issuer by CMHC.

CMHC's Rights

All rights and remedies provided below or elsewhere in this Guide, or otherwise provided by law, are cumulative. No delay or omission by CMHC in insisting on the strict performance of any provisions of this Guide or any ancillary documents, or in exercising any right or remedy, will be construed as a waiver or relinquishment of its or Investors' rights. If any default occurs with respect to any Issuer, CMHC may exercise any of the following remedies or any combination thereof with respect to the Issuer.

When an Issuer default occurs

- Unless CMHC at its discretion determines that such course of action is precluded by circumstances, CMHC may, but shall not be obligated to, confer with the Issuer about remedying and correcting the default. Any arrangement mutually agreed upon will be set out and signed by CMHC and the Issuer in written contractual form and will supplement the existing contract.
- CMHC may enforce the assignments to CMHC of the mortgages included in all the Pools backing the NHA MBS issued by the Issuer in accordance with the Master Transfer Agreements (CMHC 2835, 2835 (TC), 2836 and 2836 (TC)). CMHC may do this without prior notice to the Issuer. CMHC does not require any further action to take these steps.
- If CMHC takes the action described above, it will refuse further approvals to the Issuer to issue NHA MBS for a period of at least three (3) years from the date of default. CMHC shall also suspend and revoke any approvals to guarantee any NHA MBS to be issued by the Issuer.

- Regardless of whether any action is taken as described in this section, CMHC will be entitled to reimbursement from the Issuer upon demand for the amount of any advances made to pay Investors, to pay legal, registration or enforcement costs, to pay service providers, and to pay CMHC Guarantee fees. As well, if the Issuer fails to have sufficient “same-day-funds” in its Central P & I Account on the date required under [Chapter 10 – Funds to Pay Investors](#), or fails to wire sufficient funds to the designated CPTA account, CMHC will be entitled to interest on the amount of any such shortfall, from such date through the date such amount is reimbursed to CMHC, at the Bank of Canada rate plus three (3) percentage points.
- CMHC will be entitled to pay for or recover all advances made, fees, interest and other costs that may be incurred, as well as the applicable CMHC Guarantee fees on NHA MBS (including NHA MBS for which an NHA MBS Guarantee fee had not yet been charged or collected) from any amounts collectable or realized in respect of the Loans and not required to be remitted to Investors, including from the spread comprising the difference between what is required to be paid to the Investors and what is paid on the Loans.
- While the Issuer is not entitled to any amounts in respect of the Pools if it is not in good standing and is in default under the NHA MBS Program, any excess spread may be made available to the defaulted Issuer on terms agreed to with the regulators of the Issuer.
- The Issuer is not permitted to transfer any of its obligations or benefits under the Program (including the benefit of any excess spread received) to any third party without specific CMHC approval in writing.

When CMHC Decides to Enforce the Assignments

- All the Issuer’s authority and power will expire with respect to the administration and servicing of the Pools under the terms of this Guide or any other commitment or agreement between CMHC and the Issuer concerning the NHA MBS issued under the NHA MBS Program or the Loans pooled thereunder or otherwise. The Issuer’s authority to make withdrawals from the related Custodial/Trust Accounts and its rights with respect to servicing the Loans, including the right to any amount in respect of the servicing, shall also terminate and expire without limitation. However, on request by CMHC, the Issuer will continue for a reasonable time to render CMHC the fullest assistance practicable to further the orderly removal of the Issuer from, and the continuation otherwise of, the servicing of the Loans and the NHA MBS Pools in accordance with their terms.

- All authority and power of the Issuer under the terms of this Guide, whether with respect to the NHA MBS issued or the Loans pooled, shall pass to and be vested in CMHC. Without limitation, CMHC is authorized to execute and deliver, on behalf of the Issuer and any Registered Holder of pooled mortgages, as attorney in fact or otherwise, any and all instruments. CMHC is also authorized to perform all other acts incidental, necessary or appropriate to enforce the transfer.
- At any time, CMHC may enter into an agreement with an institution approved by CMHC as an eligible Issuer to replace the defaulted Issuer. No such agreement will detract from or diminish the responsibilities, duties or liabilities of CMHC in its capacity as guarantor or otherwise adversely affect the rights of Investors in NHA MBS issued under this contract.
- Any related contract between the Issuer and any third party will continue in full force and effect unless and until terminated by CMHC. At CMHC's discretion, such contracts can be modified only by the removal of the Issuer (or a replacement Issuer) and substitution of CMHC (or its nominee) as outlined in this chapter. At the time of enforcing the assignments, CMHC will have discretion in determining whether and when contracts with any third parties are to be terminated.
- CMHC is authorized to prepare, sign and deliver on behalf of and as attorney for the Issuer and any Registered Holder of pooled mortgages, assignments and transfers to CMHC of all rights and interests which the Issuer and any Registered Holder of pooled mortgages had at the issue date or acquired at a later date in or under any of the documents relating to the mortgages in the Pool, including:
 - the mortgagee's interest in the Loan insurance policies;
 - the report on title or the mortgagee's interest in title insurance relied upon for the mortgages;
 - the mortgagee's interest in indemnity against fire and other insurable perils; and
 - any other additional security ordinarily obtained by a prudent lender in connection with the mortgage.



PART D

Forms

WHAT'S INSIDE....

- Filling Out and Accessing Program Forms... D-I
- Distribution and Routing of Forms D-I

Filling Out and Accessing Program Forms...

For participants looking to access the most recent, functional version of each form, please click [here](#).

Distribution and Routing of Forms

Links to sample forms and completion instructions. The list below details the number of signed originals and copies required by the parties and the sequence in which they flow:

1. **CMHC 2802** **Application for Participation as an NHA Mortgage-Backed Securities Issuer**
2 originals prepared by Issuer; 1 to CMHC, 1 retained by Issuer.
2. **CMHC 2804** **Resolution of Board of Directors**
3 originals prepared by Issuer; 1 to CMHC, 1 to CPTA, and 1 retained by Issuer.
3. **CMHC 2805** **Certificate of Incumbency**
3 originals prepared by Issuer; 1 to CMHC, 1 to CPTA, and 1 retained by Issuer.
4. **CMHC 2806** **Letter Agreement for Issuer's P & I Custodial/Trust Account**
3 originals prepared by Issuer; 1 to CMHC, 1 to CPTA, and 1 retained by Issuer.
5. **CMHC 2808** **Central Clearing House Debit Authorization**
3 originals prepared by Issuer; 1 to CMHC, 1 to CPTA, and 1 retained by Issuer.
6. **CMHC 2810** **Application for Approval as a Private Mortgage Insurer under the NHA MBS Program**
2 originals prepared by the private mortgage insurer; 1 to CMHC, 1 retained by the private mortgage insurer.
7. **CMHC 2812** **NHA MBS Guarantee Application and Approval**
1 original; prepared by Issuer, sent to CMHC, authorized by CMHC and sent back to Issuer. (Faxed copy is acceptable).
8. **CMHC 2814** **Mortgage Pool Servicing Agreement**
1 original prepared by Issuer and sent to the Servicer (where applicable) for signing; Servicer returns original to Issuer (where Issuer is not the Servicer); 1 faxed copy acceptable to CMHC, Custodian and CPTA.

- 9. CMHC 2816** **Certification and Agreement**
1 original prepared by Issuer, faxed copy to CMHC and Custodian.
- 10. CMHC 2820** **Custodial Agreement**
2 originals prepared by Custodian and Issuer both of whom sign; 1 retained by Issuer, 1 retained by Custodian who sends 1 copy to CMHC.
- 11. CMHC 2822** **Release of Security Interest**
4 originals prepared by each person or institution holding Security Interest to any and all pooled mortgages; forward 1 to CMHC, 1 to Custodian and 1 to Issuer, retaining 1 for itself.
For 800-series Pools (prefix 8xx), this form must always be prepared by the Issuer and any Registered Holder different from the Issuer.
- 12.(a) CMHC 2824** **Schedule of Pooled Mortgages**
At least five (5) full business days prior to the settlement date, 3 originals and an electronic file of Loan details specified in the CMHC 2824 are completed by the Issuer for all Pools and forwarded to the Custodian for initial certification. At this same time, the Issuer forwards to CMHC a copy of the original structured for receipt by them. If required thereafter, the Issuer forwards 3 originals of an amended schedule of pooled mortgages to the Custodian which serves as the basis for the Custodian providing their initial certification. After initial certification: 1 original (including an amended schedule of pooled mortgages) is forwarded to the Issuer, 1 original to CMHC and the other retained by the Custodian.
For Issuers who use the Power of Attorney process in Quebec, the Issuer completes the Power of Attorney information in the Issuer's Certification.
For Pools comprised of Loans insured by an Approved Private Mortgage Insurer, the Issuer does not provide any individual mortgage specific information detailed on the schedule of pooled mortgages in the copy forwarded to CMHC.
Final certification takes place within 120 days from issue date, at which time copies are sent by the Custodian to the Issuer and CMHC.

- 12.(b) CMHC 2824** **Schedule of Pooled Mortgages (assumptions, substitutions and ports)**
 When a pooled Loan is substituted, or when an assumed or ported Loan remains in the pool, 3 original CMHC 2824's should be sent by the Issuer to the Custodian who sends on 1 original to CMHC and returns 1 signed copy to the Issuer, checking that the assumed, substitute or ported Loan is later entered onto the revised Schedule of Pooled Mortgages.
- 13. CMHC 2825** **Title Custodian Certifications**
 3 originals prepared by the Issuer and sent to the Title custodian for signing; Title custodian returns 2 signed originals to Issuer and retains one for itself; 1 original sent to the Custodian, 1 original retained by the Issuer; 1 copy forwarded to CMHC.
- 14. CMHC 2830** **Schedule of Subscribers and Contractual Agreement**
 1 original prepared by Issuer; sent to CMHC for approval; copy of the original sent to CPTA by fax; CMHC sends original to the CPTA, then 1 copy is returned to the Issuer by CMHC, and the original is retained by CPTA.
- 15. CMHC 2832** **Letter Agreement for Issuer's Tax Custodial/Trust Account**
 1 original prepared by Issuer; sent to sub-contract Servicer (where the Issuer is not the Servicer); returned to Issuer for completion, and then 1 copy to CMHC, 1 to CPTA, and 1 to sub-contract Servicer. In lieu of a Tax Custodial/Trust Account an Issuer may elect to provide a letter of credit, payable to CMHC and deposited with the Issuer's Custodian. This requirement is applicable only to 966 and 990 Pool types, and to 965 Pools that contain multi-unit projects.
- 16. CMHC 2834/
SCHL 2834** **NHA MBS Information Circular / Circulaire d'information sur les TH LNH**
 Originals prepared by Issuer; 2 bilingual originals sent to CMHC, 1 bilingual original sent to CPTA, remainder are retained by Issuer and investment dealers.
- 17. CMHC 2835** **Mortgage Pool Transfer and Servicing Agreement (Quebec)**
 4 originals prepared by Issuer and any Registered Holder different from the Issuer; 3 originals sent to Custodian, 1 copy retained by the Issuer or Registered Holder (as applicable), and 1 original forwarded to the CMHC Securitization Centre.

18. **CMHC 2835 (TC)** **Mortgage Pool Transfer and Servicing Agreement (Title custodian)**
4 originals prepared by Title custodian; 3 originals sent to Custodian, 1 copy retained by the Title custodian, and 1 original forwarded to the CMHC Securitization Centre.
19. **CMHC 2836** **Mortgage Pools Transfer Agreement**
4 originals prepared by Issuer and any Registered Holder different from the Issuer; 3 originals sent to Custodian, 1 copy retained by the Issuer or Registered Holder (as applicable), and 1 original forwarded to the CMHC Securitization Centre.
20. **CMHC 2836 (TC)** **Mortgage Pools Transfer Agreement (Title custodian)**
4 originals prepared by Title custodian; 3 originals sent to Custodian, 1 copy retained by the Title custodian, and 1 original forwarded to the CMHC Securitization Centre.
21. **CMHC 2837** **Assignment of Universality of Claims (Issuer)**
5 originals prepared and executed by the Issuer and sent to CMHC for signing; 3 originals forwarded by CMHC to the Custodian and 1 returned to the Issuer for publication at the Register of Personal and Movable Real Rights (RPMRR) in Quebec. Proof of registration must then be forwarded to CMHC.
22. **CMHC 2837RH** **Assignment of Universality of Claims (Registered Holder)**
5 originals prepared and executed by the Registered Holder (where different from the Issuer) and sent to CMHC for signing; 3 originals forwarded by CMHC to the Custodian, and 1 returned to the Registered Holder for publication at the Register of Personal and Movable Real Rights (RPMRR) in Quebec. Proof of registration must then be forwarded to CMHC.
23. **CMHC 2840** **Issuer's Monthly Accounting Report**
The information collected on the CMHC 2840 is to be forwarded to the CPTA in electronic format in compliance with the edits supplied to the Issuer upon its conditional acceptance by CMHC. A copy of the monthly reports is to be retained by the Issuer.

- 24. CMHC 2841 Power of Attorney**
Originals prepared and executed by the Issuer and any Registered Holder different from the Issuer (except Title custodians) with the appropriate number of copies, as described in the following pages, in all land registry or land titles offices for all Common Law provinces and territories where Loans are registered; 1 copy of each registered* Power of Attorney sent to the Custodian, 1 copy to be retained by the Issuer or Registered Holder (as applicable), and 1 copy to be forwarded to the CMHC Securitization Centre.
If the registry office has converted to electronic registrations, a copy of the executed Power of Attorney together with proof of registration will be required.
* For those jurisdictions where registration is not applicable, the executed copy of the CMHC 2841, Power of Attorney.
- 25. CMHC 2841 (TC) Power of Attorney (Title custodian)**
Originals prepared and executed by the Title custodian with the appropriate number of copies, as described in the following pages, in all land registry or land titles offices for all Common Law provinces and territories where Loans are registered; 1 copy of each registered* Power of Attorney sent to the Custodian, 1 copy to be retained by the Title custodian, and 1 copy to be forwarded to the CMHC Securitization Centre.
If the registry office has converted to electronic registrations, a copy of the executed Power of Attorney together with proof of registration will be required.
* For those jurisdictions where registration is not applicable, the executed copy of the CMHC 2841, Power of Attorney
- 26. CMHC 2841Q Power of Attorney (Quebec)**
10 originals to be prepared and executed by the Issuer and any Registered Holder different from the Issuer (except Title custodians) and sent to the Custodian. The Custodian forwards one original to the CMHC Securitization Centre. The Issuer and Registered Holder (as applicable) retain a copy for their files or if the Issuer or Registered Holder (as applicable) wish to retain an executed assignment, one more original should be prepared.
- 27. CMHC 2841Q (TC) Power of Attorney (Quebec) (Title custodian)**
10 originals to be prepared and executed by the Title custodian and sent to the Custodian. The Custodian forwards one original to the CMHC Securitization Centre. The Title custodian retains a copy for their files or if the Title custodian wishes to retain an executed assignment, one more original should be prepared.

- 28. Quebec Assignments** 3 originals to be prepared and sent to the Issuer's Custodian. If the Issuer (or Registered Holder) wishes to retain an executed assignment, a fourth original should be prepared. When prepared outside the Province of Quebec, the solicitor, CMHC representative and Issuer (or Registered Holder) representative must sign the document at the same place and time.
- 29. CMHC 2843** **MBS Mortgage Security Registration Agreement**
5 originals prepared by the Issuer and sent to CMHC and the Registered Holder for signing thereafter; 2 originals sent to the Custodian, 1 original retained by the Issuer, 1 by the Registered Holder, and 1 original forwarded to the CMHC Securitization Centre.
- 30. CMHC 2843 (NR)** **MBS Mortgage Security Registration Agreement Non-regulated Issuer)**
5 originals prepared by the Non-regulated Issuer and sent to CMHC and Title custodian for signing thereafter; 2 originals sent to the Custodian, 1 original retained by the Non-regulated Issuer, 1 by the Title custodian, and 1 original forwarded to the CMHC Securitization Centre.

APPLICATION FOR PARTICIPATION AS AN NHA MORTGAGE-BACKED SECURITIES ISSUER

Fiscal Year End

APPLICATION DETAILS

Originating Office Name, Address, Postal Code	Main Office Name, Address, Postal Code
Name of Individual to Whom Inquiries Should be Directed	Telephone (incl. area code)

The Issuer requests approval as a Mortgage-Backed Securities Issuer and transmits the required materials:

<ul style="list-style-type: none"> <input type="checkbox"/> Resolution of Board of Directors, CMHC 2804 <input type="checkbox"/> Certificate of Incumbency, CMHC 2805 <input type="checkbox"/> Applicant's annual financial statement for each of the latest three fiscal years <input type="checkbox"/> Applicant's statement of Certified net worth for most recent fiscal year <input type="checkbox"/> Evidence of fidelity insurance coverage <input type="checkbox"/> Central Clearing Housing Debit Authorization, CMHC 2808 <input type="checkbox"/> Letter Agreement for Issuer's P & I Custodial/Trust Account, CMHC 2806 <input type="checkbox"/> Articles of Incorporation 	<p style="text-align: center; margin: 0;">CMHC USE ONLY</p> <ul style="list-style-type: none"> <input type="checkbox"/> Received
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HISTORY OF APPLICANT (Use separate sheet)

<p>History of the applicant's business must include, though not be limited to, particulars of its organization, province in which it was incorporated or otherwise organized, other provinces in which it is authorized to do business, description of business operations, other business in which it is engaged besides the origination and servicing of mortgages, and any legal or business affiliations the applicant may have with other persons, partnerships, or corporations which relate to the pooling of mortgages, issuance of securities and/or administration of securities.</p>

NAMES OF KEY EMPLOYEES (Attach résumés) TO BE INVOLVED IN MORTGAGE-BACKED SECURITIES (MBS)

Indicate (*) which individual is in overall charge of day-to-day operations of MBS	
Name	Title
Name	Title
Name	Title

CMHC 2802 23/05/06 Canada Mortgage and Housing Corporation is subject to the *Privacy Act*. Individuals have a right of access to CMHC-controlled information about themselves.



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MORTGAGE LOAN OPERATIONS (if applicable)

Volume of origination during the last three years in dollars (millions)			
Year	Single Family Residential	Multi-family	Other
MORTGAGE LOANS SERVICED		NUMBER OF LOANS	AMOUNT OF LOANS \$
For Self			
For Others			

CERTIFICATIONS

The undersigned certifies that:

1. The financial statements submitted to CMHC are complete and accurate statements of the applicant's financial condition.
2. To the best of its knowledge and belief, the information and data contained herein are true and accurate. The undersigned also certifies that it has not been barred from doing business with any agency of the Federal Government. Further, it is the opinion of the undersigned that it has powers and authority sufficient to act as Issuer of NHA Mortgage-Backed Securities.

AGREEMENTS

The undersigned applicant by submitting this application agrees to issue and administer NHA Mortgage-Backed Securities and service mortgage loan pools in accordance with the NHA Mortgage-Backed Securities Guide.

Name of Applicant

Name and Title	Authorized Officer	Date
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Application for Participation as an NHA Mortgage-Backed Securities Issuer – CMHC 2802

Key Employees

Senior officers dealing with NHA MBS authorized to sign documentation and to be contacted to answer questions or resolve problems.

RESOLUTION OF BOARD OF DIRECTORS

NAME OF ISSUER

RESOLVED THAT THE FOLLOWING OFFICERS AND EMPLOYEES

TITLE OR POSITION

As representative of this corporation be, and each of them is hereby, authorized to sign in the name of and on behalf of this corporation and deliver to Canada Mortgage and Housing Corporation, with respect to the issue by this corporation of mortgage-backed securities to be guaranteed by Canada Mortgage and Housing Corporation, any documents required to: (a) make applications to CMHC in the name of and on behalf of this corporation for Participation as an NHA MBS Approved Issuer and for CMHC Guarantee Approval on such mortgage-backed securities by this corporation; (b) enter into contracts with CMHC for the latter's guarantee of mortgage-backed securities issued in accordance with the terms and conditions of Guarantee Approvals on securities by Canada Mortgage and Housing Corporation to this corporation; (c) segregate mortgages now owned or hereafter acquired by this corporation into pools against which this corporation may issue mortgage-backed securities; (d) enter into any agreement, execute any documents and furnish any information required or deemed necessary or proper by Canada Mortgage and Housing Corporation in connection with any of the foregoing; and (e) bind this corporation by all the terms and conditions set forth in the applicable CMHC Mortgage-Backed Securities Guide;

That the above named officers by, and each is hereby, authorized to affix or endorse the name of this corporation on any cheques representing the proceeds from collections pertaining to mortgage loan pools and to issue any cheques or other instruments issued to pay to Investors their pro rata shares in these proceeds, and to do and perform any and all acts and to execute any and all additional instruments or agreements, from time to time, in the name of and on behalf of this corporation under its corporate seal or otherwise, deemed necessary or proper by the Canada Mortgage and Housing Corporation in connection with the formation of mortgage pools, the issuance of mortgage-backed securities, the guarantee of mortgage-backed securities by Canada Mortgage and Housing Corporation and the discharge of the duties and obligations of this corporation, as Issuer, until the balance outstanding of the last maturing mortgage in any pool is remitted to the registered Investors;

That any contracts or agreements heretofore made with Canada Mortgage and Housing Corporation on behalf of this corporation, and all acts of officers and agents of this corporation in connection with any contracts to be entered into in respect of the guarantee by Canada Mortgage and Housing Corporation of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed;

That CMHC is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty (30) days in advance of the effective date of any proposed change therein.

CERTIFICATION

I Hereby Certify that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of
at a meeting duly called and held at

on the day of , , at which a quorum was present and voted, that such resolution is duly recorded in the minute book of this corporation and has not been revoked nor amended.

In Witness whereof, I have signed my name and affixed the seal of this corporation at

on the day of , .

Secretary

CMHC 2804 12/03/06



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CERTIFICATE OF INCUMBENCY

I, _____, Secretary
of _____ do hereby certify that the
persons whose names appear below are the duly elected or appointed and qualified officers and employees of
_____ and hold the offices and positions
opposite their respective names, and the signatures appearing opposite their respective names are the actual
genuine signatures of such persons respectively:

Name	Title or Position	Signature

IN WITNESS WHEREOF I have signed my name and affixed the seal of
this _____ day of _____, _____.

Secretary

I,
president of _____
hereby certify that
_____ is the duly elected and qualified secretary of the corporation and that the signature appearing in the above
Certificate is his actual signature.

Dated at _____ this _____ day of _____, _____.

President

CMHC 2805 10/03/06

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Certificate of Incumbency – CMHC 2805

This document must be witnessed by the secretary of the company. This position and signature is then certified by the president of the company.

LETTER AGREEMENT FOR ISSUER'S P & I CUSTODIAL/TRUST ACCOUNT

Name of Institution (and Branch)	Pool Number
Address and Postal Code	

1

- This account is already established for funds relating to other mortgage loan pools under the NHA Mortgage-Backed Securities Program.
- This account is newly established for funds relating to the above indicated pool number.
- This account is being established as the Issuer's central P & I custodial/trust account.

2

You are hereby authorized and requested to establish a custodial/trust account. All deposits made in such account shall be subject to withdrawal therefrom signed by the Issuer named below, and shall also be subject to withdrawal therefrom by the Canada Mortgage and Housing Corporation. Except for the Central Payor and Transfer Agent, no other agent or any party shall be authorized to withdraw funds from the account. You are also authorized to pay to Canada Mortgage and Housing Corporation at any time upon its written demand, which need not name a specific amount, the entire amount in such account at the time of such demand.

You are further authorized upon the request of Canada Mortgage and Housing Corporation to refuse to honour any instruments drawn upon such account by the Issuer or any party other than the "Canada Mortgage and Housing Corporation" and to substitute as the name of the aforesaid account "Canada Mortgage and Housing Corporation" for the name of the Issuer. In no instance shall the funds in the Principal and Interest custodial/trust account be used to offset any advance of funds which may have been advanced to, or on behalf of, the Issuer by the institution.

The letter is submitted to you in duplicate. Please execute the duplicate copy of the certificate below, acknowledging the existence of such account and the present instructions, so that we may present the copy signed by you to the Canada Mortgage and Housing Corporation.

ISSUER

Name		
Name and Title	Signature of Authorized Officer	Date

The undersigned institution certifies to the Canada Mortgage and Housing Corporation that the account above identified is in existence in this institution under account number _____ and agrees with the Issuer named above and the Canada Mortgage and Housing Corporation to honour instruments drawn on such account in the manner provided in the above letter, subject only to standard notice requirements, but in no event to exceed seven business days. The undersigned institution further agrees upon the request of the Canada Mortgage and Housing Corporation to refuse to honour any instruments drawn upon such account by any party other than the Canada Mortgage and Housing Corporation and to substitute in the name of the aforesaid account "Canada Mortgage and Housing Corporation" for the name of the Issuer. In no instance shall the funds in the Principal and Interest Account be used to offset any advance of funds which may have been made to, or on behalf of, the Issuer by the institution. This institution is a member of the Canadian Payments Association.

INSTITUTION

Name		
Name and Title	Signature of Authorized Officer	Date

CMHC 2806 01/03/06

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Letter Agreement for Issuer's P & I Custodial/Trust Account – CMHC 2806

1. Pool Number

Enter the Pool Number previously assigned by CMHC. Where a Pool Number has not been assigned, CMHC will complete. For a new account to be established as a Central P & I Custodial/Trust Account in connection with the Central Clearing House Debit Authorization, [CMHC 2808](#) (at the time of application for CMHC Issuer participation), “various pools” should be inserted in this space.

2. Account Number

Enter the account number for the P & I Custodial/Trust Account.

CENTRAL CLEARING HOUSE DEBIT AUTHORIZATION

The Central Payor and Transfer Agent (CPTA), as agent for the Issuer and CMHC, is hereby authorized to initiate Central Clearing House debits against the Issuer's central P & I account, at the institution named below, for the purpose of monthly P & I payments to Investors due in connection with all mortgage loan pools for which the Issuer is responsible.

The referenced central P & I account has been established using the standard Letter Agreement for Issuer's P & I Custodial/Trust Account, CMHC 2806, which is already on file with CMHC, or which accompanies this submission. The account number, shown below, is the same as the account number of the central P & I custodial/trust account established with CMHC 2806.

It is understood that only the exact amount for P & I payments due Investors, based on the data reported by the Issuer, shall be charged against this account. If there are any discrepancies in the amount debited from this account, they will be promptly reported to the CPTA. It is also understood that the CPTA will immediately credit, in favor of this account, any amount that was debited over the amount required by the properly reported data.

This authorization will remain in effect until such time as: (a) a change of account is approved by CMHC, or (b) all pools and MBS of the Issuer are terminated.

ISSUER

Name, Address and Postal Code		
Name and Title	Signature of Authorized Officer	Date

- This authorization is in connection with the creation of Central P & I Account
- 1 This authorization is in connection with a change in the Central P & I Account

CENTRAL P & I ACCOUNT

Name, Address and Postal Code of Financial Institution	Account Number
	Financial Institution Central Clearing House Transit Code

CMHC 2808 01/03/06



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Central Clearing House Debit Authorization – CMHC 2808

1. Check the appropriate box to indicate if the authorization is in connection with the creation or change in the Central P & I Account.

APPLICATION FOR APPROVAL

As A Private Mortgage Insurer Under the NHA MBS Program

APPLICATION DETAILS

Protected when completed

Originating Office Name, Address, Postal Code		Main Office Name, Address, Postal Code	
Name of Individual to Whom Inquiries Should be Directed		Telephone (incl. Area Code)	Extension

The applicant requests approval to be a Private Mortgage Insurer under CMHC's NHA securitization programs and transmits the following required materials

- A brief history of Applicant which must include, but is not limited to, the following:
 - Particulars of the organization
 - Province of incorporation or otherwise organized
 - Description of business operations, as well as description of any business other than the insuring of mortgages in which it is engaged
 - Any legal or business affiliations the applicant may have with other persons, partnerships, or corporations which relate to the insuring of mortgages or the administration of mortgage insurance
- Details of federal regulatory approvals, and specific conditions/restrictions applicable to the applicant, to provide and carry on the business of mortgage insurance under the *Insurance Companies Act*. Also include details regarding provincial regulatory approvals for the provinces in which it is authorized to do mortgage insurance business.
- Names and résumés of key employees to be involved.
- Articles of Incorporation / Letters Patent and other constating documents and relevant by-laws and resolutions.
- Audited financial statements for the three most recent fiscal years, as well as quarterly unaudited financial statements for periods since last fiscal year end (including for any related or parent companies who may be providing guarantees or support to the Canadian company) and proforma financial statements for any new company involved.
- Statement of current debt ratings (including for any related or parent companies who may be providing guarantees or support to the Canadian company).
- Details of any governmental or corporate guarantees, backing and support which the newly created company and/or its insured clients benefit from in regard to its mortgage insurance business in Canada.
- The terms and policies of mortgage insurance, loan eligibility criteria and other details of the applicable mortgage insurance products.

For CMHC use only

- Received

Please note, where applicable originals or certified/notarized copies of the corporate records of the Applicant and certificates of public officials and authorized representatives of the Applicant should be provided.

CMHC 2810 25/04/2006

Canada Mortgage and Housing Corporation is subject to the *Privacy Act*. Individuals have a right of access to CMHC-controlled information about themselves.

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NAMES OF KEY EMPLOYEES TO BE INVOLVED
(Please attach résumés and additional names as required):

Please indicate (*) which individual is in charge of overall day to day operations	
Name	Title
Name	Title
Name	Title

CERTIFICATIONS

The undersigned certifies that:

1. The financial statements submitted are complete and accurate statements of the applicant's financial condition.
2. To the best of its knowledge and belief, the information and data contained herein are true and accurate. The undersigned also certifies that it has not been barred from doing business with any agency of the Federal Government.
3. Further, it is the opinion of the undersigned that it has the powers and authority sufficient to act as an insurer of eligible housing loans under the NHA securitization programs.

Name of Applicant	
Name	Title
Authorized Officer	Date

CMHC 2810 25/04/2006
 Canada Mortgage and Housing Corporation is subject to the *Privacy Act*. Individuals have a right of access to CMHC-controlled information about themselves.

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Application for Approval as a Private Mortgage Insurer Under the NHA MBS Program – CMHC 2810

Key Employees

Senior officers dealing with NHA MBS authorized to sign documentation and to be contacted to answer questions or resolve problems.

NHA MBS GUARANTEE APPLICATION AND APPROVAL

Please read

CMHC Securitization Centre
130 Adelaide Street West
Suite 2000, 20th Floor
Toronto, ON M5H 3P5

FAX: (416) 218-3312

1 Pool Type ▼

2 Pool Purpose

Market CMB Replacement

Originating Office Name, Address, Postal Code	Main Office Name, Address, Postal Code
---	--

Name of Individual to Whom Inquiries Should be Directed	Telephone (incl. Area Code)
---	-----------------------------

The Issuer requests approval for an issue of NHA Mortgage-Backed Securities.

Proposed issue date: _____ Proposed settlement date: _____ Proposed term: _____ months

Registered Titleholder(s): _____

Mortgage Servicer(s): - _____
- _____
- _____
- _____

Mortgage Insurer: _____

Total aggregate amount of pool applied for: \$ _____

3

CMHC USE ONLY						
Application Fee Received	Amount	Date	YYYY	MM	DD	Cashier

CMHC APPROVAL DETAILS

Canada Mortgage and Housing Corporation (CMHC) has considered your application for approval to issue NHA Mortgage-Backed Securities and finds the proposed issue of NHA Mortgage-Backed Securities to be eligible for guarantee under the provisions of Section 14 of the National Housing Act and the NHA MBS Guide. Accordingly, CMHC will guarantee securities and as proof of this, CMHC provides the following Pool Number _____, subject to the following conditions:

4

1. The securities to be issued shall be in the form prescribed by CMHC. The monthly scheduled instalments for principal and interest shall be paid to Investors whether or not the Issuer collects funds under the pooled mortgages equal to the scheduled instalments.

5

2. The total face amount of the issue is no more than \$ _____ million. Any request for adjustments in the amount of the securities issuance must conform with the NHA Mortgage-Backed Securities Guide. If the amount of securities issued is less than the approved amount, the approval becomes void as to the excess at the time of the issue of the securities.

3. This approval shall expire six months from the date of CMHC approval.

4. The mortgages pooled under this approval shall meet all of the eligibility requirements set forth in the applicable NHA Mortgage-Backed Securities Guide.

5. The Issuer shall submit to CMHC the documentation required by and prepared and delivered in accordance with the provisions of the applicable NHA Mortgage-Backed Securities Guide. The Issuer shall also submit the applicable guarantee fee prior to the issuance of the securities.

6. The formation of the CMHC mortgage pool, the issuance of NHA Mortgage-Backed Securities and the administration of the aforesaid CMHC mortgage pool until the last outstanding mortgage in the pool is repaid or otherwise liquidated and securities are cancelled shall be performed by the Issuer in compliance with the provisions of Section 14 of the *National Housing Act*, the applicable NHA Mortgage-Backed Securities Guide, and all applicable forms and agreements.

7. The Issuer must meet all of CMHC's eligibility requirements, including net worth requirements, in effect at the time CMHC or the CPTA makes the securities ready for physical delivery.

8. The following additional condition(s):

ISSUER		CANADA MORTGAGE AND HOUSING CORPORATION	
Name and Title	Name and Title	Signature of Authorized Officer	Date
Signature of Authorized Officer	Date	Signature of Authorized Officer	Date

NHA MBS Guarantee Application and Approval – CMHC 2812

1. Check the appropriate box to indicate the Pool type to be issued.
2. Classify the Pool by checking one or more of the appropriate boxes
 - Check “CMB” if the Pool (in whole or in part) will be sold to CHT as an original asset
 - Check “Replacement” if the Pool (in whole or in part) will be sold to CHT as a reinvestment asset
 - Check “Market” if the Pool (in whole or in part) is intended for purposes outside the CMB Program, including, but not limited to, NHA MBS used as collateral for the Bank of Canada’s standing liquidity facilities (LVTS or ACSS) or for sale to third parties other than CHT

3. **Mortgage Servicer(s)**

Enter the name of the mortgage servicer(s) for the Pool. Where the Issuer is the Servicer for all Loans in the Pool, leave this field blank.

Registered Titleholder(s)

If the Issuer will not hold title to all pooled mortgages, enter the name(s) of the registered titleholder(s), including the Issuer if applicable. Otherwise, leave blank.

4. **Pool Number**

CMHC will assign a Pool Number and complete this field. The Pool Number provided by CMHC must be utilized in all subsequent forms and correspondence.

5. **\$ Amount**

CMHC will complete this field by entering the total face amount of the issue.

MORTGAGE POOL SERVICING AGREEMENT

Pool Number

THE ISSUER

- will service the mortgages subject to the referenced pool number.
- will not service the mortgages subject to the referenced pool number and has arranged with a sub-contract Servicer for the servicing of the mortgages.

It is agreed that the mortgages in the pool, described in schedule "A" attached hereto, are to be serviced, whether by the Issuer or by a sub-contract Servicer, in accordance with the requirements set forth in the NHA Mortgage-Backed Securities Guide. The Issuer agrees to be responsible and liable for servicing the mortgages, including any acts or omissions of any sub-contract Servicer in connection therewith.

ISSUER

Name		
Name and Title	Signature of Authorized Officer	Date

Any servicing agreement between the Issuer and sub-contract Servicer shall be subject to and subordinate to the contractual agreement between the Issuer and CMHC. It is certified that the sub-contract Servicer satisfies the requirements contained in the NHA Mortgage-Backed Securities Guide and will perform only functions that are permitted by the Guide.

SERVICER

Name of Sub-Contract Servicer		
Name and Title	Signature of Authorized Officer	Date

CMHC 2814 10/03/06

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CERTIFICATION AND AGREEMENT

Pool Number

The Issuer attests to the following statements concerning the mortgages in the pool.

CHECK APPROPRIATE BOX

- Any and all security agreements affecting the loans and related mortgages (which shall include collateral mortgages) identified in the Schedule of Pooled Mortgages, CMHC 2824, relating to the pool number indicated above are limited by a duly executed Release of Security Interest, CMHC 2822, delivered by the Issuer to the designated Custodian, which relinquishes in favour of CMHC any and all interest or right of a secured party in and to the pooled loans and related mortgages. Upon the execution of the Release of Security Interests, only CMHC (on its own behalf as Guarantor and on behalf of Investors in mortgage-backed securities issued by the Issuer and guaranteed by CMHC under the NHA Mortgage-Backed Securities Program) will have any interest, other than nominal title, in and to the loans and related mortgages. Where the mortgages securing loans that are pooled under the NHA Mortgage-Backed Securities Program also secure the payment of other obligations (the “other obligations”), the Issuer expressly agrees that such other obligations are hereby released from those mortgages and no longer secured by them, provided that this release will be deemed not to have been granted in the event that such mortgage and pooled loans are reassigned by CMHC, in its sole and absolute discretion, to the Issuer.
- No loans and related mortgages (which shall include collateral mortgages) identified in the Schedule of Pooled Mortgages, CMHC 2824, relating to the pool number indicated above are now subject to any security agreement with the Issuer, and only CMHC (on its own behalf as Guarantor and on behalf of Investors in mortgage-backed securities issued by the Issuer and guaranteed by CMHC under the NHA Mortgage-Backed Securities Program) will have any interest, other than nominal title, in and to the loans and related mortgages. Where the mortgages securing loans that are pooled under the NHA Mortgage-Backed Securities Program also secure the payment of other obligations (the “other obligations”), the Issuer expressly agrees that such other obligations are hereby released from those mortgages and no longer secured by them, provided that this release will be deemed not to have been granted in the event that such mortgage and pooled loans are reassigned by CMHC, in its sole and absolute discretion, to the Issuer.

The Issuer agrees that it will not encumber any pooled loans and related mortgages by pledge or otherwise.

All mortgages are registered in an amount sufficient to secure the full amount of the loan balances they relate to.

Where the loan and related mortgage did not originate with the Issuer, the Issuer hereby confirms that the chain of title is complete and documentary evidence of registered assignments or transfers will be available to CMHC upon request.

ISSUER

Name	
Name and Title of Authorized Officer(s)	
Signature of Authorized Officer(s)	Date

CMHC 2816 28/01/2009

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CUSTODIAL AGREEMENT

NHA Mortgage-Backed Securities Program

Agreement dated this _____ day of _____, _____ by and
 between _____, a _____, a
 _____ (Issuer), and
 _____, a
 _____ (Custodian),

WHEREAS the Issuer proposes to issue NHA Mortgage-Backed Securities guaranteed as to timely payment by the Canada Mortgage and Housing Corporation pursuant to Section 14 of the *National Housing Act*

WHEREAS these securities will be based on and backed by a pool of mortgages identified in the records of Canada Mortgage and Housing Corporation by CMHC Pool Number _____;

WHEREAS the Custodian is a financial institution authorized to take deposits of valuable documents for safekeeping, and is equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety and security of the documents, in accordance with customary standards for such storage facilities; and

WHEREAS the parties to this agreement desire to set forth the terms and conditions for the deposit and custody of the documents evidencing and relating to the mortgages to be pooled under contractual agreements associated with the NHA Mortgage-Backed Securities.

THEREFORE, in consideration of the mutual undertakings expressed in this agreement, the parties agree as follows:

- I. The Issuer shall originate or acquire and segregate in a pool a number of mortgages that will provide the base and backing for the NHA Mortgage-Backed Securities; all of these mortgage loans shall be insured by a CMHC approved mortgage insurer. It is the Issuer's responsibility to provide the documents to the Custodian in a timely manner in accordance with the requirements outlined in Chapter 8 of the NHA MBS Program Guide.
- II. The Custodian shall certify that the Issuer has provided the following:
 - Prior to Initial Certification;
 - A. A duly authorized Mortgage Pool Transfer and Servicing Agreement, CMHC 2835 (Québec), Mortgage Pools Transfer Agreement, CMHC 2836 (all other provinces and territories) as applicable, in duplicate and a copy of the Registered Powers of Attorney, CMHC 2841 for all applicable Registry and Land Titles Offices. Three (3) Schedules of Pooled Mortgages, CMHC 2824 listing all the loans in the pool, duly completed and signed by an authorized officer of the Issuer, are to be provided for each pool of mortgages. The Issuer has provided the Custodian with the insured loan account numbers for each pooled loan.
 - Prior to Final Certification;
 - B. Within 120 days of the mortgage pool issue date, registerable assignments of the pooled mortgages in the form prescribed by CMHC to CMHC for loans originated in the Province of Québec. For Québec registerable assignments executed outside the province of Québec, original and photocopies of the current proof of good standing from the Bar or Law Society.
 - C. An executed original Certification and Agreement, CMHC 2816 signed by an officer of the Issuer stating that: Release(s) of Security Interest, CMHC 2822 delivered by the Issuer to the Custodian comprise(s) all and any security agreements affecting any and all mortgages in this pool; or that other than the assignment to CMHC, there are and will be no security agreements affecting any mortgages in this pool. The CMHC 2816 also attests that chain of title is fully documented where the loan is originated by a lender other than the Issuer. If further attests that each mortgage document is registered in an amount sufficient to cover the loan balance of the specified loan that has been pooled.
 - D. An executed original Release of Security Interest, CMHC 2822 executed by any and all secured institution(s) relating to any and all mortgages included in the above-identified pool of mortgages. (If there are no such security interests, this submission is not required, and the fact shall be noted on Certification and Agreement, CMHC 2816.)
- III. (A) When the documents required in section A of clause II above have been received, the Custodian shall make its initial certification on the Schedule of Pooled Mortgages, CMHC 2824, forward that document to CMHC and shall sign a copy and deliver it to the Issuer.

CUSTODIAL AGREEMENT

- (B) Within the specified time frame (see Section 8, Final Certification of the NHA MBS Program Guide) from the date of issue of the securities, all the documents described in clause II above shall be delivered to the Custodian by the Issuer. The Custodian shall review each mortgage file appearing on the CMHC 2824 in accordance with CMHC's documentation requirements in the NHA MBS Program Guide. The Custodian shall notify the Issuer within 15 days of receipt of any incomplete, inconsistent or missing documents and the Issuer shall deposit such missing documents or complete or correct the documents on file. The Custodian shall provide CMHC with a monthly status report for outstanding certifications. At the request of the Issuer, and upon payment of the required fee, the Custodian shall provide the Issuer with a monthly status report of outstanding certifications and other custodial information as agreed to.
- (C) The Custodian shall make its final certification on a copy of the Schedule of Pooled Mortgages, CMHC 2824, and shall forward that document to CMHC either itself or through the Issuer, and shall sign a copy and deliver it to the Issuer.
- (D) The Custodian shall segregate and maintain continuous custody and control of all documents deposited with it on behalf of CMHC until the mortgages are paid in full, subject to clause IV hereof. It shall hold the documents in secure and fireproof facilities, in accordance with customary standards for such storage.
- (E) The Custodian agrees that all documentation delivered to it by the Issuer and held in safekeeping on behalf of CMHC in accordance with the provisions of this agreement and all information concerning the affairs of the mortgagors under the mortgages comprising the mortgage pool are confidential and not to be used for its own purposes.
- (F) Any additional security held on behalf of NHA MBS or CMHC (see Section 8, Final Certification of the NHA MBS Program Guide) must be lodged with the Custodian.
- IV. The Custodian shall release to the Issuer the appropriate documents other than the assignments to CMHC, required by the Issuer from time to time in connection with the servicing of mortgages. The Custodian may rely on the Issuer's statement pertaining to the reason for requesting a document file. The Custodian shall further release the appropriate documents subsequent to the presentation by the Issuer of the CMHC 2840 when liquidated/matured mortgages are reported. The appropriate documents will be released after the corresponding payment date for the reporting period. Documents for matured mortgages will be released by the Custodian concurrently with the release of documents for liquidated mortgages. Prior to releasing the documents for purposes other than liquidations, the Custodian must receive a written request from the Issuer for the release. The request is to be retained by the Custodian.
- V. At any reasonable time, the Custodian shall make available for examination and audit by representatives of the Issuer or CMHC all documents in its custody, as well as the accounts and records pertaining to the mortgage pool.
- VI. (A) Upon representation to the Custodian by CMHC that a documentation trigger event has occurred under the Contractual Agreement between the Issuer and CMHC, the Custodian shall comply with such requirements as Canada Mortgage and Housing Corporation shall make, such compliance including, but not necessarily being limited to, receipt and review of a complete photocopy of the duplicate registered mortgage (DRM) loan document bearing a certificate of registration or a photocopy of the one or two individual pages of the DRM document bearing the legal description of the property and the registration certificate for all mortgages following notification from CMHC, or receipt of completed registrable mortgage assignments to CMHC for all mortgages following notification from CMHC.
- (B) Upon representation to the Custodian by CMHC that a default has occurred under the Contractual Agreement between the Issuer and CMHC, the Custodian shall comply with such requirements as Canada Mortgage and Housing Corporation shall make, such compliance including, but not necessarily being limited to, the delivery to CMHC or its designee of all loan documents, in the Custodian's custody. The Custodian shall prepare and provide CMHC with status reports as may be required in conjunction with a default under the Contractual Agreement.
- (C) If, following such a default, CMHC elects to assume or transfer to a Servicer the duties and obligations of the Issuer and elects to continue the Custodial Agreement, the Custodian agrees to continue its obligations herein to CMHC for a reasonable time on the same terms and conditions as set forth in the Agreement, provided that in no event shall CMHC be obligated to pay any compensation or fee for the holding or release of any documents pertaining to any loan or loans, during such reasonable period. If, however, CMHC elects to terminate such agreement, the Custodian shall comply with the provisions of this election and requests of CMHC. For such purposes CMHC will be the assignee of this contract as of the date it elects to avail itself of the provisions of this clause VI.
- VII. Consideration for services to be performed by the Custodian under this Agreement shall be as per the attached fee schedule.
- VIII. The Custodian agrees to be bound by the provisions of Chapter 8 of the NHA Mortgage-Backed Securities Program Guide.
- IX. This agreement shall terminate as provided for in the NHA Mortgage-Backed Securities Program Guide.
- (A) Upon the maturity or termination of the mortgage pool to which it relates, following the release of all documents held by the Custodian; or
- (B) Subject to the prior written approval of CMHC, and on such terms and conditions as CMHC may require:
- (i) On mutual consent of the Issuer and Custodian;
 - (ii) Upon the transfer of Issuer responsibility to another Issuer; or
 - (iii) Upon the transfer of custodial responsibility to a substitute custodian.

CUSTODIAL AGREEMENT

IN WITNESS WHEREOF the parties duly executed this Agreement on the date reflected above:

WITNESS

ISSUER

(Name)

(Name)

(Signature)

(Signature)

WITNESS

CUSTODIAN

(Name)

(Name)

(Signature)

(Signature)

(Name)

(Signature)

CMHC 2820 15/03/06
CMHC is subject to the *Access to Information and Privacy Act*

3
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Custodial Agreement – CMHC 2820

1. Consideration

Attach a copy of the fee schedule agreed upon between the Custodian and the Issuer.

RELEASE OF SECURITY INTEREST

Pool Number

The person or institution indicated below hereby relinquishes in favour of CMHC any and all interest or right it has in or to the loans and related mortgages (which shall include any collateral mortgages) identified in the Schedule of Pooled Mortgages, CMHC 2824, relating to the pool number indicated above (the "mortgage loans") backing the mortgage-backed securities to be issued and guaranteed under the NHA Mortgage-Backed Securities Program. The person or institution indicated below further undertakes to sign any other document upon presentation so as to give full effect to this relinquishment. This document will have its full effect no later than the date of issue specified in, with respect to all the mortgage loans identified, the Schedule of Pooled Mortgages, CMHC 2824, relating to those securities, signed by the Issuer and dated:

Name, Address and Postal Code of Person or Institution
--

Name and Title	Signature of Authorized Officer	Date

One or more releases per pool are required to be held by the Custodian to the extent necessary to encompass all mortgage loans in the pool.

CMHC 2822 24/12/2008
 Canada Mortgage and Housing Corporation is subject to the Privacy Act.
 Individuals have a right of access to CMHC-controlled information about themselves.

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Release of Security Interest – CMHC 2822

If any Loan in the Pool is encumbered by other interests (other than nominal title), the Issuer must obtain an executed original Release of Security Interest, [CMHC 2822](#), for each person or institution with any interests or rights in and to any and all pooled Loans and related mortgages.

For 867, 880 and 885 Pools, a Release of Security Interest, [CMHC 2822](#), is always required from the Issuer and any Registered Holder different than the Issuer (in addition to releases required from any other person or institution with interest in and to any and all pooled mortgages). The Release must be signed and authorized by the person or institution relinquishing its interest to CMHC.

SCHEDULE OF POOLED MORTGAGES

INSTRUCTION FOR CUSTODIAN

1. The Custodian will review each mortgage file to determine that all required documents have been properly executed and received and that such documents relate to the mortgages identified on the front of this form.
2. Upon completion of each examination, an authorized official of the Custodian will sign the original and the required copies of this form in the space provided and forward the original to CMHC and a signed copy to the Issuer.
3. **INITIAL CERTIFICATION**

CUSTODIAN'S CERTIFICATION

All the documents identified in Initial Certification, Chapter 8 of the Program Guide pertaining to the mortgages listed on the front of this form have been received and have been determined to satisfy the requirements of the NHA Mortgage-Backed Securities Guide.

DATE OF CERTIFICATION: _____

NOTARIZATION

PLEASE TYPE (Except for signature)	
Name and Complete Address of Custodian	
	Postal Code
Name and Title	
Signature of Authorized Officer	Date

4. FINAL CERTIFICATION

The documents listed in Final Certification, Chapter 8 of the Program Guide must be made part of each mortgage file within the specified time frames provided under Final Certification, Chapter 8.

CUSTODIAN'S CERTIFICATION

All of the documents identified in Final Certification, Chapter 8 of the Program Guide pertaining to the mortgages listed on the front of this form have been received and have been determined to satisfy the requirements of the NHA Mortgage-Backed Securities Guide.

DATE OF CERTIFICATION: _____

NOTARIZATION

PLEASE TYPE (Except for signature)	
Name and Complete Address of Custodian	
	Postal Code
Name and Title	
Signature of Authorized Officer	Date

CMHC 2824 14/06/2013



2
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Schedule of Pooled Mortgages – CMHC 2824

1. Interest Rate of Mortgages

For floating rate Pools, when determining the highest and lowest Loan rate, include any incentive discounts in effect at the time of pooling.

2. Index Rate or Prime Rate at Time of Pooling

This is the lender's reference rate used to determine the rate charged to the borrower on the individual Loans. It may be prime or another index specific to the Issuer. All Loans in a Pool must be set off the same index. The index is specified in the NHA MBS Information Circular, [CMHC 2834](#).

3. Weighted Average Interest Rate

The rate is calculated by:

- a. dividing the outstanding amount of each Loan by the total outstanding amount of all the Loans in the Pool;
- b. multiplying the result obtained in a. for each Loan by the annual interest rate for that Loan; and
- c. adding together the results obtained in b. for all Loans.

4. Weighted Average Amortization Period

The period is calculated by:

- a. dividing the outstanding amount of each Loan by the total outstanding of all the Loans in the Pool;
- b. multiplying the result obtained in a. for each Loan by the amortization period for that Loan. The amortization period should be expressed in months; and
- c. adding together the results obtained in b. for all Loans. This is the Weighted Average Amortization Period. The period must be recalculated whenever there is an additional principal payment, a liquidation or a substitution.

5. Unpaid Balance as of _____ 1st, _____

Insert the month in the first space and the year in the second space. The entry would then read for example, November 1st, 2005. The initial unpaid balance of a Pool is that balance remaining after all principal payments scheduled for payment on the first day of the month of issue have been credited.

6. Interest Rate

The interest rate in effect for each Loan at the time of pooling. For fixed rate Pools, this is the interest rate in effect for the term. For floating rate Pools, this is the resolved rate at the time of pooling including any incentive discounts in effect at the time of pooling. In addition, for floating rate Pools, interest rates are to be converted to a simple monthly equivalent rate if the rate basis is other than monthly.

7. Remaining Amortization Period in Months

Based on the payment frequency at the time that the Loan is pooled. See Appendix 7 for details on conversion methodology.

8. Issuer's Certification

For Issuers that have executed a Power of Attorney for Quebec, the date of the execution of the Power of Attorney is to be entered. In addition, the date of execution of the Mortgage Pool Transfer and Servicing Agreement, [CMHC 2835](#), is to be entered.

The name of all mortgagors listed on the mortgage document must be identified in the Schedule of Pooled Mortgages, [CMHC 2824](#).

TITLE CUSTODIAN CERTIFICATIONS

Pool Number	Issuer
-------------	--------

ISSUER CERTIFICATION

I, as authorized representative and on behalf of the Issuer, hereby certify and attest that the Title Custodian:

- 1** is the registered holder of nominal title to all mortgages and related loans listed in the CMHC 2824 for the referenced pool and has been provided with all additional security obtained from the borrower(s) and any guarantor(s).
- 2** is the registered holder of nominal title to all mortgages and related loans listed in the attached schedule and has been provided with all additional security obtained from the borrower(s) and any guarantor(s).

It is agreed that the mortgage loans described in the Schedule of Pooled Mortgages, CMHC 2824, for the referenced pool, are subject to the terms and conditions of the NHA Mortgage-Backed Securities Guide. The Issuer also agrees that it continues to be fully responsible under the NHA MBS Program for all Issuer responsibilities, including for ensuring that CMHC will at all times have an enforceable right to the pooled mortgages and related loans, security and insurance coverages.

ISSUER

Name of Issuer		
Name and Title of Authorized Officer(s)	Signature of Authorized Officer(s)	Date

TITLE CUSTODIAN CERTIFICATION

I, as authorized representative and on behalf of the Title Custodian, hereby certify and attest that the registered title to the mortgages and related loans described in the Schedule of Pooled Mortgages, CMHC 2824, including all additional security provided to the Title Custodian in connection with the Mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder, are in the name of the Title Custodian and not registered as being on behalf of or in trust or held for any other party. The Title Custodian has entered into transfer agreements and powers of attorney with CMHC evidencing that ownership of the mortgage loans, including all related security, is transferred to CMHC in trust for investors.

TITLE CUSTODIAN

Name of Title Custodian		
Name and Title of Authorized Officer(s)	Signature of Authorized Officer(s)	Date

TITLE CUSTODIAN CERTIFICATIONS

Pool Number	Issuer
-------------	--------

ISSUER CERTIFICATION

I, as authorized representative and on behalf of the Issuer, hereby certify and attest that the Title Custodian:

- 1** is the registered holder of nominal title to all mortgages and related loans listed in the CMHC 2824 for the referenced pool and has been provided with all additional security obtained from the borrower(s) and any guarantor(s).
- 2** is the registered holder of nominal title to all mortgages and related loans listed in the attached schedule and has been provided with all additional security obtained from the borrower(s) and any guarantor(s).

It is agreed that the mortgage loans described in the schedule "X" attached hereto, which form part of the referenced pool, are subject to the terms and conditions of the NHA Mortgage-Backed Securities Guide. The Issuer also agrees that it continues to be fully responsible under the NHA MBS Program for all Issuer responsibilities, including for ensuring that CMHC will at all times have an enforceable right to the pooled mortgages and related loans, security and insurance coverages.

ISSUER

Name of Issuer		
Name and Title of Authorized Officer(s)	Signature of Authorized Officer(s)	Date

TITLE CUSTODIAN CERTIFICATION

I, as authorized representative and on behalf of the Title Custodian, hereby certify and attest that the registered title to the mortgages and related loans described in the schedule "X" attached hereto, including all additional security provided to the Title Custodian in connection with the Mortgages in the Mortgage pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder, are in the name of the Title Custodian and not registered as being on behalf of or in trust or held for any other party. The Title Custodian has entered into transfer agreements and powers of attorney with CMHC evidencing that ownership of the mortgage loans, including all related security, is transferred to CMHC in trust for investors.

TITLE CUSTODIAN

Name of Title Custodian		
Name and Title of Authorized Officer(s)	Signature of Authorized Officer(s)	Date

Title Custodian Certifications – CMHC 2825

A Title Custodian Certifications, [CMHC 2825](#), is required for each Title custodian of Loans in the Pool.

1. Check Box 1 if the Title custodian holds title to all mortgages in the Pool. The Schedule of Pooled Mortgages, [CMHC 2824](#), will identify the mortgages held by the referenced Title custodian.
2. Check Box 2 if the Title custodian holds some (but not all) mortgages in the Pool. Prepare and attach a list (Schedule “X”) of the mortgages held by the referenced Title custodian.

Each form must be signed by an authorized officer of the Issuer and authorized officer of the Title custodian.

SCHEDULE OF SUBSCRIBERS AND CONTRACTUAL AGREEMENT

Page _____ of _____

This form authorizes the issuance of securities under the NHA Mortgage-Backed Securities Program and establishes the contract between the Issuer and CMHC under the NHA Mortgage-Backed Securities Program. Authorization: CMHC is instructed to prepare and deliver the securities to be issued by the undersigned under the terms of the CMHC commitment identified below in conformity with the information provided in this form. The Issuer, by approving this form and CMHC, by approving the proposed issue, agree as follows: (1) the Issuer and CMHC contract for the issuance and guarantee of securities backed by the mortgages listed on the attached Schedule of Pooled Mortgages, CMHC 2824, which form is incorporated herein by reference; (2) the Issuer and CMHC incorporate into this agreement by reference all of the terms and conditions of the NHA Mortgage-Backed Securities Program Guide ("The Guide") in effect as of the issue date specified below, (the Issuer acknowledges that it has received the complete text of the Guide); (3) pursuant to section 7.8 of the Guide, the Issuer transfers, assigns, sets over and otherwise conveys to CMHC all of the Issuer's right, title and interest in and to the pooled mortgages identified and described in the CMHC 2824. Such transfer shall be effective as of the date and time of delivery (release) of the securities by the CPTA but shall include all interest, principal and other payments made on or with respect to such mortgages on and after the effective date of this Agreement; (4) the Issuer upon presentation of this Agreement to CMHC undertakes to perform in accordance with its terms and conditions and agrees that CMHC will be under no obligation to authorize the Central Payor and Transfer Agent to issue the Securities and CMHC's guarantee until all those terms and conditions have been fulfilled.

Name and Address of Issuer Pool Number Issue Date Initial Payment Date Mailing Address and Postal Code	CUSIP Number Fixed Rate Coupon Floating Rate Coupon No. of Securities	Original Aggregate Amount of Pool at MBS Issue Date Securities Maturity Date Term of Security (months)	Denominations TOTAL SUBSCRIBED CPTA USE ONLY CERTIFICATE NOS.
3		2	4
5		Total	

DELIVERY INSTRUCTIONS

Pick-up at _____

Mail to (Issuer at Above Address) _____

Name of individual or organization authorized to take delivery _____
 Specify date for delivery certificates _____

Name and Title _____

Authorized Officer of Issuer _____
 Date _____

CMHC USE ONLY

Guarantee Fee Received	Date
Amount	Cashier
\$	

CANADA MORTGAGE AND HOUSING CORPORATION

Name and Title	Date
Authorized Officer	

CMHC 2830 24/05/06



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Schedule of Subscribers and Contractual Agreement – CMHC 2830

1. Fixed Rate Coupon

For fixed rate Pools, enter the coupon rate for the term of the NHA MBS.

2. Floating Rate Coupon

For 880, 885, 980 and 985 Pools, the rate is expressed as “CDOR +” or “CDOR –” the constant spread. For 987 Pools, the rate is expressed as “WAC –” the constant spread.

3. Number of Securities

Enter the number of NHA MBS to be issued. If NHA MBS are to be issued to a subscriber(s) in different denominations, state the number of NHA MBS for each denomination.

4. Denominations

Enter the denomination of each NHA MBS to be issued. The face amount of any Certificate shall not be less than \$1,000 and shall be in multiples of \$1,000, except for any odd amount necessary to bring the total amount of Certificates in agreement with the aggregate outstanding principal balance of the Loans comprising the Pool. When only one or two Certificates are being issued, they need not be multiples of \$1,000.

5. Specify Date for CMHC Delivery of Certificates

If applicable, indicate the date of delivery of Certificates by the CPTA to the Issuer or representative.

LETTER AGREEMENT FOR ISSUER'S TAX CUSTODIAL/TRUST ACCOUNT

A

In respect of NHA Mortgage-Backed Securities pool number _____ :			
- where taxes are collected on the underlying loans:			
<input type="checkbox"/> This account is established for funds relating to the above indicated CMHC pool number, (complete Part B) or;			
<input type="checkbox"/> Alternate security acceptable to CMHC is attached (omit Part B):			
- where taxes are not collected on the underlying loans:			
<input type="checkbox"/> Taxes are not collected for the loans relating to the above indicated pool number (omit Part B).			
Name of Sub-contract Servicer (if applicable)		Name of Issuer	
Name and Title		Name and Title	
Signature of Authorized Officer	Date	Signature of Authorized Officer	Date

B

Name of Institution (and Branch) where custodial trust account is to be maintained		
Street		
City	Province	Postal code
<p>The ISSUER (or SUB-CONTRACT SERVICER if applicable) identified in Part A hereby requests that the herein named Institution establishes, and authorizes said institution to establish a tax custodial/trust account to be specifically designated</p> <p>as Custodian/Trustee of Issuer's Tax Custodial Trust Account for Mortgagors, NHA Mortgage-Backed Securities for pools including the pool number indicated above. All deposits made in such account shall be subject to withdrawal therefrom signed by the Issuer named in Part A, or by the sub-contract Servicer named in Part A, and shall also be subject to withdrawal therefrom by Canada Mortgage and Housing Corporation. No other agent of the Issuer except the named sub-contract Servicer shall be authorized to withdraw funds from the account. You are also authorized to pay Canada Mortgage and Housing Corporation at any time upon its written demand, which need not name a specific amount, the entire amount in such account at the time of such demand.</p> <p>You are further authorized upon the request of the Canada Mortgage and Housing Corporation to refuse to honour any instruments drawn upon such account by parties other than the Canada Mortgage and Housing Corporation and to change the name of the aforesaid account to Canada Mortgage and Housing Corporation. In no circumstance shall the funds in the Tax Custodial Account be used to offset funds which may have been advanced to, or on behalf of, the Issuer by the financial institution.</p> <p>This letter is submitted to you in duplicate. Please execute the duplicate copy of the certificate below, acknowledging the existence of such account, so that we may present the copy signed by you to CMHC or its agent.</p> <p>The undersigned institution certifies to the Canada Mortgage and Housing Corporation that the account identified is in existence in this institution under account number _____, and agrees with the Issuer named in Part A and the Canada Mortgage and Housing Corporation to honour instruments drawn on such account in the manner provided in the above letter, subject only to notice requirements contained in applicable regulations, but in no event to exceed seven business days. The undersigned institution further agrees upon the request of the Canada Mortgage and Housing Corporation to refuse to honour any instruments drawn upon such account by parties other than the Canada Mortgage and Housing Corporation and to change the name of the aforesaid accounts to "Canada Mortgage and Housing Corporation". In no instance shall the funds in the Tax Custodial Account be used to offset funds which may have been advanced to, or on behalf of, the Issuer by the Custodian institution. Institutions appearing herein should also be members of the Canadian Payments Association.</p>		
Name of Institution		
Name and Title		
Signature of Authorized Officer	Date	

CMHC 2832 01/03/06



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Letter Agreement for Issuer's Tax Custodial/Trust Account – CMHC 2832

Where the Issuer is providing alternate security acceptable to CMHC, the amount of the required security must be at least equal to 50% of the estimated annual property taxes for the Loans on which taxes are collected within the Pool. The calculation of the above figure should be attached to a completed [CMHC 2832](#). In lieu of a Tax Custodial/Trust Account an Issuer may elect to provide a letter of credit, payable to CMHC and deposited with the Issuer's Custodian.

NHA MBS INFORMATION CIRCULAR

Fixed Rate Variable Rate Adjustable Rate WAC

Aggregate Principal Amount:
 % Mortgage-Backed Securities
 Fully Guaranteed as to Principal and Interest by
 Canada Mortgage and Housing Corporation
 Issued by

POOL NO.:	FIRST PAYMENT DUE:
ISSUE DATE:	MATURITY DATE:
SETTLEMENT DATE:	FINAL PAYMENT DUE:

The securities to be issued (NHA MBS) evidence ownership rights of undivided shares of a pool of loans secured by mortgages or collateral mortgages on residential properties (mortgage loans). At the date of issue of the securities, the mortgage loans in the mortgage pool (and accessory rights) will have been assigned to CMHC which will hold them as trustee on behalf of and for the benefit of NHA MBS investors (Investors). The securities provide for the timely payment to the registered Investors of interest at the above rate plus all principal (both scheduled and unscheduled) repaid each month on the mortgage loans underlying the pool. [INSERT THE FOLLOWING For NHA MBS with fixed rate coupons] Interest is calculated semi-annually and accrues from the first of each month. [INSERT THE FOLLOWING For NHA MBS with variable rate coupons] Interest is calculated monthly and accrues from the first of each month, and the coupon resets on the first of each month based upon the one-month Canadian Dollar Offered Rate (CDOR). [INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] Interest is calculated monthly and accrues from the first of each month, and the coupon resets on the first of each month based upon the one-month Canadian Dollar Offered Rate (CDOR). [INSERT THE FOLLOWING For NHA MBS with coupons based on the weighted average coupon rate] Interest is calculated monthly and accrues from the first of each month, and the coupon based upon the weighted average coupon rate of the underlying pooled mortgage loans resets on the first of each month. The interest is paid monthly in arrears and the NHA MBS payments of interest and principal will be adjusted each month, with any change in the interest rate, to reflect a fully amortizing payment and will commence on the 15th day of the month following the month of issue and will continue on the 15th day of every month thereafter over the life of the

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 CMHC is subject to the Privacy Act. Individuals have a right of access to CMHC-controlled information about themselves.



certificates (please refer to the section “Payments of Principal and Interest” below), whether or not such principal and interest has been collected by the Issuer.

Canada Mortgage and Housing Corporation

The Canadian Parliament, in 1946, passed a statute which established a corporation now called the “Canada Mortgage and Housing Corporation” consisting of the Minister and those persons who compose the Board of Directors (section 3, *Canada Mortgage and Housing Corporation Act, chapter C-7 of the Revised Statutes of Canada, 1985*). The Directors and the President of CMHC, as that Crown Corporation has become known, are all appointed by Order of the Government and its affairs are and business is conducted within the framework of Canada’s *Financial Administration Act, R.S.C. 1985, C. F-11*, as amended. Since then, CMHC has been an important financial agent of the Canadian Government in the housing sector from coast to coast. It has insured mortgage loans made by private lenders since 1954 and it has provided Guarantees of Securities based on Insured Loans since 1987. The statutory authority for its issue and the provisions of the guarantee are set out as follows on each certificate issued under the provisions of the *National Housing Act of Canada*.

NHA Guarantee of Timely Payment

CMHC as agent of Her Majesty in right of Canada undertakes to make payments of principal and interest in respect of any such NHA MBS in default of the Issuer fulfilling such obligation of timely payment to investors or their representative. Such Guarantee is a surety and is referred to hereafter as CMHC’s Guarantee.

CMHC as agent of Her Majesty in right of Canada guarantees the timely payment of principal and interest set forth in this circular in accordance with terms and conditions applicable to the NHA MBS, pursuant to the powers given to CMHC in sections 4 and 14 of the *National Housing Act, R.S.C. 1985*, as amended, which expressly provide that “Every right or obligation acquired or incurred by the Corporation under this Act, whether in its name or in the name of Her Majesty, is a right or obligation of Her Majesty”, (Section 4), and “The Corporation may guarantee payment of any or all principal and interest, or both, in respect of securities issued on the basis of housing loans” (Section 14). It is certified that no provisions of any law or contract adversely affects the rights of the holder to the benefit of this guarantee.

Eligibility for Investment

NHA MBS, with timely payment guaranteed by CMHC, are eligible investments under the usual insurance companies, loan companies, trust companies, trustee and pension statutes. NHA MBS will be qualified investments under the Income Tax Act (Canada) and the Regulations for a trust governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), registered education savings plan, registered disability savings plan, tax-free savings accounts (“TFSA”) and deferred profit sharing plan or a revoked plan. In addition, NHA MBS will not be a “prohibited investment” under the Income Tax Act (Canada) and the Regulations for a trust governed by a TFSA and for a trust governed by a RRSP or RRIF.

Composition of Mortgage Loan Pool

[INSERT THE FOLLOWING For NHA MBS with fixed rate coupons] All mortgage loans comprising the NHA MBS pool are equal payment mortgage loans insured by

[INSERT THE FOLLOWING For NHA MBS with variable rate coupons] All mortgage loans comprising the NHA MBS pool are equal payment mortgage loans insured by

[INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] All mortgage loans comprising the NHA MBS pool are adjustable payment mortgage loans insured by

[INSERT THE FOLLOWING For NHA MBS with coupons based on the weighted average coupon rate] All mortgage loans comprising the NHA MBS pool have interest rates that reset on a regular basis during the term of the mortgage loan based on common reset frequency and underlying index, as well as common payment resetting terms, as such, all mortgage loans of the pool serving as the base and backing of these certificates [INSERT ONE OF THE FOLLOWING as applicable] are equal payment mortgage loans / are adjustable payment mortgage loans insured by

The term “mortgage loan”, as used herein, means a debt secured by a mortgage or deed against a residential property. Each mortgage loan in the pool has a date for the first scheduled monthly payment that is not more than six months from the first scheduled monthly payment date of every other mortgage loan in the pool. Scheduled payments occur at least once a month. [INSERT THE FOLLOWING For NHA MBS with fixed rate coupons] Each mortgage loan bears a fixed interest rate and provides for scheduled payments which are fully amortizing over their respective amortization periods. The weighted average of such amortization periods is shown on the attached addendum to this Information Circular.

[INSERT THE FOLLOWING For NHA MBS with variable rate coupons] Each mortgage loan bears a variable interest rate and provides for equal monthly payments.

[INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] Each mortgage loan bears an adjustable interest rate and provides for scheduled payments which are fully amortizing over their respective amortization periods. The weighted average of such amortization periods is shown on the attached addendum to this Information Circular.

[INSERT THE FOLLOWING For NHA MBS with a coupon based on the weighted average coupon rate, where the pool consists entirely of adjustable rate mortgages] Each mortgage loan bears an adjustable interest rate and provides for scheduled payments which are fully amortizing over their respective amortization periods. The weighted average of such amortization periods is shown on the attached addendum to this Information Circular.

[INSERT THE FOLLOWING For NHA MBS with a coupon based on the weighted average coupon rate, where the pool consists entirely of variable rate mortgages] Each mortgage loan bears a variable interest rate and provides for equal monthly payments.

Central Payor and Transfer Agent

All NHA MBS certificates will provide for payments to Investors to be made through a Central Payor and Transfer Agent (CPTA) which has been duly authorized to act as such on behalf of each respective Issuer. Computershare Trust Company of Canada has been designated as the CPTA for the NHA Mortgage-Backed Securities Program. Inquiries directed to Computershare Trust Company of Canada in this capacity should be addressed to Corporate Trust Services, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

Payments of Principal and Interest

Principal and interest shall be remitted on the securities in monthly payments (the “Payment Date”) on the 15th day of each month or, where the 15th day of a month is not a business day, on the first business day following the 15th. A business day is a day on which banks are open for business in Toronto, Ontario, other than a Saturday,

Sunday or public holiday. The first such payment will be remitted on the Payment Date during the month following the month of issue. Thus, the first payment will usually be remitted 45 days after the Issue Date.

[INSERT THE FOLLOWING For NHA MBS with variable rate coupons] The interest rate is reset based on the one-month CDOR rate on the 1st day of the report month, or should the 1st day of a month fall on a weekend or statutory holiday, on the next business day.

[INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] The interest rate is reset based on the one-month CDOR rate on the 1st day of the report month, or should the 1st day of a month fall on a weekend or statutory holiday, on the next business day.

[INSERT THE FOLLOWING For NHA MBS with coupons based on the weighted average coupon rate] The interest rate is reset based on the weighted average coupon rate of the underlying pooled mortgage loans on the first of each month.

Interest at the stated rate shall be paid each month for the preceding month, on the unpaid portion of the principal at the end of the preceding month.

[INSERT THE FOLLOWING For NHA MBS with fixed rate coupons] The amount of principal due each month shall be in an amount equal to the scheduled principal amount due on the pooled mortgage loans.

[INSERT THE FOLLOWING For NHA MBS with variable rate coupons] The amount of principal due each month is that portion, if any, of the equal monthly payment after deduction of the interest payable that month on the NHA MBS.

[INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] The amount of principal due each month shall be in an amount equal to the principal amount due on the pooled mortgage loans. However, payment of principal and interest shall be adjustable as set forth below. Each of the monthly payments of principal shall adjust with each change in interest to reflect the required amount of principal due on each of the pooled mortgage loans to fully amortize them over their respective amortization periods.

[INSERT THE FOLLOWING For NHA MBS with a coupon based on the weighted average coupon rate, where the pool consists entirely of adjustable rate mortgage loans] The amount of principal due each month shall be in an amount equal to the principal amount due on the pooled mortgage loans. However, payment of principal and interest shall be adjustable as set forth below. Each of the monthly payments of principal shall adjust with each change in interest to reflect the required amount of principal due on each of the pooled mortgage loans to fully amortize them over their respective amortization periods.

[INSERT THE FOLLOWING For NHA MBS with a coupon based on the weighted average coupon rate, where the pool consists entirely of variable rate mortgage loans] The amount of principal due each month is that portion, if any, of the equal monthly payment due, after deduction of the interest payable that month on the NHA MBS.

Each of the monthly payments of principal shall also be subject to adjustments by reason of any prepayment penalties and additional principal payments or other early or unscheduled recoveries of principal on the pooled mortgage loans during the preceding month. A summary of the prepayment privileges accorded the borrowers whose mortgage loans serve as the base and backing of this pool may be found in the addendum to this Information Circular. In any event, the monthly payments shall be not less than the interest due on the certificates at the rate specified thereon, together with any payments of principal owing during such month, whether or not collected from the borrowers, as well as any additional principal payments or early recovery of principal during the preceding month and all prepayment penalties due thereon to which the Investors may be entitled. The remaining principal outstanding on the mortgage loans will be paid out on required liquidation of each mortgage loan (as set out below) or over the final 6 months of the term of the NHA MBS as the mortgage loans in the pool mature. The final payment of interest will be remitted on the Payment Date of the month of maturity. No interest

will accrue or be payable for the period of time between the maturity date and the final Payment Date. The final payment of principal shall be remitted only upon surrender of the outstanding certificate.

Monthly payments to be remitted on all of the certificates relating to the pool specified herein shall be apportioned and paid to the Investors in the proportion that the initial principal amount of each certificate bears to the initial aggregate principal amount of the pool. Payments will be remitted by the CPTA out of funds collected from the Issuer, or, if the Issuer fails to provide all required funds and payment is required under the Guarantee, out of funds advanced under the Guarantee.

Each monthly payment on a NHA MBS certificate will be remitted to the Investor in whose name the certificate is registered on the last day of the month immediately preceding the month in which the payment is due. Payments will be remitted on the Payment Dates. The CPTA may make a single payment by cheque (or otherwise consolidate payments) to each Investor for payments due under all certificates which the Investor owns in any one pool. In addition, upon an Investor's request and after the submission of appropriate documentation, the CPTA may effect remittance of the payments due by means of an Electronic Funds Transfer to the Bank or Trust account of the Investor's choice.

Report to Investors

The CPTA will submit to each registered certificate owner a monthly statement of principal and interest payable currently on the certificate. The statement will also show the outstanding principal balance after crediting the current principal payment, and other pertinent information. If an Investor owns more than one certificate or owns certificates in more than one NHA MBS issue, such information will be provided on a certificate-by-certificate basis or on an issue-by-issue basis, as applicable. The accounts and records of the Issuer relating to the pooled mortgage loans shall be maintained in accordance with normal accounting practices and in a manner that will permit CMHC to examine and audit such accounts and records at any reasonable time.

Denominations and Transferability of Certificates

The minimum authorized denomination of the certificates offered hereby is \$1,000. All securities will be issued in multiples of \$1,000 except for one certificate in each pool which may be in an odd amount as is necessary to reach the initial aggregate principal amount of the NHA MBS issue.

Each certificate is freely and fully transferable and assignable, but only on the Certificate Register maintained by the CPTA. The Investor or its duly authorized representative may transfer ownership or obtain the denominational exchange of a certificate on the Certificate Register upon surrender of the certificate to the CPTA. The certificate must be endorsed by the Investor using the form of assignment on the reverse thereof, or any other written instrument of assignments acceptable to the CPTA. A service charge will be imposed for any registration of a change of owner or a denominational exchange of a certificate, and payment sufficient to cover any tax or governmental charge in connection therewith may also be required.

Servicing of Pool

The Issuer is responsible for servicing and otherwise administering the mortgage loans which constitute the pool in accordance with generally accepted practices of the mortgage lending industry.

The monthly remuneration of the Issuer, for its servicing and administrative function, will be the excess of interest at the stated interest rates on the mortgage loan(s) over the interest at the stated rate on the certificates. That

amount shall be withheld by the Issuer out of interest payments collected on the mortgage loans. Each mortgage loan in the pool bears an interest rate at least 0.5 per cent higher than the stated interest rate on the certificates on the date of issuance. Late payment fees and similar charges collected (excluding penalty interest charged for certain unscheduled prepayments of principal as set out in the addendum to this Information Circular) will be retained by the Issuer as additional compensation. Payments due to Investors will not be delayed. The Issuer shall bear all costs and expenses incident to the servicing of the mortgage loans. These late payments, fees, costs and expenses will not reduce the monthly payments due Investors as described above.

Custodial Agent

The documents pertaining to each of the mortgage loans included in the pool backing this issuance of securities will be held in custody by _____, on behalf of Investors.

Possible Variance of Pool Characteristics

The original pool characteristics of this NHA MBS may be found in the section entitled "Mortgage Pool Profile at Issue Date" provided in the attached addendum to this Information Circular. As this NHA MBS pool matures and/or as the mortgagors effect unscheduled prepayment and/or liquidation of principal, some of the pool characteristics will change. In particular, the weighted average remaining amortization, the weighted average mortgage rate, the weighted average Interest Adjustment Date, the weighted average maturity date, and the pool maturity date may be affected. Investors may receive the full payment of principal of a mortgage loan before the scheduled maturity date, should the mortgaged property become damaged beyond repair, or should the mortgaged loan go into default, warranting legal action which results in the liquidation of that loan from the NHA MBS pool. In addition, [INSERT THE FOLLOWING For NHA MBS with variable rate coupons] a mortgage loan is liquidated from the pool in the event that the borrower exercises an option to convert to a fixed rate mortgage loan or in the event that the interest payable for the month on the variable rate NHA MBS exceeds the required equal monthly payment under the mortgage loan. In addition, [INSERT THE FOLLOWING For NHA MBS with adjustable rate coupons] a mortgage loan is liquidated from the pool in the event that the borrower exercises an option to convert to a fixed rate mortgage loan. In addition, [INSERT THE FOLLOWING For NHA MBS with coupons based on the weighted average coupon rate] a mortgage loan is liquidated from the pool in the event that the borrower exercises an option to convert to a fixed rate mortgage loan, [VARIABLE RATE ONLY] or in the event that the interest payable for the month on the variable rate mortgage loan exceeds the required equal monthly payment under the mortgage loan.

Early Termination of Pool

The pool may be terminated at any time prior to the Maturity Date of the outstanding certificates, only if the Issuer and all owners of the outstanding securities based on the pool have entered into a mutually agreeable arrangement for such termination. Upon formal notification with satisfactory evidence that all parties to the termination agreement have agreed, and return of the certificates to the CPTA for cancellation has occurred, the guarantee will be terminated.

Certain Canadian Federal Income Tax Considerations

Based in part upon advance income tax rulings issued by the Canada Revenue Agency (the "CRA") in respect of NHA MBS issued before January 1, 2012, in the opinion of Osler, Hoskin & Harcourt LLP, special income tax counsel to CMHC, the following constitutes a summary of the principal Canadian federal income tax considerations generally applicable to Investors who acquire NHA MBS pursuant to this offering circular before

January 1, 2012, who, at all relevant times, deal at arm's length and are not affiliated with CMHC or the Issuer and who hold NHA MBS as capital property within the meaning of the Canadian federal Income Tax Act (the "Tax Act"). Generally, NHA MBS will be capital property to an Investor provided the Investor does not acquire or hold the NHA MBS in the course of carrying on business or as part of an adventure or concern in the nature of trade.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the "Regulations") in force on, and on counsel's understanding of the current administrative and assessing practices of the CRA published in writing prior to, the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR CONCERNING THE CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF NHA MBS. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR PARTICULAR CIRCUMSTANCES.

Investors Resident in Canada

The following section of this summary is applicable to an Investor who, at all relevant times, for purposes of the Tax Act, is or is deemed to be a resident of Canada (a "Canadian Investor"). Certain Canadian Investors, whose NHA MBS might not otherwise be capital property, may, in certain circumstances, be entitled to make, or may have already made, the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property the NHA MBS and all other "Canadian securities", as defined in the Tax Act, owned by such Canadian Investor in the taxation year in which the election is made and in all subsequent years. This portion of the summary is not applicable to an investor an interest in which is a "tax shelter investment" an investor that is a "financial institution" for the purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules), or an investor that reports its "Canadian tax results" in a currency other than Canadian currency (each as defined in the Tax Act). Such investors should consult their own tax advisors.

Interest

A Canadian Investor that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing income for a taxation year any interest on NHA MBS (net of reasonable servicing fees charged by the Issuer) that accrues or is deemed to accrue to such Canadian Investor on the NHA MBS to the end of the year, or becomes receivable or is received by such Canadian Investor before the end of the year, to the extent that such interest was not included in computing the Canadian Investor's income for a preceding taxation year.

Any other Canadian Investor, including an individual, will be required to include in computing its income for a taxation year any interest on NHA MBS (net of reasonable servicing fees charged by the Issuer) that is received or

receivable by such Canadian Investor in the year (depending on the method followed by the Canadian Investor in computing income) to the extent that such interest was not included in computing the Canadian Investor's income for a preceding taxation year.

Disposition

On a disposition or deemed disposition of NHA MBS, a Canadian Investor will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest that has accrued on the NHA MBS to that time except to the extent that such interest has otherwise been included in the Canadian Investor's income for the year or a preceding taxation year.

Generally, on a disposition or deemed disposition of NHA MBS, a Canadian Investor will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Canadian Investor's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Canadian Investor of such NHA MBS immediately before the disposition or deemed disposition. Generally, a Canadian Investor is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain"). Subject to and in accordance with the provisions of the Tax Act, a Canadian Investor is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Canadian Investor in the year, and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

Investors Not Resident in Canada

The following section of this summary is applicable to an Investor who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, is not, and is not deemed to be, a resident of Canada, and does not use or hold NHA MBS in a business carried on in Canada and to whom such NHA MBS does not otherwise constitute "taxable Canadian property" (a "Non-resident Investor"). This summary does not apply to a non-resident that is an insurer carrying on business in Canada and elsewhere.

No Canadian withholding tax will apply to interest, principal, or penalty paid or credited to a Non-resident Investor on NHA MBS or to the proceeds received by a Non-resident Investor on the disposition of NHA MBS. No other tax on income or gains will be payable by a Non-resident Investor on interest or principal, or on the proceeds received by a Non-resident Investor on the disposition of NHA MBS.

Eligibility for Investment

NHA MBS will be qualified investments under the Tax Act and the Regulations for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan, registered disability savings plan, tax-free savings accounts ("TFSA") and deferred profit sharing plan or a revoked plan. In addition, NHA MBS will not be a "prohibited investment" under the Tax Act and the Regulations for a trust governed by a TFSA and for a trust governed by a RRSP or RRIF.

ADDENDUM TO NHA MBS INFORMATION CIRCULAR

ISSUER

%

POOL NO.: FIRST PAYMENT DUE:
 ISSUE DATE : MATURITY DATE :
 SETTLEMENT DATE: FINAL PAYMENT DUE:

Total Number of Mortgage Loans:
 Weighted Average Interest Adjustment Date:
 Weighted Average Maturity Date:
 MORTGAGE LOAN POOL PROFILE AT ISSUE DATE

Scheduled Maturity of Mortgage Loans by Months Remaining to MBS Maturity	Remaining Face Value	Weighted-Average Mortgage Loan Rate ("WAC")	Weighted-Average Remaining Amortization ("RAM")	Not Applicable for Fixed Rate MBS			Sum of Monthly Payment Equivalents	Weighted-Average Introductory Periods Remaining
				Weighted-Average Mortgage Loan Index Spread (to)				
				Total	Full Term	Introductory		
	(\$)	(%)	(Months)	(%)	(%)	(%)	(\$)	(Months)
5 Months								
4 Months								
3 Months								
2 Months								
1 Month								
Maturity								

DESCRIPTION OF MORTGAGE LOANS

NHA portfolio insured mortgage loans: DOLLAR VALUE % OF LOANS
 Private insured mortgage loans: DOLLAR VALUE % OF LOANS
 Open Mortgage Loans: DOLLAR VALUE % OF LOANS
 Closed Mortgage Loans: DOLLAR VALUE % OF LOANS

DOLLAR PERCENTAGE PROFILE BY LOAN TYPE

Homeowner:	%	Multiple Family:	%	Social Housing:	%	
RAM DISTRIBUTION IN MONTHS	180 to 209 0 to 29	210 to 239 30 to 59	240 to 269 60 to 89	270 to 299 90 to 119	300 to 329 120 to 149	330 + 150 to 180
REMAINING FACE VALUE	\$	\$	\$	\$	\$	\$

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LOCATION OF MORTGAGE LOANS

<u>Province</u>	<u>No. of Loans</u> (%)	<u>Principal Amount</u> (%)
Newfoundland		
Nova Scotia		
New Brunswick		
P.E.I.		
Quebec		
Ontario		
Manitoba		
Saskatchewan		
Alberta		
British Columbia		
N.W.T.		
Yukon		
Nunavut		
	<u>100.0000</u>	<u>100.0000</u>

MORTGAGE LOAN POOL PROFILE BY INTEREST ADJUSTMENT DATE

INTEREST ADJUSTMENT DATE
REMAINING FACE VALUE

MORTGAGE LOAN RATE BANDS (% BY QUARTILE)	INTEREST ADJUSTMENT DATES						TOTAL - \$	% OF TOTAL
TOTAL - \$								
% OF TOTAL								
WAC %								

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ii



For 964 pool types, the full amount of any prepayment penalty or indemnity, disclosed in this addendum must be passed through to the Investor without exception.

For 967 pool types, the full amount of any prepayment penalty or indemnity disclosed in this addendum is retained by the Issuer.

For 970 pool types, prepayment penalties or indemnities paid by mortgagors will be retained by the Issuer if a mortgagor elects to prepay a mortgage loan pursuant to any of the prepayment privileges set out in the mortgage loans and summarized in Summary of Prepayment Provisions for Mortgage Loans in the Pool (the “Prepayment Provisions”). In the event that the Issuer permits a mortgage loan to be prepaid or renegotiated prior to the 3rd anniversary date in circumstances other than those permitted under the Prepayment Provisions, the Issuer will pass through to the Investor an indemnity (the “Rate Differential Indemnity”) calculated as set out below.

For 975 pool types, prepayment penalties or indemnities paid by mortgagors will be retained by the Issuer if a mortgagor elects to prepay a mortgage loan pursuant to any of the prepayment privileges set out in the mortgage loans and summarized in Summary of Prepayment Provisions for Mortgage Loans in the Pool (the “Prepayment Provisions”). In the event that the Issuer permits a mortgage loan to be prepaid or renegotiated prior to the 5th anniversary date in circumstances other than those permitted under the Prepayment Provisions, the Issuer will pass through to the Investor an indemnity (the “Rate Differential Indemnity”) calculated as set out below.

For 980 pool types, the full amount of any prepayment penalty or indemnity disclosed in this addendum is retained by the Issuer.

For 985 pool types, the full amount of any prepayment penalty or indemnity disclosed in this addendum is retained by the Issuer.

For 987 pool types, the full amount of any prepayment penalty or indemnity disclosed in this addendum is retained by the Issuer.

SUMMARY OF PREPAYMENT PROVISIONS FOR MORTGAGE LOANS IN THE POOL

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CMHC is subject to the *Privacy Act*. Individuals have a right of access to CMHC-controlled information about themselves.

iii

Canada



Société canadienne d'hypothèques et de logement

En 1946, le Parlement canadien a adopté une loi selon laquelle était constituée une société, aujourd'hui dénommée la « Société canadienne d'hypothèques et de logement », composée du ministre et des membres du Conseil d'administration (article 3, *Loi sur la Société canadienne d'hypothèques et de logement*, chapitre C-7 des *Lois révisées du Canada*, 1985). Les administrateurs et le président de la SCHL, sigle qui désigne couramment cette société d'État aujourd'hui, sont tous nommés directement par le gouvernement; ils dirigent ses affaires et ses activités dans les limites définies par la *Loi sur la gestion des finances publiques du Canada*, L.R.C. (1985), ch. F-11, ainsi modifiée. Depuis sa fondation, la SCHL a été un important agent financier du gouvernement canadien dans le secteur du logement, d'un océan à l'autre. Elle assure des prêts hypothécaires consentis par des prêteurs privés depuis 1954 et cautionne des TH LNH adossés à des prêts hypothécaires assurés depuis 1987. L'autorisation législative permettant d'offrir un cautionnement ainsi que les modalités de ce dernier sont décrites sur chaque TH LNH émis en vertu de la *Loi nationale sur l'habitation du Canada*.

Cautionnement de paiement périodique en vertu de la LNH

La SCHL, en qualité de mandataire de Sa Majesté du chef du Canada, s'engage à effectuer les paiements de capital et d'intérêts à l'égard des montants dus sur les TH LNH en cas de défaut de l'émetteur de s'acquitter de son obligation de payer à temps lesdits montants aux investisseurs ou à leurs représentants. Cet engagement (garantie de la SCHL) constitue un cautionnement.

La SCHL, en qualité de mandataire de Sa Majesté du chef du Canada, cautionne le paiement périodique du capital et des intérêts prévus aux termes de la présente Circulaire d'information, conformément aux modalités applicables aux TH LNH, selon les pouvoirs attribués à la SCHL au sens des articles 4 et 14 de la *Loi nationale sur l'habitation*, L.R.C. 1985, ainsi modifiée, lesquels stipulent expressément que « les droits et les obligations contractés par la Société aux termes de la présente loi, en son nom ou au nom de Sa Majesté, constituent des droits ou des obligations de Sa Majesté » (article 4) et que « la Société peut garantir le paiement de tout ou d'une partie du capital ou des intérêts – ou des deux – relatifs à des titres fondés sur des prêts à l'habitation » (article 14). Il est certifié qu'aucune disposition d'un texte législatif ou d'un contrat ne peut faire obstacle au droit qu'a le porteur de se prévaloir de cette garantie.

Admissibilité à titre de placement

Les TH LNH, assortis du cautionnement de paiement périodique de la SCHL, sont des placements qui remplissent les conditions des lois régissant les sociétés d'assurances, les sociétés de prêt, les sociétés de fiducie, les fonds en fiducie et les caisses de retraite. Les TH LNH sont des placements admissibles en vertu de la *Loi de l'impôt sur le revenu* (Canada) et du Règlement connexe dans le cas d'une fiducie régie par un régime enregistré d'épargne-retraite (REER), un fonds enregistré de revenu de retraite (FERR), un régime enregistré d'épargne-études (REEE), un régime enregistré d'épargne-invalidité (REEI), un compte d'épargne libre d'impôt (CELI) ou un régime de participation différée aux bénéfices (RPDB) ou un régime dont l'agrément est retiré. De plus, les TH LNH ne sont pas un « placement interdit » en vertu de la *Loi de l'impôt sur le revenu* (Canada) et du Règlement connexe dans le cas d'une fiducie régie par un CELI, un REER ou un FERR.

Composition du bloc de prêts hypothécaires

INSÉRER POUR TH LNH À TAUX FIXE Les prêts hypothécaires formant le bloc de TH LNH sont des prêts hypothécaires à paiements égaux, assurés par _____ **INSÉRER POUR TH LNH À TAUX VARIABLE** Les prêts hypothécaires formant le bloc de TH LNH sont des prêts hypothécaires à paiements égaux, assurés par _____ **INSÉRER POUR TH LNH À TAUX RÉVISABLE** Les prêts hypothécaires formant le bloc de TH LNH sont des prêts hypothécaires à paiements révisables, assurés par _____

SCHL 2834 06-14-2013

Available in English – CMHC 2834

La SCHL est assujettie à la *Loi sur la protection des renseignements personnels*. Tout individu a droit d'accès aux renseignements que détient la SCHL à son sujet.



INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ Les prêts hypothécaires formant le bloc de TH LNH sont des prêts hypothécaires assurés dont les taux d'intérêt sont ajustés périodiquement pendant le terme des prêts hypothécaires, selon une fréquence commune d'ajustement et un même indice sous-jacent ainsi que des modalités communes d'ajustement des paiements de telle manière que tous les prêts hypothécaires formant le bloc et auxquels les TH LNH sont adossés sont des prêts hypothécaires à paiements **INSÉRER** égaux **OU** révisables, assurés par _____.

Aux fins des présentes, le terme « prêt hypothécaire » s'entend d'une dette garantie par une hypothèque ou un acte hypothécaire à l'égard d'une propriété résidentielle. Pour chaque prêt hypothécaire du bloc, la date de la première mensualité prévue n'est pas éloignée de plus de six mois de la première mensualité prévue de tout autre prêt hypothécaire du même bloc. Les paiements prévus sont effectués au moins une fois par mois. **INSÉRER POUR TH LNH À TAUX FIXE** Chaque prêt hypothécaire porte intérêt à un taux fixe et les paiements prévus couvrent le remboursement intégral du prêt hypothécaire sur la période d'amortissement. La moyenne pondérée des périodes d'amortissement est précisée dans l'addenda joint à la présente Circulaire d'information. **INSÉRER POUR TH LNH À TAUX VARIABLE** Chaque prêt hypothécaire porte intérêt à un taux variable et est assorti de mensualités égales. **INSÉRER POUR TH LNH À TAUX RÉVISABLE** Chaque prêt hypothécaire porte intérêt à un taux révisable et les paiements prévus couvrent le remboursement intégral du prêt hypothécaire sur la période d'amortissement. La moyenne pondérée des périodes d'amortissement est précisée dans l'addenda joint à la présente Circulaire d'information. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ QUAND LE BLOC COMPREND SEULEMENT DES PRÊTS HYPOTHÉCAIRES À TAUX RÉVISABLE** Chaque prêt hypothécaire porte intérêt à un taux révisable et les paiements prévus couvrent le remboursement intégral du prêt hypothécaire sur la période d'amortissement. La moyenne pondérée des périodes d'amortissement est précisée dans l'addenda joint à la présente Circulaire d'information. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ QUAND LE BLOC COMPREND SEULEMENT DES PRÊTS HYPOTHÉCAIRES À TAUX VARIABLE** Chaque prêt hypothécaire porte intérêt à un taux variable et est assorti de mensualités égales.

Payeur et agent de transfert général

Les certificats de TH LNH prévoient que les paiements aux détenteurs sont faits par l'intermédiaire d'un payeur et agent de transfert général (PATG) dûment autorisé à remplir cette fonction pour le compte de chaque émetteur concerné. La Société de fiducie Computershare du Canada a été choisie comme PATG pour le Programme des titres hypothécaires LNH. Les demandes de renseignements destinées au PATG doivent être adressées à la Société de fiducie Computershare du Canada, Services fiduciaires aux entreprises, 100, avenue University, 8^e étage, Toronto (Ontario) M5J 2Y1.

Paiements de capital et d'intérêts

Les paiements de capital et d'intérêts sur les titres sont faits mensuellement le 15^e jour du mois ou, si le 15^e jour du mois n'est pas un jour ouvrable, le premier jour ouvrable suivant le 15^e (date de paiement). Un jour ouvrable s'entend d'un jour où les banques sont ouvertes à Toronto (Ontario), à l'exclusion du samedi, du dimanche et des jours fériés. Le premier paiement est effectué à la date de paiement durant le mois suivant la date d'émission. Ainsi, le premier paiement est habituellement fait 45 jours après la date d'émission.

INSÉRER POUR TH LNH À TAUX VARIABLE Le taux d'intérêt est ajusté en fonction du taux CDOR à un mois le 1^{er} de chaque mois ou, si le 1^{er} tombe un samedi, un dimanche ou un jour férié, le premier jour ouvrable suivant. **INSÉRER POUR TH LNH À TAUX RÉVISABLE** Le taux d'intérêt est ajusté en fonction du taux CDOR à un mois le 1^{er} de chaque mois ou, si le 1^{er} tombe un samedi, un dimanche ou un jour férié, le premier jour ouvrable suivant. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ** Le taux d'intérêt

SCHL 2834 06-14-2013

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est ajusté en fonction du taux moyen pondéré des prêts hypothécaires sous-jacents formant le bloc le 1^{er} de chaque mois.

Les intérêts au taux stipulé sont payés chaque mois à l'égard du mois précédent sur le solde en capital à la fin du mois précédent. **INSÉRER POUR TH LNH À TAUX FIXE** Le montant en capital dû chaque mois correspond à celui dû sur les prêts hypothécaires formant le bloc. **INSÉRER POUR TH LNH À TAUX VARIABLE** Le montant en capital dû chaque mois correspond à la tranche, le cas échéant, de la mensualité égale due déduction faite des intérêts payables pour le mois visé sur les TH LNH. **INSÉRER POUR TH LNH À TAUX RÉVISABLE** Le montant en capital dû chaque mois correspond à celui dû sur les prêts hypothécaires formant le bloc. Toutefois, les paiements de capital et d'intérêts sont révisables de la manière indiquée ci-dessous. Les mensualités de capital sont ajustées selon l'évolution du taux d'intérêt pour correspondre au montant en capital requis à l'égard de chacun des prêts hypothécaires formant le bloc en vue de couvrir le remboursement intégral du prêt hypothécaire sur la période d'amortissement. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ QUAND LE BLOC COMPREND SEULEMENT DES PRÊTS HYPOTHÉCAIRES À TAUX RÉVISABLE** Le montant en capital dû chaque mois correspond à celui dû sur les prêts hypothécaires formant le bloc. Toutefois, les paiements de capital et d'intérêts sont révisables de la manière indiquée ci-dessous. Les mensualités de capital sont ajustées selon l'évolution du taux d'intérêt pour correspondre au montant en capital requis à l'égard de chacun des prêts hypothécaires formant le bloc en vue de couvrir le remboursement intégral du prêt hypothécaires sur la période d'amortissement. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ QUAND LE BLOC COMPREND SEULEMENT DES PRÊTS HYPOTHÉCAIRES À TAUX VARIABLE** Le montant en capital dû chaque mois correspond à la tranche, le cas échéant, de la mensualité égale due déduction faite des intérêts payables pour le mois visé sur les TH LNH.

Chaque mensualité de capital peut être ajustée si, au cours du mois précédent, des indemnités de remboursement anticipé ont été payées ou des remboursements supplémentaires de capital ont été faits ou d'autres remboursements anticipés ou imprévus ont été effectués à l'égard des prêts hypothécaires formant le bloc. L'addenda donne un résumé des privilèges de remboursement anticipé accordés aux emprunteurs responsables des prêts hypothécaires formant le bloc. Les mensualités comprennent toujours au moins les intérêts dus sur le TH LNH au taux stipulé sur le certificat, plus tous les montants en capital prévus pour le mois visé, qu'ils aient été recouverts ou non des emprunteurs, ainsi que les remboursements supplémentaires ou anticipés de capital effectués par les emprunteurs au cours du mois précédent et les indemnités de remboursement anticipé auxquels les investisseurs ont droit. Le solde en capital des prêts hypothécaires est remboursé lors de la liquidation d'un prêt hypothécaire (tel qu'il est décrit ci-dessous) ou au cours des six derniers mois du terme des TH LNH, à mesure que les prêts hypothécaires formant le bloc arrivent à échéance. Le paiement d'intérêts final est fait à la date de paiement pendant le mois de l'échéance. Aucun intérêt ne court ou n'est payable pour la période séparant la date d'échéance de la date du paiement final. Le paiement de capital final se fait seulement sur remise du certificat.

Les mensualités qui doivent être effectuées sur tous les TH LNH adossés aux prêts hypothécaires formant le bloc visé sont versées aux investisseurs en proportion du montant initial en capital de chaque certificat par rapport au montant global initial en capital du bloc. Le PATG effectue les paiements au moyen des fonds reçus de l'émetteur ou, en cas de défaut de l'émetteur de remettre les fonds requis et donc de recours au cautionnement, au moyen des fonds avancés aux termes du cautionnement.

Chaque mensualité liée à un TH LNH est payée à l'investisseur au nom duquel le certificat est enregistré le dernier jour du mois qui précède immédiatement le mois où le paiement est dû. Les paiements se font à la date de paiement. Le PATG peut faire un seul paiement par chèque (ou consolider les paiements) à chaque investisseur pour les montants dus sur tous les TH LNH que celui-ci détient dans un bloc. En outre, à la demande de l'investisseur et sur remise des documents appropriés, le PATG peut effectuer un virement électronique de fonds à la banque ou à la société de fiducie de l'investisseur.

SCHL 2834 06-14-2013

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Rapports aux investisseurs

Le PATG envoie à chaque détenteur de certificat enregistré un état mensuel du capital et des intérêts payables couramment sur le TH LNH; cet état indique aussi le solde en capital une fois effectué le paiement de capital courant ainsi que d'autres renseignements utiles. Si un investisseur détient plus d'un TH LNH ou en possède de différentes émissions, il reçoit un état par TH LNH ou par émission, selon le cas. Les comptes et dossiers de l'émetteur concernant les prêts hypothécaires formant le bloc sont tenus conformément aux pratiques comptables normales et d'une manière qui permet à la SCHL de les examiner et vérifier dans un délai raisonnable.

Valeur nominale et transférabilité des certificats

La valeur nominale minimale autorisée des TH LNH offerts dans le cadre du Programme est de 1 000 \$. Tous les TH LNH sont donc émis en multiple de 1 000 \$, à l'exception d'un certificat de chaque bloc en fonction du montant nécessaire pour atteindre le montant global initial en capital des TH LNH émis.

Chaque certificat peut être transféré et cédé sans restriction, mais le transfert doit être inscrit dans le registre des certificats tenu par le PATG. L'investisseur ou son représentant dûment autorisé peut, en remettant le certificat au PATG, céder ledit certificat ou l'échanger. L'investisseur doit endosser le certificat en utilisant la formule de cession qui apparaît au verso du certificat ou signer tout autre acte de cession jugé acceptable par le PATG. Des frais de service sont imposés pour un changement de détenteur ou un échange de certificat, de même qu'un montant suffisant peut être exigé pour couvrir toute taxe ou charge gouvernementale relativement à des opérations de cette nature.

Administration du bloc

Il incombe à l'émetteur d'administrer les prêts hypothécaires formant le bloc conformément aux pratiques généralement reconnues dans le secteur du crédit hypothécaire.

La rémunération mensuelle de l'émetteur au titre des services administratifs fournis est égale à l'excédent des intérêts aux taux stipulés sur les prêts hypothécaires sur les intérêts aux taux stipulés sur les certificats. L'émetteur retient ce montant à même les intérêts perçus sur les prêts hypothécaires. Le taux d'intérêt de chaque prêt hypothécaire du bloc est d'au moins 0,5 % supérieur au taux d'intérêt indiqué sur le certificat à la date d'émission. L'émetteur retient également, au titre de rémunération supplémentaire, les frais de paiement en retard et les autres frais semblables perçus (à l'exception des pénalités d'intérêts imposés sur certains remboursements de capital imprévus, tel qu'il est indiqué dans l'addenda à la présente Circulaire d'information). Les paiements aux investisseurs ne sont jamais retardés. L'émetteur assume tous les coûts liés à l'administration des prêts hypothécaires. Les frais de paiement en retard, coûts et autres frais susmentionnés ne réduisent pas les mensualités dues aux investisseurs.

Dépositaire

Tous les documents ayant trait aux prêts hypothécaires formant le bloc auxquels les TH LNH sont adossés sont conservés au nom des investisseurs par _____ .

Changement possible des caractéristiques du bloc

Les caractéristiques initiales des TH LNH sont indiquées dans l'addenda joint à la présente Circulaire d'information à la section « Profil des prêts hypothécaires formant le bloc à la date d'émission ». Lorsque les prêts hypothécaires arrivent à échéance, que les emprunteurs effectuent des remboursements anticipés imprévus ou

SCHL 2834 06-14-2013

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que le capital est réglé, les caractéristiques du bloc peuvent changer. Plus particulièrement, l'amortissement résiduel moyen pondéré, le taux hypothécaire moyen pondéré, la date d'ajustement du taux d'intérêt moyenne pondérée, la date d'échéance moyenne pondérée et la date d'échéance du bloc peuvent varier. Les investisseurs peuvent recevoir le remboursement intégral du capital avant la date d'échéance prévue si un bien hypothéqué se détériore au point de ne plus pouvoir être réparé ou si le défaut d'un emprunteur de s'acquitter de ses obligations justifie une poursuite judiciaire entraînant le retrait du prêt hypothécaire du bloc. **INSÉRER POUR TH LNH À TAUX VARIABLE** En outre, un prêt hypothécaire est retiré du bloc si l'emprunteur exerce son choix de le convertir en prêt hypothécaire à taux fixe ou si les intérêts payables pour le mois visé sur un prêt hypothécaire à taux variable dépassent la mensualité égale requise. **INSÉRER POUR TH LNH À TAUX RÉVISABLE** En outre, un prêt hypothécaire est retiré du bloc si l'emprunteur exerce son choix de le convertir en prêt hypothécaire à taux fixe. **INSÉRER POUR TH LNH À TAUX MOYEN PONDÉRÉ** En outre, un prêt hypothécaire est retiré du bloc si l'emprunteur exerce son choix de le convertir en prêt hypothécaire à taux fixe. **AJOUTER QUAND LE BLOC COMPREND DES PRÊTS HYPOTHÉCAIRES À TAUX VARIABLE** ou si les intérêts payables pour le mois visé sur un prêt hypothécaire à taux variable dépassent la mensualité égale requise.

Annulation du bloc avant l'échéance

Le bloc peut être annulé en tout temps avant l'échéance des TH LNH en circulation si l'émetteur et les détenteurs des TH LNH en circulation en conviennent. Une fois que la SCHL a été informée officiellement que les parties se sont entendues pour annuler le bloc et que les certificats ont été retournés au PATG aux fins d'annulation, le cautionnement de la SCHL prend fin.

Certaines incidences de l'impôt fédéral sur le revenu du Canada

Partiellement en raison de décisions anticipées en matière d'impôt sur le revenu rendues par l'Agence du revenu du Canada (ARC) à l'égard des TH LNH émis avant le 1^{er} janvier 2012, de l'avis de Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l., conseillers fiscaux spéciaux de la SCHL, le texte qui suit constitue un résumé des principales incidences de l'impôt fédéral sur le revenu du Canada concernant généralement les investisseurs qui achètent des TH LNH aux termes de la présente Circulaire d'information avant le 1^{er} janvier 2012, qui, à tout moment pertinent, sont indépendants de la SCHL ou de l'émetteur et qui détiennent des TH LNH en tant que biens en immobilisation en vertu de la *Loi de l'impôt sur le revenu* du Canada. En général, les TH LNH constituent des biens en immobilisation si l'investisseur ne les achète ni ne les détient dans le cadre de l'exploitation d'une entreprise ou du commerce.

Le présent résumé est fondé sur les dispositions de la *Loi de l'impôt sur le revenu* et le Règlement connexe en vigueur en date des présentes et sur la connaissance que les conseillers ont des pratiques courantes d'administration ou de cotisation de l'ARC publiées par écrit avant la date des présentes. Il tient également compte des propositions précises visant à modifier la *Loi de l'impôt sur le revenu* et le Règlement connexe annoncées publiquement par le ministre des Finances du Canada avant la date pertinente (modifications proposées) et laisse présumer que les modifications proposées seront adoptées sous la forme proposée. En revanche, rien ne garantit que les modifications proposées seront adoptées sous la forme proposée ni qu'elles le seront. Le présent résumé ne tient pas compte et ne prévoit pas autrement des changements des lois ou des pratiques d'administration ou de cotisation par voie de mesure législative, réglementaire, administrative ou judiciaire, de même qu'il ne tient pas compte des législations fiscales provinciales, territoriales ou étrangères, lesquelles peuvent être différentes de celles exposées aux présentes.

LE PRÉSENT RÉSUMÉ EST DE NATURE GÉNÉRALE ET NE CONSTITUE PAS, DE MÊME QU'IL NE DOIT PAS ÊTRE INTERPRÉTÉ COMME TEL, UN AVIS JURIDIQUE OU FISCAL À L'INTENTION DE TOUT INVESTISSEUR AU SUJET DES CONSÉQUENCES DE L'ACQUISITION, LA DÉTENTION OU LA CESSION DE TH LNH. IL NE

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PRÉSENTE PAS L'ENSEMBLE DES INCIDENCES DE L'IMPÔT FÉDÉRAL SUR LE REVENU DU CANADA. PAR CONSÉQUENT, LES INVESTISSEURS ÉVENTUELS DOIVENT CONSULTER LEURS PROPRES CONSEILLERS FISCAUX EN CE QUI CONCERNE LEUR SITUATION PARTICULIÈRE.

Investisseurs qui résident au Canada

La section suivante du présent résumé s'applique aux investisseurs qui, à tout moment pertinent, en vertu de la *Loi de l'impôt sur le revenu*, sont ou sont réputés être des résidents canadiens (investisseurs canadiens). Certains investisseurs canadiens, dont les TH LNH ne seraient pas autrement des biens en immobilisation, peuvent, dans certaines circonstances, avoir le droit de faire ou ont déjà fait le choix irrévocable permis au sens du paragraphe 39(4) de la *Loi de l'impôt sur le revenu*, avec pour résultat que les TH LNH et tous les autres « titres canadiens », en vertu de la *Loi de l'impôt sur le revenu*, sont réputés être des biens en immobilisation appartenant à ces investisseurs canadiens pendant l'année d'imposition au cours de laquelle le choix est fait et pendant toutes les années ultérieures. Cette partie du résumé ne s'applique pas à un investisseur ayant une participation constituant un « abri fiscal déterminé », à un investisseur qui est une « institution financière » aux fins de certaines règles applicables aux titres détenus par des institutions financières (règles d'évaluation à la valeur de marché) ou à un investisseur qui présente ses « résultats fiscaux canadiens » dans une monnaie autre que le dollar canadien (tel qu'il est défini dans la *Loi de l'impôt sur le revenu* dans chaque cas). Il incombe à de tels investisseurs de consulter leurs propres conseillers fiscaux.

Intérêts

Un investisseur canadien qui est une société par actions, une société de personnes, une société de fiducie d'investissement à participation unitaire ou une société de fiducie dont une société par actions ou une société de personnes est un bénéficiaire est tenu d'inclure dans son revenu de l'année d'imposition visée les intérêts gagnés sur des TH LNH détenus (déduction faite de frais d'administration raisonnables versés à l'émetteur) qui sont courus ou présumés l'être à la fin de l'année ou qui sont à recevoir ou ont été reçus avant la fin de l'année dans la mesure où ces intérêts n'ont pas été inclus dans le revenu d'une année d'imposition antérieure.

Tout autre investisseur canadien, y compris un particulier, est tenu d'inclure dans son revenu de l'année d'imposition visée les intérêts gagnés sur des TH LNH détenus (déduction faite de frais d'administration raisonnables versés à l'émetteur) qui sont à recevoir ou ont été reçus au cours de l'année (selon la méthode appliquée par l'investisseur pour établir son revenu) dans la mesure où ces intérêts n'ont pas été inclus dans le revenu d'une année d'imposition antérieure.

Cession

En cas de cession réelle ou présumée d'un TH LNH, un investisseur canadien est généralement tenu d'inclure dans son revenu de l'année d'imposition visée les intérêts courus sur les TH LNH jusqu'à la date de cession dans la mesure où ces intérêts n'ont pas été inclus dans le revenu d'une année d'imposition antérieure.

En général, en cas de cession réelle ou présumée d'un TH LNH, un investisseur canadien réalise un gain (une perte) en capital correspondant à l'excédent (à l'insuffisance), le cas échéant, du produit de la cession, déduction faite des montants inclus dans le revenu au titre des intérêts et des frais de cession raisonnables, sur le prix de base rajusté du TH LNH immédiatement avant la cession réelle ou présumée. En général, un investisseur canadien est tenu d'inclure dans son revenu de l'année d'imposition visée la moitié du gain en capital (gain en capital imposable). En vertu de la *Loi de l'impôt sur le revenu*, un investisseur canadien peut déduire la moitié d'une perte en capital (perte en capital déductible) réalisée pendant une année d'imposition des gains en capital imposables réalisés pendant la même année, et les pertes en capital déductibles en excédent des gains en capital imposables peuvent être reportées rétrospectivement aux trois années d'imposition antérieures ou prospectivement à toute

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8

année d'imposition ultérieure aux fins de déduction des gains en capital imposables réalisés pendant lesdites années.

Investisseurs qui ne résident pas au Canada

La section suivante du présent résumé s'applique à un investisseur qui, à tout moment pertinent, en vertu de la *Loi de l'impôt sur le revenu* ou de toute autre convention fiscale, n'est pas ou n'est pas présumé être un résident canadien et ne détient pas de TH LNH dans le cadre de l'exploitation d'une entreprise au Canada et pour qui un TH LNH ne constitue pas un « bien canadien imposable » (investisseur non résident). Le présent résumé ne s'applique pas à un non-résident qui est un assureur exerçant ses activités au Canada et ailleurs.

Aucune retenue d'impôt à la source au Canada ne s'applique aux intérêts, au capital ou aux pénalités payés ou crédités à un investisseur non-résident sur un TH LNH ni au produit tiré de la cession d'un TH LNH par un investisseur non-résident. Aucun autre impôt sur le revenu ou sur les gains en capital n'est payable par un investisseur non-résident sur les intérêts ou le capital ni sur le produit tiré de la cession d'un TH LNH par un investisseur non-résident.

Admissibilité à titre de placement

Les TH LNH sont des placements admissibles en vertu de la *Loi de l'impôt sur le revenu* (Canada) et du Règlement connexe dans le cas d'une fiducie régie par un régime enregistré d'épargne-retraite (REER), un fonds enregistré de revenu de retraite (FERR), un régime enregistré d'épargne-études (REEE), un régime enregistré d'épargne-invalidité (REEI), un compte d'épargne libre d'impôt (CELI) ou un régime de participation différée aux bénéficiaires (RPDB) ou un régime dont l'agrément est retiré. De plus, les TH LNH ne sont pas un « placement interdit » en vertu de la *Loi de l'impôt sur le revenu* (Canada) et du Règlement connexe dans le cas d'une fiducie régie par un CELI, un REER ou un FERR.

SCHL 2834 06-14-2013

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ADDENDA À LA CIRCULAIRE D'INFORMATION

ÉMETTEUR

%

N° DE BLOC :

DATE DU PREMIER PAIEMENT :

DATE D'ÉMISSION :

DATE D'ÉCHÉANCE :

DATE DE RÈGLEMENT :

DATE DU DERNIER PAIEMENT :

Nombre total de prêts hypothécaires :

Date d'ajustement du taux d'intérêt moyenne pondérée :

Date d'échéance moyenne pondérée :

PROFIL DES PRÊTS HYPOTHÉCAIRES FORMANT LE BLOC À LA DATE D'ÉMISSION

Échéance prévue des prêts hypothécaires selon la durée à l'échéance des TH LNH	Valeur nominale résiduelle	Taux hypothécaire moyen pondéré (TMP)	Amortissement résiduel moyen pondéré (ARMP)	Sans objet pour les TH LNH à taux fixe			Total des mensualités équivalentes	Durée de lancement résiduelle moyenne pondérée
				Écart indiciel moyen pondéré du prêt hypothécaire (par rapport à)				
				Total	Durée totale	Durée de lancement		
	(\$)	(%)	(Mois)	(%)	(%)	(%)	(\$)	(Mois)
5 Mois								
4 Mois								
3 Mois								
2 Mois								
1 Mois								
Échéance								

DESCRIPTION DES PRÊTS HYPOTHÉCAIRES

Prêts hypothécaires couverts par l'assurance de portefeuille LNH

Valeur en dollars

% des prêts

Prêts hypothécaires couverts par des assureurs privés

Valeur en dollars

% des prêts

Prêts hypothécaires ouverts

Valeur en dollars

% des prêts

Prêts hypothécaires fermés

Valeur en dollars

% des prêts

PROFIL DES POURCENTAGES PAR TYPE DE PRÊT HYPOTHÉCAIRE

	Logements de propriétaires-occupants		% Logements collectifs		% Logements sociaux		
RÉPARTITION SELON L'ARMP EN MOIS	180 à 209	210 à 239	240 à 269	270 à 299	300 à 329	330 +	
	0 à 29	30 à 59	60 à 89	90 à 119	120 à 149	150 à 180	
VALEUR NOMINALE RÉSIDUELLE	\$	\$	\$	\$	\$	\$	\$

SCHL 2834 06-14-2013

Available in English – CMHC 2834

i

La SCHL est assujettie à la Loi sur la protection des renseignements personnels. Tout individu a droit d'accès aux renseignements que détient la SCHL à son sujet.

Canada



ORIGINE DES PRÊTS HYPOTHÉCAIRES

Province	<u>Nombre de prêts</u> (%)	<u>Montant en capital</u> (%)
Terre-Neuve		
Nouvelle-Écosse		
Nouveau-Brunswick		
Île-du-Prince-Édouard		
Québec		
Ontario		
Manitoba		
Saskatchewan		
Alberta		
Colombie-Britannique		
Territoires du Nord-Ouest		
Yukon		
Nunavut		
	<u>100,000</u>	<u>100,000</u>

PROFIL DU BLOC DE PRÊTS HYPOTHÉCAIRES SELON LA DATE D'AJUSTEMENT DU TAUX D'INTÉRÊT

DATE D'AJUSTEMENT DU TAUX D'INTÉRÊT
VALEUR NOMINALE RÉSIDUELLE

FOURCHETTE DES TAUX HYPOTHÉCAIRES (% PAR QUARTILE)	DATE D'AJUSTEMENT DU TAUX D'INTÉRÊT						TOTAL EN \$	% DU TOTAL
TOTAL EN \$								
% DU TOTAL								
TMP EN %								

SCHL 2834 06-14-2013

Available in English – CMHC 2834

La SCHL est assujettie à la Loi sur la protection des renseignements personnels. Tout individu a droit d'accès aux renseignements que détient la SCHL à son sujet.

ii



Pour les blocs de la catégorie 964, le montant intégral des pénalités d'intérêts et indemnités de remboursement anticipé indiqué dans le présent addenda doit être versé aux investisseurs.

Pour les blocs de la catégorie 967, le montant intégral des pénalités d'intérêts et indemnités de remboursement anticipé indiqué dans le présent addenda est conservé par l'émetteur.

Pour les blocs de la catégorie 970, les pénalités d'intérêts et indemnités de remboursement anticipé payées par l'emprunteur sont conservées par l'émetteur si l'emprunteur choisit de rembourser son prêt hypothécaire par anticipation aux termes des modalités de remboursement anticipé prévues dans le contrat de prêt hypothécaire et résumées à la section « Résumé des modalités de remboursement anticipé des prêts hypothécaires formant le bloc » ci-dessous (modalités de remboursement anticipé). Si l'émetteur consent au remboursement anticipé ou à la renégociation d'un prêt hypothécaire avant le troisième anniversaire de ce dernier dans d'autres circonstances que celles prévues aux termes des modalités de remboursement anticipé, l'émetteur accorde à l'investisseur une indemnité (indemnité d'écart de taux) calculée de la manière exposée ci-dessous.

Pour les blocs de la catégorie 975, les pénalités d'intérêts et indemnités de remboursement anticipé payées par l'emprunteur sont conservées par l'émetteur si l'emprunteur choisit de rembourser son prêt hypothécaire par anticipation aux termes des modalités de remboursement anticipé prévues dans le contrat de prêt hypothécaire et résumées à la section « Résumé des modalités de remboursement anticipé des prêts hypothécaires formant le bloc » ci-dessous (modalités de remboursement anticipé). Si l'émetteur consent au remboursement anticipé ou à la renégociation d'un prêt hypothécaire avant le cinquième anniversaire de ce dernier dans d'autres circonstances que celles prévues aux termes des modalités de remboursement anticipé, l'émetteur accorde à l'investisseur une indemnité (indemnité d'écart de taux) calculée de la manière exposée ci-dessous.

Pour les blocs de la catégorie 980, le montant intégral des pénalités d'intérêts et indemnités de remboursement anticipé indiqué dans le présent addenda est conservé par l'émetteur.

Pour les blocs de la catégorie 985, le montant intégral des pénalités d'intérêts et indemnités de remboursement anticipé indiqué dans le présent addenda est conservé par l'émetteur.

Pour les blocs de la catégorie 987, le montant intégral des pénalités d'intérêts et indemnités de remboursement anticipé indiqué dans le présent addenda est conservé par l'émetteur.

RÉSUMÉ DES MODALITÉS DE REMBOURSEMENT ANTICIPÉ DES PRÊTS HYPOTHÉCAIRES FORMANT LE BLOC

SCHL 2834 06-14-2013

Available in English – CMHC 2834

La SCHL est assujettie à la *Loi sur la protection des renseignements personnels*. Tout individu a droit d'accès aux renseignements que détient la SCHL à son sujet.

iii

Canada



CMHC 2835 28/06/13
Quebec

MORTGAGE POOL TRANSFER AND SERVICING AGREEMENT (QUEBEC)

BETWEEN: _____, a legal person, constituted under the
 _____, having its head office at _____ in the City
 of _____, Province of _____,
 hereinafter and represented by _____, its
 duly authorized in virtue of a Resolution of its Board of Directors adopted on the _____ day
 of _____ (_____).
 (hereinafter called the " _____ ")

PARTY OF THE FIRST PART

AND

CANADA MORTGAGE AND HOUSING CORPORATION, a legal person and Crown corporation, incorporated under the *Canada Mortgage and Housing Corporation Act* R.S.C. (1985) Ch. C-7, having its head office at 700 Montreal Road, in the City of Ottawa, Province of Ontario, K1A 0P7, hereinafter and represented by _____, its _____, a duly authorized official under the _____ adopted on the _____ day of _____ (_____), at a meeting of the Board of Directors of CANADA MORTGAGE AND HOUSING CORPORATION,
 (hereinafter called the "**CMHC**")

PARTY OF THE SECOND PART

WHEREAS this transfer agreement is pursuant to the Mortgage-Backed Securities Program (the "**MBS Securities Program**") made pursuant to the National Housing Act (Canada), as the same may be amended from time to time (the "Act");

WHEREAS this agreement is in respect of Mortgaged-Backed Securities (the "**MBS Securities**") issued or in the future to be issued from time to time pursuant to the MBS Securities Program;

CMHC 2835 28/06/13
Quebec

WHEREAS

, pursuant to the MBS Securities Program, wishes to transfer and/or shall in the future transfer to CMHC all right, title and interest of the Issuer in and to various hypothecary loans, all hypothecs and other security pertaining thereto (including, without limitation, all hypothecs on rentals and on insurance indemnities payable under insurance contracts), all documents or interests relating or ancillary thereto and all claims, debts, accounts and monies which may be owing thereunder from time to time (collectively the "**Hypothecary Loans**"), which Hypothecary Loans, when pooled together, form the basis for the issuance of the MBS Securities (collectively the "**Mortgage Pools**" or "**Mortgage Pool**");

WHEREAS the parties wish to define their continuing relationship subsequent to the transfer of the Mortgage Pools (and the Hypothecary Loans forming a part thereof), to CMHC

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of the Mortgage Pools which form the basis for the issuance of the MBS Securities, the issuance of the MBS Securities by the Issuer, the guarantee by CMHC of timely payment by the Issuer of the MBS Securities, and of other mutual covenants and agreements herein contained, the sufficiency of which is hereby mutually acknowledged, the parties to this Agreement agree as follows:

ARTICLE 1 - DEFINITIONS

- 1.1 All capitalized words and phrases in this Agreement shall have the meaning ascribed to them in Part I.1 of the Act and in the regulations (the "Regulations") enacted and guidelines (the "**Program Guide**") made pursuant to the Act from time to time.

ARTICLE 2 - PROGRAM GUIDE

- 2.1 This Agreement is governed by and is subject to the terms and conditions of the Program Guide. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.
- 2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, *mutatis mutandis*, to this Agreement, and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

ARTICLE 3 - TITLE TO MORTGAGE POOLS

- 3.1 The hereby assigns and transfers to CMHC, as absolute owner thereof, all of the rights, title and interest in and to all existing Mortgage Pools (and Hypothecary Loans forming a part thereof) which have been approved by CMHC and which are identified on all applicable Schedules of Pooled Mortgages, it being understood and agreed that the shall execute Specific Assignments of Hypothecary Loan in favour of CMHC in accordance with the provisions of Section 6.1 hereof.
- 3.2 The also hereby assigns and transfers to CMHC, as absolute owner thereof, all of its right, title and interest in and to any new Mortgage Pools created after the date hereof (and the Hypothecary Loans forming a part thereof) (the "New Mortgage Pools"). The New Mortgage Pools shall be identified on Schedules of Pooled Mortgages which Schedules of Pooled Mortgages shall be appended hereto at such time as they are completed. The assignment and transfer by the to CMHC of the New Mortgage Pools shall take effect automatically as of the date of approval by CMHC of any New Mortgage Pool and shall be governed by the terms of this Agreement, it being understood and agreed that the Issuer will execute Specific Assignments of Hypothecary Loan in favour of CMHC in accordance with the provisions of Section 6.1 hereof.

2

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Canada



CMHC 2835 28/06/13
Quebec

- 3.3** The parties hereto covenant and agree that upon the transfer and assignment of the Mortgage Pools (and the Hypothecary Loans forming a part thereof), the or its duly appointed and approved Servicer, shall hold nominal title to said Mortgage Pools (and the Hypothecary Loans forming a part thereof) as nominee for CMHC pursuant to the terms of the Act, the Regulations and the Program Guide.

ARTICLE 4 - SERVICING OF MORTGAGE POOLS

- 4.1** The Issuer, or its Servicer, as the case may be, shall service such Mortgage Pools in trust for CMHC and otherwise in accordance with the terms and conditions of the Act, the Regulations, Program Guide and the terms and conditions of the Servicing Agreement between the Issuer and the Servicer.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE ENTITY

The hereby warrants and represents to CMHC that as at the date hereof, and as of the date of approval by CMHC of each new Mortgage Pool:

- 5.1** is a corporation validly subsisting and in good standing under the laws of the jurisdiction of its incorporation.
- 5.2** has due capacity, power and authority to enter into this Agreement and to perform its obligations set out herein on its part to be performed.
- 5.3** has purchased and paid due consideration for its right, title and interest in and to such Mortgage Pools.
- 5.4** Prior to their assignment to CMHC, the Hypothecary Loans forming part of the Mortgage Pools shall constitute good and valid first ranking security, in favour of the applicable Mortgage Pools.
- 5.5** No default has occurred or is continuing under any of the Hypothecary Loans forming part of the Mortgage Pools.
- 5.6** has not done or committed any act, matter or thing whereby any of the Mortgage Pools (or any Hypothecary Loan forming a part thereof) have been released, discharged, or encumbered, in whole or in part.
- 5.7** has not and shall not transfer, assign, charge, pledge, hypothecate or otherwise create a security interest in any of the Hypothecary Loans or the Mortgage Pools or the proceeds thereof, nor has it created a charge, pledge, hypothec or other security interest which may affect such Hypothecary Loans or Mortgage Pools or the proceeds thereof, nor in any other manner dealt with the whole or any part of the interest held by it in any of such Hypothecary Loans or Mortgage Pools, the whole subject to the absolute assignment of the Hypothecary Loans and the Mortgage Pools to CMHC as provided for herein.
- 5.8** No amendments to any of such Mortgage Pools (or any Hypothecary Loans pursuant thereto) have been made or agreed to or shall be made or agreed to by
- 5.9** The Issuer, or its Servicer, shall service the Mortgage Pools in accordance with the terms of the Program Guide and the terms and conditions of the Servicing Agreement between the Issuer and the Servicer which shall be compatible therewith.

CMHC 2835 28/06/13
Quebec

ARTICLE 6 - COVENANTS

- 6.1** _____ will from time to time at the request of CMHC, do, perform, make and execute or cause to be done, performed, made, and executed, all such acts, deeds, or assurances as may be required by CMHC for enforcing the covenants and conditions related to such Mortgage Pools, for more effectually and completely vesting in CMHC the rights, title, interests, benefits and obligations hereinbefore set out, and for completing all filings, registrations and publications necessary or appropriate with respect to the transfer of any Hypothecary Loans forming part of any Mortgage Pools. In particular, but without limitation to the foregoing, the Issuer shall forthwith, upon transfer of any Mortgage Pool, execute in favour of and deliver to CMHC, Specific Assignments of all Hypothecary Loans forming part of any Mortgage Pool ("**Specific Assignments**"), to the extent that such Specific Assignments have not already been executed, the whole to evidence any transfer of Hypothecated Loans contemplated herein and such Specific Assignments shall be in form and content acceptable to CMHC.
- 6.2** _____ will not further assign, pledge, charge, hypothecate or otherwise create a security interest in such Mortgage Pools or the proceeds thereof.

ARTICLE 7 - TERMINATION

- 7.1** The parties hereto agree that upon the termination of:
- (a) any Hypothecary Loan forming part of a Mortgage Pool; or,
 - (b) any Mortgage Pool
- in a manner approved by CMHC in accordance with the terms of the Program Guide or the Hypothecary Loan, as the case may be, the terms and provisions of this Agreement shall cease to apply to such Hypothecary Loan or to such Mortgage Pool, as the case may be.
- 7.2** The occurrence of any one of the following events shall constitute an "**Event of Default**" hereunder:
- (a) should any representation, warranty or covenant made by _____ in connection with this Agreement be false or misleading;
 - (b) should a resolution be adopted by _____, or the Issuer or Servicer where they are a different party, in connection with the winding-up or liquidation of its affairs or should the Issuer or Servicer be in the course of dissolution;
 - (c) should _____, or the Issuer or Servicer where they are a different party, make an assignment for the benefit of any of its creditors, become insolvent, commit an act of bankruptcy, cease or threaten to cease to do business as a going concern or seek any arrangement or composition with any of its creditors or invoke, threaten to invoke or indicate its intention to invoke the benefit of any legislation governing insolvent debtors;

CMHC 2835 28/06/13
Quebec

- (d) should any proceeding in bankruptcy, receivership, liquidation, winding-up, dissolution or insolvency be commenced in respect of _____ or, the Issuer or the Servicer where they are a different party or in respect of any of their property or if any receiver or receiver manager takes possession of the undertaking or any substantial portion of the property of the Issuer or Servicer;
- (e) should _____ or the Issuer, or the Servicer, as the case may be, where they are a different party, fail, in the opinion of CMHC, to perform any of their obligations in accordance with the terms of the Program Guide or any applicable laws or regulations in force from time to time.

7.3 Upon the occurrence of an Event of Default, CMHC may, at its option, terminate the mandate of the Issuer and/or the approved Servicer of the Issuer, to act as nominee for CMHC and to service the Mortgage Pools pursuant to the terms of Sections 3.3 and 4.1 and hereof (the "**Mandate**") upon giving written notice of termination of such Mandate to the Issuer at which time the Mandate shall be deemed to be revoked and terminated, subject to the Issuer, or its Servicer, as the case may be, providing a detailed accounting of its administration to CMHC and fulfilling any other of its obligations to CMHC pursuant to the terms of the Program Guide and the law.

ARTICLE 8 - SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

ARTICLE 9 - FURTHER ASSURANCES

9.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

CMHC 2835 28/06/13
Quebec

ARTICLE 10 - NOTICE

10.1 Notices generally. Any notice, waiver, demand, notice to parties or other communication required or permitted to be given by either of the parties hereto to the other hereunder shall be in writing and shall be delivered by hand or sent by registered mail, postage prepaid, or by telex, telecopier, telegram or similar means, to the addresses of the parties as follows:

TO

Attention:

Fax No.: _____

TO CMHC:

CMHC Securitization Centre
130 Adelaide St. W, Suite 2000
TORONTO ON M5H 3P5

Attention: Director, Securitization Operations

Fax No.: (416) 218-3312

10.2 When Notices deemed to be given. If such notice, waiver, demand or communication is delivered by hand or sent by telex, telecopier, telegram or similar means, said notice, waiver, demand or communication shall be deemed to have been given on the day when it was received or, if such receipt occurs on a date which is not a business day, on the first business day following. If such notice, waiver, demand or communication is given by prepaid registered mail, it shall be deemed to have been given on the fifth (5th) business day following the day on which it was deposited in an official depository maintained by the Canadian Postal Service for the collection of mail, save and except if there has been a disruption in normal mailing services within two (2) days prior to or after mailing in which case such notice, waiver, demand or communication shall be deemed to have been received on the date of receipt thereof.

10.3 Change of Address. Any party hereto may change its address for notice purposes from time to time by notice given to the other party hereto in accordance with the foregoing.



CMHC 2835 28/06/13
Quebec

ARTICLE 11 - HEADINGS

11.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

ARTICLE 12 - PROPER LAW OF AGREEMENT

12.1 This Agreement will be governed by the laws of the Province of Québec and the laws of Canada applicable therein.

ARTICLE 13 - LANGUAGE

13.1 The parties hereto have required that the present Agreement and all deeds, documents or notices relating thereto be drafted in the English language. Les parties aux présentes ont exigées que la présente Convention et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.

CMHC 2835 28/06/13
Quebec

SIGNED AT THE CITY OF _____, PROVINCE OF _____,

THIS _____ DAY OF _____,

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

CANADA MORTGAGE AND HOUSING CORPORATION

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

8
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CMHC 2835 (TC) 28/06/2013
Québec

MORTGAGE POOL TRANSFER AND SERVICING AGREEMENT (QUEBEC)

BETWEEN: _____, a legal person, constituted under the
_____, having its head office at _____ in the City
of _____, Province of _____,
herein acting and represented by _____, its
duly authorized in virtue of a Resolution of its Board of Directors adopted on the _____ day
of _____, (_____)

(hereinafter called the " _____ ")

PARTY OF THE FIRST PART

AND

CANADA MORTGAGE AND HOUSING CORPORATION, a legal person and Crown corporation, incorporated under the *Canada Mortgage and Housing Corporation Act* R.S.C. (1985) Ch. C-7, having its head office at 700 Montreal Road, in the City of Ottawa, Province of Ontario, K1A 0P7, herein acting and represented by _____, its _____, a duly authorized official under the _____ adopted on the _____ day of _____, (_____), at a meeting of the Board of Directors of CANADA MORTGAGE AND HOUSING CORPORATION,

(hereinafter called the "**CMHC**")

PARTY OF THE SECOND PART

WHEREAS this transfer agreement is pursuant to the Mortgage-Backed Securities Program (the "**MBS Securities Program**") made pursuant to the National Housing Act (Canada), as the same may be amended from time to time (the "Act");

WHEREAS this agreement is in respect of Mortgaged-Backed Securities (the "**MBS Securities**") issued or in the future to be issued from time to time pursuant to the MBS Securities Program;

CMHC 2835 (TC) 28/06/2013
Québec

WHEREAS

, pursuant to the MBS Securities Program, wishes to transfer and/or shall in the future transfer to CMHC all right, title and interest in and to various hypothecary loans, all hypothecs and other security pertaining thereto (including, without limitation, all hypothecs on rentals and on insurance indemnities payable under insurance contracts), all documents or interests relating or ancillary thereto and all claims, debts, accounts and monies which may be owing thereunder from time to time (collectively the "**Hypothecary Loans**"), which Hypothecary Loans, when pooled together, form the basis for the issuance of the MBS Securities (collectively the "**Mortgage Pools**" or "**Mortgage Pool**");

WHEREAS the parties wish to define their continuing relationship subsequent to the transfer of the Mortgage Pools (and the Hypothecary Loans forming a part thereof), to CMHC

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of the Mortgage Pools which form the basis for the issuance of the MBS Securities, the guarantee by CMHC of timely payment by the Issuer of the MBS Securities, and of other mutual covenants and agreements herein contained, the sufficiency of which is hereby mutually acknowledged, the parties to this Agreement agree as follows:

ARTICLE 1 - DEFINITIONS

- 1.1 All capitalized words and phrases in this Agreement which are not defined herein shall have the meaning ascribed to them in the NHA Mortgage-Backed Securities Program Guide, as amended by CMHC from time to time, which constitutes the contract between CMHC and the Issuer in respect of securities issued by the Issuer in respect of the Mortgage Pools under the MBS Securities Program (the "**Program Guide**").

ARTICLE 2 - PROGRAM GUIDE

- 2.1 This Agreement is governed by and is subject to the terms and conditions of the Program Guide. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.
- 2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, *mutatis mutandis*, to this Agreement, and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

ARTICLE 3 - TITLE TO MORTGAGE POOLS

- 3.1 hereby assigns and transfers to CMHC, as absolute owner thereof, all of the rights, title and interest in and to all existing Mortgage Pools (and Hypothecary Loans forming a part thereof) which have been approved by CMHC and which are identified on all applicable Schedules of Pooled Mortgages, it being understood and agreed that shall execute Specific Assignments of Hypothecary Loan in favour of CMHC in accordance with the provisions of Section 6.1 hereof.
- 3.2 also hereby assigns and transfers to CMHC, as absolute owner thereof, all of its right, title and interest in and to any new Mortgage Pools created after the date hereof (and the Hypothecary Loans forming a part thereof) (the "New Mortgage Pools"). The New Mortgage Pools shall be identified on Schedules of Pooled Mortgages which Schedules of Pooled Mortgages shall be appended hereto at such time as they are completed. The assignment and transfer by to CMHC of the New Mortgage Pools shall take effect automatically as of the date of approval by CMHC of any New Mortgage Pool and shall be governed by the terms of this Agreement, it being understood

2

Disponible en français

Canada



CMHC 2835 (TC) 28/06/2013
 Québec

and agreed that the Issuer will execute Specific Assignments of Hypothecary Loan in favour of CMHC in accordance with the provisions of Section 6.1 hereof.

- 3.3** The parties hereto covenant and agree that holds nominal title to Mortgage Pools (and the Hypothecary Loans forming a part thereof) as nominee for CMHC pursuant to the terms of the Program Guide.

ARTICLE 4 - SERVICING OF MORTGAGE POOLS

- 4.1** The parties hereto covenant and agree that the Issuer or its Servicer may service the Mortgage Pools in trust for CMHC and otherwise in accordance with the terms and conditions of the Program Guide.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE ENTITY

hereby warrants and represents to CMHC that as at the date hereof, and as of the date of approval by CMHC of each new Mortgage Pool being transferred pursuant to this transfer agreement:

- 5.1** is a trust company validly registered, subsisting and in good standing under the laws of the jurisdiction of its incorporation and all other applicable jurisdictions.
- 5.2** has due capacity, power and authority to enter into this Agreement and to perform its obligations set out herein on its part to be performed.
- 5.3** All assigned right, title and interest in and to such Mortgage Pools has been acquired for due consideration and paid for.
- 5.4** Prior to their assignment to CMHC, the Hypothecary Loans forming part of the Mortgage Pools shall constitute good and valid security, in favour of for the applicable Mortgage Pools.
- 5.5** No default has occurred or is continuing under any of the Hypothecary Loans forming part of the Mortgage Pools.
- 5.6** has not done or committed any act, matter or thing whereby any of the Mortgage Pools (or any Hypothecary Loan forming a part thereof) have been released, discharged, or encumbered, in whole or in part.
- 5.7** has not and shall not transfer, assign, charge, pledge, hypothecate or otherwise create a security interest in any of the Hypothecary Loans or the Mortgage Pools or the proceeds thereof, nor has it created a charge, pledge, hypothec or other security interest which may affect such Hypothecary Loans or Mortgage Pools or the proceeds thereof, nor in any other manner dealt with the whole or any part of the interest held by it in any of such Hypothecary Loans or Mortgage Pools, the whole subject to the absolute assignment of the Hypothecary Loans and the Mortgage Pools to CMHC as provided for herein.
- 5.8** No amendments to any of such Mortgage Pools (or any Hypothecary Loans pursuant thereto) have been made or agreed to or shall be made or agreed to by

3
 Disponible en français



ARTICLE 6 - COVENANTS

- 6.1 will from time to time at the request of CMHC, do, perform, make and execute or cause to be done, performed, made, and executed, all such acts, deeds, or assurances as may be required by CMHC for enforcing the covenants and conditions related to such Mortgage Pools, for more effectually and completely vesting in CMHC the rights, title, interests, benefits and obligations hereinbefore set out, and for completing all filings, registrations and publications necessary or appropriate with respect to the transfer of any Hypothecary Loans forming part of any Mortgage Pools. In particular, but without limitation to the foregoing, shall forthwith, upon transfer of any Mortgage Pool, execute in favour of and deliver to CMHC, Specific Assignments of all Hypothecary Loans forming part of any Mortgage Pool ("**Specific Assignments**"), to the extent that such Specific Assignments have not already been executed, the whole to evidence any transfer of Hypothecated Loans contemplated herein and such Specific Assignments shall be in form and content acceptable to CMHC, all at the cost and expense of the Issuer.
- 6.2 will not further assign, pledge, charge, hypothecate or otherwise create a security interest in such Mortgage Pools or the proceeds thereof.

ARTICLE 7 - TERMINATION

- 7.1 The parties hereto agree that upon the termination of:
- (a) any Hypothecary Loan forming part of a Mortgage Pool; or,
 - (b) any Mortgage Pool
- in a manner approved by CMHC in accordance with the terms of the Program Guide or the Hypothecary Loan, as the case may be, the terms and provisions of this Agreement shall cease to apply to such Hypothecary Loan or to such Mortgage Pool, as the case may be.
- 7.2 The occurrence of any one of the following events shall constitute an "**Event of Default**" hereunder:
- (a) should any representation, warranty or covenant made by in connection with this Agreement or the Title Custodian's Certification as set out in CMHC Form No. 2825 be false or misleading;
 - (b) should a resolution be adopted by in connection with the winding-up or liquidation of its affairs or should it be in the course of dissolution;
 - (c) should make an assignment for the benefit of any of its creditors, become insolvent, commit an act of bankruptcy, cease or threaten to cease to do business as a going concern or seek any arrangement or composition with any of its creditors or invoke, threaten to invoke or indicate its intention to invoke the benefit of any legislation governing insolvent debtors;
 - (d) should any proceeding in bankruptcy, receivership, liquidation, winding-up, dissolution or insolvency be commenced in respect of or in respect of any of its property or if any receiver or receiver manager takes possession of the undertaking or any substantial portion of its property;

(e) should fail, in the opinion of CMHC, to perform any of its obligations as title custodian in accordance with the terms of the Program Guide or any applicable laws or regulations in force from time to time.

7.3 Upon the occurrence of an Event of Default hereunder or under the Program Guide, CMHC may, at its option, terminate the mandate of as title custodian and to act as nominee for CMHC pursuant to the terms of Sections 3.3 hereof (the "Mandate") upon giving written notice of termination of such Mandate, at which time the Mandate shall be deemed to be revoked and terminated, subject to providing a detailed accounting of its administration to CMHC and fulfilling any other of its obligations to CMHC pursuant to the terms of the Program Guide and the law. In addition to any other rights and obligations of the parties hereto, where an Event of Default has occurred in respect of , it shall indemnify CMHC and save CMHC harmless from all costs, fees and expenses (collectively, the "Costs") of any kind whatsoever which CMHC may incur as a result and shall pay such Costs within 10 days of request from CMHC for payment thereof.

ARTICLE 8 - SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

ARTICLE 9 - FURTHER ASSURANCES

9.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

ARTICLE 10 - NOTICE

10.1 **Notices generally.** Any notice, waiver, demand, notice to parties or other communication required or permitted to be given by either of the parties hereto to the other hereunder shall be in writing and shall be delivered by hand or sent by registered mail, postage prepaid, or by telex, telecopier, telegram or similar means, to the addresses of the parties as follows:

TO :

Attention: _____

Fax No.: _____

5
Disponible en français



CMHC 2835 (TC) 28/06/2013
Québec

TO CMHC:

CMHC Securitization Centre
130 Adelaide St.W, Suite 2000
TORONTO ON M5H 3P5

Attention: Director, Securitization Operations
Fax No.: (416) 218-3312

10.2 When Notices deemed to be given. If such notice, waiver, demand or communication is delivered by hand or sent by telex, telecopier, telegram or similar means, said notice, waiver, demand or communication shall be deemed to have been given on the day when it was received or, if such receipt occurs on a date which is not a business day, on the first business day following. If such notice, waiver, demand or communication is given by prepaid registered mail, it shall be deemed to have been given on the fifth (5th) business day following the day on which it was deposited in an official depository maintained by the Canadian Postal Service for the collection of mail, save and except if there has been a disruption in normal mailing services within two (2) days prior to or after mailing in which case such notice, waiver, demand or communication shall be deemed to have been received on the date of receipt thereof.

10.3 Change of Address. Any party hereto may change its address for notice purposes from time to time by notice given to the other party hereto in accordance with the foregoing.

ARTICLE 11 - HEADINGS

11.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

ARTICLE 12 - PROPER LAW OF AGREEMENT

12.1 This Agreement will be governed by the laws of the Province of Québec and the laws of Canada applicable therein.

ARTICLE 13 - LANGUAGE

13.1 The parties hereto have required that the present Agreement and all deeds, documents or notices relating thereto be drafted in the English language. Les parties aux présentes ont exigées que la présente Convention et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.

6

Disponible en français

Canada



CMHC 2835 (TC) 28/06/2013
Québec

SIGNED AT THE CITY OF _____, PROVINCE OF _____,
THIS _____ DAY OF _____, _____.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

CANADA MORTGAGE AND HOUSING CORPORATION

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

7
Disponible en français



CMHC 2836 03/06/2013

MORTGAGE POOLS TRANSFER AGREEMENT (COMMON LAW)

This agreement made the _____ day of _____, _____.

BETWEEN:

- and -

CANADA MORTGAGE AND HOUSING CORPORATION
("CMHC")

WHEREAS this Transfer Agreement is pursuant to the Mortgage-Backed Securities Program ("MBS Securities Program") made pursuant to the National Housing Act (Canada), as the same has been amended from time to time, in respect of mortgage-backed securities ("MBS Securities") issued or in the future to be issued from time to time pursuant to the MBS Securities Program and pursuant to the MBS Securities Program _____ has agreed to transfer to CMHC all rights, title and interest in, or under all loans and documents relating or ancillary to, mortgages and related security made in connection therewith (collectively, the "Mortgage Pools") on which the MBS Securities are based.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of the Mortgage Pools on which the MBS Securities are based, the transfer of the Mortgage Pools to CMHC, the issuance of the MBS Securities, and of other mutual covenants and agreements herein contained (the sufficiency of which is hereby mutually acknowledged), the parties to this Agreement agree as follows:

I DEFINITIONS

1.1 All capitalized words and phrases in this Agreement shall have the meaning ascribed to them herein, in Part I.1 of the National Housing Act (Canada) and in the Regulations and guide (the "Program Guide") made pursuant thereto.

II PROGRAM GUIDE

2.1 This Agreement is governed by and is subject to the terms and conditions of the Program Guide. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.



I
Disponible en français - SCHL 2836



2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, mutatis mutandis, to this Agreement, and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

III TRANSFER

3.1 _____ hereby assigns, transfers and sets over to CMHC, as of the date hereof, all of the rights, title and interest, whether legal or beneficial, now owned or hereafter acquired, in and to all existing Mortgage Pools approved by CMHC and all debts, accounts, claims, monies and choses in action relating to the Mortgage Pools which are now or may hereafter be due and owing under all documents relating or ancillary thereto including, without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to _____, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

3.2 _____ hereby agrees to assign, transfer and set over to CMHC with effect as of the date each new Mortgage Pool is approved by CMHC, all of the right, title and interest, whether legal or beneficial, owned or thereafter acquired in and to all of such new Mortgage Pools and all debts accounts, claims, monies and choses in action relative to such new Mortgage Pools which may be at any time owing under all loans and documents relating or ancillary thereto including, without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to the Issuer, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

3.3 _____ further assigns to CMHC the benefit of all powers, covenants, provisos in the Mortgage Pools, described in Sections 3.1 and 3.2, and also the full power and authority to use the name or names of _____ for enforcing the performance of the covenants and other matters in such Mortgage Pools.

3.4 _____ makes this transfer to CMHC to have and to hold the Mortgage Pools described in Sections 3.1 and 3.2 and all monies arising in respect thereof and to accrue thereon, to the use of CMHC forever, but subject to the terms of the Mortgage Pools.

IV TITLE TO MORTGAGE POOLS

4.1 The parties hereto covenant and agree that _____, or, the Issuer or its duly appointed and approved Servicer, where they are a different party, shall hold nominal title to all such Mortgage Pools such that the Issuer, or its Servicer, may service such Mortgage Pools in trust for CMHC but otherwise in accordance with the terms and conditions of the Program Guide and the terms and conditions of the Servicing Agreement between the Issuer and the Servicer.

V REPRESENTATIONS AND WARRANTIES

_____ hereby warrants and represents to CMHC that as at the date hereof, and as of the date of approval by CMHC of each new Mortgage Pool:

5.1 _____ is a corporation validly subsisting and in good standing under the laws of the jurisdiction of its incorporation.

5.2 _____ has due capacity, power and authority to enter into this Agreement and to perform the terms and provisions set out herein on its part to be performed.

5.3 _____ has purchased and paid due consideration for any and all right, title and interest in and to such Mortgage Pools, the mortgages in the Mortgage Pools are good and valid security for the applicable Mortgage Pools and no default has occurred thereunder.

5.4 _____ has not done or committed any act, matter or thing whereby any of such Mortgage Pools has been released, discharged, or encumbered, either partly or in their entirety.

5.5 _____ has not transferred, assigned, charged, pledged or created a security interest in any of such Mortgage Pools or the proceeds thereof, nor created a charge, pledge or security interest which affects such Mortgage Pools or the proceeds thereof, nor in any other manner dealt with the whole or any part of the interest held by it in any of such Mortgage Pools.

5.6 No amendments to any of such Mortgage Pools have been made or agreed to by _____ save as disclosed to CMHC.

VI COVENANTS

6.1 _____ will from time to time at the request of CMHC, do, perform, make and execute or cause to be done, performed, made, and executed, all such acts, deeds, or assurances as may be required by CMHC for enforcing the covenants and conditions related to such Mortgage Pools, for more effectually and completely vesting in CMHC the rights, benefits and obligations hereinbefore set out, and for completing all filings and registrations necessary or appropriate with respect to this transfer.

6.2 CMHC shall have the right to effect on behalf of the Issuer all of the matters set out in Section 6.1 and in that regard _____ hereby irrevocably appoints CMHC as its attorney for the purpose of the preparation, execution and delivery on behalf of and as attorney for the Issuer of all assignments and transfers to CMHC of all rights, title and interest of _____ in or under all documents relating or ancillary to the Mortgage Pools, including without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to the Issuer, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the MortgagePools;
- (d) the report on title relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

6.3 _____ shall execute and deliver to CMHC such copies of the Power of Attorney set out in CMHC Form No. 2841 as may be requested by CMHC to register and/or utilize such Power of Attorney, in each land registry office in Canada in which a mortgage in any Mortgage Pool has been registered.

6.4 CMHC may exercise the right in Section 6.2 at any time without prior notice to _____ and shall give _____ notice that it has elected to exercise such right when such exercise has been completed. _____ shall indemnify CMHC and save CMHC harmless from all costs, fees and expenses (collectively, the "Costs") of any kind whatsoever which CMHC may incur in the exercise of such right and shall pay such Costs within 10 days of request from CMHC for payment thereof.

6.5 CMHC agrees to indemnify and save _____ harmless in respect of any and all claims, demands, awards, judgments, actions and proceedings by whomsoever made, brought or prosecuted (including all costs, fees and expenses in connection therewith), which _____ may suffer or incur arising from any negligent, mistaken or fraudulent act, omission or misconduct of CMHC, or any employee or officer of CMHC, or those for whom CMHC is in law responsible, in utilizing any power of attorney granted pursuant to Section 6.2 hereof to assign, or otherwise deal with, any mortgage or mortgages, or other related security made in connection therewith, which is not part of a Mortgage Pool transferred to CMHC under this Agreement, unless such assignment or dealing is made as a result of the negligent, mistaken or fraudulent act, omission or misconduct of _____, or the Issuer, where it is a different party, or any employee, officer or shareholder of _____ or those for whom the Issuer is in law responsible, in which event CMHC shall have no responsibility for indemnification hereunder.

6.6 _____ agrees that the right set out in Section 6.2 may be exercised by CMHC notwithstanding any proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of _____.

6.7 _____ will not amend such Mortgage Pools without the prior written consent of CMHC.

CMHC 2836 03/06/2013

6.8 _____ will not further assign, pledge, charge or create a security interest in such Mortgage Pools or the proceeds thereof.

VII TERMINATION

7.1 The parties hereto agree that upon the individual termination of each Mortgage Pool in a manner approved by CMHC and in accordance with the terms of the Program Guide, the terms and provisions of this Agreement shall terminate and cease to apply to such Mortgage Pool.

VIII SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

IX FURTHER ASSURANCES

9.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

X HEADINGS

10.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

XI PROPER LAW OF AGREEMENT

11.1 This Agreement will be governed by the laws of the Province of and the laws of Canada applicable therein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Per: _____
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

CANADA MORTGAGE AND HOUSING CORPORATION

Per: _____
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.



CMHC 2836 (TC) 29/03/2012
Common Law

MORTGAGE POOLS TRANSFER AGREEMENT (TITLE CUSTODIAN)

This agreement made the _____ day of _____, _____.

BETWEEN:

- and -

CANADA MORTGAGE AND HOUSING CORPORATION
("CMHC")

WHEREAS this Transfer Agreement is pursuant to the Mortgage-Backed Securities Program ("MBS Securities Program") made pursuant to the *National Housing Act* (Canada), as the same has been amended from time to time, in respect of mortgage-backed securities ("MBS Securities") issued or in the future to be issued from time to time pursuant to the MBS Securities Program and pursuant to the MBS Securities Program has agreed to transfer to CMHC all rights, title and interest in, or under all loans and documents relating or ancillary to, mortgages and related security made in connection therewith (collectively, the "Mortgage Pools") on which the MBS Securities are based.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of the Mortgage Pools on which the MBS Securities are based, the transfer of the Mortgage Pools to CMHC, the guarantee by CMHC of timely payment by the Issuer of the MBS Securities, and of other mutual covenants and agreements herein contained (the sufficiency of which is hereby mutually acknowledged), the parties to this Agreement agree as follows:

I DEFINITIONS

1.1 All capitalized words and phrases in this Agreement which are not defined herein shall have the meaning ascribed to them in the NHA Mortgage-Backed Securities Program Guide, as amended by CMHC from time to time, which constitutes the contract between CMHC and the Issuer in respect of securities issued by the Issuer in respect of the Mortgage Pools under the MBS Securities Program (the "**Program Guide**").

Canada



II PROGRAM GUIDE

2.1 This Agreement is governed by and is subject to the terms and conditions of the Program Guide. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.

2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, mutatis mutandis, to this Agreement, and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

III TRANSFER

3.1 hereby assigns, transfers and sets over to CMHC, as of the date hereof, all of the rights, title and interest, whether legal or beneficial, now owned or hereafter acquired, in and to all existing Mortgage Pools approved by CMHC and all debts, accounts, claims, monies and choses in action relating to the Mortgage Pools which are now or may hereafter be due and owing under all documents relating or ancillary thereto including, without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

3.2 hereby agrees to assign, transfer and set over to CMHC with effect as of the date each new Mortgage Pool is approved by CMHC, all of the right, title and interest, whether legal or beneficial, owned or thereafter acquired in and to all of such new Mortgage Pools and all debts accounts, claims, monies and choses in action relative to such new Mortgage Pools which may be at any time owing under all loans and documents relating or ancillary thereto including, without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;

CMHC 2836 (TC) 29/03/2012
Common Law

(d) the mortgagee's interest in the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and

(e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

3.3 further assigns to CMHC the benefit of all powers, covenants, provisos in the Mortgage Pools, described in Sections 3.1 and 3.2, and also the full power and authority to use the name or names of for enforcing the performance of the covenants and other matters in such Mortgage Pools.

3.4 makes this transfer to CMHC to have and to hold the Mortgage Pools described in Sections 3.1 and 3.2 and all monies arising in respect thereof and to accrue thereon, to the use of CMHC forever, but subject to the terms of the Mortgage Pools.

IV TITLE TO MORTGAGE POOLS

4.1 The parties hereto covenant and agree that shall hold nominal title to all such Mortgage Pools and the Issuer, or its Servicer, may service such Mortgage Pools in trust for CMHC all in accordance with the terms and conditions of the Program Guide.

V REPRESENTATIONS AND WARRANTIES

hereby warrants and represents to CMHC that as at the date hereof, and as of the date of approval by CMHC of each new Mortgage Pool:

5.1 is a trust company validly registered, subsisting and in good standing under the laws of the jurisdiction of its incorporation and all other applicable jurisdictions.

5.2 has due capacity, power and authority to enter into this Agreement and to perform the terms and provisions set out herein on its part to be performed.

5.3 All assigned right, title and interest in and to such Mortgage Pools has been acquired for due consideration and paid for, the mortgages in the Mortgage Pools are good and valid security for the applicable Mortgage Pools and no default has occurred thereunder.

5.4 has not done or committed any act, matter or thing whereby any of such Mortgage Pools has been released, discharged, or encumbered, either partly or in their entirety.

5.5 has not transferred, assigned, charged, pledged or created a security interest in any of such Mortgage Pools or the proceeds thereof, nor created a charge, pledge or security interest which affects such Mortgage Pools or the proceeds thereof, nor in any other manner dealt with the whole or any part of the interest held by it in any of such Mortgage Pools.

5.6 No amendments to any of such Mortgage Pools have been made or agreed to by save as disclosed and agreed to by CMHC.

VI COVENANTS

6.1 will from time to time at the request of CMHC, do, perform, make and execute or cause to be done, performed, made, and executed, all such acts, deeds, or assurances as may be required by CMHC for enforcing the covenants and conditions related to such Mortgage Pools, for more effectually and completely vesting in CMHC the rights, benefits and obligations hereinbefore set out, and for completing all filings and registrations necessary or appropriate with respect to this transfer, all at the cost and expense of the Issuer.

6.2 CMHC shall have the right to effect on behalf of all of the matters set out in Section 6.1 and in that regard hereby irrevocably appoints CMHC as its attorney for the purpose of the preparation, execution and delivery on behalf of and as attorney for of all assignments and transfers to CMHC of all rights, title and interest of in or under all documents relating or ancillary to the Mortgage Pools, including without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all other additional security obtained in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in the report on title relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

6.3 shall execute and deliver to CMHC such copies of the Power of Attorney set out in CMHC Form No. 2841 as may be requested by CMHC to register and/or utilize such Power of Attorney, in each land registry office in Canada in which a mortgage in any Mortgage Pool has been registered.

6.4 CMHC may exercise the right in Section 6.2 at any time without prior notice to and shall give notice that it has elected to exercise such right when such exercise has been completed. In addition to any other rights and obligations of the parties hereto, where a Event of Default has occurred, shall indemnify CMHC and save CMHC harmless from all costs, fees and expenses (collectively, the "Costs") of any kind whatsoever which CMHC may incur as a result and in the exercise of such right and shall pay such Costs within 10 days of request from CMHC for payment thereof.

CMHC 2836 (TC) 29/03/2012
Common Law

6.5 CMHC agrees to indemnify and save harmless in respect of any and all claims, demands, awards, judgments, actions and proceedings by whomsoever made, brought or prosecuted (including all costs, fees and expenses in connection therewith), which may suffer or incur arising from any negligent, mistaken or fraudulent act, omission or misconduct of CMHC, or any employee or officer of CMHC, or those for whom CMHC is in law responsible, in utilizing any power of attorney granted pursuant to Section 6.2 hereof to assign, or otherwise deal with, any mortgage or mortgages, or other related security made in connection therewith, which is not part of a Mortgage Pool transferred to CMHC under this Agreement, unless such assignment or dealing is made as a result of the negligent, mistaken or fraudulent act, omission or misconduct of , or the Issuer, where it is a different party, or any employee, officer or shareholder of or those for whom Issuer is in law responsible, in which event CMHC shall have no responsibility for indemnification hereunder.

6.6 agrees that the right set out in Section 6.2 may be exercised by CMHC notwithstanding any proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of .

6.7 will not amend such Mortgage Pools without the prior written consent of CMHC.

6.8 will not further assign, pledge, charge or create a security interest in such Mortgage Pools or the proceeds thereof.

VII TERMINATION

7.1 The parties hereto agree that upon the individual termination of each Mortgage Pool in a manner approved by CMHC and in accordance with the terms of the Program Guide, the terms and provisions of this Agreement shall terminate and cease to apply to such Mortgage Pool.

7.2 The occurrence of any one of the following events shall constitute an "**Event of Default**" hereunder:

- (a) should any representation, warranty or covenant made by in connection with this Agreement or the Title Custodian's Certification as set out in CMHC Form No. 2825 be false or misleading;
- (b) should a resolution be adopted by in connection with the winding-up or liquidation of its affairs or should it be in the course of dissolution;
- (c) should make an assignment for the benefit of any of its creditors, become insolvent, commit an act of bankruptcy, cease or threaten to cease to do business as a going concern or seek any arrangement or composition with any of its creditors or invoke, threaten to invoke or indicate its intention to invoke the benefit of any legislation governing insolvent debtors;

CMHC 2836 (TC) 29/03/2012
Common Law

- (d) should any proceeding in bankruptcy, receivership, liquidation, winding-up, dissolution or insolvency be commenced in respect of or in respect of any of its property or if any receiver or receiver manager takes possession of the undertaking or any substantial portion of its property;
- (e) should fail, in the opinion of CMHC, to perform any of its obligations as title custodian in accordance with the terms of the Program Guide or any applicable laws or regulations in force from time to time.

7.3 Upon the occurrence of an Event of Default hereunder or under the Program Guide, CMHC may, at its option, terminate the mandate set out in Section 4.1 and of hold nominal title and act as title custodian upon giving written notice of termination of such mandate, at which time the mandate shall be deemed to be revoked and terminated, subject to providing a detailed accounting of its administration to CMHC and fulfilling any other of its obligations to CMHC pursuant to the terms of the Program Guide and the law.

VIII SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

IX FURTHER ASSURANCES

9.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

X HEADINGS

10.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

XI PROPER LAW OF AGREEMENT

11.1 This Agreement will be governed by the laws of the Province of and the laws of Canada applicable therein.

CMHC 2836 (TC) 29/03/2012
Common Law

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Per: _____
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

CANADA MORTGAGE AND HOUSING CORPORATION

Per: _____
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I(We) have authority to bind the Corporation.

ASSIGNMENT OF UNIVERSALITY OF CLAIMS
CANADA MORTGAGE AND HOUSING CORPORATION

Re : Canada Mortgage and Housing Corporation -
NHA Mortgage-Backed Securities Program (the “Program”)

The undersigned issuer under the Program (the “**Issuer**”), hereby assigns to Canada Mortgage and Housing Corporation (“**CMHC**”) the universality of all of its present and future mortgage loans which fulfill each of the following criteria: a) they are secured by hypothec on immovable properties located in the Province of Quebec; b) they are insured as contemplated under the Program; and c) in relation to which CMHC will, between the date hereof and the thirtieth anniversary date of the date of signature of these presents, grant a guarantee in respect of the Issuer’s obligations under the Program, as the Program may be amended from time to time.

The Issuer hereby represents and warrants to CMHC that it has, as of the date hereof, or will have, as of the date the above assignment will take effect, as applicable, good and valid title to each of the mortgage loans comprised in the universality described above, free and clear of any charge, hypothec or encumbrance of any nature whatsoever.

The Issuer also confirms that the present assignment is made subject to the undertakings given by the Issuer under the Program towards CMHC including, without limitation, its undertaking to act as servicer of said mortgage loans with the power to grant releases or discharges thereof.

The expression “Issuer” includes any prior entity that might have amalgamated or otherwise resulted in the undersigned.

Signed in _____, this _____ day of _____, 20 ____.

Issuer:

per: _____

Name:

Title:

I have authority to bind the Issuer

READ AND AGREED:

CANADA MORTGAGE AND HOUSING CORPORATION

per: _____

Name: _____

authorized officer

ASSIGNMENT OF UNIVERSALITY OF CLAIMS
CANADA MORTGAGE AND HOUSING CORPORATION

Re : Canada Mortgage and Housing Corporation -
NHA Mortgage-Backed Securities Program (the “Program”)

The undersigned (the “Registered Holder”), hereby assigns to Canada Mortgage and Housing Corporation (“CMHC”) the universality of all of its present and future mortgage loans which fulfill each of the following criteria: a) they are secured by hypothec on immovable properties located in the Province of Quebec; b) the Registered Holder is or will become registered at the relevant Land Registry Office as the holder of the hypothecs guaranteeing said mortgage loans; c) they are insured as contemplated under the Program; and d) in relation to which CMHC will, between the date hereof and the thirtieth anniversary date of the date of signature of these presents, grant a guarantee in respect of obligations under the Program of an “Approved Issuer” (as such expression is understood under the Program), as the Program may be amended from time to time.

The Registered Holder hereby represents and warrants to CMHC that it has, as of the date hereof, or will have, in connection with future mortgage loans as of the date the above assignment will take effect, good and valid title to each of the mortgage loans comprised in the universality described above, free and clear of any charge, hypothec or encumbrance of any nature whatsoever.

The Registered Holder also confirms that the present assignment is made subject to the undertakings given by the Registered Holder under the Program towards CMHC including, without limitation, its undertaking to act as servicer of said mortgage loans with the power to grant releases or discharges thereof.

The expression “Registered Holder” includes any prior entity that might have amalgamated or otherwise resulted in the undersigned.

Signed in _____ this _____ day of _____, 20 ____.

Registered Holder:

per: _____

Name:

Title:

I have authority to bind the Registered Holder

READ AND AGREED:

CANADA MORTGAGE AND HOUSING CORPORATION

per: _____

Name: _____

authorized officer

ISSUER'S MONTHLY ACCOUNTING REPORT

SECTION 1

Protected when completed

TO: CPTA

FROM: ISSUER

CMHC Pool No.	1A	Issuer Codes	1B	Report Cut-Off Date	1C	Report Start Date	1D
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SECTION 2 - MORTGAGE POOL

Total No. Mortgages (Last Report)	No. of Liquidations (-)	No. Maturities (-)	No. of Substitutions (+)	No. of Mortgages This Month End	Weighted Average Maturity	Weighted Average Mortgage Rate	Weighted Average Remaining Amortization
2A	2B	2C	2D	2E	2F	2G	2H

Total Delinquent	Per cent Delinquent	Instalment Delinquent	One	Two	Three or More
2I	2J		2K	2L	2M

SECTION 3 - SECURITY

Scheduled Principal	Partial Prepayments	Liquidations	Maturities	Substitutions	Adjustments	Total Principal
3A	3B	3C	3D	3E	3F	3G
CASH DISTRIBUTION DUE HOLDERS RE INTEREST	SECURITY INTEREST RATE					3J
	Annual Coupon	3H %	Monthly Factor 10 Digits			
INTEREST PENALTIES						3K
TOTAL CASH DISTRIBUTION DUE TO HOLDERS						3L

PRINCIPAL AMOUNT OF SECURITIES FROM LAST REPORT	3M
PRINCIPAL DISTRIBUTED TO HOLDERS THIS MONTH (AMOUNT FROM BOX 3G)	3N

SECTION 4

PRINCIPAL BALANCE DUE ON SECURITIES (THIS MONTH END)						Security Balance Total
5 Months Prior to Maturity	4 Months Prior to Maturity	3 Months Prior to Maturity	2 Months Prior to Maturity	1 Month Prior to Maturity	at Maturity	
4A	4B	4C	4D	4E	4F	4G
Enter "1" if Earlier Than 5 Months Prior to Maturity						4H

SECTION 5

MORTGAGE ADMINISTRATION SYSTEM BALANCE (CUT-OFF DATE)	5A
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SECTION 9 - FOR 880, 885, 980, 985 AND 987 MBS POOLS ONLY

Weighted-Average Full Term Mortgage Index Spread	Weighted-Average Introductory Mortgage Index Spread	Sum of Monthly Payments Equivalents	Coupon Base Rate	Weighted-Average Introductory Periods Remaining
9A	9B	9C	9D	9E

DETAILS/EXPLANATIONS

CMHC 2840 12/02/2010

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SECTION 6 – LIQUIDATION SCHEDULE(S)

Loan # 1

Insurer Account No. 6A	Date Removed 6B	Mortgage Interest Rate 6C	Issuer's Loan No. 6D
REASON FOR REMOVAL (CHECK APPLICABLE BOX)			Liquidation Balance 6E
<input type="checkbox"/> MORTGAGE PAYOFF <input type="checkbox"/> ENFORCEMENT ACTION	<input type="checkbox"/> PORTABILITY <input type="checkbox"/> OTHER (ATTACH EXPLANATION)	For 880, 885, 980, 985 and 987 MBS Pools only <input type="checkbox"/> CONVERTED TO FIXED RATE MORTGAGE <input type="checkbox"/> PAYMENT NO LONGER PAYING DOWN PRINCIPAL	Interest Penalties 6F

Loan # 2

Insurer Account No. 6A	Date Removed 6B	Mortgage Interest Rate 6C	Issuer's Loan No. 6D
REASON FOR REMOVAL (CHECK APPLICABLE BOX)			Liquidation Balance 6E
<input type="checkbox"/> MORTGAGE PAYOFF <input type="checkbox"/> ENFORCEMENT ACTION	<input type="checkbox"/> PORTABILITY <input type="checkbox"/> OTHER (ATTACH EXPLANATION)	For 880, 885, 980, 985 and 987 MBS Pools only <input type="checkbox"/> CONVERTED TO FIXED RATE MORTGAGE <input type="checkbox"/> PAYMENT NO LONGER PAYING DOWN PRINCIPAL	Interest Penalties 6F

Loan # 3

Insurer Account No. 6A	Date Removed 6B	Mortgage Interest Rate 6C	Issuer's Loan No. 6D
REASON FOR REMOVAL (CHECK APPLICABLE BOX)			Liquidation Balance 6E
<input type="checkbox"/> MORTGAGE PAYOFF <input type="checkbox"/> ENFORCEMENT ACTION	<input type="checkbox"/> PORTABILITY <input type="checkbox"/> OTHER (ATTACH EXPLANATION)	For 880, 885, 980, 985 and 987 MBS Pools only <input type="checkbox"/> CONVERTED TO FIXED RATE MORTGAGE <input type="checkbox"/> PAYMENT NO LONGER PAYING DOWN PRINCIPAL	Interest Penalties 6F

SECTION 7 - SUBSTITUTED MORTGAGES

Substitution # 1

Insurer Account No. In 7A	Date Substituted 7C	Mortgage Interest Rate 7D	Issuer's Loan No. 7F
Out 7B		7E	7G

Remaining Amortization	Remaining Term	Balance at Substitution
In 7H	7J	7L
Out 7I	7K	7M

Substitution # 2

Insurer Account No. In 7A	Date Substituted 7C	Mortgage Interest Rate 7D	Issuer's Loan No. 7F
Out 7B		7D	7M

Remaining Amortization	Remaining Term	Balance at Substitution
In 7H	7J	7L
Out 7I	7K	7M

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2

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Issuer's Monthly Accounting Report – CMHC 2840

Purpose

To be used by Issuers to report monthly on their NHA MBS Pool administration. The CPTA will generate reports and remittances to Investors based on this report and will prepare factors in support of secondary market transactions. The report must be submitted monthly for each Pool, with attachments as listed below.

Distribution

The information collected on the [CMHC 2840](#) is to be forwarded to the CPTA in electronic format in compliance with the edits supplied to the Issuer upon its conditional acceptance by CMHC. A separate supplementary report on privately-insured mortgage fees may be required. A copy of the monthly reports is to be retained by the Issuer.

Due Date

The report must be received by the CPTA by the end of the third business day of each month.

Accompanying Documentation Required

1. **Schedule of Pooled Mortgages, [CMHC 2824](#)**

Three (3) supplementary [CMHC 2824](#) must be provided to the Custodian for certification and forwarding to CMHC each time a pooled Loan is substituted, and each time a Loan is assumed or ported and remains in the Pool.

2. **Arrears Reporting for Collateral Mortgage Pools**

For collateral mortgage Pools (867, 880 and 885 Pools), Issuers must provide CMHC and the CPTA with a schedule listing the pooled Loans that are reported 90 days in arrears (3 months).

Form Completion – CMHC 2840

Box Description of Required Content

SECTION I

From Issuer

Provide the full legal name, address, and postal code of the Issuer.

1A. CMHC Pool No.

Insert the Pool Number assigned by CMHC.

1B. Issuer Codes

Enter any identifying codes relating to the Issuer's accounting system or control. CMHC does not require this box to be completed; it is for the Issuer's use only.

1C. Report Cut-Off Date

Enter the date of the last day of the period covered by the report. Unscheduled payments received after the cut-off date will be reported on the next month's [CMHC 2840](#). However, expected principal including maturing principal due until and including the first of the month following the cut-off date is to be included in Boxes 3A and 3D as applicable. The report cut-off date must fall in the period from the 25th to the last day of the report month inclusive.

1D. Report Start Date

Enter the date of the first day of the period covered by the report. This is the day following the cut-off date of the [CMHC 2840](#) for the previous month. For a new Pool, it is the day following the issue date.

SECTION 2 – MORTGAGE POOL

2A. Total No. Mortgages (Last Report)

Enter the total number of Loans in the Pool as of the beginning of the reporting period (month). This number must be the same as that in Box 2E of the report for the previous month. For a new Pool, it is the number of Loans at issue date.

2B. No. of Liquidations (-)

Enter the total number of Loans in the Pool that have been liquidated during the reporting period. A liquidation is any transaction that reduces the unpaid balance of the Loan to zero and includes Loans removed from the Pool as a result of substitution. It does not include Loans that are maturing.

2C. No. of Maturities (-)

Enter the total number of Loans that are reduced to a nil balance due to scheduled payments or renewal at term maturity in the period from the second day of the reporting month to and including the first day of the following month. Example: If the reporting month is June, maturities from June 2 to July 1 are reported.

2D. No. of Substitutions (+)

Enter the number of Loans that are being added to the Pool as substitutes for ineligible Loans being removed from the Pool. Three (3) copies of the Schedule of Pooled Mortgages, [CMHC 2824](#), must be submitted to the Custodian with an explanation of the substitution.

2E. No. of Mortgages This Month End

Enter the total number of Loans in the Pool at the end of the reporting period. This number should equal Box 2A, minus Box 2B, minus Box 2C, plus Box 2D.

2F. Weighted Average Maturity

Enter the Weighted Average Maturity (WAM) of all the Loans in the Pool as at the end of the reporting period, after the payment due on the first day of the following month is deducted. This rate is calculated as follows:

- A. divide the outstanding amount of each Loan by the total outstanding amount of all the Loans in the Pool;
- B. multiply the result obtained in A for each Loan, by the term remaining for that Loan. The terms should always be expressed in months and extended to three (3) decimal places wherever appropriate; and
- C. add together the results obtained in B. for all Loans. This is the Weighted Average Maturity of the Pool which will usually be slightly shorter, but never longer, than the Pool maturity date.

A simple example of the above calculation follows:

Report start date: January 1, Year 1

Report cut off date: January 31, Year 1

Assume scheduled payments made February 1, Year 1

<u>Outstanding Balance</u>	<u>Loan Maturity Date</u>	<u>Maturity in Months</u>
\$100,000	September, Year 2	19
\$250,000	October, Year 2	20
\$150,000	November, Year 2	21
\$500,000	September, Year 2	19

Calculations

(A) (B)

$$\frac{100,000}{1,000,000} = .10 \times 19 \text{ months} = 1.900$$

$$\frac{250,000}{1,000,000} = .25 \times 20 \text{ months} = 5.000$$

$$\frac{150,000}{1,000,000} = .15 \times 21 \text{ months} = 3.150$$

$$\frac{500,000}{1,000,000} = .50 \times 19 \text{ months} = 9.500$$

Weighted Average Maturity 19.550 (C)

NOTE: This period must be recalculated whenever there is an additional principal payment, a liquidation or a substitution. For floating rate Pools, it is also recalculated when Loan rates change in response to a change in the index or the expiry of a discount incentive period.

2G. Weighted Average Mortgage Rate

Enter the Weighted Average Mortgage Rate (WAC) of all the Loans in the Pool as at the end of the reporting period, after the payment of the first day of the following month is deducted. This rate is calculated as follows:

- A. divide the outstanding amount of each Loan by the total outstanding amount of all Loans in the Pool;
- B. multiply the result obtained in A for each Loan by the annual interest rate for that Loan; and
- C. add together the results obtained in B for all Loans. This is the Weighted Average Mortgage Rate.

NOTE: This rate must be recalculated whenever there is an additional principal payment, a liquidation or a substitution. For floating rate Pools, it is also recalculated when Loan rates change in response to a change in the index or the expiry of a discount incentive period.

2H. Weighted Average Remaining Amortization

Enter the Weighted Average Remaining Amortization (RAM) for all the Loans in the Pool as at the end of the reporting period, after the payment of the first day of the following month has been deducted.

Specifically, it is calculated as follows:

- A. divide the outstanding amount of each Loan by the total outstanding amount of all the Loans in the Pool;
- B. multiply the result obtained in A for each Loan by the actual remaining amortization period of that Loan. The amortization period should be expressed in months. If payment frequency is not monthly, the amortization period used for the calculation must be the monthly conversion; and
- C. add together the results obtained in B for all Loans. This is the Weighted Average Remaining Amortization.

This period must be recalculated whenever there is a regular payment increase, an additional principal payment, a change to payment frequency, a liquidation or a substitution prior to final certification (instructions for calculating Loan amortizations are available in [Appendix 7 – Mortgage Formulas and Accounting Conventions](#)). For a floating rate Pool with variable rate Loans, it is also recalculated when the Loan rate changes in response to the change in the index or the expiry of the discount incentive period.

2I. Total Delinquent

Enter the number of Loans that are delinquent (at least one monthly equivalent instalment in arrears, in whole or in part) as of the reporting cut-off date (sum of 2K, 2L, and 2M). For all multiple-family Pools and social housing Pools, report a list of all Loans in arrears, the amount in arrears, the planned collection activity, and the reason for the arrears within the Details/Explanations section of the [CMHC 2840](#).

For collateral mortgage Pools (867, 880 and 885 Pool types), a pooled Loan shall be reported delinquent if the pooled Loan or any loan cross-defaulted with the pooled Loan is in arrears. Where a securitized Loan (or any other loan cross-defaulted with a securitized Loan) is reported 90 days in arrears or is otherwise in default for 90 days in accordance with its terms, enforcement action will be taken against the borrower(s) and any guarantor(s), and the securitized Loan shall be immediately liquidated from the Pool.

2J. Percent Delinquent

Enter the ratio, expressed as a percentage, of the total number of delinquent Loans, including Loans in foreclosure, divided by the total number of Loans in the Pool shown in Box 2E. The percentage must be rounded to the nearest hundredth of a percent.

2K. Instalment Delinquent through

2M. “One”, “Two”, “Three or More” monthly equivalent payments delinquent (in whole or in part). Box 2K, plus Box 2L, plus Box 2M must equal Box 2I. A delinquent Loan should be entered in only one category.

For collateral mortgage Pools (867, 880 and 885 Pool types), these fields will reflect the number of months a pooled Loan is reported in arrears, including instances where the pooled Loan is reported in arrears as a result of a cross-defaulted loan that is “One”, “Two”, “Three or More” months delinquent.

NOTE: For Loans with payment schedules more frequent than monthly, report the number of monthly equivalent payments that have not been made, in whole or in part.

SECTION 3 - SECURITY

3A. Scheduled Principal

Included in this field are all expected scheduled payments of principal that are consistent with a theoretical amortization schedule.

Using the opening Loan security balance, an amortization schedule for each pooled Loan is calculated assuming that all payments are made on time without any arrears on the first day of the following month. The sum of the expected principal payments of each pooled Loan is the reported scheduled principal for that period. At the beginning of each reporting period, in order to determine the scheduled principal pass-through, a new amortization schedule is calculated for any Loan in the Pool where the amortization has changed due to unscheduled principal payments, increases to monthly payments, changes in frequency of payments, or any other event that could change the amortization. Issuers may wish to run an amortization schedule of each Loan in the Pool to confirm that the amortization has not been altered during the reporting period.

Loans with payment frequencies more often than monthly must have their payments converted to a monthly equivalent. The actual amortization of these Loans shall account for the more frequent application of payments.

For liquidations, the scheduled portion of principal is reported in 3A. For maturities, no portion of the principal is reported in 3A (the entire maturing balance is included in 3D).

3B. Partial Prepayments

Partial prepayments consist of unscheduled principal payments on a Loan. This includes additional principal collected from mortgagors. Amounts entered do not include regular P & I payments.

3C. Liquidations

A liquidation is any transaction that prematurely reduces the unpaid principal balance of the Loan to zero and includes ineligible Loans for which there are no substitutions and Loans where the payment is no longer paying down principal.

The amount in this field does not include Loans scheduled to mature during the report month or liquidations for which there are substitutions.

Box 3C is equal to the total of Boxes 6E.

3D. Maturities

Enter the balance owing at the maturity date of the Loans. For the last payment on the Pool, the amount of the “Security Balance Total” (Box 4G) from the previous month’s report equals Box 3D. In this instance Box 3A will be zero.

3E. Substitutions

Substitutions are Loans replacing those being liquidated from the Pool. They are permitted only in limited circumstances as detailed in [Chapter 5 – Loan Substitution](#), of this Guide. Enter the net difference between the Loans being liquidated and the Loans being substituted (the difference between the “In” and “Out” sections reported in Section 7, Boxes 7L and 7M). The balance of the substituted Loans must be less than or equal to the balance of the liquidated Loans.

NOTE: Since [assumed](#) and [portable](#) Loans are permitted under the NHA MBS Program (provided certain conditions are met), and do not impact the amount of principal pass-through, the balance of assumed and ported Loans that remain in a Pool are **not** to be reported on the [CMHC 2840](#). However, a Schedule of Pooled Mortgages, [CMHC 2824](#), must be provided to the Custodian with the new Insurance Account Number and new property or borrower details, as applicable.

3F. Adjustments

This field is used to correct and reconcile payments due to the Investors, and must be explained in the Details/Explanations section of the [CMHC 2840](#).

3G. Total Principal

This is the aggregate of principal to be passed through to the Investors and is the sum of Boxes 3A, 3B, 3C, 3D, 3E and 3F.

3H. Annual Coupon

The nominal annual coupon interest rate. For 980 and 985 Pools, the 1-month CDOR as of the first business day of the report month plus or minus the constant spread. For 987 Pools, the WAC at the end of the previous month (Box 2G of the previous report) minus the constant spread. For the first report month, enter the WAC reported on the Schedule of Pooled Mortgages, [CMHC 2824](#), minus the constant spread.

3I. Monthly Factor 10 Digits

For fixed rate Pools, enter the effective monthly factor based on semi-annual compounding used to calculate the interest due to the Investor at the coupon rate. For floating rate Pools (880, 885, 980, 985 and 987 Pool types), enter the simple monthly interest factor. Ensure that a complete 10-digit factor is entered in this field. For details on calculating monthly factors for fixed and floating rate Pools, refer to [Appendix 7 – Mortgage Formulas and Accounting Conventions](#).

3J. Cash Distribution of Interest Due to Holders

Enter the amount of monthly interest due to Investors (NHA MBS holders), calculated by multiplying the principal amount of NHA MBS from the previous report (Box 4G) by the monthly interest rate factor (Box 3I). Interest due Investors for the initial reporting period is calculated by multiplying the “Original Aggregate Amount of Pool at MBS Issue Date” as reported on the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#), by the monthly interest rate factor.

3K. Interest Penalties

Enter all prepayment interest penalties and indemnities payable as provided for in the NHA MBS Information Circular, [CMHC 2834](#), related to additional principal payments and/or liquidations during the reporting period.

3L. Total Cash Distribution Due to Holders

Enter the sum of Boxes 3G, 3J, and 3K. This total amount must be made available to the CPTA as required in the NHA MBS Guide.

3M. Principal Amount of Securities from Last Report

Enter the principal amount of NHA MBS from Box 4G of the previous month's report. On reports for the initial reporting month, enter the “Original Aggregate Amount of Pool at MBS Issue Date” as reported to CMHC on the Schedule of Subscribers and Contractual Agreement, [CMHC 2830](#).

3N. Principal Distributed to Holders This Month

Enter the total principal amount reported in Box 3G.

SECTION 4

4A. Principal Balance Due on Securities (This Month End)

to 4F. Boxes 4A to 4F illustrate the principal due on the security balances as at the first day of the month following the report month. For example, if the report period is for the month of May, Boxes 4A to 4F will show the outstanding balances of the pooled Loans by month of maturity after the June 1 Loan principal payment has been deducted.

The calculated pooled Loan balances are fanned by month of maturity corresponding to the “Mortgage Loan Pool Profile at Issue Date” on the NHA MBS Information Circular, [CMHC 2834](#), page i, and entered in Boxes 4A to 4F. Box 4A should include any principal that may be maturing more than 5 months prior to maturity.

4G. Security Balance Total

This box represents the total outstanding principal assuming that all scheduled payments have been made in accordance with the amortization schedule. It should equal the sum of Boxes 4A to 4F.

It must also equal Box 3M minus Box 3N.

4H. This box is intended to alert the dealer that there are actually more than six (6) months of maturing principal.

Enter a “1” to flag the Pool in the event that a balloon payment will occur to liquidate a Loan prior to five (5) months before maturity. An explanation must be given in the Details/Explanations Section.

Leave this field blank if all Loans are maturing in the period specified in Boxes 4A to 4F.

SECTION 5

5A. Mortgage Administration System Balance (Cut-Off Date)

Enter the total principal outstanding of all the Loans in the Pool, including all arrears at the cut-off date as per the Issuer’s Mortgage Administration System.

Details/Explanations

This box is provided to allow for information that clarifies or gives details to what is contained in Sections 2, 3, and 4. For example, details of any Loans maturing more than five (5) months prior to maturity, information on any multiple Loan in arrears, explanation of adjustments made or any other occurrence where insufficient space is available to clearly indicate the expected reporting results.

SECTION 6 – LIQUIDATION SCHEDULE(S)

6A. Insurer Account No.

Enter the Insurance Account Number identifying the Loan that is being liquidated.

6B. Date Removed

Enter the date the Loan is liquidated.

6C. Mortgage Interest Rate

Enter the annual nominal Loan interest rate applicable to the Loan being liquidated. This rate is based on semi-annual compounding for fixed rate Pools and on simple monthly compounding for floating rate Pools.

NOTE: For floating rate mortgages, if the Loan rate is based on a compounding period other than monthly, the rate must be converted to its simple monthly compounding equivalent. A formula for converting a rate to its simple monthly compounding equivalent is available in [Appendix 7 – Mortgage Formulas and Accounting Conventions](#).

Reason for Removal

Liquidations result from the following events:

Mortgage Payoff

Check this box if funds were received from the mortgagor to pay off the Loan in full.

Enforcement Action

Check this box if the Loan was liquidated due to a legal or default management action. For 867, 880, 885 Pools, check this box if liquidation occurred because the pooled loan (or any loan cross-defaulted with the pooled loan) was reported in arrears for 90 days or was otherwise in default for 90 days in accordance with its terms. As per [Chapter 4 – Losses Associated with Defaults](#), Issuers are responsible for paying amounts due to Investors whether or not they receive monies through the claim process.

Portability

Check this box if the mortgagor has exercised the option to port the Loan to another property and the Loan has been removed from the Pool. Refer to Section 3E concerning reporting requirements when there is no principal pass-through.

Converted to Fixed Rate Mortgage

Check this box when a Loan is removed from a floating rate Pool because the borrower has opted to convert the Loan to a fixed rate.

Payment No Longer Paying Down Principal

Check this box when a variable rate Loan is removed from a Pool because the monthly Loan payment equivalent does not repay any principal.

Other

Provide an explanation when a Loan is liquidated for any reason other than those stated above. The explanation should be contained in the Details/Explanation box.

6D. Issuer's Loan No.

Enter the Issuer's Loan Number identifying the Loan that is being liquidated.

6E. Liquidation Balance

Enter the principal balance of each Loan liquidated during the reporting period.

The amount is the outstanding principal balance of each Loan being liquidated less the scheduled principal payment for the reporting period, any delinquent principal payments paid by the Issuer, and any interest penalties that are charged. It should reflect the amount that will be passed through to the Investors.

6F. Interest Penalties

Enter any interest penalty or indemnity owing to the Investor in accordance with the disclosure in the NHA MBS Information Circular, [CMHC 2834](#), relating to the liquidation of a Loan in the current reporting period.

Box 3K is equal to the total of all 6F boxes.

SECTION 7 – SUBSTITUTED MORTGAGES

General: With the exception of Box 7C, each box in this section consists of two parts. The “In” section refers to the substitute Loan while the “Out” section refers to the liquidated Loan. Although presented on a one to one basis, the number of liquidated Loans does not need to match the number of substitute Loans. In any given month, the total balance of the liquidated Loans must be greater than or equal to the balance of the substitute Loans.

Insurer Account No.

7A. In

Enter the Insurance Account Number identifying the Loan that is being added to the Pool.

7B. Out

Enter the Insurance Account Number identifying the Loan that is being deleted from the Pool.

7C. Date Substituted

Enter the date on which the Loan was added to the Pool.

Mortgage Interest Rate

7D. In

Enter the annual nominal Loan interest rate applicable to the Loan being added to the Pool. This rate is based on semi-annual compounding for fixed rate Pools and on simple monthly compounding for floating rate Pools.

7E. Out

Enter the annual nominal loan interest rate that is applicable to the loan being deleted from the Pool. This rate is based on semi-annual compounding for fixed rate Pools and on simple monthly compounding for floating rate Pools.

Issuer's Loan No.

7F. In

Enter the Issuer's Loan Number identifying the Loan that is being added to the Pool.

7G. Out

Enter the Issuer's Loan Number identifying the Loan that is being deleted from the Pool.

Remaining Amortization**7H. In**

Enter the remaining amortization period of the Loan being added to the Pool, expressed in months and converted to the monthly equivalent, if payments are other than once a month.

7I. Out

Enter the remaining amortization period of the Loan being deleted from the Pool, expressed in months and converted to the monthly equivalent if payments are other than once a month.

Remaining Term**7J. In**

Enter the remaining term, in months, of the Loan being added to the Pool.

7K. Out

Enter the remaining term, in months, of the Loan being deleted from the Pool.

Balance at Substitution**7L. In**

Enter the balance of the Loan being added to the Pool.

7M. Out

Enter the balance of the Loan being deleted from the Pool.

Section 8 is purposely omitted.

SECTION 9 – FOR 880, 885, 980, 985 AND 987 MBS POOLS ONLY

9A. Weighted-Average Full Term Mortgage Index Spread

This reflects the regular spread to the index (e.g. Prime) only.

- A. Divide the outstanding amount of each Loan by the outstanding amount of all Loans in the Pool.
- B. Multiply the result obtained in A for each Loan by the full term Loan index spread.
- C. Sum the results obtained in B for all Loans.

The Full Term Mortgage Index Spread is the difference between the full term Loan rate and the index rate. The spread must be calculated after the Loan rates and corresponding index rates have been converted to their simple monthly compounding equivalent.

9B. Weighted-Average Introductory Mortgage Index Spread

This reflects any incremental promotional incentive discount.

- A. Divide the outstanding amount of each Loan by the outstanding amount of all Loans in the Pool.
- B. Multiply the result obtained in A for each Loan by the introductory Loan index spread.
- C. Sum the results obtained in B for all Loans.

The Introductory Mortgage Index Spread is the difference between the full term Loan rate and the introductory Loan rate. The spread must be calculated after the Loan rates have been converted to their simple monthly compounding equivalent.

9C. Sum of Monthly Payments Equivalents

Any payments received more frequently than monthly from the borrowers are to be converted to the monthly equivalent using the formula provided in [Appendix 7 – Mortgage Formulas and Accounting Conventions](#). The results are added to the monthly payments for Loans with monthly payment frequency and the total is entered in this field.

9D. Coupon Base Rate

Enter the rate applicable on the first business day of the reporting month. Do not include any adjustment or spread. For 880, 885, 980 and 985 Pools, enter the one-month CDOR as at the first business day of the report month. For 987 Pools, enter the Weighted Average Mortgage Rate (WAC) as at the end of the previous reporting period, after the payment due on the first day of the current report month has been deducted (should equal Box 2G from previous month's report).

9E. Weighted-Average Introductory Periods Remaining

This is calculated in whole months. Note that the calculated value is to be rounded up.

- A. Divide the outstanding amount of each Loan by the outstanding amount of all Loans in the Pool.
- B. Multiply the result obtained in A. for each Loan by the number of introductory periods remaining (expressed in whole months).
- C. Sum the results obtained in B for all Loans. Round the result from C.

NOTE: Boxes 9A and 9B must comply with the following convention for expressing Loan index spreads:

Discount

The full term Loan index spreads must carry a negative mathematical sign if the resulting full term Loan rates are lower than the Loan reference index rate. The introductory Loan index spreads must carry a negative mathematical sign if the resulting Loan rates during the introductory period are lower than the full term Loan rates. For example:

→ - 0.50%

Premium

The full term Loan index spreads must carry an “implied” (i.e., no explicit sign) positive mathematical sign if the resulting full term Loan rates are higher than the Loan reference rate. The introductory Loan index spreads must carry an “implied” positive mathematical sign if the resulting Loan rates during the introductory period are higher than the full term Loan rates. For example:

→ 0.50% (the “+” sign is implied)

Supplementary Report – CMHC 2840

This report details the balance held for replacement assets on all Pools designated for sale to CHT, consisting of Loans insured by an Approved Private Mortgage Insurer, and calculates the fee due CMHC. Issuers can contact the CMHC Securitization Centre to obtain the format for this report.

CMHC 2841 14/06/2013

POWER OF ATTORNEY

THIS POWER OF ATTORNEY is given on _____ , _____ ,
by _____ (the "Grantor"), under the laws of _____
having its head office in the City of _____ ,
in the Province of _____ .

Pursuant to the Mortgage-Backed Securities Program ("MBS Program") made pursuant to the *National Housing Act* (Canada), the Grantor has agreed to transfer to CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC"), agent of Her Majesty in right of Canada and a Crown corporation incorporated under the laws of Canada and having its head office in the City of Ottawa, in the Province of Ontario, all mortgages and related security made in connection therewith (collectively, "Mortgage Pools") on which mortgage-backed securities ("MBS") are based.

The Grantor hereby appoints CMHC to be its attorney in accordance with applicable laws and to do on its behalf all acts, deeds, or assurances for more effectually and completely assigning to and vesting in CMHC the Mortgage Pools and all the rights and benefits thereunder and for completing all assignments, filings and registrations necessary or appropriate with respect thereto including the right to prepare, execute and deliver on behalf of and as attorney for the Grantor all assignments and transfers to CMHC of all rights, title and interest in or under all documents relating or ancillary to the Mortgage Pools including without limitation, the following:

- (a) all mortgages in the Mortgage Pools;
- (b) all additional security obtained by the Grantor, or any other mortgagee or assignee of the mortgages and assigned to the Grantor, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

CMHC 2841 14/06/2013

The Grantor confirms that any person interested in any of the property and assets registered in the name of the Grantor described herein and any registrar may rely without further inquiry upon the execution of any document relating to any of the property and assets of the Grantor by CMHC as sufficient evidence of CMHC's authority to deal with such property and assets on behalf of the Grantor. The Grantor agrees that the execution of a document by CMHC relating to any of the property and assets registered in the name of the Grantor will be binding upon the Grantor to the extent of any interest that CMHC may have in such property and assets.

This Power of Attorney is irrevocable by the Grantor without the prior written consent of CMHC and will terminate upon delivery of a written release by CMHC of all of the rights and obligations hereunder.

The Grantor acknowledges and confirms that the powers of attorney granted herein are given for valuable consideration and are coupled with the interest of CMHC in the relevant property and assets registered in the name of the Grantor from time to time. The Grantor declares that the powers of attorney granted herein may be exercised by CMHC during any subsequent incapacity of the Grantor and notwithstanding any proceedings or steps taken for or in relation to the insolvency, bankruptcy, liquidation, dissolution, winding-up or re-organization of, or appointment of a receiver or trustee for the Grantor.

If any power of attorney granted hereunder or any provision of this Power of Attorney is determined to be unenforceable under the laws of the applicable province or territory of Canada in which such Power of Attorney is being utilized or the laws of Canada applicable therein or any other applicable law, such power of attorney or provision, as the case may be, shall be construed as severable from the other powers or provisions, of this Power of Attorney applicable in such province or territory, and shall not affect the enforceability of the remaining powers or provisions hereof in such province or territory. In any other province or territory where such Power of Attorney is being utilized and where such power or provision is not determined by applicable law to be unenforceable, such power or provision shall continue to have full force and effect.

[INSERT NAME OF THE GRANTOR]

_____ C/S

CMHC 2841 (TC) 14/06/2013

POWER OF ATTORNEY

THIS POWER OF ATTORNEY is given on _____,
 by _____ (the "____"),
 a company incorporated under the laws of (jurisdiction of incorporation) _____,
 having its head office in the City of _____,
 in the Province of _____.

This Power of Attorney is pursuant to the Mortgage-Backed Securities Program (the "MBS Securities Program") made pursuant to the *National Housing Act* (Canada), as the same is amended from time to time. This Power of Attorney is in respect of Mortgage-Backed Securities (the "MBS Securities") issued or in the future to be issued from time to time pursuant to the MBS Securities Program.

Pursuant to the MBS Program, _____ has agreed to transfer to CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC"), a company incorporated under the laws of Canada and having its head office in the City of Ottawa, in the Province of Ontario, all mortgages and related security made in connection therewith (collectively, "Mortgage Pools") on which MBS are based.

_____ hereby appoints CMHC to be its attorney in accordance with applicable laws and to do on its behalf all acts, deeds, or assurances for more effectually and completely assigning to and vesting in CMHC Mortgage Pools and all the rights and benefits thereunder and for completing all assignments, filings and registrations necessary or appropriate with respect thereto including the right to prepare, execute and deliver on behalf of and as attorney for _____ all assignments and transfers to CMHC of all rights, title and interest in or under all documents relating or ancillary to the Mortgage Pools including without limitation, the following:

- (a) all mortgages in the Mortgage Pools;
- (b) all additional security obtained in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in the report on title or title insurance relied upon with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect

I

Disponible en français

CMHC 2841 (TC) 14/06/2013

_____ confirms that any person interested in any of the property and assets registered in the name of _____ described herein and any registrar may rely without further inquiry upon the execution of any document relating to any of the property and assets of _____ by CMHC as sufficient evidence of CMHC's authority to deal with such property and assets on behalf of _____. _____ agrees that the execution of a document by CMHC relating to any of the property and assets registered in the name _____ will be binding upon _____ to the extent of any interest that CMHC may have in such property and assets.

This Power of Attorney is irrevocable by _____ without the prior written consent of CMHC and will terminate upon delivery of a written release by CMHC of all of the rights and obligations hereunder.

_____ acknowledges and confirms that the powers of attorney granted herein are given for valuable consideration and are coupled with the interest of CMHC in the relevant property and assets registered in the name of _____ from time to time.

_____ declares that the powers of attorney granted herein may be exercised by CMHC during any subsequent incapacity of _____ and notwithstanding any proceedings or steps taken for or in relation to the insolvency, bankruptcy, liquidation, dissolution, winding-up or re-organization of, or appointment of a receiver or trustee for _____.

If any power of attorney granted hereunder or any provision of this Power of Attorney is determined to be unenforceable under the laws of the applicable province or territory of Canada in which such Power of Attorney is being utilized or the laws of Canada applicable therein or any other applicable law, such power of attorney or provision, as the case may be, shall be construed as severable from the other powers or provisions, of this Power of Attorney applicable in such province or territory, and shall not affect the enforceability of the remaining powers or provisions hereof in such province or territory. In any other province or territory where such Power of Attorney is being utilized and where such power or provision is not determined by applicable law to be unenforceable, such power or provision shall continue to have full force and effect.

_____ C/S

Power of Attorney – CMHC 2841/CMHC 2841 (TC)

The registration requirements, required execution, certification and affidavits that follow will differ from jurisdiction to jurisdiction within Canada and will change from time to time in each jurisdiction. Issuers and Registered Holders should consult local counsel and notaries before completing their powers of attorney. If the Issuer is advised of differences from what is provided in this section by their counsel or notary, it should be brought to CMHC's attention.

British Columbia

Two original Powers of Attorney for each registry office in the province are to be signed in black ink by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal (the seal should not encroach on any of the signatures) and witnessed by a notary public in the following manner:

[Insert name of Issuer or Registered Holder]
by its authorized signatory(ies)

(signature of Notary Public)

(print name)

(print name)

(address)

(professional capacity i.e.

Notary Public for Province
of British Columbia)

(print name)

C/S

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

The Notary Public witnessing the signature of a person signing on behalf of [Insert name of Issuer or Registered Holder] (the “Grantor”) is certifying that such person appeared before him/her and acknowledged that:

- (i) he/she is an authorized signatory of the Grantor;
- (ii) he/she has been authorized by the Grantor to execute the document; and
- (iii) the Grantor exists and is legally entitled to hold and dispose of land in British Columbia.

Alberta

Two original Powers of Attorney for each registry office in the province have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal or with the following statement:

FORM 31.1
 LAND TITLES ACT
 (Section 152.3, as amended or replaced)

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, _____ of _____
 make oath and say:

1. I am an officer or director of {Insert name of Issuer or Registered Holder} (the “Grantor”) named in the within or annexed instrument.
2. I am authorized by the Grantor to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the _____)
 of _____, in the Province)
 of _____, this _____ day)
 of _____, _____.

 (Signature)

_____)
 A NOTARY PUBLIC IN AND FOR THE)
 PROVINCE OF _____)

Saskatchewan

Two original Powers of Attorney for each registry office in the province have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal in the following manner:

In witness whereof [Insert name of the Issuer or Registered Holder] has executed this Power of Attorney under its corporate seal and the hands of its proper officers duly authorized in that behalf the _____ day of _____, _____.

(Insert name of Issuer or Registered Holder)

Per: _____

Per: _____

If no corporate seal is used the signature must be witnessed and an Affidavit of Execution sworn in the following manner:

In witness whereof [Insert name of the Issuer or Registered Holder] has executed this Power of Attorney under the hands of its proper officers duly authorized in that behalf the _____ day of _____, _____.

(Insert name of Issuer or Registered Holder)

(Witness) Per: _____

Per: _____

CANADA

PROVINCE OF _____

TO WIT:

AFFIDAVIT OF EXECUTION

I, _____ of the City of _____, in the Province of _____, MAKE OATH AND SAY:

- 1. THAT I was personally present and did see _____, who is personally known to me, duly execute the within _____ for the purposes named therein.
- 2. THAT the same was executed at the City of _____, in the Province of _____, and that I am the subscribing witness thereto.
- 3. THAT the said _____ is the _____ of [Insert name of Issuer or Registered Holder] and has the authority to sign the within document on behalf of _____.
- 4. THAT I know the said _____ and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of _____,)
 in the Province of _____,)
 this _____ day of _____, _____)
)

) print name
) underneath
) signature
)

 A NOTARY PUBLIC in and for the)
 Province of _____ .)

Manitoba

Two original Powers of Attorney for each registry office in the province have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal and witnessed by a notary public as follows:

In witness whereof, [Insert name of the Issuer or Registered Holder] has hereunto affixed its corporate seal attested to by the signatures of its proper officer(s) in its behalf on the _____ day of _____, _____, in the _____ of _____, in the Province of _____ .

(signature of Notary Public)

(signature)

 (print name)
 (address)
 (professional capacity)

 (print name)
 (position/office)

(signature)

 (print name)
 (position/office)

Ontario

Two original Powers of Attorney (on 8 1/2 x 14-inch paper) for each registry office in the province have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal or with the statement underneath the signature:

I/We have authority to bind [Insert name of the Issuer or Registered Holder]

Do not prepare these Powers of Attorney back to back, the two pages must be on separate pages.

Where the registry office has converted to electronic registration, a copy of the executed Power of Attorney together with proof of registration must be provided to the Custodian.

Nova Scotia

Two original Powers of Attorney for each registry office have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal, witnessed and sworn before a notary public by the witness as follows:

(signature)

Subscribing Witness
(print name)

(print name)

(signature)

(print name)

PROVINCE OF _____

On this _____ day of _____, _____, before me, the subscriber, personally came and appeared _____ the subscribing witness to the foregoing Indenture, who having been by me duly sworn, made oath and said that _____, one of the parties thereto, caused the same to be executed and its corporate seal affixed by its duly authorized officers and (s)he is the subscribing witness.

A Notary Public in and for the
Province of _____

Newfoundland

Two original Powers of Attorney have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal and witnessed by a notary public (affixing his/her seal over his/her signature) in the following manner:

IN WITNESS WHEREOF the Common Seal of [Insert name of Issuer or Registered Holder] was hereunto affixed in accordance with its rules and regulations in that behalf the day and year first before written.

THE COMMON SEAL of
[Insert name of Issuer or Registered Holder] was hereunto
affixed in the presence of:

(signature of Notary Public)

(print name)

(address)

(professional capacity)

(signature)

(print name)

(signature)

(print name)

Prince Edward Island

Two original Powers of Attorney for each registry office have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal, witnessed and sworn before a Notary Public in the following manner:

_____	(signature)
Subscribing Witness (print name)	_____
(print name)	
	(signature)

	(print name)

NOTARIAL CERTIFICATE OF OATH

I, _____, of _____,
in the Province of _____, a Notary Public by lawful
authority, duly authorized, commissioned and sworn, residing and practising at
_____ aforesaid, DO HEREBY CERTIFY
that on the _____ day of _____, _____,
personally appeared before me, _____, of
_____, in the Province of _____,
and being sworn, testified that (s)he is a subscribing witness to the within written
deed or writing, and that (s)he was present, and did see the same duly executed
by _____ and _____, the proper
signing officers of the Grantor therein named.

A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF _____

New Brunswick

Two original Powers of Attorney for each land registry office in the province have to be signed by two authorized officers of the Issuer or Registered Holder, as applicable, under corporate seal (on 8 1/2 x 14-inch paper with 1 1/2-inch wide blank margins – left, right, top and bottom) and affidavits of execution sworn before a notary public in the following form:

CANADA

PROVINCE OF _____

AFFIDAVIT OF EXECUTION

I, _____ of the _____ of _____ and Province of _____, MAKE

OATH AND SAY:

1. THAT I am the _____ of _____, a duly incorporated company (the “Grantor”), and I have custody of the corporate seal of the Grantor and am duly authorized to make this affidavit on behalf of the Grantor.
2. THAT I am aware of all circumstances connected with the foregoing Power of Attorney (the “Power of Attorney”) and have a personal knowledge of the facts herein deposed to.
3. THAT the _____ and _____ of the Grantor are authorized to execute documents in the name of and on behalf of the Grantor.
4. THAT the seal affixed to the Power of Attorney is the corporate seal of the Grantor and was so affixed by authority of the board of directors thereof.
5. THAT the signature “_____” is the signature of _____, the _____ of the Grantor and the signature “_____” is in the proper handwriting of me, this deponent.

6. THAT the said signatures were subscribed to the Power of Attorney and the corporate seal of the Grantor affixed thereto for the purpose of execution on behalf of the Grantor on the _____ day of _____, _____ .

SWORN TO at the _____)
of _____ and Province)
of _____ this ____ day)
of _____, _____ .)
BEFORE ME:)
_____)
Notary Public in and for the)
Province of _____)
(affix seal)

Also, two original Powers of Attorney have to be signed by two authorized officers of the Issuer or Registered Holder, as applicable, under corporate seal and affidavits of execution sworn before a notary public in the following form:

FORM 45

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c. L-1.1, s.55 (as amended or replaced)

I, _____ deponent _____, of _____ address _____, _____ occupation of other identification , make oath and say:

- 1. That I am the _____ office _____ of [Insert name of Issuer or Registered Holder] (the “Grantor”) _____, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;
- 2. That the attached instrument was executed by (_____ name _____ as office _____ and) me as _____ office _____, and _____ I was or we were ____ duly authorized to execute the instrument on behalf of the Grantor;
- 3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the Grantor;

- 4. That the instrument was executed at _____ place _____ on _____ date _____;
- 5. That the ownership of a share of the Grantor does not entitle the owner thereof to occupy any parcel of land as a matrimonial home.

SWORN TO at _____ Place)
on _____ month _____, day _____, _____,)
before me:)
)
)
)
)
_____)
Commissioner, etc.)

Deponent

Yukon

Two original Powers of Attorney have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal or with the following affidavits attached:

CANADA)
)
 YUKON TERRITORY) AFFIDAVIT OF EXECUTION
)
 TO WIT:)

I, _____, of the City of _____, in
 the _____, MAKE OATH AND SAY:

1. THAT I was present and did see the within instrument duly signed and executed by, _____ the party thereto, for the purposes named therein.
2. THAT the within instrument was executed at the City of _____ aforesaid.
3. THAT I know the said party and s/he is of the full age of 19 years.
4. THAT I am the subscribing witness to the said instrument and am of the full age of 19 years.

SWORN BEFORE ME at the city of _____)
 in the _____)
 this day _____)
 of _____, _____)
)
 _____)
 A Notary Public in and for _____)
 the _____)

ACKNOWLEDGEMENT OF OFFICER OF CORPORATION

I HEREBY CERTIFY that on _____, _____, at the
 City of _____, in the _____ who is/are
 personally known to me appeared before me and acknowledged to me that
 _____ is/are _____ of
 _____ and that _____ name(s) on behalf of [Insert name of Issuer or
 Registered Holder] (the “Grantor”) to the within Instrument, that
 was/were authorized to subscribe _____ name(s) and that the Grantor
 exists at the date the within Instrument was executed by the Grantor.

IN TESTIMONY WHEREOF I have
 hereunto set my hand and seal
 of office at the City of _____
 in the _____, on _____.

 A Notary Public in and for the _____

Northwest Territories

Two original Powers of Attorney have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal or with the following affidavits attached:

CANADA)
)
NORTHWEST TERRITORIES) AFFIDAVIT OF EXECUTION
)
TO WIT:)

I, , of the City of , in
the , MAKE OATH AND SAY:

- 1. THAT I was present and did see the within instrument duly signed and executed by , the party thereto, for the purposes named therein.
2. THAT the within instrument was executed at the City of aforesaid.
3. THAT I know the said party and s/he is of the full age of 19 years.
4. THAT I am the subscribing witness to the said instrument and am of the full age of 19 years.

SWORN BEFORE ME at the City of)
in the)
this day)
of , .)
)
)
)
A Notary Public in and for)
the)

AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY

CANADA) I, _____, of the
) City of _____ in the _____
 NORTHWEST TERRITORIES) _____, MAKE OATH
) AND SAY
) THAT:
 TO WIT:)

1. I am an officer of [Insert name of Issuer or Registered Holder] (the “Grantor”) named in the within instrument.
2. As an officer of the Grantor, I am authorized by the Grantor to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of _____)
 _____, in the of _____)
 _____, this day of _____, _____) _____
)
)
)
)
)
 _____)
 A Notary Public in and for the _____)
)

Nunavut

Two original Powers of Attorney have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable, under corporate seal or with the following affidavits attached:

CANADA)
)
 NUNAVUT) AFFIDAVIT OF EXECUTION
)
 TO WIT:)

I, _____, of the City of _____, in the _____, MAKE OATH AND SAY:

1. THAT I was present and did see the within instrument duly signed and executed by _____, the party thereto, for the purposes named therein.
2. THAT the within instrument was executed at the City of _____ aforesaid.
3. THAT I know the said party and s/he is of the full age of 19 years.
4. THAT I am the subscribing witness to the said instrument and am of the full age of 19 years.

SWORN BEFORE ME at the City of _____)
 _____, in the _____)
 _____, this _____ day of _____, _____) _____
)
)
)
)
)
 _____)
 A Notary Public in and for the _____)
)

AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY

CANADA) I, _____, of the
) City of _____ in the _____
 NUNAVUT) _____, MAKE OATH AND SAY
) THAT:
 TO WIT:)

1. I am an officer of [Insert name of Issuer or Registered Holder] (the “Grantor”) named in the within instrument.
2. As an officer of the Grantor, I am authorized by the Grantor to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of _____)
 _____, in the of _____)
 _____, this day of _____, _____) _____
)
)
)
)
 _____)
 A Notary Public in and for the _____)
)

CMHC 2841Q 14/06/2013
Quebec

POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on _____, by _____ (the "Grantor"), created under the laws of _____, having its head office in the City of _____, in the Province of _____, hereby represented by _____, its representative duly authorized pursuant to a _____ of its _____ adopted on the _____ of _____ of _____ and Canada Mortgage and Housing Corporation ("CMHC" or the "Attorney"), agent of Her Majesty in right of Canada and a Crown corporation incorporated under the laws of Canada, and having its head office in the City of Ottawa, in the Province of Ontario.

Pursuant to the Mortgage-Backed Securities Program ("MBS Program") made pursuant to the National Housing Act (Canada), the Grantor has agreed to transfer to CMHC all hypothecary loans, hypothecs (including, without limitation, all hypothecs on rentals and on insurance indemnities payable under insurance contracts), all related documents and interests relating or ancillary thereto and all claims, debts, accounts and monies which may be owing thereunder from time to time as well as related guarantees and securities made in connection therewith (collectively "Mortgage Pools") on which MBS are based including, without limitation, the loans identified in the Schedule(s) of Pooled Mortgages which the Grantor may certify from time to time as being subject to the Power of Attorney with CMHC.

The Grantor hereby appoints CMHC as its Attorney and lawful representative to do on its behalf all acts, deeds and assurances for more effectually and completely assigning to and vesting in CMHC Mortgage Pools and all the rights and benefits thereunder and for completing all assignments, filings, registrations and publications necessary or appropriate with respect thereto, including the right to prepare, execute, and deliver as Attorney and lawful representative for the Grantor all assignments and transfers to CMHC of all rights, title and interest in or under all documents relating to or ancillary to the Mortgage Pools, including, without limitation, the following:

- (a) all hypothecary loans and hypothecs in the Mortgage Pools;
- (b) all additional hypothecs, security or guarantees obtained by the Grantor, or any other hypothecary creditor or assignee of the hypothecary loans and hypothecs and assigned or transferred to the Grantor, in connection with the hypothecs and hypothecary loans in the Mortgage Pools, including without limitation, legal hypothecs, hypothecs on rents and leases, floating hypothecs, moveable hypothecs as well as registered or unregistered agreements amending the hypothecary loans or additional hypothecs, security or guarantees hereunder;
- (c) the hypothecary creditor interest in mortgage loan insurance with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools;
- (d) the report on title or title insurance relied upon with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools; and
- (e) the hypothecary creditor interest in indemnity against fire and other standard insurable perils with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools;

and for the completion and effecting of all notices, filings, registrations and publications necessary or appropriate to effect, set up or perfect such assignments or transfers.

CMHC 2841Q 14/06/2013
Quebec

The Grantor confirms that any document regarding any of the property and assets registered in the name of the Grantor described herein and executed by CMHC constitutes, for the registrar and any person interested in the property and assets in question, without further inquiry being necessary, sufficient evidence of CMHC's authority to deal with such property and assets on behalf of the Grantor. The Grantor agrees that the execution of a document by CMHC relating to any of the property and assets registered in the name of the Grantor will be binding upon the Grantor to the extent that CMHC has any interest in such property and assets.

The Grantor acknowledges and confirms that the powers of attorney granted herein are governed by the laws of the Province of Ontario, are given for valuable consideration, are coupled with the interest of CMHC in the relevant property and assets of the Grantor from time to time and are necessary to protect such interest. The Grantor declares that the powers of attorney granted herein are irrevocable and may be exercised by CMHC during any subsequent incapacity of the Grantor and notwithstanding any proceedings or steps taken for or in relation to the insolvency, bankruptcy, liquidation, dissolution, winding up or re-organization of, or appointment of a receiver or trustee for the Grantor.

If any one provision or power granted under this Power of Attorney is determined to be unenforceable under the applicable law, such provision or power, as the case may be, shall be construed as severable from the other powers or provision of this Power of Attorney.

Executed in _____, Province of _____,
on this _____ of _____.

(Name of Grantor in block letters)

Per:

(Name in block letters)

(Signature)

Declaration of Attestation by Notary or Advocate

I, _____ a notary public or advocate duly authorized to practice in and for the Province of Quebec, having an office at _____

certify that I have verified the identity, quality and capacity of the institution that has granted the foregoing Power of Attorney and that such Power of Attorney represents the will expressed by it.

In testimony of which I have subscribed my name and affixed my notarial seal at _____
this _____ of _____ of _____.

A Notary Public or Advocate in and for the Province of Quebec.

CMHC 2841Q (TC) 14/06/2013
Québec

THIS POWER OF ATTORNEY is made on _____, by _____, (the “_____”), created under the laws of _____ having its head office in the City of _____, in the Province of _____, hereby represented by _____, its representative duly authorized pursuant to a _____ of its _____ adopted on the _____ of _____ of _____ and Canada Mortgage and Housing Corporation (“CMHC” or the “Attorney”), agent of Her Majesty in right of Canada and a Crown corporation incorporated under the laws of Canada, and having its head office in the City of Ottawa, in the Province of Ontario.

Pursuant to the Mortgage-Backed Securities Program (the “MBS Program”) made pursuant to the *National Housing Act* (Canada), the _____ has agreed to transfer to CMHC all hypothecary loans, hypothecs (including, without limitation, all hypothecs on rentals and on insurance indemnities payable under insurance contracts), all related documents and interests relating or ancillary thereto and all claims, debts, accounts and monies which may be owing thereunder from time to time as well as related guarantees and securities made in connection therewith (collectively “Mortgage Pools”) on which MBS are based including, without limitation the loans identified in the Schedule(s) of Pooled Mortgages which _____ may certify from time to time as being subject to the Power of Attorney with CMHC.

_____ hereby appoints CMHC as its Attorney and lawful representative to do on its behalf all acts, deeds and assurances for more effectually and completely assigning to and vesting in CMHC Mortgage Pools and all the rights and benefits thereunder and for completing all assignments, filings, registrations and publications necessary or appropriate with respect thereto, including the right to prepare, execute, and deliver as Attorney and lawful representative for _____ all assignments and transfers to CMHC of all rights, title and interest in or under all documents relating to or ancillary to the Mortgage Pools, including, without limitation, the following:

- (a) all hypothecary loans and hypothecs in the Mortgage Pools
- (b) all additional hypothecs, security or guarantees obtained in connection with the hypothecs and hypothecary loans in the Mortgage Pools, including without limitation, legal hypothecs, hypothecs on rents and leases, floating hypothecs, moveable hypothecs as well as registered or unregistered agreements amending the hypothecary loans or additional hypothecs, security or guarantees hereunder;
- (c) the hypothecary creditor interest in mortgage loan insurance with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools;
- (d) the hypothecary creditor interest in the report on title or title insurance relied upon with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools; and
- (e) the hypothecary creditor interest in indemnity against fire and other standard insurable perils with respect to each of the hypothecary loans and hypothecs in the Mortgage Pools;

and for the completion and effecting of all notices, filings, registrations and publications necessary or appropriate to effect, set up or perfect such assignments or transfers.

CMHC 2841Q (TC) 14/06/2013
Québec

_____ confirms that any document regarding any of the property and assets registered in the name of _____ described herein and executed by CMHC constitutes, for the registrar and any person interested in the property and assets in question, without further inquiry being necessary, sufficient evidence of CMHC's authority to deal with such property and assets on behalf of _____. _____ agrees that the execution of a document by CMHC relating to any of the property and assets registered in the name of _____ will be binding upon _____ to the extent that CMHC has any interest in such property and assets.

_____ acknowledges and confirms that the powers of attorney granted herein are governed by the laws of the Province of Ontario, are given for valuable consideration, are coupled with the interest of CMHC in the relevant property and assets of the _____ from time to time and are necessary to protect such interest.

_____ declares that the powers of attorney granted herein are irrevocable and may be exercised by CMHC during any subsequent incapacity of the _____ and notwithstanding any proceedings or steps taken for or in relation to the insolvency, bankruptcy, liquidation, dissolution, winding-up or re-organization of, or appointment of a receiver or trustee for the _____.

If any one provision or power granted under this Power of Attorney is determined to be unenforceable under the applicable law, such provision or power, as the case may be, shall be construed as severable from the other powers or provision of this Power of Attorney.

Executed in _____, Province of _____,
on this _____ of _____.

(Name of entity in block letters)

Per:

(Name in block letters)

(Signature)

Declaration of Attestation by Notary or Advocate

I, _____ a notary or advocate duly authorized to practice in the Province of Quebec, having an office at _____ certify that I have verified the identity, quality and capacity of the entity that has granted the foregoing Power of Attorney and that such Power of Attorney represents the will expressed by it.

In testimony of which I have subscribed my name at _____
this _____ of _____ of _____.

A Notary or Advocate in and for the Province of Quebec.

Power of Attorney - CMHC 2841Q (TC)

Quebec

Ten originals on (8 1/2 by 14 inch paper) have to be signed by an authorized officer(s) of the Issuer or Registered Holder, as applicable. They must also be signed as accepted by a representative of CMHC. If signed in Quebec, it is signed in front of a Notary who will affix their seal. If signed outside of Quebec, it is signed in front of and attested by a Notary public who will affix a notarial seal.

CMHC 2843 14/06/2013

MBS MORTGAGE SECURITY REGISTRATION AGREEMENT

This agreement made the _____ day of _____, _____.

BETWEEN:

(the "Issuer")

- and -

- and -

CANADA MORTGAGE AND HOUSING CORPORATION
("CMHC")

WHEREAS the Issuer is an "Approved Issuer" pursuant to the Mortgage-Backed Securities Program ("MBS Program") made pursuant to the *National Housing Act* (Canada), as the same has been amended from time to time, and may in the future issue mortgage-backed securities ("MBS") from time to time pursuant to the MBS Program.

AND WHEREAS pursuant to the MBS Program the Issuer has agreed to transfer to CMHC all its right, title and interest in, or under all mortgages and related security comprising any MBS mortgage pool issued under the MBS mortgage program and all documents relating or ancillary to such mortgages, and related security;

AND WHEREAS for administrative convenience, all mortgages in the Mortgage Pools are registered in the name of _____, as nominal mortgagee;

AND WHEREAS the parties have agreed to the process for the transfer of nominal title to the mortgages in the Mortgage Pools by _____ to CMHC when required by CMHC;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of Mortgage Pools on which MBS are based, the transfer of Mortgage Pools by the Issuer and _____ to CMHC, the issuance of MBS by the Issuer, the guarantee of MBS by CMHC, and other mutual covenants and agreements herein contained (the sufficiency of which is hereby mutually acknowledged), the parties to this Agreement agree as follows:

1 DEFINITIONS

1.1 All capitalized words and phrases in this Agreement, unless otherwise defined in this Agreement, shall have the meaning ascribed to such words and phrases, in the *National Housing Act* (Canada) and in the *National Housing Loan Regulations* (as they were prior to their repeal effective June 17, 1999), and the CMHC Program Guide for NHA MBS made pursuant thereto.

1.2 In addition to, and notwithstanding the provisions of section 1.1, unless the context requires otherwise, the following capitalized words have the meanings set out below:

"Business Day" shall mean any day other than a Saturday or a Sunday or a day on which banks in Toronto or the principal office of the Custodian in Toronto is not open for business;

"Program Guide" means the CMHC Program Guide for NHA Mortgage-Backed Securities, which constitutes the contract between CMHC and the Issuer in respect of securities issued by the Issuer in respect of the Mortgage Pools under the MBS Program;

"MBS Program" means the program of CMHC whereby CMHC guarantees timely payment to investors in privately issued securities which are backed by pools of insured mortgages, of which the Mortgage Pools and the Mortgages are part;

"Mortgage Pools" means those mortgage pools of insured mortgages described in a CMHC Form No. 2824 Schedule of Pooled Mortgages which are assembled by the Issuer and upon the backing of which securities are issued by the Issuer under the MBS Program and shall include all documents relating or ancillary to such mortgages, and related security;

"Mortgages" means those insured mortgages originated by the Issuer which are part of the Mortgage Pools and to which _____ holds nominal title;

"Mortgage Pools Transfer Agreements" means the agreements under the MBS Program as per forms 2835 and/or 2836;

"NHA" means the *National Housing Act*, Chapter N-11 of the 1985 Revised Statutes of Canada, as amended;

"NHA Handbook" means the CMHC Mortgage Loan Insurance Handbook, established in accordance with the NHA;

"NHA Requirements" means the standards and requirements of CMHC for administration and servicing of insured mortgages upon which securities are issued under the MBS Program, including, without limitation, the standards and requirements for administration and servicing of mortgages under provisions of the NHA Handbook, the Guide and prudent mortgage practices in the mortgage lending industry.

"Person" shall include an individual, firm, corporation, trust or partnership;

2 PROGRAM GUIDE

2.1 This Agreement is governed by and is subject to the NHA Requirements. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.

2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, *mutatis mutandis*, to this Agreement,

and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

3 TITLE TO MORTGAGE POOLS

3.1 The Issuer and _____ acknowledge and agree that _____ holds and will in the future hold nominal title to mortgages in the Mortgage Pools in trust for CMHC but otherwise in accordance with the terms and conditions of the NHA Requirements.

3.2 The Issuer and _____ acknowledge and agree that this Agreement shall apply to all Mortgages in Mortgage Pools for which _____ is the nominal title holder and upon the backing of which securities are issued by the Issuer under the MBS Program.

3.3 The Issuer and _____ acknowledge and agree that, pursuant to and in accordance with the terms and conditions of Mortgage Pools Transfer Agreements made by the Issuer with CMHC and by _____ with CMHC, they will each assign, transfer and set over to CMHC all of their respective rights, title and interest, whether legal or beneficial, now owned or hereafter acquired, in and to all existing Mortgage Pools and future Mortgage Pools approved by CMHC and all debts, accounts, claims, monies and choses in action relating to the Mortgage Pools which are now or may hereafter be due and owing to them under all documents relating or ancillary thereto.

4 TRANSFER

4.1 The Issuer and _____ acknowledge and agree that upon the issuance of MBS, all right, title and interest in the Mortgage Pools are transferred to CMHC including all documents relating or ancillary to the Mortgage Pools, including without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to _____, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in title insurance relied upon by _____ with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools.

However, unless and until the Issuer requires and requests for title to be registered in the name of the Issuer, while the Issuer remains in good standing under the MBS Program, or CMHC requires and requests for title to be registered in the name of CMHC on behalf of the MBS investors, _____ shall hold registered title to all Mortgages in the Mortgage Pools.

CMHC 2843 14/06/2013

4.2 The Issuer and _____ acknowledge and agree that, while the Issuer remains in good standing under the MBS Program, the Issuer shall have the right to at any time effect assignments and transfers of all rights, title and interest of _____ in or under all documents relating to or ancillary to the Mortgage Pools, and in that regard _____ has irrevocably appointed the Issuer as its attorney for the purpose of the preparation, execution and delivery on behalf of and as attorney for _____ of all such assignments and transfers of all rights, title and interest of _____ in or under all documents relating to or ancillary to the Mortgage Pools, including without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to _____, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in title insurance relied upon by _____ with respect to each of the mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

4.3 The Issuer acknowledges and agrees that it continues to be fully responsible under the MBS Program for all Issuer responsibilities, including for ensuring that CMHC will at all times have an enforceable right to the Mortgages and for the servicing of all Mortgages and Mortgage Pools. The Issuer further acknowledges and agrees that, unless otherwise instructed in writing by CMHC, the Issuer will be required to have the registered title to the Mortgages transferred to itself in the event of any default by _____, serious financial difficulty on the part of _____ or impending insolvency or proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of _____.

4.4 CMHC shall also have the right to effect on behalf of _____ all of the matters set out in Section 4.1 and in that regard _____ hereby irrevocably appoints CMHC as its attorney for the purpose of the preparation, execution and delivery on behalf of and as attorney for _____ of all assignments and transfers of all rights, title and interest of _____ in or under all documents relating to or ancillary to the Mortgage Pools, including without limitation, the following:

- (a) the mortgages in the Mortgage Pools;
- (b) all additional security obtained by _____, or any other mortgagee or assignee of the mortgages and assigned to _____, in connection with the mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) mortgagee's interest in mortgage loan insurance with respect to each of the mortgages in the Mortgage Pools;

CMHC 2843 14/06/2013

(d) the mortgagee's interest in title insurance relied upon by _____ with respect to each of the mortgages in the Mortgage Pools; and

(e) mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

4.5 The Issuer and _____ agree that the rights set out in Sections 4.1, 4.2, 4.3 and 4.4 may be exercised notwithstanding any proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of the Issuer and/or _____.

5 TERMINATION

5.1 The parties hereto agree that upon the individual termination of each Mortgage Pool in a manner approved by CMHC and in accordance with the terms of the Program Guide, the terms and provisions of this Agreement shall terminate and cease to apply to such Mortgage Pool and all mortgages in such Mortgage Pool. The parties hereto also agree that upon the individual maturity of each of the Mortgages, the terms and provisions of this Agreement shall terminate and cease to apply to such Mortgages. This Agreement cannot be terminated while the Issuer has outstanding MBS issuances under the MBS Program.

6 SUCCESSORS AND ASSIGNS

6.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

7 FURTHER ASSURANCES

7.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

8 HEADINGS

8.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

9 PROPER LAW OF AGREEMENT

9.1 This Agreement will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

CMHC 2843 14/06/2013

IN WITNESS WHEREOF, the parties have duly executed this Agreement under seal.

By: _____

Name:

Title:

By: _____

Name:

Title:

We have authority to bind the Corporation

By: _____

Name:

Title:

By: _____

Name:

Title:

We have authority to bind the Corporation

CANADA MORTGAGE AND HOUSING CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

We have authority to bind the Corporation

MBS Mortgage Security Registration Agreement (NR)
(Non-regulated Issuer)

CMHC 2843 (NR) 12/03/2012

MBS MORTGAGE SECURITY REGISTRATION AGREEMENT

This agreement made the _____ day of _____, _____.

BETWEEN:

(the “**Issuer**”)

- and -

_____, a Canadian federally regulated trust company
(the “**Title Custodian**”)

- and -

CANADA MORTGAGE AND HOUSING CORPORATION
(“**CMHC**”)

WHEREAS the Issuer is an “Approved Issuer” pursuant to the Mortgage-Backed Securities Program (“**MBS Program**”) made pursuant to the *National Housing Act* (Canada) (“**NHA**”), as the same has been amended from time to time, and may in the future issue mortgage-backed securities (“**MBS**”) from time to time pursuant to the MBS Program.

AND WHEREAS pursuant to the MBS Program the Issuer has agreed to transfer to CMHC all of its right, title and interest in, or under the Mortgage Pools on which the MBS are based.

AND WHEREAS the Issuer has engaged the Title Custodian as the holder of nominal title to the Mortgage Pools pursuant to an agreement between the Issuer and the Title Custodian (the “**Title Custodian Agreement**”).

AND WHEREAS the parties have agreed to the process for the transfer of nominal title to the Mortgage Pools by the Title Custodian when required by CMHC.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the approval by CMHC of Mortgage Pools on which MBS are based, the transfer of Mortgage Pools by the Issuer and the Title Custodian to CMHC under the Mortgage Pools Transfer Agreements, the issuance of MBS by the Issuer, the guarantee of MBS by CMHC, and other mutual covenants and agreements herein contained (the sufficiency of which is hereby mutually acknowledged), the parties to this Agreement agree as follows:

MBS Mortgage Security Registration Agreement (NR)
(Non-regulated Issuer)

CMHC 2843 (NR) 12/03/2012

1 DEFINITIONS

1.1 All capitalized words and phrases shall be as defined in this Agreement, and if not so defined, shall have the meaning ascribed to such words and phrases, in the *National Housing Act* (Canada) and in the *National Housing Loan Regulations* (as they were prior to their repeal effective June 17, 1999), and the CMHC Program Guide for NHA MBS made pursuant thereto.

1.2 In addition to, and notwithstanding the provisions of section 1.1, unless the context requires otherwise, the following capitalized words have the meanings set out below:

"MBS Program" means the program of CMHC whereby CMHC guarantees timely payment to investors in issued securities which constitute undivided ownership interests in the Mortgage Pools;

"Mortgage Pools" means all Mortgages and related loans described in a CMHC Form No. 2824 Schedule of Pooled Mortgages which are assembled by the Issuer and upon the backing of which securities are issued by the Issuer under the MBS Program and shall include all related loan security;

"Mortgage Pools Transfer Agreements" means those agreements entered into between CMHC and the Issuer and CMHC and the Title Custodian in CMHC Form 2835 Mortgage Pool Transfer and Servicing Agreement (Quebec), CMHC Form 2836 Mortgage Pools Transfer Agreement, CMHC Form 2841 Power of Attorney, CMHC Form 2841Q Power of Attorney (Quebec), and CMHC Form 2837 Assignment of Universality of Claims;

"Mortgages" means those insured mortgages and hypothecs and related security which are registered (or to be registered) in the Title Custodian's name, and shall include any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages and hypothecs;

"Program Guide" means the NHA Mortgage-Backed Securities Program Guide, as amended by CMHC from time to time, which constitutes the contract between CMHC and the Issuer in respect of securities issued by the Issuer in respect of the Mortgage Pools under the MBS Program;

2 PROGRAM GUIDE

2.1 This Agreement is governed by and is subject to the Program Guide. In the event of any inconsistency, deviation, discrepancy or ambiguity in or between any of the terms or conditions of this Agreement and the Program Guide, the terms and conditions of the Program Guide shall prevail.

2.2 In the event the Program Guide is amended or changed from time to time, the amended or changed terms and conditions of the Program Guide shall apply, *mutatis mutandis*, to this Agreement, and this Agreement shall be deemed to have been amended to the extent necessary to conform with the terms and conditions of the amended Program Guide.

3 TITLE TO MORTGAGE POOLS

3.1 The Issuer and the Title Custodian acknowledge and agree that the Title Custodian holds and will in the future hold registered, nominal title to the Mortgages in the Mortgage Pools in trust for CMHC and in accordance with the terms and conditions of the Program Guide.

3.2 The Issuer and Title Custodian acknowledge and agree that this Agreement shall apply to Mortgages in the Mortgage Pools upon the backing of which MBS are issued by the Issuer under the MBS Program.

3.3 The Issuer and the Title Custodian acknowledge and agree that, pursuant to and in accordance with the terms and conditions of the Mortgage Pools Transfer Agreements between the Issuer and CMHC and between the Title Custodian and CMHC, they each assign, transfer and set over to CMHC all of their respective rights, title and interest, whether legal or beneficial, now owned or hereafter acquired, in and to all existing Mortgage Pools and future Mortgage Pools approved by CMHC and all debts, accounts, claims, monies and choses in action relating to the Mortgage Pools which are now or may hereafter be due and owing to them under all documents relating or ancillary thereto.

4 TRANSFER

4.1 The Issuer and the Title Custodian acknowledge and agree that upon the issuance of MBS, all right, title and interest in the Mortgage Pools are transferred to CMHC, including without limitation, the following:

- (a) the Mortgages in the Mortgage Pools;
- (b) all additional security obtained in connection with the Mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the Mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in the report on title or title insurance relied upon with respect to each of the Mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the Mortgages in the Mortgage Pools.

However, unless and until the Issuer requires and requests for title to be registered in the name of CMHC, while the Issuer remains in good standing under the MBS Program, or CMHC requires and requests for title to be registered in the name of a party specifically designated by CMHC in writing, the Title Custodian shall hold registered title to the Mortgages in the Mortgage Pools and additional security referred to in paragraph (b) above in trust for CMHC.

MBS Mortgage Security Registration Agreement (NR)
(Non-regulated Issuer)

CMHC 2843 (NR) 12/03/2012

In addition, in the event of any default by the Issuer, or insolvency or proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of that Issuer, the Title Custodian, unless otherwise instructed by CMHC in writing, will be required to have registered, nominal title to the Mortgages and related security transferred to CMHC's name or to the name of a party specifically designated by CMHC.

4.2 The Issuer acknowledges and agrees that it continues to be fully responsible under the MBS Program for all Issuer responsibilities. The Issuer must ensure that CMHC will at all times have an enforceable right to the Mortgages Pools and for the servicing of the Mortgages in the Mortgage Pools. The Issuer further acknowledges and agrees that, unless otherwise instructed in writing by CMHC, the Issuer will be required to have the registered title to the Mortgages registered in the name of the Title Custodian. In addition, the Issuer will be required to have the registered, nominal title to the Mortgages and the benefit of the mortgage loan insurance, the report on title or title insurance and the indemnity against fire and other standard insurable perils with respect to each of the Mortgages transferred to CMHC's name or to the name of a party specifically designated by CMHC, in the event of any default by the Title Custodian in fulfilling its responsibilities, serious financial difficulty on the part of that Title Custodian or impending insolvency or proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of that Title Custodian.

4.3 CMHC shall also have the right to effect all of the matters set out in Section 4.1 and in that regard the Title Custodian and the Issuer (as the context requires) each hereby irrevocably appoints CMHC as its attorney for the purpose of the preparation, execution and delivery, on behalf of and as attorney for the Title Custodian or the Issuer (as the case may be), of all assignments and transfers of all rights, title and interest of that Title Custodian or the Issuer (as the case may be) to the Mortgage Pools, including without limitation, the following:

- (a) the Mortgages in the Mortgage Pools;
- (b) all additional security obtained in connection with the Mortgages in the Mortgage Pools, including without limitation, any assignment of lease, assignment of rents, general security agreement, chattel mortgage, registered or unregistered agreement amending the mortgages or additional security thereunder;
- (c) the mortgagee's interest in mortgage loan insurance with respect to each of the Mortgages in the Mortgage Pools;
- (d) the mortgagee's interest in the report on title or title insurance relied upon with respect to each of the Mortgages in the Mortgage Pools; and
- (e) the mortgagee's interest in indemnity against fire and other standard insurable perils with respect to each of the Mortgages in the Mortgage Pools;

and for completion and effecting of all notices, filings and registrations necessary or appropriate to effect or perfect such assignments.

MBS Mortgage Security Registration Agreement (NR)
(Non-regulated Issuer)

CMHC 2843 (NR) 12/03/2012

4.4 The Issuer and Title Custodian agree that the rights set out in Sections 4.1, 4.2 and 4.3 may be exercised notwithstanding any proceedings or steps taken for or in relation to the winding-up, dissolution, liquidation, bankruptcy or receivership or similar proceeding in respect of the Issuer and/or the Title Custodian.

5 TERMINATION

5.1 The parties hereto agree that upon the payment to MBS investors of all amounts outstanding or owing to them in respect of each loan in a Mortgage Pool (including the entire principal amount of each loan) in accordance with the Program Guide and upon the individual termination of each Mortgage Pool in a manner approved by CMHC and in accordance with the terms of the Program Guide, the terms and provisions of this Agreement shall terminate in respect of such loan or Mortgage Pool and cease to apply to such loan or Mortgage Pool. This Agreement cannot be terminated while the Issuer has outstanding MBS issuances under the MBS Program.

6 SUCCESSORS AND ASSIGNS

6.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

7 FURTHER ASSURANCES

7.1 Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

8 HEADINGS

8.1 Headings are not to be considered part of this Agreement and are solely for the convenience of reference.

9 PROPER LAW OF AGREEMENT AND LANGUAGE

9.1 This Agreement will be governed by the applicable laws of the Province of Ontario and Canada.

9.2 The parties hereto have required that the present Agreement and all deeds, documents or notices relating thereto be drafted in the English language. Les parties aux présentes ont exigées que la présente Convention et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.

MBS Mortgage Security Registration Agreement (NR)
(Non-regulated Issuer)

CMHC 2843 (NR) 12/03/2012

IN WITNESS WHEREOF, the parties have duly executed this Agreement under seal.

By: _____
Name: _____
Title: _____

I/We have authority to bind

By: _____
Name: _____
Title: _____

I/We have authority to bind

CANADA MORTGAGE AND HOUSING CORPORATION

By: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation



Reference Material

WHAT'S INSIDE....

Appendix 1	NHA MBS Certificate	E-1
Appendix 2	Rules on NHA MBS Marketing and Trading	E-7
Appendix 3	Remittance Advice and Sample Cheque	E-15
Appendix 4	Issuer Assignment Agreement	E-17
Appendix 5	Net Worth	E-20
Appendix 6	CPTA Fees and Charges	E-26
Appendix 7	Mortgage Formulas and Accounting Conventions	E-28
Appendix 8	CFO Certification	E-31

Appendix I – NHA MBS Certificate

CMHC Pool No.: _____	CUSIP: _____
Certificate No.: _____	Issuer: _____
Date of Issue: _____	Date of Maturity: _____
Registered Owners (Hereinafter referred to as the “Investor”): _____	Initial Certificate Principal Amount: _____
Date of Final Payment: _____	Initial Aggregate Principal Amount of Pool: _____
Interest Rate (Calculated semi-annually not in advance/monthly, not in advance): _____	Weighted Average Mortgage Amortization: _____

This NHA MBS Certificate (hereinafter referred to as the “Certificate”) represents the transfer to CMHC as trustee on behalf of the Investor by the Issuer of an undivided beneficial ownership interest in residential mortgage loans in a mortgage loan pool identified by the number shown above (hereinafter referred to as the “Pool”).

The Pool is sold by the Issuer to CMHC on a fully serviced basis. Subject to the spread retained by the Issuer, this Certificate hereby entitles the Investor whose name appears on the register maintained by the Central Payor and Transfer Agent, {INSERT NAME}(hereinafter referred to as the “CPTA”), and the Investor’s registered assigns (hereinafter referred to as “the Holder”) to receive principal and interest on the mortgage loans comprising the Pool less a spread as more fully described on this Certificate. The Issuer undertakes toward the Holder to remit monthly to the CPTA the payments of principal and interest accrued and due on the Pool, as set forth in this Certificate and in accordance with the terms and conditions of this Certificate. The interest so remitted shall be at the interest rate specified above. The Issuer undertakes towards the Holder to make the payments to the CPTA due on the Certificate on their due dates even if the corresponding amounts have not been paid and collected in respect of the Pool.

Appendix I – NHA MBS Certificate

NHA Guarantee of Timely Payment

CMHC as agent of Her Majesty in right of Canada undertakes to make payment of principal and interest in respect of any such NHA MBS in default of the Issuer fulfilling such obligation of timely payment to investors or their representative. Such Guarantee is a surety and is referred to hereafter as the CMHC Guarantee.

CMHC as agent of Her Majesty in right of Canada guarantees the timely payment of principal and interest set forth in this Certificate in accordance with terms and conditions applicable to the NHA MBS, pursuant to the powers given to CMHC in sections 4 and 14 of the National Housing Act, R.S.C. 1985, as amended, which expressly provide that “Every right or obligation acquired or incurred by the Corporation under this Act, whether in its name or in the name of Her Majesty, is a right or obligation of Her Majesty”, (Section 4), and the Corporation “may guarantee payment of any or all principal and interest, or both, in respect of securities issued on the basis of housing loans” (Section 14). It is certified that no provisions of any law or contract adversely affects the rights of the holder to the benefit of this guarantee.

Appendix I – NHA MBS Certificate

This Certificate is not valid unless countersigned

Dated:

Countersigned and Registered:
Computershare Trust Company of Canada
Central Payor and Transfer Agent

CANADA MORTGAGE AND HOUSING
CORPORATION

per

Authorized signature

President

The Issuer has segregated a number of residential mortgage loans insured against Borrower default into the Pool. This Certificate, on the date of its issue, represents an investment in the Pool by the Holder of the amount shown on the face of this Certificate, and represents an undivided ownership interest of the Holder in the Pool.

The aggregate of the initial principal amount of all the Certificates composing this NHA MBS issue is equal to the initial aggregate principal amount of the mortgage loans in the Pool at the date of issue. The proportion between the initial principal amount of this Certificate and the initial aggregate principal amount of the mortgage loans in the Pool at the date of issue determines the undivided share of the Holder in the Pool and determines the share due to the Holder of all amounts of principal and interest recovered or due on the mortgage loans in the Pool.

All the mortgage loans and related security in the Pool have now been assigned by the Issuer to CMHC and CMHC has declared itself trustee on behalf of Holders.

Appendix I – NHA MBS Certificate

The Holder, in purchasing an ownership interest in the CMHC guaranteed Pool, agrees to CMHC acting as its trustee with respect to the holding of ownership in the mortgage loans and related security comprising the Pool and in the enforcement of any rights against the Issuer with respect thereto. If and to the extent payment is made under the CMHC Guarantee to the Holder, such trust shall terminate and CMHC will no longer hold such ownership as trustee on behalf of Investors. Instead, such ownership shall be solely CMHC's, as agent of Her Majesty in right of Canada, and all rights against the Issuer will be subrogated to CMHC. The CMHC Guarantee is a suretyship.

In the event of any failure, delay or default under the terms of this Certificate, while the Issuer remains directly responsible and liable for such failure, delay or default towards the Holder, the Holder has the option of recourse to CMHC and Her Majesty in right of Canada, as provided in the CMHC Guarantee of timely payment set out on the face of the Certificate, without having to first or jointly claim against the Issuer.

The CPTA has been retained to keep a register, (the "Register") of the ownership of this Certificate and to issue payment to the Holder thereof on their due dates.

The Issuer will administer or cause to be administered the mortgage loans in the Pool. The Issuer undertakes towards the Holder to remit monthly to the CPTA the payments of principal and interest accrued and due on the mortgage loans in the pool. The Issuer also undertakes towards the Holder to make payments to the CPTA due on the Certificate on their due dates even if the corresponding amounts have not been paid to the Issuer and collected by it in respect of the Pool. However, an amount is retained by the Issuer equal to any excess comprising the difference between the amount of interest accrued on the pooled mortgage loans in the Pool and the amount of interest payable to the Holders in relation to the Pool at the rate specified on the face of the Certificates and, as specified in the mortgage loan documents and the information circular, any applicable penalties for early repayment that are to be paid/passed to the Holders.

The Holder will receive the share relative to this Certificate of any principal amounts received over and above the scheduled amounts from the mortgage loan borrowers. Such amounts may be received from time to time by way of prepayments or other payments, such as liquidations due to borrower default or destruction of the property, consistent with the provisions of the mortgage documents and information circular and shall be remitted to the Holder on its due date, typically on the due date of the month following its receipt of such amounts from the borrower.

Payments on this Certificate will be made in monthly instalments and shall be applied first to interest accrued at the rate shown on the face of the Certificate and then in reduction of the principal balance outstanding at the time. Such payments shall continue until payment in full has been made of the principal amount and of all interest payable in accordance with the terms of the Certificate. The total outstanding may in no circumstances be called for payment by the Holders before the maturity date on the face of the Certificate but on that maturity date the total outstanding will automatically become payable to the Holder.

Appendix I – NHA MBS Certificate

The maturity date as set out in the face of the Certificate may also be superseded by an earlier maturity date if the final payment on the last outstanding mortgage(s) in the Pool occurs earlier than provided for at the issue date. The Holder will be notified promptly in such an event.

Until the maturity date, the CPTA shall remit, to the Holder whose name appears on the Register on the last day of the month immediately preceding the month of the respective payment, all payments required under this Certificate by the fifteenth (15th) day of each calendar month.

Provided however that where the fifteenth (15th) day of a calendar month is not a business day, the CPTA shall remit the payment required under this Certificate on the first business day following the 15th. A business day is a day on which banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or public holiday. The first such payment will be made in respect of the month in which the Date of Issue hereof occurs in the following month and payment will continue to be made until payment in full has been made of all amounts owing under this Certificate. Remittances shall be made by the CPTA to the Holder and final payment shall be made only upon surrender of this Certificate. No interest will accrue beyond the maturity date of this Certificate.

This security is fully transferable and assignable but only on the Register. The Holder or his duly authorized representatives may transfer ownership or obtain the denominational exchange of this Certificate on the Register, upon surrender of this Certificate to the CPTA, if this Certificate is duly endorsed by the Holder using the form of assignment hereon (or any other instrument of transfer or assignment acceptable to CPTA). A service charge in an amount determined by the CPTA shall be imposed for any registration of transfer or assignment or denominational exchange of a Certificate and a payment sufficient to cover any tax or governmental charge in connection therewith may also be required. The Certificate is transferable at the principal office of the CPTA in Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver.

The CPTA indicated on the face of the Certificate has been authorized by the Issuer and CMHC to countersign the Certificate and the CMHC Guarantee set out on the face of the Certificate on their behalf and to maintain a Register of all transfers of the Certificates in this issue and to make all payments made pursuant to their provisions.

Appendix I – NHA MBS Certificate

Form of Assignment

FOR VALUE RECEIVED _____ hereby sell(s), assign(s) and transfer(s) unto

Assignee name, address and Social Insurance Number
all my rights, titles and interests in and to the within Certificate; and hereby constitute and
appoint the said

as my attorney irrevocable in the premises to do and perform all acts, matters and things
relating to the Certificate in the same manner as I, could do.

Dated: _____

By _____

Signature (and title if Holder is a corporation)

Witness _____

Notice: The signature of the individual Holder or the name of the corporate Holder must correspond with the name as written upon the face of the within Certificate in every particular without alteration or enlargement or any change whatever.

Appendix 2 – Rules on NHA MBS Marketing and Trading

I. General

This Appendix supplements the NHA MBS Marketing and Trading Requirements in Chapter 9 of the NHA MBS Guide and sets forth basic securities marketing and trading rules established by CMHC. The observance of these rules is a condition with which each Issuer must comply if it does not wish to be excluded from participation in the NHA MBS Program. The rules are intended to assure that Issuers will carry out their marketing and trading activities under the Program in a manner consistent with prudent business practices and with the capacity of their firms and of their counterparts in the market.

II. Definitions

In this Appendix, the following terms have the indicated meanings:

- (1) “Securities” means any security guaranteed by CMHC pursuant to Section 14 of the *National Housing Act*.
- (2) “Settlement Date” means the date agreed upon by the parties to a transaction for the full and final payment of funds and delivery of securities or the date on which the parties make full and final payment of funds and delivery of securities.
- (3) “Trade Date” means the date on which the parties to a transaction agree to the purchase or sale of securities, regardless of the date on which the securities are to be delivered or the right to deliver them may be exercised.
- (4) “Final Pricing Date” means the date at which all mortgages in committed Pools shall be fully funded and the Issuer will have available a complete and final description of the mortgages supporting these Pools. Such description shall include all details required in the CMHC information circular.
- (5) “Spot Transaction” means a transaction where all the requirements of the Final Pricing Date can be met immediately by the Issuer.
- (6) “Delayed Delivery Transaction” means a transaction for the purchase or sale of one or more NHA MBS Certificates to be delivered at an agreed future settlement date with a trade date prior to the final pricing date. Such transactions can be structured in at least three different forms:

Appendix 2 – Rules on NHA MBS Marketing and Trading

- (a) “Forward Contract” means a contract for the purchase or sale of one or more NHA MBS Certificates to be delivered at an agreed settlement date and at a specified yield agreed to prior to the final pricing date.
- (b) “Spread Contract” means a contract for the purchase or sale of one or more NHA MBS Certificates to be delivered at an agreed settlement date and to be priced at the final pricing date, based upon a specific yield spread relationship with Government of Canada bond, or yields of other investment vehicles, as clearly specified in the contract.
- (c) “Capped Spread Contract” means a spread contract with the added feature that the pricing is subject to a maximum and/or minimum all-in yield to the Issuer and/or underwriter.

III. Suitability of Issuer Marketing and Trading Transaction

An Issuer shall enter into agreements to purchase or sell securities only to the extent the transactions are suitable for the Issuer in view of its financial capacity and existing contractual obligations, including contracts with CMHC. An Issuer shall not enter into any agreement to purchase or sell securities if the result of the transaction could materially jeopardize the Issuer’s ability to continue to satisfy CMHC’s basic net worth requirements or the Issuer’s ability to continue to administer its outstanding securities.

IV. Prudent Business Practices

Issuers are required to exercise sound and prudent business practices in the marketing and trading of securities. The following rules apply to Issuers’ direct relationships with all Investment Dealers, individuals, corporations, trust and other entities to which the Issuer delivers, or makes commitments to deliver or purchase securities.

Issuers must make provisions for the management elements listed below* to assure prudent business practices in the issuance of, and in the making of commitments relating to, securities.

* Section (1) (a), (b), (c) and (d) of this part do not apply if the Issuer is dealing with members of a recognized self-regulatory organization (S.R.O.) in the Canadian securities industry or a Canadian institution regulated under Federal or Provincial statutes.

Appendix 2 – Rules on NHA MBS Marketing and Trading

- (1) Procedures must be established by Issuers to provide the basis for determining the financial integrity of the securities Dealers and Investors with whom they conduct business, and to assure that relationships with Dealers and Investors are carried out in a business-like manner. These procedures must be in written form and be provided to all members of the Issuer firm empowered to make commitments to deliver or acquire securities.

The procedures must include standards for, and steps to be taken in, determining the financial capacity of Dealers or Investors to complete a transaction and in determining the business reputation of the Dealers or Investors. While CMHC does not prescribe specific procedures, it is recommended that Issuers do the following as a minimum:

- (a) Obtain and review audited financial statements with a view toward assuring the adequacy of the Dealer's or Investor's capital.
 - (b) Obtain financial and business references on the Dealer's or Investor's firm.
 - (c) Obtain a general resolution of the Board of Directors (or other governing body) of the Dealer's or Investor's firm designating the specific individuals associated with the Dealer or Investor who are authorized to carry out transactions in securities.
 - (d) Know and understand the standard business practices and trading ethics encouraged by the securities industry. Determine whether the firms under review follow these practices.
- (2) Procedures must be taken to assure delivery against delayed delivery transactions. When mortgages are not funded at time of the commitment, the Issuer will be responsible for fulfilling his commitment if the mortgages do not fund.
 - (3) Internal management controls must be established to assure coordination of forward delivery contract activities, but also control on the Issuer's market positions, and on the competence and integrity of staff. The controls that the Issuer must have or put in place include the following:
 - (a) The Board of Directors of the Issuer must execute a resolution designating a key person or persons responsible for the overall supervision and coordination of Issuer activities relating to the marketing and trading of securities, including the maintenance of records on such activities.

Appendix 2 – Rules on NHA MBS Marketing and Trading

- (b) In addition, the Issuer must have a procedure for designating the specific individuals authorized to make commitments involving purchases or sales of securities in the name of the Issuer. The key person(s) must maintain a list of such authorized individuals. Only such designated person(s) shall be permitted to enter into agreements on behalf of the Issuer to make commitments to deliver or to acquire securities.
- (c) Records must be established and maintained on a current basis for all commitments entered into to deliver or to acquire securities. Such records shall include at a minimum for each transaction:
- 1) Trade date
 - 2) Description of securities
 - 3) Nature of transaction: spot or forward
 - 4) Settlement date
 - 5) Original principal amount of securities
 - 6) Interest rate on the securities
 - 7) Maturity date of securities
 - 8) “Price” of the securities (per \$100 of original principal)
 - 9) Remaining principal balance (RPB) factor
 - 10) Accrued interest
 - 11) Total settlement amount
 - 12) Name of the firm and individual with whom the transaction was executed
 - 13) Current market price
 - 14) Prepayment provisions
- (d) In addition, the records must include with respect to an Issuer’s aggregate open transactions in securities:
- The Issuer’s “net position”. The specific definition of “net position” is left to the Issuer; however, it should include securities closed and held for sale, plus those expected to be acquired, less commitments the Issuer has available for disposing of loans and securities. The Issuer’s “net position” must be calculated and recorded at least once each week.
- (e) Establish and record all of the terms and conditions of each delayed delivery contract entered into. Check all confirmations to assure they are complete.

Appendix 2 – Rules on NHA MBS Marketing and Trading

- (f) All of the above records must be maintained for a period in accordance with established procedures for comparable records, but for no less than one year from the date the sale or purchase is actually completed, or the transaction is otherwise terminated.

V. Trading, Contracting and Settlement Rules

The following are rules established by the Investment Industry Regulatory Organization of Canada (IIROC). All Issuers are subject to these rules when trading in the secondary markets. The following rules shall apply to Trading, Contracting and Settlement (unless otherwise agreed to):

(1) Trading

- (a) Regular transaction shall be entered into for delivery on the third clearing day after the transaction takes place, unless transacted during a “commitment period” (see item (b) below).
- (b) A “commitment period” shall extend from the third clearing day before month-end to the first clearing day on or before the fifth business day of the following month (inclusive).
- (c) All transactions during a “commitment period” shall be entered into for delivery on or after the fifth business day of the month.

(2) Contracting

- (a) All securities transactions shall be expressed based on the original principal amount of the securities (i.e., original face amount) at the time the mortgage Pool was originally issued.
- (b) All confirmations (except as noted in paragraph (2) (c) below) shall show the following details:
 - (1) Trade date (i.e., date transaction is entered into)
 - (2) Original principal amount of the trade
 - (3) Description of the security (including interest rate and maturity date)
 - (4) Remaining Principal Balance (RPB) Factor
 - (5) Purchase or sale price per \$100 of original amount
 - (6) Accrued interest
 - (7) Total settlement amount
 - (8) Settlement date

Note: Until the necessary computer system changes can be implemented, the purchase or sale price per \$100 (item (5) above) may be shown as the net result of (4) x (5). Items (4) and (5) should then be disclosed separately on the confirmation.

Appendix 2 – Rules on NHA MBS Marketing and Trading

- (c) Confirmation shall be issued on the following basis for transactions entered into from the third clearing day before month-end to the fifth business day of the following month (inclusive):
- (1) A preliminary “confirmation” shall be issued showing all details as described in items (b) above, EXCEPT that the following details will NOT be shown:
 - (4) Remaining Principal Balance Factor (RPB)
 - (6) Accrued Interest
 - (7) Total settlement amount

This preliminary “confirmation” shall indicate that these items cannot yet be determined and that a final confirmation will be issued as soon as these details are available.

- (2) After the Remaining Principal Balance (RPB) Factor for the transaction is available from the Central Payor and Transfer Agent (CPTA), a final confirmation shall be issued which will show ALL details as described in item (b) above.

Appendix 2 – Rules on NHA MBS Marketing and Trading

(3) Settlement

All deliveries of securities shall be completed on the book system unless mutually agreed to by both the deliverer and the receiver.

VI. Reports to CMHC

Issuers must be prepared to report to CMHC, upon demand by CMHC, on their compliance with the requirements of this Appendix. The call for such reports may be made by any authorized representative of the President of CMHC and may be delivered by mail or to the Issuer's offices. Reports requested by CMHC may include, but are not limited to, the following:

- (1) Procedures established to determine the financial capacity of Dealers and Investors, including an explanation of standards for, and steps taken in, determining the financial capacity of Dealers or Investors to complete transactions.
- (2) The names of key persons and other individuals authorized to make commitments involving securities.
- (3) Copies of the resolutions designating the key persons.
- (4) Records of all securities transactions and of "net position", including all the information identified in Section IV. (3) (c) and (d) above.
- (5) Copies of delayed delivery contracts and records.

Information on securities transactions may contain data that the Issuer does not wish to be disclosed to the public. Accordingly, an Issuer may identify data that it regards as confidential, commercial or financial information, through the use of the legend set forth below. In responding to an *Access to Information Act* request for information covered by a legend, CMHC will honour the Issuer's desire for confidentiality to the extent permitted by law.

Appendix 2 – Rules on NHA MBS Marketing and Trading

“The information contained in page(s)_____ of this report is considered by the Issuer as financial, commercial or technical information supplied to a government institution by the Issuer and is treated consistently in a confidential manner by the Issuer. The disclosure of any such information in its opinion could reasonably be expected to result in material financial loss to the Issuer or to prejudice its competitive position or interfere with contractual or other negotiations in which it is or may become involved. Therefore, the Issuer does not consent to the disclosure of this report to the public. The Issuer understands that:

- (a) CMHC will make every effort to honour this legend in responding to any *Access to Information Act* request for materials covered by the legend;
- (b) Notwithstanding the above, CMHC must independently determine whether disclosure of any such material is necessary in light of the requirements of the *Access to Information Act*; and
- (c) CMHC will disclose any and all requested material covered by an Issuer’s legend if it determines that such disclosure is required by the *Access to Information Act*.”

VII. Report to Central Payor and Transfer Agent

Issuers shall deliver all required information on Pools (whether sold publicly or not) to the CPTA, Telerate and IIROC.

VIII. Failure to Comply

Failure by an Issuer to comply with the requirements of this Appendix is sufficient basis for CMHC, at its option, to withhold from the Issuer further approvals to issue NHA MBS.

Appendix 3 – Remittance Advice and Sample Cheque

The Central Payor and Transfer Agent will provide each security owner with a remittance advice. This advice will be transmitted with the monthly cheque (where applicable) and will contain the following information:

- applicable date of payment
- reference number for the applicable mortgage Pool
- CUSIP number for the applicable mortgage Pool
- cash distribution due owner for principal amortization
- cash distribution due owner for interest
- total cash distribution due security owner
- outstanding balance on the security holding following reconciliation of the above amounts
- any explanation required in regard to the above items

An example of the NHA MBS cheque and remittance advice is illustrated on the following page.

Appendix 3 – Remittance Advice and Sample Cheque

THIS CHEQUE CONTAINS SECURITY FEATURES



Canada
CMHC SCHL

NHA MORTGAGE-BACKED SECURITIES
TITRES HYPOTHÉCAIRES LNH

The Bank of Nova Scotia
44 King Street West
Toronto, Ontario M5H 1H1

DATE

Pay/ Payez \$

To the order of À l'ordre de **Computershare Trust Company of Canada
Central Payor and Transfer Agent**

Authorized Signature
Signature autorisée



Canada
CMHC SCHL

NHA MORTGAGE-BACKED SECURITIES
Timely payment guaranteed under the National Housing Act

TITRES HYPOTHÉCAIRES LNH
Paiements ponctuels garantis aux termes de la Loi nationale sur l'habitation

POOL BLOCS	CUSIP	PRINCIPAL PAYMENT VERSEMENT DE CAPITAL	INTEREST PAYMENT VERSEMENT DES INTÉRÊTS	NET PAYMENT PAIEMENT NET	OUTSTANDING BALANCE SOLDE
COMPUTERSHARE TRUST COMPANY OF CANADA Central Payor and Transfer Agent				TOTAL PAYMENT PAIEMENT TOTAL	

BACS (BACS)

Appendix 4 – Issuer Assignment Agreement

_____ (hereinafter called Assignor)
(Name of Seller)

_____ (hereinafter called Assignee)
(Name of Buyer)

As of the _____ day of _____, _____, undertake and mutually agree as follows:

WARRANTIES

Section 1.01. Assignor and Assignee each represents, warrants and agrees that as of the date of this Agreement:

- (a) It is duly organized validly existing, and in good standing under the laws of its jurisdiction of organization, and has the requisite power and authority to enter into this Agreement and the agreements to which it is a party contemplated by this Agreement.
- (b) This Agreement has been duly authorized, executed and delivered by it to the other party and constitutes a valid and legally binding agreement of it enforceable in accordance with its terms, upon being signed by CMHC.
- (c) There is no action, proceeding, or investigation pending or threatened, nor any basis therefore known to it, which questions the validity or prospective validity of this Agreement insofar as the Agreement relates to it, or any essential element upon which this Agreement depends, or any action to be taken by it pursuant to this Agreement.
- (d) Insofar as its capacity to carry out any obligation under this Agreement is concerned, it is not in violation of any provision of any charter, certificate or incorporation, by-law, mortgage, indenture, indebtedness, agreement, instrument, judgment, decree, order, status, rule, or regulation, and there is no such provision which adversely affects its capacity to carry out any such obligation. Its execution of, and performance pursuant to, this Agreement will not result in such violation.

Appendix 4 – Issuer Assignment Agreement

Section 1.02. Assignor represents and warrants to Assignee that as of the date of execution of this Agreement, Assignor is an Issuer of National Housing Act (NHA) Mortgage-Backed Securities (“NHA MBS”) guaranteed by Canada Mortgage and Housing Corporation (hereinafter referred to as “CMHC”) under the terms and provisions of the NHA MBS Guide (“the Guide”), with respect to mortgage Pool(s) identified on CMHC’s and Assignor’s records as the Pool(s) numbered as set forth on the attached Exhibit A. As used herein, the term “Pool(s)” shall be deemed to include Pool(s).

Section 1.03. Assignee represents and warrants to Assignor that as, of the date of execution of this Agreement, Assignee is an eligible Issuer of NHA MBS.

Section 2.01. Assignor, under contractual agreement(s) with CMHC, has assigned to CMHC all right, title and interest to the loans and related security which are identified and described in the Schedule(s) of Mortgages respecting the Pool(s) numbered as shown on the attached Exhibit A (the “Mortgages”), and CMHC has given to the Assignor the right to hold nominal title to the Mortgages for the sole purpose of facilitating their servicing. Assignor transfers and assigns to Assignee all of Assignor’s right, title and interest in and to the Mortgages and Assignee agrees to such transfer and assignment. Further, by executing this Agreement, Assignee acknowledges and affirms that under Assignor’s previous assignments to CMHC, all right, title and interest in and to the Mortgages is vested in CMHC, and thus the Assignee acquires only the right to hold nominal title to the Mortgages for the sole purpose of facilitating their servicing and undertaking duties and obligations of Issuer of such Mortgages.

Appendix 4 – Issuer Assignment Agreement

Section 2.02. Assignor assigns to Assignee all of its rights, obligations, title and interest in, to and under the Guaranty Agreement(s) and/or Contractual Agreement(s) evidenced by the appropriate CMHC forms respecting the Pool(s). Assignee accepts such assignment and signifies its assumption on this date of all duties and obligations (from the effective date of such Guaranty Agreement(s) and/or Contractual Agreement(s)) of the Assignor as “Issuer” under such Agreement(s).

IN WITNESS WHEREOF, Assignor and Assignee, on the day and year first hereinabove written, have caused their seals to be affixed on this instrument to be signed on their behalf by their duly authorized officers.

WITNESS

Print in Seal

BY: _____

(Assignor)

WITNESS

BY: _____

(Assignee)

(Insert here notarized acknowledgements of Assignor and Assignee appropriate to the form(s) of organization of the parties and the jurisdiction(s) where the Agreement is executed.)

In accordance with the Guaranty Agreement(s) and/or Contractual Agreement(s) between Assignor and CMHC and the provisions of the Guide, CMHC approves and consents to the above-described assignment to Assignee of Assignor’s rights, title, and interest in, to and under the described mortgages, Guaranty Agreement(s) and/or Contractual Agreement(s), and the above-described assumption by Assignee of Assignor’s duties and obligations under the Guaranty Agreement(s) and/or Contractual Agreement(s). From this date forward Assignee shall be the “Issuer” under the Pool(s) identified on Exhibit A.

Approved this day of , .

CANADA MORTGAGE AND HOUSING CORPORATION

BY: _____

Appendix 5 – Net Worth

1. Definition

For the purposes of this section, net worth is defined as follows: Unadjusted net worth less ineligible assets included on the balance sheet of the institution.

2. Unadjusted Net Worth

Unadjusted Net Worth is the sum of share capital, retained earnings and contributed surplus. Where applicable and in the case of credit unions/caisses populaires, unadjusted net worth is the sum of share capital, undivided earnings and reserves, if any. Share capital shall include preferred shares, provided that such shares, are perpetual, non-cumulative and non-redeemable by either holder or issuer.

3. Ineligible Assets

Based on the standards applied in preparing the financial statements, the following assets are ineligible:

(a) Pledged Assets:

- (i) assets reflected in the institution's balance sheet which are pledged by a third party (by way of a General Security Agreement (GSA) or otherwise) as security; and
- (ii) owned assets reflected in the Issuer's balance sheet that are pledged to a third party (by way of a GSA or otherwise) to secure specific obligations to a third party (including for contingent liabilities - such as guarantees of related parties), but only to the extent the liabilities (including contingent liabilities) they secure are not also fully reflected in the institution's balance sheet;

CMHC is to be notified on a timely basis of the maximum amounts authorized to be secured by a GSA or other form of pledge of assets, if they are not disclosed in the financial statements provided to CMHC, and CMHC must also be notified of any changes to the authorized amounts when they occur.

- (b) Assets Due from Related Parties: any assets consisting of obligations due from owners or officers of the institution or from related entities in which the owners or officers have an interest;
- (c) Marketable Securities: any amount by which the book value of marketable securities exceeds the lower of cost or market value of such securities;
- (d) Mortgages: any amount by which the book value of mortgages in foreclosure exceeds the net realizable value of such mortgages and any amount by which the book value of the property acquired through foreclosure exceeds the net realizable value of such property;
- (e) Investment in Entities Other than Marketable Securities: any amount by which the book value of an investment in entities, including joint ventures and Affiliates, other than marketable securities, exceeds the value of such investment as determined under the equity method of accounting;

- (f) Intangibles: goodwill and other intangibles including organization costs;
- (g) Loans other than Mortgages: any loans other than mortgage loans, the amount by which the book value of such loans exceeds their estimated realizable value;
- (h) Receivables under Lease Contract: any receivables under a lease contract which have a recorded value in excess of their estimated realizable value; and
- (i) Subsequent Events: any amount by which net assets would be reduced if a subsequent event was reflected in the balance sheet.

4. Required Net Worth

Required net worth is the sum of:

- (a) \$3 million, plus
- (b) 2% of the aggregate principal amount of NHA MBS outstanding at the reporting date, plus
- (c) 2% of the aggregate principal amount of NHA MBS that have been approved but not issued, plus
- (d) 2% of the aggregate principal amount of NHA MBS that are the subject of the application with which the computation of net worth is submitted.

5. Filing Requirements

A computation of net worth shall be submitted on each of the following occasions:

- (a) with the Application for Participation as an NHA MBS Issuer [CMHC 2802](#); and
- (b) each year thereafter as long as NHA MBS issued by the institution are outstanding.

6. Reporting Date

The reporting date, at which the net worth must be computed, is as follows:

- (a) when submitted with the [CMHC 2802](#) – as at the previous year-end; and
- (b) annually, as at the previous year-end.

7. Form

The computation of net worth shall be in a format similar to that set out in Schedule I.

8. Certification

Each computation of net worth must be accompanied by a certification by the chief financial officer of the Issuer and confirmation that it was examined/verified by its auditors in a format as set out in Schedule II.

9. Audit

CMHC may also request that the computation of net worth be audited by auditors selected by CMHC. The form of communication is set out in Schedule III.

Appendix 5 – Net Worth

COMPUTATION OF ADJUSTED NET WORTH SCHEDULE I

Institution's Name _____

As at _____

1. Unadjusted net worth			
Share Capital	XX		
Retained Earnings	<u>XX</u>		
...	XX		
			XX
2. Ineligible Assets			
...	XX		
3. Adjusted Net Worth			<u>XX</u>
4. Required Net Worth			
Minimum			\$3,000,000
Outstanding principal balance of issued securities		XX	
Aggregate principal of securities approved but not issued		XX	
Aggregate principal of securities for which approval is now sought		XX	
TOTAL		XXX	
2% of Total			XX
Required Net Worth			XXX

Appendix 5 – Net Worth

SCHEDULE I

Explanatory Notes

“Institution’s Name” is the full legal name of the institution.

“As at” is the reporting date as described in Part E, paragraph 6 of Appendix 5 – Net Worth.

Unadjusted net worth should agree with the corresponding numbers on the audited financial statements.

Ineligible assets should be listed by the categories included in Part E, paragraph 3 of Appendix 5 – Net Worth.

Appendix 5 – Net Worth

SCHEDULE II

Issuer's Report

The computation of net worth of ____ [insert institution's name]____ as at _____, _____, has been made in accordance with the provisions of Part E, Appendix 5 -Net Worth of the NHA MBS Guide and it presents accurately the adjusted net worth and required net worth of ____ [insert institution's name]____, as examined and verified by the auditors of ____ [insert institution's name]____.

Signed _____

Chief Financial Officer

Examination and verification is hereby confirmed:

Signed _____

Per [Audit Firm Name]

Appendix 5 – Net Worth

SCHEDULE III

If an audit of the computation of net worth is required, the auditor's communication should be in accordance with CAS 805, Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. Where there are future changes to CAS 805 or where it no longer applies, CMHC is to be consulted on the form of the auditor's report.

Appendix 6 – CPTA Fees and Charges

As provided for in this Guide, the Central Payor and Transfer Agent – Computershare Trust Company of Canada – is entitled to collect the following maximum fees in payment for services rendered to, or on behalf of, CMHC, Issuers or Investors:

	Transfer Services	Fee	Fee Basis
1.	Create New Pools – Creation of records for a new Pool, including establishment of automated transfer for Issuer’s Central P&I Account and test debit of Issuer’s Central P&I Account (initially or for any subsequent change)	\$75.00	Per Pool
2.	Issue Initial Certificates – Initial preparation and distribution of certificates at issuance	\$3.00	Per certificate issued
3.	Issue Certificates on Transfer – Transfer of certificate ownership (including cancellation of previous certificate, preparation of new certificate and registration; charged to presenter of certificate)	\$5.00	Per certificate issued
4.	Replace Certificates – Issuance of new certificates to replace lost/damaged certificates (charged to presenter of request)	\$50.00	Per certificate issued
5.	Redeem Certificates – Collection and cancellation of security certificates at maturity redemption and maintenance of records, trust accounts, etc. necessary to accommodate maturity and unclaimed certificates (CPTA to benefit from income on uncollected pool funds held in trust)	\$3.00	Per certificate cancelled

	Transfer Services	Fee	Fee Basis
6.	Maintain Pool and Investor Records – Maintenance of Pool accounting information (balances, related securities and monthly transactions), maintenance of ownership records, including providing early maturity notices and processing estate transfers, ensuring timely receipt and accuracy of monthly accounting data, monitoring function relevant to partial prepayments and early liquidations, monthly transfer from Issuer’s Central P&I Account, provision of regular reports to CMHC and calculation, consolidation and dissemination on a monthly basis of information necessary for the secondary trading of securities	\$8.00	Per Pool/ per month
7.	Deliver Investor Payments – Calculation of amounts due investors (and governments, if applicable) including consolidation of payments for investors with numerous holdings; preparation of remittances (cheque or electronic transfer at the investor’s option), including preparing replacements for lost cheques or redirecting electronic transfers; preparation of remittance advice’s for investors; distribution of remittances and remittance advice’s on the 15th of the month or as per guide if the 14th or 15th are not business days; and remittance to governments of withholding taxes (if applicable) (CPTA to benefit from income on funds awaiting distribution and uncollected funds)	\$2.50	Per investor/ per Pool/ per month
8.	Pay in US\$ – Provision of US currency accounts for only those holders requesting this service	\$0.25	Per investor/ per Pool/per month
9.	Deliver Tax Reports – Reports to investors are required under the <i>Income Tax Act</i> , including preparing replacements for lost reports	\$3.00	Per investor/ per Pool/ per annum

Appendix 7 – Mortgage Formulas and Accounting Conventions

A. FORMULAS

I. Regular Monthly Payment Calculation

For NHA MBS accounting purposes, the following Regular Monthly Payment formula will be used to calculate the monthly payment of a pooled Loan:

$$\text{Regular Monthly Payment} = (\text{outstanding loan balance}) * SN / (1 - 1 / (1 + SN)^n)$$

Where “SN” is the Standard Monthly Nominal Rate of the Loan and “n” is the remaining amortization (in months). Formulas for converting non-monthly amortization periods to monthly amortization periods are available below in [Part B – Accounting Conventions](#).

The Standard Monthly Nominal Rate (SN) can be calculated using the following formula:

$$\text{Standard Monthly Nominal Rate} = SN = [1 + (r / CP * 100)]^{(CP / 12)} - 1$$

Where “r” is the annual nominal interest rate of the Loan and “CP” (compounding period) is 2 for Loans with semi-annual compounding and 12 for Loans with monthly compounding.

II. Calculation of Amortization

The following formula can be used to calculate a Loan’s remaining amortization:

$$\text{Loan Amortization (in months)} = n = \text{AMORT}_x * 12 / x$$

AMORT _x	=	$\log[\text{PMT} / (\text{PMT} - \text{OB} * \text{RFACT})] / \log(1 + \text{RFACT})$
OB	=	Outstanding Loan Balance
PMT	=	Mortgage Payment per period
RFACT	=	$[1 + (r / CP * 100)]^{(CP / x)} - 1$
x	=	Number of payment periods in a year

Appendix 7 – Mortgage Formulas and Accounting Conventions

B. NHA MBS ACCOUNTING CONVENTIONS

While the above formulas are generally accepted, specific inputs such as the number of days in a year, the number of payment periods in a year and the number of decimal places are open to interpretation. Therefore, in collaboration with the MBS industry, we have established the following conventions:

Number of Payment Periods per year (x)	
Monthly Payment	12
Bi-monthly	24
Weekly	365.25/7
Bi-weekly	365.25/14
Four-weekly	365.25/28
Number of days in a year	365.25

Converting non-monthly amortizations to monthly amortizations

Non-monthly amortization * 12/x = Monthly amortization period

Where “x” is the number of payment periods in a year

Example 1: Assume a loan has a remaining amortization of 1200 weeks. What is the remaining amortization expressed in months? Using the conversion formula above, the loan’s remaining amortization in months is:

$$1200 * 12/(365.25/7) = 275.975$$

Example 2: Assume a loan has a remaining amortization of 550 bi-weekly periods. What is the remaining amortization expressed in months? Using the conversion formula above, the loan’s remaining amortization in months is:

$$550 * 12/(365.25/14) = 252.977$$

Appendix 7 – Mortgage Formulas and Accounting Conventions

C. OTHER FORMULAS AND CONVENTIONS

- Monthly (coupon) rate factors are rounded to ten decimal places. For monthly accounting purposes, use one of the following formulas:

Fixed Rate Pools

$$\text{Monthly Factor} = [1 + (i/2 * 100)]^{1/6} - 1$$

Floating Rate Pools

$$\text{Monthly Factor} = i / 100 * \# \text{ of days in report month} / 365$$

Where “i” is the annual coupon rate.

- Use the following formula to convert an annual rate based on non-monthly compounding to its monthly compounding equivalent:

$$R = 12\{[1 + (r / CP * 100)]^{(CP / 12)} - 1\}$$

Where “R” is the annual rate based on monthly compounding and “r” is the annual rate based on the number of compounding periods “CP”.

- Weighted Average Maturity, Weighted Average Mortgage Rate and Weighted Average Remaining Amortization Period are rounded to three decimal places. Rounding of the last decimal place occurs upward if the fourth digit is greater than five (5).
- Dollar amounts are rounded to two decimal places.
- Remaining Loan terms are always reported as a whole number. If a partial month occurs the number is rounded up to the next full month (e.g., 58.2 months would be reported as 59 months). In rare instances where rounding places the term in excess of the actual term, report the actual term of the Loan (e.g., 60.2 months would be reported as 60 months).
- If there is an event that changes the payment characteristics of the Loan (e.g. payment increase), the applicable principal is passed through to the investor in the report month that the change occurred.
- For NHA MBS accounting purposes, the following formula must always hold:

$$\text{Opening Loan Balance} - \text{Principal Paid} = \text{Closing Loan Balance}$$

Appendix 8 – CFO Certification

The CFO Certification must be signed by the Issuer’s chief financial officer and submitted to CMHC on an annual basis. Enter the full legal name of the Issuer and the date of the most recent fiscal year-end.

CFO Certification

I hereby certify, as chief financial officer of [insert name of Issuer] (the “Issuer”), for the fiscal year ending [insert date of most recent fiscal year end], that the Issuer has complied with all conditions, obligations, restrictions and requirements contained in the NHA MBS Guide, as amended according to the Amendment section in Chapter 12 therein and in any related certificate, agreement, form or other document.

Signed _____
Chief Financial Officer



PART F

Definitions

WHAT'S INSIDE....

Glossary	F-1
Common MBS Acronyms	F-7

Glossary

Adjustable Rate Loan

A Loan which has a floating interest rate. The Loan payment is reset if the interest rate is reset to maintain the amortization period of the Loan.

Approved Lender

A business entity approved by CMHC for the purpose of underwriting and/or administering Loans insured under the *National Housing Act*.

Approved Private Mortgage Insurer

A corporation designated as an approved mortgage insurer under the *Protection of Residential Mortgage or Hypothecary Insurance Act* and approved by CMHC under the NHA MBS Program.

Business Day

Any calendar day during which banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or public holiday.

Canada Mortgage Bond (CMB) Program

Canada Mortgage and Housing Corporation (CMHC) guarantees timely payment on bonds issued by Canada Housing Trust. Under the CMB Program, Investors receive an interest payment at designated intervals and the principal at maturity of the bond.

Central Payor and Transfer Agent (CPTA)

The institution used by CMHC and the Issuer as Paying Agent to:

- 1) debit the Central P & I Custodial/Trust Accounts of individual Issuers, and/or receive the monthly funds transfer from the Issuers;
- 2) make payments to Investors in connection with NHA MBS; and
- 3) provide factors to the marketplace by the fifth business day of each month to facilitate the secondary trading of NHA MBS.

Glossary

As Transfer Agent:

- 4) to maintain a central registry of owners of the NHA MBS issued under the NHA MBS Program;
- 5) to prepare, countersign and issue NHA MBS Certificates; and
- 6) to cancel and replace NHA MBS Certificates tendered in good form by or on behalf of the Investors.

Central P & I Custodial/Trust Account

The account (in favour of CMHC) into which the Issuer must deposit principal and interest payments due to Investors.

CUSIP

A unique number which identifies and describes a particular security. CUSIP stands for “The Committee on Uniform Security Identification Procedure”.

Custodian

The financial institution that holds the documents relating to the pooled mortgages on CMHC’s behalf for the life of a Pool.

Date of Final Payment

The date on which final payment of principal and interest is due to the Investors following the maturity of the NHA MBS.

Delayed Certificate Inventory (DCI)

A system under which ownership records are maintained in book entry form by the Central Payor and Transfer Agent (CPTA) and where, rather than a Certificate, an ownership receipt is issued.

Delivery Date

The date the Central Payor and Transfer Agent (CPTA) releases the NHA MBS Certificates or DCI receipts to the Issuer.

Glossary

Factor

See Remaining Principal Balance Factor.

Fixed Rate Loan

A Loan with an interest rate that does not change during the term of the Loan.

Funding Date

Date each month that the Issuer is required to send the funds to the Central Payor and Transfer Agent for distribution to investors and CMHC.

Guide

The contractual terms and documentation for the NHA MBS Program.

Insurance Account Number

The number given to a Loan by an Approved Private Mortgage Insurer or by CMHC for Loan insurance purposes.

Investors

The registered owners (be they a person or other legal entity) of NHA MBS.

Issue Date

The date from which NHA MBS accrues interest which is always the first calendar day of the month of issue.

Issuer

A business organization which, having met the criteria established by CMHC, is approved to issue and administer NHA MBS.

Loan

A loan secured by a mortgage against a residential property and other related security which is insured against borrower default by CMHC or by an Approved Private Mortgage Insurer.

Glossary

Loan Documentation Trigger Events

Events that identify when an Issuer would be required to provide mortgage documentation and, in some circumstances, registerable mortgage assignments, for pooled Loans.

Liquidation

A liquidation is any transaction which reduces the unpaid principal balance of a Loan in a Pool to zero.

Non-Regulated Issuer

An Issuer of NHA MBS that is not a Regulated Institution.

NHA MBS

Securities that carry the CMHC Guarantee of timely payment and which represent an undivided ownership interest in a Pool.

Payment Date or Payment Day

The day that monthly payments of principal and interest (including any applicable interest penalty or indemnity) are due to the Investors from the CPTA.

P & I Custodial/Trust Account

The account into which the Issuer deposits principal and interest collected on account of Loans in a Pool.

Pool

A specific group of Loans brought together by an Issuer.

Pool Number

The number which is assigned by CMHC upon approval of a NHA MBS Guarantee application for NHA MBS and which is used to identify specific NHA MBS.

Qualified Mortgage Lender

A lender designated by an approved mortgage insurer under the *Protection of Residential Mortgage or Hypothecary Insurance Act*.

Glossary

Registered Holder (of Title)

The entity that holds registered title to pooled mortgages and related security.

Regulated Institution

An entity that is a Canadian federally or provincially regulated:

- bank
- trust company
- insurance company
- loan company
- credit union or caisse, credit union central, league or caisse centrale, or other cooperative credit society
- investment dealer, or
- government agency or crown corporation

Remaining Principal Balance Factor

The number, calculated monthly by the CPTA, which represents the proportion of the original principal amount of the issuance of NHA MBS that remains outstanding.

Seller

An institution approved under the CMB Program to sell eligible NHA MBS and/or other permitted investments to CHT.

Servicer

An Approved Lender or Qualified Mortgage Lender engaged by the Issuer to service Loans in a Pool.

Settlement Date

The date on which the Issuer must deliver the NHA MBS to the Investor and the Investor makes the funds available to settle the purchase transaction.

Glossary

Substitution

When a Loan in a Pool is replaced with another eligible Loan.

Tax Custodial/Trust Account

An account that an Issuer maintains at a deposit-taking institution into which the Issuer deposits the funds collected to pay property taxes for properties securing pooled Loans.

Title Custodian

A federally regulated trust company designated by a Non-regulated Issuer to be the Registered Holder of Title.

Variable Rate Loan

A Loan that has a floating interest rate for which the scheduled payment does not change as the Loan interest rate changes.

Common MBS Acronyms

ARM	Adjustable Rate Mortgage
CAS	Canadian Auditing Standards
CDIC	Canada Deposit Insurance Corporation
CDOR	Canadian Dealer Offered Rate
CGAAP	Canadian Generally Accepted Accounting Principles
CHT	Canada Housing Trust No. 1
CICA	Canadian Institute of Chartered Accounts
CMB	Canada Mortgage Bonds
CMHC	Canada Mortgage and Housing Corporation
CPTA	Central Payor and Transfer Agent
CUSIP	Committee on Uniform Security Identification Procedures
DCI	Delayed Certificate Inventory
EPM	Equal Payment Mortgage
GPM	Graduated Payment Mortgage
IAD	Interest Adjustment Date
IFRS	International Financial Reporting Standards
ILM	Index-Linked Mortgage
IIROC	Investment Industry Regulatory Organization of Canada
NHA MBS	National Housing Act Mortgage-Backed Securities
OSFI	Office of the Superintendent of Financial Institutions
P&I	Principal and Interest
PIP	Penalty Interest Payment
PRMHIA	Protection of Residential Mortgage or Hypothecary Insurance Act
RAM	Weighted Average Remaining Amortization
UPP	Unscheduled Principal Prepayment
VRM	Variable Rate Mortgage
WAC	Weighted Average Mortgage Rate
WAIAD	Weighted Average Interest Adjustment Date
WAM	Weighted Average Maturity
WAMD	Weighted Average Maturity Date

