

CANADA MORTGAGE AND HOUSING CORPORATION

Securitization Business Supplement

FIRST QUARTER

March 31, 2022

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 first quarter ending March 31, 2022, 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

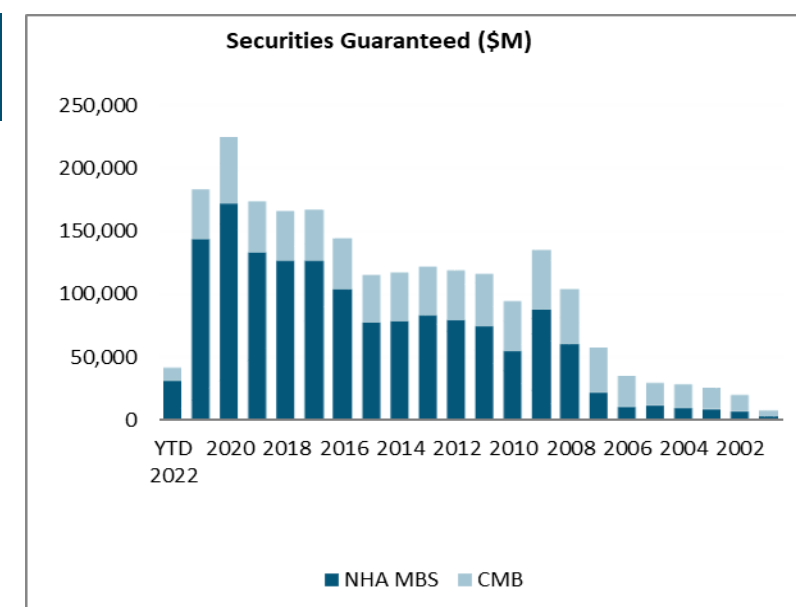
The 2022 annual CMB issuance limit is \$40B and the 2022 annual NHA MBS guarantee limit is \$150 billion. As at March 31, 2022, CMHC guaranteed \$42.7 billion of securities (\$32.4 billion of NHA MBS and \$10.25 billion of CMB). Of the approximate 97 active participants in CMHC's securitization programs, 91 are regulated institutions.

Securities guaranteed	Three months ended				Year-to-date	
	31-Mar 2022	31-Dec 2021	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Mar 2022
Total Guaranteed (\$M)	42,660	48,405	50,714	46,226	38,184	42,660
NHA Mortgage-Backed Securities (NHA MBS)*	32,410	38,405	40,464	36,476	28,184	32,410
Canada Mortgage Bonds (CMB)	10,250	10,000	10,250	9,750	10,000	10,250
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NHA MBS (\$M)	32,410	38,405	40,464	36,476	28,184	32,410
Federally Regulated Institutions	20,643	24,851	24,605	22,443	18,003	20,643
Provincially Regulated Institutions	3,372	5,538	4,738	4,107	3,208	3,372
IIROC Regulated Institutions**	4,846	5,303	7,134	5,931	3,495	4,846
Other Institutions	3,550	2,713	3,987	3,995	3,477	3,550
						-
CMB (\$M)	10,250	10,000	10,250	9,750	10,000	10,250
Federally Regulated Institutions	5,975	6,014	6,317	6,220	5,516	5,975
Provincially Regulated Institutions	1,097	1,444	1,146	1,159	1,353	1,097
IIROC Regulated Institutions	1,272	1,087	1,455	1,356	1,595	1,272
Other Institutions	1,906	1,455	1,332	1,015	1,536	1,906

Component items may not add to totals because of rounding.

* The NHA MBS amount of \$32.4 billion consists of \$30.1 billion in new NHA MBS issued and guaranteed in 2022 and \$2.3 billion in replacement NHA MBS issued prior to 2022 but on which NHA MBS guarantee fees were paid in 2022.

** 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/>).

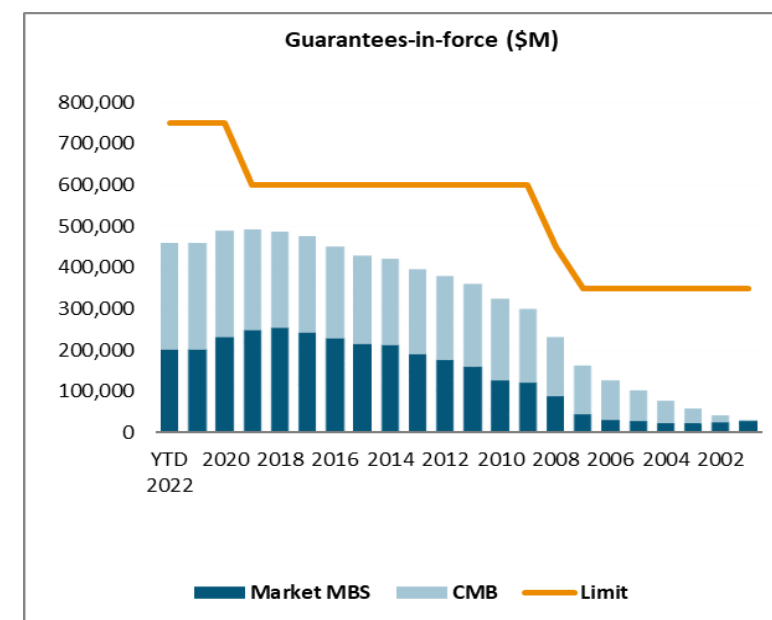


Guarantees-In-Force

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 March 31, 2022, is with regulated institutions; and 64 per cent of guarantees-in-force outstanding as at March 31, 2022, 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	31-Mar 2022	31-Dec 2021	As at: 30-Sep 2021	30-Jun 2021	31-Mar 2021
Guarantees-in-force (\$M)	460,147	460,570	460,177	461,073	479,233
Market NHA MBS	203,147	201,820	201,427	206,573	216,983
CMB	257,000	258,750	258,750	254,500	262,250
Market NHA MBS (\$M)	203,147	201,820	201,427	206,573	216,983
Federally Regulated Institutions	141,841	140,747	141,742	146,753	154,831
Provincially Regulated Institutions	11,270	11,372	9,707	9,001	9,551
IROC Regulated Institutions	26,169	25,476	23,991	24,098	23,974
Other Institutions	23,867	24,225	25,987	26,720	28,628
CMB (\$M)	257,000	258,750	258,750	254,500	262,250
Federally Regulated Institutions	153,715	155,023	154,073	150,724	156,298
Provincially Regulated Institutions	37,021	36,531	37,427	37,278	38,525
IROC Regulated Institutions	45,425	46,965	47,582	47,219	47,952
Other Institutions	20,839	20,231	19,668	19,279	19,475

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:									
	31-Mar-22		31-Dec-21		30-Sep-21		30-Jun-21		31-Mar-21	
YEAR	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB
2021					1,082	10,000	7,399	16,000	18,667	33,500
2022	8,913	32,250	14,015	44,250	20,151	44,250	25,589	44,250	31,286	44,250
2023	24,805	45,500	27,548	45,500	31,157	45,500	35,851	45,500	40,384	45,500
2024	40,164	37,500	43,046	37,500	46,742	37,500	50,121	37,500	54,469	37,500
2025	54,141	40,750	55,834	40,750	55,761	40,750	58,883	40,750	58,910	40,750
2026	64,040	32,500	57,717	32,500	43,560	27,500	25,445	21,250	10,212	15,000
2027	7,338	14,250	256	7,750	310	6,750	392	6,750	377	6,750
2028	1,163	13,250	1,153	13,250	583	13,250	951	13,250	870	13,250
2029	318	6,750	412	6,750	513	6,750	567	6,750	556	6,750
2030	750	10,750	654	10,750	402	10,750	814	10,750	736	10,750
2031	1,008	23,500	958	19,750	939	15,750	333	11,750	286	8,250
2032	269									
2033	24		24		24		24		24	
2034	58		58		59		59		60	
2035	63		63		63		64		64	
2040	80		80		81		81		82	
2041	15									
Total	203,147	257,000	201,820	258,750	201,427	258,750	206,573	254,500	216,983	262,250

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 March 31, 2022, the 90-day arrears rate—the number of loans in arrears (1,889) as a proportion of the total number of loans (1,703,408)—in the NHA MBS Program was 0.11 per cent.

90 days arrears for mortgages in NHA MBS outstanding	As at:				
	31-Mar 2022	31-Dec 2021	30-Sep 2021	30-Jun 2021	31-Mar 2021
Overall 90 days arrears rate	0.11%	0.11%	0.12%	0.12%	0.15%
Federally Regulated Institutions	0.14%	0.14%	0.14%	0.15%	0.18%
Provincially Regulated Institutions	0.07%	0.05%	0.07%	0.07%	0.09%
IROC Regulated Institutions	0.06%	0.07%	0.06%	0.06%	0.07%
Other Institutions	0.04%	0.04%	0.04%	0.04%	0.06%



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.

31-Mar-22		MORTGAGE		NHA MBS		
Pool Type	Balance Outstanding (\$M)	Spread to Index*	Mortgage Rate	Spread to Index*	MBS Coupon	Interest Spread
Fixed Rate						
867	61,367		2.66		1.31	1.35
964	114		2.47		1.68	0.80
965	32,873		2.48		1.77	0.71
966	40,925		2.49		1.75	0.75
967	-					-
970	-					-
975	255,081		2.55		1.32	1.23
990	4,051		3.10		2.47	0.63
	394,411		2.56		1.41	1.15
Floating Rate						
	-					
880	2,727	(0.81)	1.88	0.15	0.88	0.99
885	5,073	(0.86)	1.83	0.02	0.75	1.09
980	35,199	(0.93)	1.67	0.01	0.74	0.93
985	19,071	(0.85)	1.91	0.01	0.74	1.17
987	2,280	(0.79)	1.90	(0.80)	1.10	0.80
	64,349		1.77		0.76	1.01
Total	458,760		2.45		1.32	1.13

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	
	31-Mar 2022	31-Dec 2021	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Mar 2022
Guaranteed (Market) NHA MBS	30,130	38,118	39,610	36,188	27,763	27,763
Replacement NHA MBS*	1,335	1,147	3,599	3,782	5,618	5,618
Total NHA MBS Volumes (\$M)	31,465	39,265	43,209	39,970	33,381	33,381

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:				
	31-Mar 2022	31-Dec 2021	30-Sep 2021	30-Jun 2021	31-Mar 2021
Guaranteed (Market) NHA MBS	203,147	201,820	201,427	206,573	216,983
NHA MBS sold to Canada Housing Trust	253,479	255,566	252,896	246,244	254,027
Replacement NHA MBS	2,134	2,674	4,453	6,251	2,907
Total NHA MBS Outstanding (\$M)	458,760	460,060	458,777	459,068	473,918

Component items may not add to totals because of rounding.

