Canada Mortgage Bonds: Fact Sheet

Canada Mortgage and Housing Corporation

https://elischolar.library.yale.edu/ypfs-documents/12017

This resource is brought to you for free and open access by the Yale Program on Financial Stability and EliScholar, a digital platform for scholarly publishing provided by Yale University Library.
For more information, please contact ypfs@yale.edu.
The Canada Mortgage Bonds (CMB) Program was introduced in June 2001 by Canada Mortgage and Housing Corporation (CMHC), Canada’s national housing agency. Canada Housing Trust No. 1 (CHT) was created as a special purpose trust to issue CMB to domestic and international investors. CMB carry a guarantee of timely payment of principal and interest from CMHC. They support the Canadian housing market in promoting competition in the residential mortgage market by helping ensure an adequate supply of mortgage funding to both large and small financial institutions.

### Three Pillars of the Canada Mortgage Bond Program

#### Quality

CMB carry the full faith and credit of Canada, and constitute a direct unconditional obligation of Canada.

- CMHC timely payment guarantee of principal and interest
- Moody’s Aaa / S&P AAA / DBRS AAA
- 0% risk-weighted under the BIS guidelines

#### Liquidity

11 dealer global syndicate provides market making, evidenced by over $800 Billion CAD in Federal Crown trading volumes in 2020 according to IIROC statistics.

- $258.8 billion CAD (~$202.5 billion USD) in outstanding issuances as of January 31, 2022
- Well defined yield curve

#### Marketability

- Institutional investors globally (144A format)
- Fixed and floating rate coupon bullet maturity bonds
- Euro MTF Luxembourg Exchange listing
- Generally exempted from Canadian withholding tax
- Included in FTSE Universe Bond Index, Bloomberg Barclays Global Aggregate Bond Index, and BofA Merrill Lynch Diversified Canada Government Bond Index

Visit [www.cmhc.ca/investments](http://www.cmhc.ca/investments) for a full list of all outstanding issues and offering circulars.
2021 Original Distribution

BY INVESTOR TYPE
- Asset Managers: 53%
- Banks: 33%
- Central Banks/Official Institutions: 9%
- Insurance Companies: 5%

BY REGION
- Canada: 67%
- US: 18%
- Europe: 8%
- Asia: 5%
- Middle East/Other: 2%

Current Issuance Strategy
- Issuance of 3**, 5 and 10 year fixed rate bonds and 5 year floating rate notes
- Strong investor demand reflected in annual issuance volumes of approximately $40 billion CAD since 2007 ($53 billion CAD in 2020)
- Proven track record of functioning effectively throughout all stages of the business cycle, including the challenging markets at the height of the economic downturn

CMB Issuance by Quarter (Billions CAD)

Important Notice
CMHC makes considerable effort to ensure that the information provided herein is reliable and up to date. Nonetheless, its accuracy, completeness and currency cannot be guaranteed. CMHC provides the information “as is” without warranty of any kind, either express or implied, including, but not limited to, warranties of fitness for any particular purpose. CMHC strongly recommends that you consult the applicable Offering Circulars and audited financial statements and seek professional financial and legal advice before making any decisions based on the information. In the event of a discrepancy between the information provided here and information contained in the applicable Offering Circulars or audited financial statements, the information in the applicable Offering Circulars or audited financial statements should be relied on.

February 1, 2022