

## **Additional Issue**

**\$2,000,000,000**

**Fully Guaranteed as to Principal and Interest by  
Canada Mortgage and Housing Corporation  
(An agent of Her Majesty in right of Canada)**

**3.150% Canada Mortgage Bonds™, Series 55 to mature September 15, 2023  
(Non-callable)**

**Issued by**



**CANADA  
HOUSING  
TRUST**

**CANADA HOUSING TRUST™ NO. 1**

**To be dated November 21, 2013**

The Canada Mortgage Bonds™, Series 55 offered hereby (the “Bonds”), will be issued in fully registered uncertificated form (the “Global Bond”) in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. (“CDS”) and held by CDS. The Bonds will be ready for delivery in book-entry only form through CDS, Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), as the case may be, on or about November 21, 2013. Beneficial interests in the Global Bond will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants of CDS, Euroclear and Clearstream, Luxembourg. Owners of beneficial interests in the Global Bond will not be entitled to have Bonds registered in their names, will not receive or be entitled to receive Bonds in definitive form and will not be considered holders thereof except in limited circumstances as described in the Bond Indenture (as defined below) and the Global Bond.

Half-yearly interest (March 15 and September 15) on the Global Bond will be payable in lawful money of Canada to the registered holder, CDS, with the first interest payment for the period from September 15, 2013 to March 15, 2014. Interest for any period less than a year will be calculated on the basis of the number of days in that period and a 365-day year. The final payment of interest and repayment of the principal will be due September 15, 2023. The Bonds are not subject to any sinking fund and are not redeemable at the option of the issuer, Canada Housing Trust™ No. 1 (“CHT”), prior to maturity and are not repayable at the option of the holder prior to maturity. However, CHT may, at any time and from time to time, following the completion of any over-allotment of the Bonds or following the completion of any transactions undertaken by an underwriter at the time of initial distribution of the Bonds with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, purchase Bonds in the secondary market at prevailing market prices. Such purchased Bonds may be delivered to the bond trustees of the Bonds for cancellation or may be held on behalf of CHT, each in accordance with the terms of the Bond Indenture (as defined below). Any purchase of Bonds for cancellation must be made in compliance with CHT’s internal parameters regarding same, the terms of which parameters may change at any time without notice in CHT’s sole and absolute discretion.

Owners of beneficial interests in the Global Bond will receive payment in accordance with customary procedures of CDS, Euroclear and Clearstream, Luxembourg.

The Bonds will be issued with the benefit of and subject to a bond trust indenture among CHT, Computershare Trust Company of Canada and Computershare Trust Company, N.A. dated March 14, 2011 as supplemented by the supplemental indentures between the parties relating to the Bonds dated August 27, 2013 and November 21, 2013, respectively (such bond trust indenture as so supplemented, the “Bond Indenture”). The Bonds and the Bond Indenture will together constitute a contract. The registered holders of the Bonds by acceptance of such Bonds assent to and are deemed to have notice of the Bond Indenture.

The Bonds constitute a further issuance of and will, on and following January 2, 2014, be consolidated, fungible and form a single series with, CHT’s outstanding \$2,000,000,000 in principal amount of Canada Mortgage Bonds™, Series 55 issued, in aggregate, on August 27, 2013. When the Bonds are issued, the total principal amount of 3.150% Canada Mortgage Bonds™, Series 55 outstanding will be \$4,000,000,000.

The Bonds constitute direct and unconditional obligations of CHT, shall rank *pari passu* and without any preference among themselves, are guaranteed as to timely payment of principal and interest by Canada Mortgage and Housing Corporation (“CMHC”) and have a second-ranking security interest in all of the assets of CHT, other than proceeds of issuance of bonds of a “Specified Asset Series” (as more particularly described in the Bond Indenture).

### **Status of the Guarantee**

The CMHC Guarantee constitutes a direct unconditional obligation of CMHC and as such will carry the full faith and credit of Canada and will constitute a direct and unconditional obligation of Canada. All amounts payable under the CMHC

Guarantee of the principal of and interest on the Bonds constitute a charge on and are payable out of the Consolidated Revenue Fund of Canada.

#### **Use of Proceeds**

The net proceeds of the Bonds will be used to provide funds for the acquisition by CHT of mortgage-backed securities guaranteed under the *National Housing Act* (Canada), as amended (the "NHA").

**Price: 100.730% plus accrued interest from September 15, 2013 to yield about 3.063%**

As principals, we offer the Bonds on the terms and conditions described herein, therein and in the Bond Indenture, if, as and when issued and accepted by us, subject to prior sale and change in price.

**November 14, 2013**

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the guarantor and special counsel to CHT, the following constitutes a summary of the principal Canadian federal income tax consequences for an investor who acquires Bonds pursuant to the offering, deals at arm's length with CHT and any subsequent purchaser of the Bonds, and who at all relevant times for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") is a resident of Canada and holds the Bonds as capital property.

Generally the Bonds will be considered to be capital property to an investor provided that the investor does not hold the Bonds in the course of carrying on a business of buying and selling securities and has not acquired them as an adventure in the nature of trade. This summary does not apply to an investor that is a "financial institution" (as defined in Section 142.2 of the Tax Act), or to whom the functional currency reporting rules contained in the Tax Act would apply.

This summary is based upon the provisions of the Tax Act, the regulations thereunder and Borden Ladner Gervais LLP's understanding of the Canada Revenue Agency's published administrative and assessing policies as of November 14, 2013. It also takes into account specific proposals to amend the Tax Act and the regulations publicly announced by the Canadian federal Minister of Finance prior to November 14, 2013, but there is no certainty that such proposals will be enacted in the form proposed, if at all. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or governmental action or interpretation, nor does it address any provincial or foreign income tax considerations.

**THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR CONCERNING THE CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF BONDS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR PARTICULAR CIRCUMSTANCES.**

### *Interest*

An investor (other than a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary) will be required to include in computing its income for a taxation year any interest on the Bonds that becomes receivable or is received by it before the end of the year (depending upon the method regularly followed by the investor in computing income), except to the extent that such interest was included in computing the investor's income for a preceding taxation year.

An investor that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Bonds that accrues to it to the end of that year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing the investor's income for a preceding taxation year.

In acquiring a Bond, an investor will become entitled to receive an amount stipulated to be in respect of interest for the period from September 15, 2013 to the date of issue ("Pre-issue Interest"). Provided that it is reasonable to consider that a portion of the purchase price of the Bond paid to CHT is in respect of the Pre-issue Interest, such amount will be deductible in computing the income of the investor for the taxation year in which it is included in computing the income of the investor.

### *Dispositions*

An investor will generally be required to include in computing its income for the taxation year in which a disposition or deemed disposition of a Bond occurs the amount of interest that accrues to it to the date of the disposition, except to the extent that such amount has otherwise been included in income.

In general, a disposition or deemed disposition of a Bond will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of unpaid accrued interest and any reasonable costs of disposition, exceed (or are less than) the investor's adjusted cost base of such Bond immediately before the disposition. One-half of any such capital gain (a "taxable capital gain") realized by an investor in a taxation year will be included in computing the investor's income for the year. One-half of the amount of any capital loss realized by an investor in a taxation year may be deducted from taxable capital gains realized by the investor in the year or against net taxable capital gains realized in any of the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

A Canadian investor's adjusted cost base of a Bond will include any amount by which the purchase price paid to acquire the Bond exceeds the principal amount thereof. Where an investor deducts an amount in computing income in respect of Pre-issue Interest on Bonds, the adjusted cost base to the investor of the Bonds will be required to be reduced by an equal amount. An investor that receives repayment in full of the outstanding principal amount of a Bond upon maturity will be considered to have disposed of the Bond at that time for proceeds of disposition equal to such outstanding principal amount.

### *Additional Refundable Tax*

An investor that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including interest and taxable capital gains.