

CANADA MORTGAGE AND HOUSING CORPORATION

Securitization Business Supplement

**FOURTH QUARTER
DECEMBER 31, 2023**

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 fourth quarter ending December 31, 2023 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.

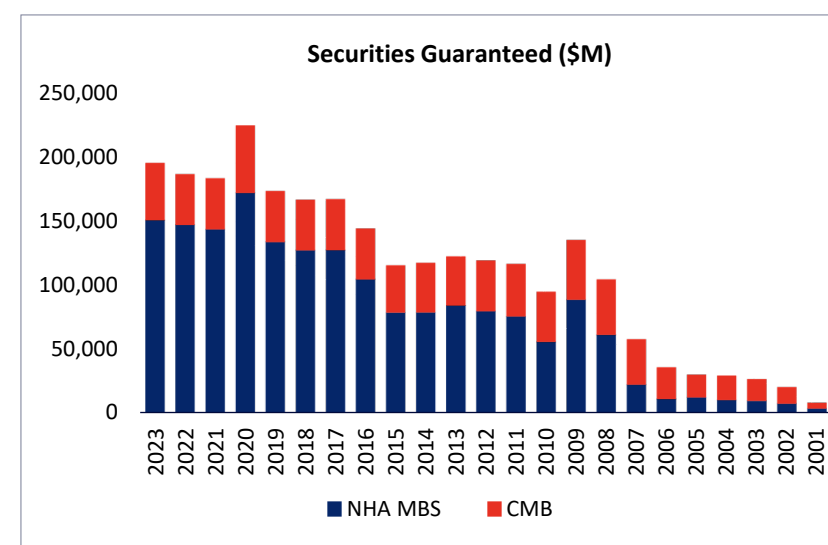
Canada



NEW SECURITIZATION GUARANTEE ACTIVITY

In 2023, the Government of Canada raised the NHA MBS guarantee limit to \$155B from \$150B and the CMB guarantee limit to \$45B from \$40B, aiming to increase the availability of funding for multi-unit mortgage loans. As at December 31, 2023, CMHC guaranteed \$195.6 billion of securities (\$150.6 billion of NHA MBS and \$45 billion of CMB). Of the approximate 97 active participants in CMHC's securitization programs, 90 are regulated institutions.

Securities guaranteed	Three months ended				Year-to-date	
	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Dec 2022	31-Dec 2023
Total Guaranteed (\$M)	54,225	51,313	47,030	43,047	50,326	195,614
NHA Mortgage-Backed Securities (NHA MBS)*	39,725	41,313	36,780	32,797	40,576	150,614
Canada Mortgage Bonds (CMB)	14,500	10,000	10,250	10,250	9,750	45,000
NHA MBS (\$M)	39,725	41,313	36,780	32,797	40,576	150,614
Federally Regulated Institutions	22,695	21,547	21,822	19,898	25,351	85,962
Provincially Regulated Institutions	6,811	5,243	3,827	3,964	5,112	19,846
IIROC Regulated Institutions**	7,584	10,980	8,329	5,753	6,792	32,646
Other Institutions	2,634	3,543	2,802	3,182	3,321	12,160
CMB (\$M)	14,500	10,000	10,250	10,250	9,750	45,000
Federally Regulated Institutions	7,224	4,998	5,775	5,647	5,506	23,643
Provincially Regulated Institutions	2,845	1,566	1,279	1,516	1,796	7,206
IIROC Regulated Institutions	3,629	2,589	2,520	2,492	1,960	11,229
Other Institutions	803	848	676	596	489	2,922



Component items may not add to totals because of rounding.

* The NHA MBS amount of \$150.6 billion consists of \$149.3 billion in new NHA MBS issued and guaranteed in 2023 and \$1.3 billion in replacement NHA MBS issued prior to 2023 but on which NHA MBS guarantee fees were paid in 2023.

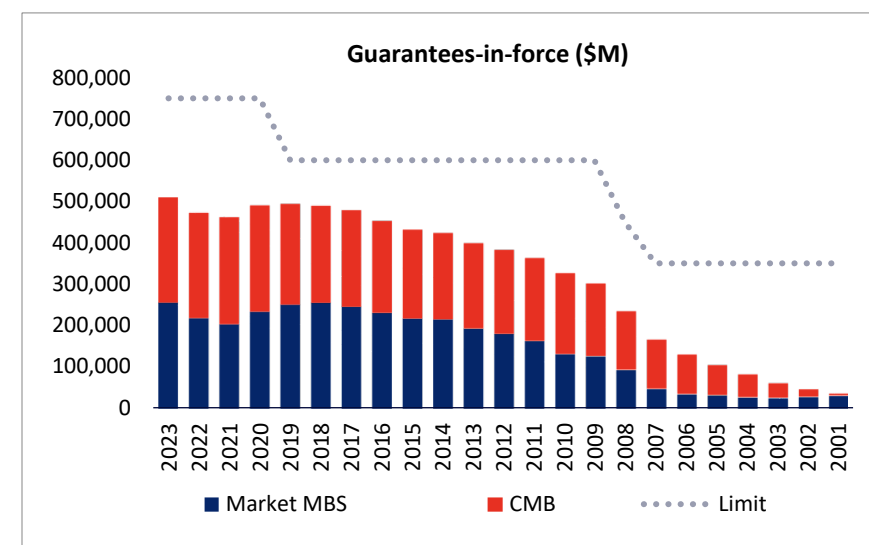
** IIROC: The Investment Industry Regulatory Organization of Canada is the national self-regulatory organization that oversees all investment dealers in Canada (<http://www.iiroc.ca/>).

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 91 per cent of the \$508.1 billion in guarantees-in-force outstanding as at December 31, 2023, is with regulated institutions; and 61 per cent of guarantees-in-force outstanding as at December 31, 2023, is with federally regulated institutions. In support of the Insured Mortgage Purchase Program in 2020, the Guarantee-in-force limit was raised to \$750 billion from the prior \$600 billion for a five-year period.

Guarantees-in-force	As at:				
	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Dec 2022
Total Guaranteed (\$M)	508,073	493,224	487,961	480,597	471,044
Market NHA MBS	254,073	242,724	227,961	220,347	216,544
CMB	254,000	250,500	260,000	260,250	254,500
Market NHA MBS (\$M)	254,073	242,724	227,961	220,347	216,544
Federally Regulated Institutions	159,002	154,513	149,050	147,014	145,576
Provincially Regulated Institutions	22,156	18,702	16,628	15,146	14,457
IIROC Regulated Institutions**	47,177	44,661	37,847	33,920	32,384
Other Institutions	25,737	24,849	24,436	24,267	24,128
CMB (\$M)	254,000	250,500	260,000	260,250	254,500
Federally Regulated Institutions	149,135	147,782	155,163	155,061	152,058
Provincially Regulated Institutions	37,824	37,210	37,629	38,341	37,379
IIROC Regulated Institutions	46,307	44,651	46,506	45,869	44,680
Other Institutions	20,733	20,857	20,702	20,979	20,383

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-Dec-23		30-Sep-23		30-Jun-23		31-Mar-23		31-Dec-22	
YEAR	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB	NHA MBS	CMB
2023			963	11,000	5,181	30,500	10,914	41,000	14,952	45,500
2024	21,520	37,500	25,530	37,500	28,134	37,500	29,863	37,500	32,188	37,500
2025	50,697	40,750	50,154	40,750	51,453	40,750	53,669	40,750	53,617	40,750
2026	76,303	32,500	71,697	32,500	65,156	32,500	61,335	32,500	60,216	32,500
2027	58,086	31,750	56,032	31,750	54,935	31,750	50,988	31,750	50,737	31,750
2028	42,953	39,000	32,011	33,000	18,510	27,000	9,737	20,750	1,066	14,500
2029	591	7,250	403	6,750	372	6,750	355	6,750	418	6,750
2030	1,469	10,750	1,710	10,750	1,655	10,750	1,388	10,750	1,433	10,750
2031	894	23,500	1,277	23,500	1,240	23,500	1,090	23,500	1,077	23,500
2032	532	11,000	831	11,000	734	11,000	656	11,000	578	11,000
2033	738	12,000	1,633	12,000	383	8,000	143	4,000	50	
2034	138	8,000	334	-	55		56		56	
2035	61		62	-	62		62		62	
2040	76		76	-	77		77		78	
2041	14		14	-	14		15		15	
Total	254,073	254,000	242,724	250,500	227,961	260,000	220,347	260,250	216,544	254,500

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 December 31, 2023, the 90-day arrears rate—the number of loans in arrears (1,771) as a proportion of the total number of loans (1,675,270)—in the NHA MBS Program was 0.11 per cent.

90 days arrears for mortgages in NHA MBS outstanding	31-Dec 2023	30-Sep 2023	As at:		
			30-Jun 2023	31-Mar 2022	31-Dec 2022
Overall 90 days arrears rate	0.11%	0.10%	0.09%	0.09%	0.10%
Federally Regulated Institutions	0.13%	0.12%	0.11%	0.11%	0.12%
Provincially Regulated Institutions	0.07%	0.07%	0.06%	0.06%	0.06%
IIROC Regulated Institutions	0.07%	0.06%	0.06%	0.06%	0.07%
Other Institutions	0.05%	0.04%	0.04%	0.04%	0.04%

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.

2023-12-31		MORTGAGE		NHA MBS		
Pool Type	Balance Outstanding (\$M)	Spread to Index*	Mortgage Rate	Spread to Index*	MBS Coupon	Interest Spread
Fixed Rate						
867	60,054		3.00		1.72	1.28
964	5		5.06		3.27	1.79
965	64,182		3.13		2.31	0.82
966	50,805		2.92		2.11	0.81
967	-					-
970	-					-
975	273,577		3.13		1.93	1.19
990	4,179		3.28		2.66	0.61
	452,802		3.09		1.99	1.10
Floating Rate						
880	1,446	(0.89)	6.21	0.07	5.47	0.74
881	5,852	(0.87)	6.22	0.20	5.24	0.98
885	1,851	(0.95)	6.25	0.03	5.43	0.82
886	1,333	(0.80)	6.40	0.27	5.31	1.09
980	25,982	(0.99)	6.13	(0.16)	5.24	0.89
981	10,459	(0.95)	6.17	0.24	5.28	0.89
985	4,148	(0.85)	6.40	(0.02)	5.38	1.02
986	5,664	(0.79)	6.43	0.03	5.07	1.36
987	2,109	(0.83)	6.27	(0.50)	5.77	0.50
	58,844		6.21		5.27	0.94
Total	511,646		3.45		2.36	1.08

Component items may not add to totals because of rounding.

* Adjustable (880/980), variable (885/985) and CORRA (881/886/981/986) mortgage rates are based on lenders' prime rates. Floating rate NHA MBS coupons for NHA MBS 880/980/885/985 pool types are based on the one-month Canadian Dollar Offered Rate (CDOR). Floating rate NHA MBS coupons for NHA MBS CORRA (881/886/981/986) pool types are based on one month daily compounded CORRA rate. 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-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Dec 2022	31-Dec 2023	31-Dec 2022
Guaranteed (Market) NHA MBS	39,248	41,255	36,780	32,037	39,622	149,321	143,583
Replacement NHA MBS*	505	1,537	2,306	1,126	738	5,474	5,726
Total NHA MBS Volumes (\$M)	39,753	42,793	39,086	33,163	40,360	154,795	149,309

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	31-Dec		As at:		31-Dec	
	2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	2022	2023
Guaranteed (Market) NHA MBS	254,073	242,724	227,961	220,347	216,544	
NHA MBS sold to Canada Housing Trust	256,634	251,888	259,733	262,365	256,428	
Replacement NHA MBS	940	2,010	1,304	934	1,854	
Total NHA MBS Outstanding (\$M)	511,646	496,622	488,999	483,646	474,827	

Component items may not add to totals because of rounding.