

CDOR NHA MBS Transition Example

Use February 2024 NHA MBS coupon period as an example:

I. One-Month Daily Compounded CORRA definition is shown below.

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:

$$\text{One-Month Daily Compounded CORRA} = \left(\frac{\text{CORRA Compounded Index}_{\text{end}}}{\text{CORRA Compounded Index}_{\text{start}}} - 1 \right) * \left(\frac{365}{d} \right)$$

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.

II. Result from Bank of Canada’s Calculator is shown below.

Calculator

Obtain the Daily Compounded CORRA rate (%) for a selected observation period. This rate can be used to calculate the interest amount for a security, such as a floating rate note or for a loan, a derivative or a financial contract that references CORRA. See the [methodology](#) and recommended [conventions](#) for details.

Start date: — Two Business Days before February 1st End date: — Two Business Days before March 1st

Compounded rate (%): — One-Month Daily Compounded CORRA for February 2024

Source: [Canadian Overnight Repo Rate Average – Bank of Canada](#)¹

- 5.04628 is the One-Month Daily Compounded CORRA for February 2024.
- 5.04628 is the Coupon Base Rate for CORRA NHA MBS.
- 5.34175 is the fallback rate for 1-Month CDOR for February 2024 after adding 0.29547 to 5.04628.
- 5.34175 is the Coupon Base Rate for CDOR NHA MBS.

¹ <https://www.bankofcanada.ca/rates/interest-rates/corra/>