

CANADA MORTGAGE AND HOUSING CORPORATION

Securitization Business Supplement

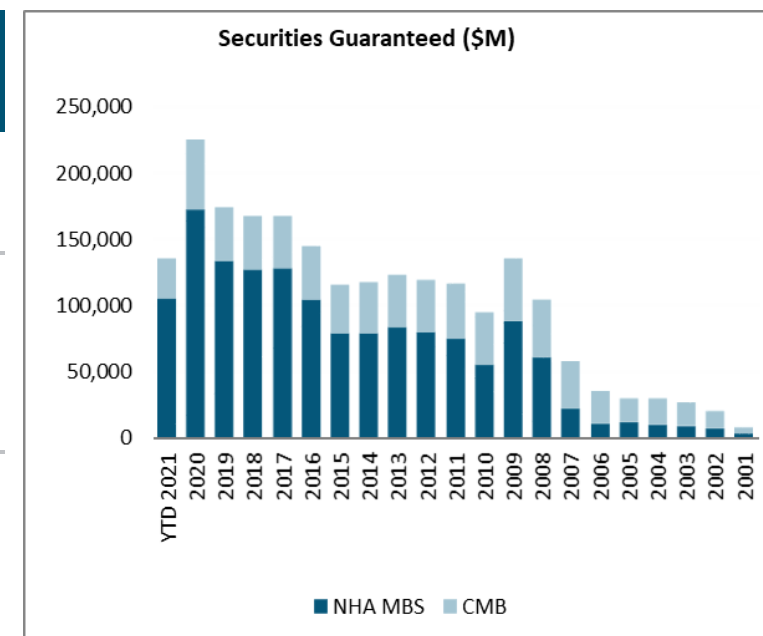
THIRD QUARTER
September 30, 2021

To supplement CMHC's consolidated financial statements, which are prepared in accordance with IFRS, CMHC uses non-IFRS measures to analyze its performance. The following Securitization Business Supplement is prepared for the third quarter ending September 30, 2021, and is intended to help readers better understand CMHC's securitization activity. CMHC believes that this business supplement provides meaningful information that enables greater transparency and clarity with respect to CMHC's securitization activity.

NEW SECURITIZATION GUARANTEE ACTIVITY

The 2021 annual CMB issuance limit is \$40B and the 2021 annual NHA MBS guarantee limit is \$150 billion. As at September 30, 2021, CMHC guaranteed \$135.1 billion of securities (\$105.1 billion of NHA MBS and \$30.0 billion of CMB). Of the approximate 97 active participants in CMHC's securitization programs, 91 are regulated institutions.

Securities guaranteed	Three months ended				Year-to-date		
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020	30-Sep 2021	30-Sep 2020
Total Guaranteed (\$M)	50,714	46,226	38,184	51,855	42,667	135,123	173,000
NHA Mortgage-Backed Securities (NHA MBS)*	40,464	36,476	28,184	40,105	29,917	105,123	131,750
Canada Mortgage Bonds (CMB)	10,250	9,750	10,000	11,750	12,750	30,000	41,250
NHA MBS (\$M)	40,464	36,476	28,184	40,105	29,917	105,123	131,750
Federally Regulated Institutions	24,605	22,443	18,003	25,170	18,146	65,050	91,190
Provincially Regulated Institutions	4,738	4,107	3,208	4,968	3,997	12,053	14,286
IIROC Regulated Institutions**	7,134	5,931	3,495	6,869	5,577	16,560	18,267
Other Institutions	3,987	3,995	3,477	3,098	2,198	11,459	8,007
CMB (\$M)	10,250	9,750	10,000	11,750	12,750	30,000	41,250
Federally Regulated Institutions	6,317	6,220	5,516	7,354	8,037	18,052	25,011
Provincially Regulated Institutions	1,146	1,159	1,353	1,518	1,851	3,658	6,559
IIROC Regulated Institutions	1,455	1,356	1,595	2,132	2,277	4,406	7,464
Other Institutions	1,332	1,015	1,536	746	584	3,883	2,217



Component items may not add to totals because of rounding.

* The NHA MBS amount of \$105.1 billion consists of \$103.4 billion in new NHA MBS issued and guaranteed in 2021 and \$1.7 billion in replacement NHA MBS issued prior to 2021 but on which NHA MBS guarantee fees were paid in 2021.

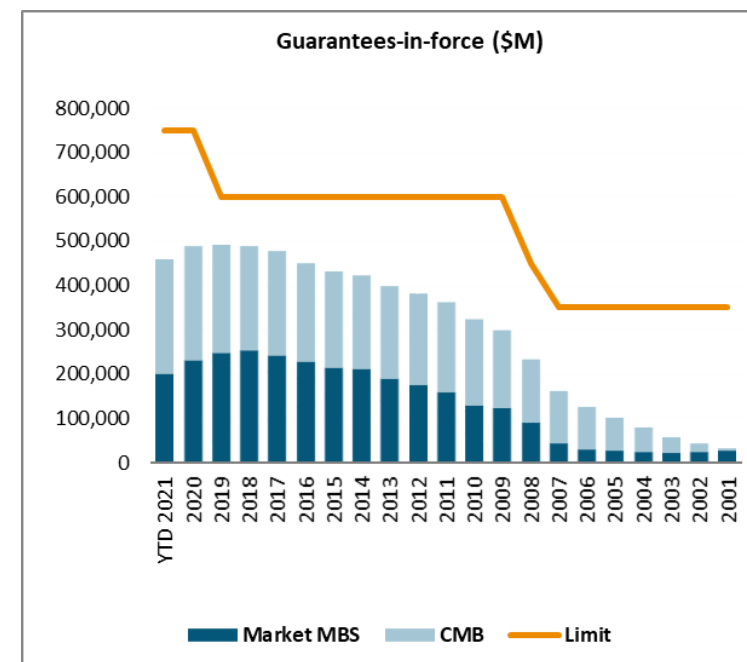
** IIROC: The Investment Industry Regulatory Organization of Canada is the national self-regulatory organization that oversees all investment dealers in Canada (<http://www.iiroc.ca/>).

GUARANTEES-IN-FORCE

The amount of guarantees-in-force outstanding is a function of new guarantee activity and maturities/principal runoff from outstanding guaranteed securities. Approximately 90 per cent of the \$460.1 billion in guarantees-in-force outstanding as at September 30, 2021, is with regulated institutions; and 64 per cent of guarantees-in-force outstanding as at September 30, 2021, is with federally regulated institutions. In support of the IMPP in 2020, the Guarantee-in-force limit has been raised to \$750 billion from the prior \$600 billion for a five-year period (2020-2024).

Guarantees-in-force	As at:				
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020
Guarantees-in-force (\$M)	460,177	461,073	479,233	488,865	499,961
Market NHA MBS	201,427	206,573	216,983	232,365	240,811
CMB	258,750	254,500	262,250	256,500	259,150
Market NHA MBS (\$M)	201,427	206,573	216,983	232,365	240,811
Federally Regulated Institutions	141,742	146,753	154,831	166,342	173,814
Provincially Regulated Institutions	9,707	9,001	9,551	10,866	10,518
IIROC Regulated Institutions	23,991	24,098	23,974	25,415	26,229
Other Institutions	25,987	26,720	28,628	29,742	30,251
CMB (\$M)	258,750	254,500	262,250	256,500	259,150
Federally Regulated Institutions	154,073	150,724	156,298	153,044	155,172
Provincially Regulated Institutions	37,427	37,278	38,525	37,759	38,314
IIROC Regulated Institutions	47,582	47,219	47,952	47,105	46,818
Other Institutions	19,668	19,279	19,475	18,591	18,846

Component items may not add to totals because of rounding.



The maturity profile of the outstanding guaranteed obligations is generally distributed across a five-year term, reflecting the predominance of the five-year mortgage term of the mortgages securitized under the NHA MBS Program and the core five-year CMB term.

Guarantees-in-force Maturity Profile (\$M)	As at:									
	30-Sep-21		30-Jun-21		31-Mar-21		31-Dec-20		30-Sep-20	
YEAR	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB
2020									1,449	14,400.00
2021	1,082	10,000	7,399	16,000	18,667	33,500	29,628	37,750	41,339	37,750.00
2022	20,151	44,250	25,589	44,250	31,286	44,250	36,533	44,250	42,273	44,250.00
2023	31,157	45,500	35,851	45,500	40,384	45,500	46,016	45,500	46,914	45,500.00
2024	46,742	37,500	50,121	37,500	54,469	37,500	58,268	37,500	60,281	37,500.00
2025	55,761	40,750	58,883	40,750	58,910	40,750	58,760	40,750	45,906	35,250.00
2026	43,560	27,500	25,445	21,250	10,212	15,000	29	9,000	30	7,000.00
2027	310	6,750	392	6,750	377	6,750	327	6,750	319	6,750.00
2028	583	13,250	951	13,250	870	13,250	900	13,250	855	13,250.00
2029	513	6,750	567	6,750	556	6,750	620	6,750	625	6,750.00
2030	402	10,750	814	10,750	736	10,750	744	10,750	604	10,750.00
2031	939	15,750	333	11,750	286	8,250	309	4,250		
2033	24		24		24		24		25	
2034	59		59		60		60		61	
2035	63		64		64		64		64	
2040	81		81		82		82		67	
Total	201,427	258,750	206,573	254,500	216,983	262,250	232,365	256,500	240,811	259,150

Component items may not add to totals because of rounding.

MORTGAGE ARREARS RATE IN THE NHA MBS PROGRAM

At the time of an NHA MBS issuance, no pooled mortgage must be in arrears and mortgages must have mortgage default insurance coverage in accordance with the Government of Canada regulations for mortgage insurance. Mortgage arrears of the pooled mortgages are analyzed and monitored, at the Issuer level, on a monthly basis, in the context of the overall financial condition of the Issuer. This information, along with established arrears triggers and the financial viability of the Issuer, is considered when permitting the Issuer new guarantee approvals.

As at September 30, 2021, the 90-day arrears rate—the number of loans in arrears (2,049) as a proportion of the total number of loans (1,751,849)—in the NHA MBS Program was 0.12 per cent.

90 days arrears for mortgages in NHA MBS outstanding	As at:				
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020
Overall 90 days arrears rate	0.12%	0.12%	0.15%	0.16%	0.14%
Federally Regulated Institutions	0.14%	0.15%	0.18%	0.19%	0.17%
Provincially Regulated Institutions	0.07%	0.07%	0.09%	0.13%	0.07%
IIROC Regulated Institutions	0.06%	0.06%	0.07%	0.08%	0.09%
Other Institutions	0.04%	0.04%	0.06%	0.08%	0.08%

INTEREST SPREAD

CMHC establishes a minimum spread requirement between the NHA MBS coupon and the lowest mortgage rate in the pool. This interest spread, which is for the benefit of the Issuer in good standing, is an important feature that incentivizes the Issuer to fulfil its responsibilities under the NHA MBS Program. This program feature ensures that program participants have significant “skin in the game.” In the event of a failure of an Issuer to fulfill its responsibilities under the NHA MBS Program, CMHC, as guarantor and trustee on behalf of the NHA MBS investor, will have access to the interest spread to be used in ensuring the obligations under the NHA MBS are fulfilled.

30-Sep-21	Balance	MORTGAGE		NHA MBS		
Pool Type	Outstanding (\$M)	Spread to Index*	Mortgage Rate	Spread to Index*	MBS Coupon	Interest Spread
Fixed Rate						
867	65,683		2.76		1.36	1.40
964	177		2.70		1.87	0.83
965	29,163		2.53		1.82	0.71
966	36,986		2.50		1.75	0.75
967	-		-		-	-
970	0		6.99		5.88	1.12
975	261,911		2.64		1.37	1.27
990	4,157		3.12		2.49	0.64
	398,078		2.65		1.45	1.20
Floating Rate						
880	2,612	(0.70)	1.74	0.20	0.63	1.11
885	4,747	(0.81)	1.64	0.01	0.44	1.20
980	32,629	(0.86)	1.59	0.05	0.48	1.11
985	18,282	(0.78)	1.73	0.01	0.44	1.29
987	2,430	(0.68)	1.77	(0.59)	1.18	0.59
	60,699		1.65		0.50	1.15
Total	458,777		2.51		1.32	1.19

Component items may not add to totals because of rounding.

* Adjustable (880/980) and variable (885/985) mortgage rates are based on lenders' prime rates. Floating rate NHA MBS coupons, with the exception of the NHA MBS 987 pool, are based on the one-month Canadian Dollar Offered Rate (CDOR).

The coupon rate of the NHA MBS 987 pool is based on a spread to the weighted average mortgage rate in the pool. All spreads and rates shown in the table are weighted averages.

ADDITIONAL INFORMATION

To complement the monthly reports on CMHC's website, additional details on NHA MBS issuance volumes, including by pool type and issuer, can be found at <https://www.cmhc-schl.gc.ca/en/finance-and-investing/nha-mortgage-backed-securities/securitization-reports>.

NHA MBS ISSUANCE VOLUMES

NHA MBS issued during the period	Three months ended				Year-to-date		
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020	30-Sep 2021	30-Sep 2020
Guaranteed (Market) NHA MBS	39,610	36,188	27,763	39,522	29,687	103,561	128,160
Replacement NHA MBS*	3,599	3,782	5,618	3,705	6,937	12,999	17,370
Total NHA MBS Volumes (\$M)	43,209	39,970	33,381	43,228	36,624	116,560	145,530

Component items may not add to totals because of rounding.

* NHA MBS designated for future sale to Canada Housing Trust (CHT) under the CMB Program to replace the monthly principal runoff from the NHA MBS assets held by CHT with respect to CMB transactions. Replacement NHA MBS are restricted securities and can only be used as reinvestment assets in CMB transactions issued prior to July 1, 2016.

NHA MBS OUTSTANDING

All NHA MBS issued and outstanding	As at:				
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020
Guaranteed (Market) NHA MBS	201,427	206,573	216,983	232,365	240,811
NHA MBS sold to Canada Housing Trust	252,896	246,244	254,027	249,789	250,718
Replacement NHA MBS	4,453	6,251	2,907	4,672	3,904
Total NHA MBS Outstanding (\$M)	458,777	459,068	473,918	486,826	495,432

Component items may not add to totals because of rounding.