Advice No. 10 | December 20, 2017
Important Information on the Canadian Registered Covered Bond Program

2018 FEE SCHEDULE – CANADIAN REGISTERED COVERED BOND PROGRAM

1.0 PURPOSE

To advise registered issuers and potential issuers of the **2018 fee schedule** for the Canadian Registered Covered Bond Programs.

2.0 BACKGROUND

Under Section 21.59 of the National Housing Act (NHA), CMHC has the authority to establish fees in relation to the administration of these programs. The fees are established to be sufficient to offset internal and external costs with respect of the performance of CMHC`s obligations under the NHA in relation to covered bonds; for example, the costs related to the processing of applications for registered issuers and registered programs, reviewing program documentation for existing issuers and maintaining the Canadian Covered Bond Registry.

Annual fees and registration fees are revisited each year to ensure they are based on actual costs incurred to date.

Covered bonds are a strategically important source of funding for uninsured mortgages in Canada. With a large international market, covered bonds have also enabled issuers to broaden their sources of funding geographically and expand their investor base. Through continuous enhancements based on international best practices, CMHC plays an important role in ensuring that a robust, globally recognized legal framework is in place.

3.0 2018 FEE STRUCTURE

The 2018 annual fee under the Canadian Registered Covered Bond Framework has been decreased from **$225,000 to $175,000** per issuer.

The 2018 application fee as a registered issuer for program registration remains unchanged at $350,000. As such, the application fee and the annual fee for the first year has been decreased from $575,000 to $525,000.

The fees will continue to be monitored to ensure they are established to be commensurate with the costs incurred by CMHC with respect to the administration of the program.

4.0 ENQUIRIES

For any questions, please contact Lily Shum
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