



# Direct Government Funding

Government of Canada directly funding affordable housing solutions

## Low-Cost Mortgage Lending

- Direct Lending
  - Supports affordable housing projects to First Nations Communities
- National Co-Investment Fund
  - Partners with governments, non-profits, private sector and others to support and develop affordable housing
  - Affordability, energy efficiency and accessibility requirements
- Affordable Rental Housing Programs
  - Encourages construction of rental housing across Canada
  - Affordability, energy efficiency and accessibility requirements

# Explicit Government Guarantee

Providing financial market stability through access to funding for mortgage lending (CMHC timely payment guarantee)

## Securitization Programs

- National Housing Act Mortgage-Backed Securities (NHA MBS)
  - Issued by mortgage lenders
  - Insured residential Mortgages, including social housing and multi family pools
- Canada Mortgage Bonds (CMB)
  - Canada Housing Trust issues bonds and purchases NHA MBS from lenders
  - Consistent and stable funding source

# Government Financial Sponsorship

Innovative solutions to promote private investment in housing finance

## Housing Investment Corporation (HIC)

- New lending institution & issuer in the Canadian debt capital markets dedicated to the affordable housing sector
  - Deliver long-term competitive financing (fixed rate 30+ year loan)
  - Affordability, energy efficiency and accessibility requirements
- Credit enhancement to achieve significant leverage to attract private investment in affordable housing

# Government Administrative Role

Support alternative funding solution and access to broader investor base for Canadian lenders

## Canadian Covered Bonds

- Debt instruments that are issued by a financial institution and secured by a pool of assets
  - Uninsured residential mortgages
- CMHC introduced the legal framework in 2012
- CMHC responsible for the administration of the Canadian covered bond framework
  - No Government guarantees or backing