
SUBJECT**MORTGAGE STRESS TEST AND DEFAULT**

ISSUE

How does the mortgage stress test help with the stabilization of the housing market?

RESPONSE

- **The Mortgage stress test was put in place to mitigate mortgage default risk.**
- **Mr. Chair, the decisions surrounding the stress test application are under the purview of the Department of Finance, but I am pleased to say that Canada Mortgage and Housing Corporation supports the Government of Canada's actions to promote the long-term strength, stability and resiliency of Canada's housing markets and financial systems.**
- **We encourage Canadians to make informed and responsible home buying decisions including factoring in the impact of higher borrowing costs on their ability to meet their mortgage payments.**
- **The minimum qualifying rate helps to ensure Canadians take on mortgages they can afford. The Government continues to closely monitor the effects of housing finance rules, and would adjust them if economic conditions warrant, to support access to housing while safeguarding financial stability.**
- **However, I am pleased to say that our housing market has been remarkably robust, and mortgage arrears are at a 30-year low.**