

July 14, 2022

CANADA MORTGAGE BONDS (CMB) – UPDATED PROGRAM DEFINITION

PURPOSE

To revise the definition of “Aggregator” under the CMB Program in order to provide more equitable access to the CMB Program.

BACKGROUND

This policy modification aims to provide more equitable access to mortgage funding via the CMB Program. As a result of Loan level data collected in the NHA MBS program, CMHC observed that some Sellers are selling NHA MBS into the CMB Program that contain loans originated by third party Originators. In some cases, these third-party Originators are also Sellers themselves. When Sellers that are not Aggregators offer to sell NHA MBS that contain loans originated by a third-party Originator into the CMB Program, those NHA MBS are not combined with other offers to sell NHA MBS containing the Originator’s loans to form a single CMB allocation. This may result in the Originator obtaining an allocation that is greater than the maximum CMB allocation allowed for a single Seller.

This policy amendment aims to limit the potential for Originators/Sellers to obtain a CMB allocation that is in excess of the maximum allocation allowed for a Seller.

POLICY AMENDMENT

To ensure the CMB allocation is provided in a more equitable manner, the defined term “Aggregator” will be revised as set forth below.

Aggregator Definition:

Sellers designated as an Aggregator in the NHA MBS program, will also be deemed to be an Aggregator under the CMB Program during the period when such designation remains in effect.

All other Program requirements and processes will remain unchanged.

EFFECTIVE DATE OF CHANGE

This Policy Advice will be effective **January 1, 2023**.

For more information on these changes, please contact
Canada Housing Trust No. 1, Scott Allen (416-594-8724) at the Trust Administrator.



CANADA
HOUSING
TRUST

