Advice No. 13 | September 13, 2021
Important Information for Approved Issuers

INTRODUCTION OF NEW CORRA NHA MBS POOL TYPES

PURPOSE

To introduce four new NHA MBS pool types (881, 886, 981, and 986) where the coupons are based on the Canadian Overnight Repo Rate Average (CORRA).

BACKGROUND

To meet CMHC's mandate on promoting financial stability and facilitating market adoption of CORRA as a key financial benchmark, CMHC has enhanced the securitization programs by introducing four pool types of which the coupon is based on CORRA ("CORRA NHA MBS"). Furthermore, the updated Information Circular to accompany these new pools will include preliminary CORRA fallback provisions. These fallback provisions may be further revised in the future based on final recommendations by the Bank of Canada's Canadian Alternative Reference Rate Working Group ("CARR") on CORRA fallback language. Capitalized terms used and not otherwise defined herein shall have the meaning given to them in the NHA MBS program guide.

POLICY AMENDMENT

Effective February 1, 2022, Approved Issuers may issue 881, 886, 981 and 986 NHA MBS pools composed of homeowner mortgage loans (individual properties comprised of up to four (4) self-contained residential units) that are insured by CMHC or an approved private mortgage insurer. NHA MBS pools issued under these four new pool types will be referred to as "CORRA NHA MBS."

All CORRA NHA MBS must have a coupon that resets monthly and equals One-Month Daily Compounded CORRA calculated by Approved Issuers in accordance with the methodology set forth in Appendix B below plus or minus a constant spread. All eligible floating rate loans contained in CORRA NHA MBS must have an interest rate based upon an index that resets at least once monthly, which index is not required to be based on CORRA. CORRA NHA MBS are eligible for sale into the Canada Mortgage Bonds (CMB) Program. More specifically, they can be sold to CHT in connection with either a CORRA CMB offering or a fixed-rate CMB offering with a term of 5-years or less as original assets and be eligible as replacement assets in all CMBs.

The CORRA NHA MBS pool types 881 and 886 will be used to securitize homeowner floating rate, amortizing loans secured by collateral mortgages (which allow for more than one separate and distinct loan). Pool type 881 will be used for Adjustable Rate loans where the loan payment is adjusted when the interest rate changes in order to maintain the amortization period. Pool type 886 will be used for Variable Rate loans where the loan payment does not change when the interest rate is adjusted. Detailed pool descriptions can be found in Appendix A.

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The CORRA NHA MBS pool types 981 and 986 will be used to securitize homeowner floating rate, amortizing loans secured by conventional mortgages. Pool type 981 will be used for Adjustable Rate loans where the loan payment is adjusted when the interest rate changes in order to maintain the amortization period. Pool type 986 will be used for Variable Rate loans where the loan payment does not change when the interest rate is adjusted.

881, 886, 981 and 986 pool types have the same pool parameters as the corresponding 880, 885, 980 and 985 pool types except those outlined below:

- An Observation Period is introduced for CORRA NHA MBS. In respect of each Interest Period, the Observation Period refers to the period from, and including, the date two Bank of Canada Business Days preceding the first date in such Interest Period to, but excluding, the date two Bank of Canada Business Days preceding the 1st day of the month following such Interest Period.

- For each Interest Period, the CORRA NHA MBS Coupon is equal to One-Month Daily Compounded CORRA determined by Approved Issuers for the Observation Period in respect of such Interest Period plus or minus a constant spread.

- If Loans are referenced to CORRA, the CORRA NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. The reference rate for this test is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada.

- For an Observation Period, One-Month Daily Compounded CORRA will be calculated by Approved Issuers using the CORRA Compounded Index published by the Bank of Canada.

APPENDIX B Provides more details on these parameters.

DOCUMENTATION REQUIREMENTS
CMHC 2812 NHA MBS Guarantee Application and Approval – Four new pool types will be added in the field 1 "Pool Type"

- Collateral Mortgage Pool – Adjustable Rate CORRA (881)
- Collateral Mortgage Pool – Variable Rate CORRA (886)
- Adjustable Rate CORRA Pool (981)
- Variable Rate CORRA Pool (986)

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CMHC 2824 Schedule of Pooled Mortgages – In the box "TYPE(S) OF MORTGAGE IN THE POOL", four new pool types will be added:
- Collateral Mortgage Pool – Adjustable Rate CORRA (881)
- Collateral Mortgage Pool – Variable Rate CORRA (886)
- Adjustable Rate CORRA Pool (981)
- Variable Rate CORRA Pool (986)

CMHC 2830 Schedule of Subscribers and Contractual Agreement – Use the "Floating Rate Coupon" box to indicate the Coupon. The coupon is to be displayed as One-Month Daily Compounded CORRA plus or minus the applicable spread, for example,

<div align="center">One-Month Daily Compounded CORRA +/- 0.010%.</div>

The CMHC 2834, Information Circular

- Four new pool types will be added under "Pool Type" dropdown list on Page 1
- The coupon on the first page is to be displayed as One-Month Daily Compounded CORRA plus or minus the applicable spread, for example,
    <div align="center">One-Month Daily Compounded CORRA +/- 0.010%.</div>
- Where required, the wording of the Circular has been updated to reflect information related to CORRA NHA MBS.

The CMHC 2840, Issuer's Monthly Accounting Report - The related fields' names in Section 6 and Section 9 will be changed to "For Floating Rate MBS POOLS ONLY" instead of listing each floating pool type individually.

There are neither new fields nor format changes on existing fields.

All revised forms will be available on the website by the effective date of this Advice. Issuers must use the most recent version of forms available on the website.

EFFECTIVE DATE OF CHANGE

These changes are effective February 1, 2022

The next update to the NHA Mortgage-Backed Securities Guide will reflect this policy amendment.

ENQUIRIES

For further details on these policy changes please contact Geneviève Julien at gjulien@cmhc.ca or by telephone at (416) 250-2711.

For more information on the NHA MBS Program visit the CMHC Web site at www.cmhc.ca or contact CMHC by email at securitization@cmhc.ca or by telephone at 1-800-668-2642.

Carla Staresina
Vice-President, Risk Management, Strategy and Products

APPENDIX A: SUMMARY OF CORRA POOL TYPES

Prefix 881 – 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 One-Month Daily Compounded CORRA, this will be calculated using the CORRA Compounded Index published by the Bank of Canada, and adding or subtracting a constant spread established when the NHA MBS is issued. If Loans are referenced to CORRA, the NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. The reference rate for this spread test only is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada. 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 886 – 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 One-Month Daily Compounded CORRA, this will be calculated using the CORRA Compounded Index published by the Bank of Canada, and adding or subtracting a constant spread established when the NHA MBS is issued. If Loans are referenced to CORRA, the NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. The reference rate for this spread test only is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada. 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

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Prefix 981 – 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 One-Month Daily Compounded CORRA, this will be calculated using the CORRA Compounded Index published by the Bank of Canada, and adding or subtracting a constant spread established when the NHA MBS is issued. If Loans are referenced to CORRA, the NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. The reference rate for this spread test only is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada. No prepayment penalties or indemnities are passed through to Investors.

Prefix 986 – 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 the One-Month Daily Compounded CORRA, this will be calculated using the CORRA Compounded Index published by the Bank of Canada, and adding or subtracting a constant spread established when the NHA MBS is issued. If Loans are referenced to CORRA, the NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. The reference rate for this spread test only is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada. No prepayment penalties or indemnities are passed through to Investors.

APPENDIX B: SUMMARY OF THE NEW CORRA NHA MBS CHARACTERISTICS

Interest: *Paid monthly in arrears on each Payment Date, while the NHA MBS is outstanding.*

For each Interest Period, interest will be calculated on the basis of the actual number of days in such Interest Period and a 365-day year.

Interest Period: *Each monthly period from, and including, the 1st day of each month to, but excluding, the 1st day of the following month.*

Payment Date: *Principal and interest shall be remitted on the securities in monthly payments 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*

Observation Period: *In respect of each Interest Period, the period from, and including, the date two Bank of Canada Business Days preceding the first date in such Interest Period to, but excluding, the date two Bank of Canada Business Days preceding the 1st day of the month following such Interest Period.*

Interest Rate (or NHA MBS Coupon):   *For each Interest Period, the rate per annum equal to One-Month Daily Compounded CORRA determined for the Observation Period in respect of such Interest Period and adding or subtracting a constant spread. The Interest Rate has a floor of 0% and with the resulting percentage rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards.*

One-Month Daily Compounded CORRA:	*For an Observation Period will be calculated as follows, with the resulting percentage rounded if necessary to the fifth decimal place, with 0.000005% being rounded upwards:*

$$One-Month\ Daily\ Compounded\ CORRA = (\frac{CORRA\ Compounded\ Index_{end}}{CORRA\ Compounded\ Index_{start}} - 1) \times (\frac{365}{d})$$

Where:

- *CORRA Compounded Index$_{start}$ = CORRA Compounded Index value on the date two Bank of Canada Business Days preceding the first date of the relevant Interest Period.*

- *CORRA Compounded Index$_{end}$ = CORRA Compounded Index value on the date two Bank of Canada Business Days preceding the first calendar date of the month following the relevant Interest Period.*

- *"d" is the number of calendar days in the relevant Observation Period.*

Interest Determination Date	*The date that is two Bank of Canada Business Days preceding the first calendar day of the month following the relevant Interest Period.[1]*
Bank of Canada Business Day*:*	*A day that Schedule I banks under the Bank Act (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an applicable rate as may be adopted by the Administrator from time to time).*

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[1] Appendix D provides an accrued interest calculation methodology where the accrued interest needs be determined more than two Bank of Canada Business Days in advance of the accrual end date.

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Administrator:
The Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable.

CORRA:
The Canadian Overnight Repo Rate Average administered by the Bank of Canada (or any successor administrator).

CORRA Compounded Index:
The measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor administrator).

Loan Eligibility:
When a pool is issued, if Loans are referenced to CORRA, the NHA MBS coupon spread plus the reference rate must be set at a minimum of 50 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts. If Loans are not referenced to CORRA, the coupon spread plus the reference rate must be set at a minimum of 60 basis points below the lowest Loan rate in the Pool inclusive of incentive discounts.

The reference rate is the spot CORRA for the last Bank of Canada Business Day of the month preceding the Issue Date, which is published on the first Bank of Canada Business Day of the issue month by the Bank of Canada

Calculation Agent
Approved Issuers will be responsible for calculating One-Month Daily Compounded CORRA and the Interest Rate on NHA MBS.

APPENDIX C: CORRA FALLBACK PROVISIONS [2]

Temporary and Permanent Cessation Fallbacks

CORRA Compounded Index

(i)   ***No Index Cessation Effective Date with respect to CORRA Compounded Index.*** If the CORRA Compounded Index$_{start}$ or the CORRA Compounded Index$_{end}$ is not published or displayed by the Administrator or an authorised distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Interest Period, and an Index Cessation Effective Date with respect to CORRA Compounded Index has not occurred, then the Interest Rate will be Daily Compounded CORRA calculated by the Calculation Agent using the following method (the **"Daily Compounded CORRA Observation Shift Convention"**) instead of One-Month Daily Compounded CORRA:

$$Daily\ Compounded\ CORRA = \left(\prod_{i=1}^{d_0} \left(1 + \frac{CORRA_i \times n_i}{365}\right) - 1 \right) \times \frac{365}{d}$$

 Where:

- "d_0" for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period.

- "i" is a series of whole numbers from one to d_0, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period.

- "CORRA$_i$" means, in respect of any Bank of Canada Business Day "i" in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Administrator or an authorized distributor at 11:00 am Toronto Time (or an amended publication time, if any, as specified in the Administrator's methodology for calculating the CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1.

- "n$_i$" for any Bank of Canada Business Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such Bank of Canada Business Day "i" to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1

- "d" is the number of calendar days in the relevant Observation Period

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[2] It will be replaced or revised when CARR publishes its recommendation on CORRA FALLBACK LANGUAGES

(ii)   ***Index Cessation Effective Date with respect to CORRA Compounded Index.*** If an Index Cessation Effective Date occurs with respect to CORRA Compounded Index, then the Interest Rate for an Interest Determination Date occurring on or after the Index Cessation Effective Date with respect to CORRA Compounded Index will be Daily Compounded CORRA determined by the Calculation Agent using the Daily Compounded CORRA Observation Shift Convention methodology set forth above instead of the One-Month Daily Compounded CORRA methodology.

CORRA

(i)   ***No Index Cessation Effective Date with respect to CORRA.*** If neither the Administrator nor authorized distributors provide or publish CORRA and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

(ii)   ***Index Cessation Effective Date with respect to CORRA.*** If an Index Cessation Effective Date occurs with respect to CORRA, then the Interest Rate for an Interest Determination Date occurring on or after the Index Cessation Effective Date with respect to CORRA will be Daily Compounded CORRA determined by the Calculation Agent using the Daily Compounded CORRA Observation Shift Convention methodology set forth above as if references in that methodology to CORRA for each day on or after such Index Cessation Effective Date were references to the CAD Recommended Rate.

CAD Recommended Rate

(i)   ***No Index Cessation Effective Date with respect to CAD Recommended Rate.*** If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA but neither the Administrator nor authorized distributors provide or publish the CAD Recommended Rate and an Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

(ii)   ***No CAD Recommended Rate or Index Cessation Effective Date with respect to CAD Recommended Rate.*** If there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA; or there is a CAD Recommended Rate and an Index Cessation Effective Date subsequently occurs with respect to it, then the Interest Rate for an Interest Determination Date occurring on or after the Index Cessation Effective Date with respect to CORRA or the Index Cessation Effective Date with respect to the CAD Recommended Rate (as applicable) will be Daily Compounded CORRA determined by the Calculation Agent using the Daily Compounded CORRA Observation Shift Convention methodology set forth above as if references in that methodology to CORRA for each day on or after such Index

Cessation Effective Date were references to the Bank of Canada's Target for the Overnight Rate as set by the Bank of Canada and published on the Bank of Canada's Website (the "**BOC Target Rate**").

BOC Target Rate

No Index Cessation Effective Date with respect to BOC Target Rate. If neither the Administrator nor authorized distributors provide or publish the BOC Target Rate and an Index Cessation Effective Date with respect to the BOC Target Rate has not occurred, then, in respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate.

Applicable Fallback Conforming Changes

Notwithstanding the foregoing, in connection with the implementation of an Applicable Rate upon the happening of an Index Cessation Event, CMHC or an unaffiliated third party financial institution of national standing in Canada appointed by CMHC may direct the Calculation Agent to make such adjustments to the Applicable Rate or the spread thereon, as well as the Bank of Canada Business Day convention, Interest Determination Dates and related provisions and definitions, including observation dates for reference rates, in each case that are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the NHA MBS in such circumstances. The directions of CMHC or such financial institution, if applicable, shall be binding on the Calculation Agent, the Issuer, CMHC and the holders of record of NHA MBS.

"**Applicable Rate**" means one of CORRA Compounded Index, CORRA, the CAD Recommended Rate, or the BOC Target Rate, as applicable.

"**CAD Recommended Rate**" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof (or a successor administrator), published by an authorized distributor.

"**Index Cessation Effective Date**" means, in respect of an Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it

is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

"Index Cessation Event" means:

(A)   a public statement or publication of information by or on behalf of the Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Rate; or

(B)   a public statement or publication of information by the regulatory supervisor for the Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the Administrator or provider for the Applicable Rate, a resolution authority with jurisdiction over the Administrator or provider for the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the Administrator or provider for the Applicable Rate, which states that the Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Rate.

APPENDIX D: ACCRUED INTEREST CALCULATION

This section provides the accrued interest calculation methodology to be used for CORRA NHA MBS sold to CHT when the period between trade date/calculation date and settlement date/payment date is longer than two Bank of Canada Business Days.

For example, if the trade date is 5 Bank of Canada Business Days preceding the settlement date, the daily CORRA for the period between the trade date and the end date of the Observation Period are not yet available on the trade date. This methodology assumes the daily CORRA for those days are the same as the last available CORRA as of the trade date.

The details are shown as follows:

Settlement Date:	The date the transaction is reported to settle.
Accrued Interest Calculation Date (Trade date):	5 Bank of Canada Business Days preceding Settlement Date.
Accrual Period:	For CORRA NHA MBS, "Accrual Period" means the period from, and including, the first calendar day of the month in which the Settlement Date occurs to, but excluding, the Settlement Date of such CORRA NHA MBS.
Observation Period for Accrued Interest:	The period from, and including, the date two Bank of Canada Business Days preceding the first date in the corresponding Accrual Period to, but excluding, the date two Bank of Canada Business Days preceding the Settlement Date.
Interest Rate for Accrued Interest:	The rate per annum is equal to Daily Compounded CORRA determined for the Observation Period for Accrued Interest plus or minus the coupon spread for the NHA MBS. The Interest Rate for Accrued Interest has a floor of 0% and with the resulting percentage rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards.[3]

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[3] CMHC's August 11, 2021 Advice under the CMB program incorrectly indicated that the Interest Rate for Accrued Interest would be rounded to the fifth decimal place in all circumstances. The rounding convention for the Interest Rate on NHA MBS is in fact 4 decimal places. For purposes of calculating that NHA MBS Interest Rate the CORRA reference rate used is rounded to the fifth decimal place.

Daily Compounded CORRA for Accrued Interest:	The reference rate for Accrued Interest shall be determined using the **Daily Compounded CORRA Observation Shift Convention methodology** set forth above as if references in that methodology to "Interest Rate" were references to "Interest Rate for Accrued Interest," references to "Observation Period" were references to the "Observation Period for Accrued Interest," references to "Interest Determination Date" were references to the "Accrued Interest Calculation Date," and references to "Interest Period" were references to the "Accrual Period" and for any Bank of Canada Business Day "i" for which CORRA is required that will occur after the Accrued Interest Calculation Date, CORRAi for such day "i" shall be deemed to be references to the last provided or published CORRA on or before the Accrued Interest Calculation Date.

For avoidance of doubt, the Accrued Interest amount determined by the foregoing methodology will, when used to determine accrued interest payable by swap counterparties on CORRA NHA MBS sold to CHT as original assets, be final and will not be adjusted or superceded to reflect actual CORRA values provided or published after the Accrued Interest Calculation Date.