

INTRODUCTION OF THE NEW CMHC SECURITIZATION PORTAL

PURPOSE

To notify NHA MBS participants of changes to certain procedures under the NHA MBS Program Guide. The changes are necessary to facilitate implementation of a comprehensive technology solution for CMHC's Securitization Program, including the introduction of a web-based portal (the "CMHC Securitization Portal" or "Portal").

The CMHC Securitization Portal will be launched on December 19, 2018 and the related procedural changes become effective simultaneously.

BACKGROUND

CMHC Securitization is introducing the Portal with a long-term view of enhancing operational capabilities and, more generally, integrating business activities into a single platform. The Portal will create efficiencies, minimize reliance on paper-based processes, improve CMHC's risk management practices and enable better client interactions.

This implementation of the CMHC Securitization Portal – the **first** of two planned releases - will allow Issuers and Users to (among other things):

- Upload specific documents and related information to CMHC;
- Submit applications for participation as a NHA MBS Approved Issuer (i.e. CMHC Form 2802), NHA MBS initial pool requests (i.e. CMHC Form 2812) and NHA MBS Allocation Requests using "*click-and-bind*" functionality (a code-embedded substitute for wet or digital signatures).

Where applicable, the "*click-and-bind*" functionality will be used to bind an Issuer in place of a manual signature by an Issuer's authorized signing officer(s). The "*click-and-bind*" functionality in the Portal can also accommodate instances where an Issuer's board resolution requires two signatures;

- Submit other requests to be actioned by CMHC Securitization, including requests to "convert" pools or change coupon rates;
- Maintain contact details and manage User access.

A second and more significant release is being targeted for the second half of 2019, to further expand the Portal's capabilities and self-service functionality.

PROCEDURE CHANGES

The Portal and its functionality requires that certain procedures, as currently set forth under the NHA MBS Guide, be modified to facilitate system implementation, as follows:

PROCEDURES	CURRENT	MODIFIED (POST-PORTAL IMPLEMENTATION)
<i>In relation to Form CMHC 2802 (“Application to become an Approved Issuer”)</i>	Issuer to complete, sign and submit the paper-based form to CMHC Securitization.	A click-through fillable version of the form to be completed via the Portal and submitted without signature using the “click-and-bind” feature by one or more Users who are registered as a “signing officer” of the Issuer. Most documents required as part of the Issuer application will be uploaded to CMHC Securitization electronically via the Portal.
<i>In relation to Form CMHC 2812 (“New Pool Application”)</i>	Issuer to complete, sign, scan and email a paper-based form to the Securitization Operations team who, in turn, countersigns and returns the form to the Issuer, manually entering a system-generated pool number.	Authorized Users to complete and submit a new click-through fillable version of the form in the Portal using “click-and-bind” functionality.
<i>In relation to Form CMHC 2830 (“Schedule of Subscribers and Contractual Agreement”)</i>	Issuer to submit completed and signed original form to CMHC for countersigning. The paper-based, signed original is then delivered to and physically stored by the Central Payor and Transfer Agent (CPTA).	Parties to sign, scan and submit electronic-only (e.g. pdf) copies of the CMHC 2830.
<i>In relation to Issuer request for NHA MBS Allocation</i>	Issuer to submit allocation requests via email – with the allocation request form in both excel and pdf formats as email attachments.	Issuer to submit allocation request using a fillable form in the Portal, thereafter receiving notice of the actual allocated amount via the Portal.

ADVICE NO. 4: INTRODUCTION OF THE NEW CMHC SECURITIZATION PORTAL

In order to access and use the Portal, each User will be required to agree on behalf of the organization they represent to a set of “Terms and Conditions”, substantially in the form attached to this Advice as Appendix A to confirm, among other things, that they have the appropriate authority to access the Portal and, in the case of an Issuer’s “signing officers”, to use the “click-and-bind” function. As part of the initial registration process, the authorized signing officers identified in the board resolutions or other authorizing documentation provided to CMHC by approved Issuers will be invited to register as Users with the “signing officer” access role. Once registered, those initial signing officers may grant additional Users access by completing a “click-and-bind” registration process which will require the signing officers to complete and agree to the attestation substantially in the form attached to this Advice as Appendix B.

All existing and new Issuers with Approved status as at the Portal launch date are eligible to register and use the Portal, however the on-boarding registration process will be conducted in phases. CMHC Securitization will be contacting each approved Issuers with regards to their institution’s scheduled registration date.

Effective Date of Change

The CMHC Securitization Portal will be launched on the December 19, 2018 and the related procedural changes become effective simultaneously as Users acting on behalf of Issuers are registered.

ENQUIRIES

For specific questions or further details with respect to the new Portal, please contact TransformMBS@cmhc-schl.gc.ca.

For any other information, please visit the CMHC Web site at NHA MBS Program or contact CMHC by email at securitization@cmhc.ca or by telephone at 416-250-2700.



Mark Chamie
Vice-President, Capital Markets

APPENDIX A - TERMS AND CONDITIONS

Please read the terms of use below carefully. By clicking “AGREE”, you are certifying that you are authorized to register for access and to use this securitization customer relationship management portal (the “**Securitization CRM Portal**”) and you are agreeing, on behalf of the NHA Mortgage-Backed Securities Issuer, document custodian, pool administrator or other organization that you represent (the “**Organization**”), that the Organization agrees with Canada Mortgage and Housing Corporation (“**CMHC**”) to be bound by these terms and conditions of use (the “**Terms and Conditions**”). The purpose of the Securitization CRM Portal is to provide Organizations and their officers, employees or other representatives who agree to these terms and conditions on behalf of their Organization (each, a “**User**”) with a mechanism to review and submit documentation, and to correspond with CMHC electronically, on behalf of the Organization, for the purposes of the NHA Mortgage-Backed Securities Program (the “**NHA MBS Program**”). CMHC may revise the Terms and Conditions at any time. Your use of the Securitization CRM Portal after any revisions constitutes the Organization’s acceptance of our revised terms.

1. **Collection of Organization Information and Personal Information (collectively, the “Information”).** CMHC and parties working on its behalf may collect information, including information about the Organization (“**Organization Information**”) and Personal Information (meaning any information about an identifiable individual that is recorded in any form), through the Securitization CRM Portal including, without limitation, Information included in:

- (a) all forms, applications and requests submitted by the Organization to CMHC, including, in the case of an Organization that is an issuer:
 - (i) the application for participation as an NHA Mortgage-Backed Securities Issuer (an “**Issuer**”) in the NHA MBS Program and the attachments, as applicable;
 - (ii) any application for the guarantee (the “**NHA MBS Guarantee**”) by CMHC of timely payment on NHA Mortgage-Backed Securities (“**NHA MBS**”) that are issued by the Organization and backed by the Organization’s pools; and
 - (iii) the annual documents of the Organization required by the NHA Mortgage-Backed Securities Guide, as amended by CMHC from time to time (the “**NHA MBS Guide**”)

- (b) all agreements entered into by the Organization with CMHC,

and all supplementary Information provided by or on behalf of the Organization in connection therewith. In addition, CMHC may collect Information that is presently in CMHC’s possession arising out of, or in connection with, the Organization’s prior or existing relationship(s) with CMHC, such as from other CMHC programs or products. If any of the collected Information changes or becomes inaccurate, the Organization must promptly notify CMHC in writing of the change.

2. **Use and Disclosure of Information.** CMHC and parties working on its behalf are authorized to use, process and store Information and disclose it, as well as grant access to the Securitization CRM Portal, to CMHC employees, the office of the Minister responsible for CMHC, the central payor and transfer agent, and, in respect of any Issuer, the Issuer's document custodian, pool administrator, mortgage servicer(s), mortgage insurer(s) and registered titleholder(s), for the following purposes:
 - (a) if the Organization is an Issuer, to assess the Organization's eligibility to be an NHA Mortgage-Backed Securities Issuer in the NHA MBS Program;
 - (b) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud;
 - (c) for any purpose related to the NHA MBS Program or any other Program administered by CMHC;
 - (d) for analytics, policy analysis, auditing and research by CMHC;
 - (e) for evaluation and efficient administration of the NHA MBS Program; and
 - (f) for use by CMHC and the Government of Canada for any purpose related to the *National Housing Act* (Canada).

3. **Representations and Warranties of the Organization.** The Organization represents and warrants that:
 - (a) it has all of the necessary rights and consents to disclose all Information to CMHC and to allow CMHC to use, process and store Information and disclose it to CMHC employees, the office of the Minister responsible for CMHC, the central payor and transfer agent, and, in respect of any Issuer, the Issuer's document custodian, pool administrator, mortgage servicer(s), mortgage insurer(s) and registered titleholder(s), for the purposes described in Section 2 in compliance with all applicable laws;
 - (b) if the Organization is an Issuer, each User that is granted access to use the Securitization CRM Portal using the "Signing Officer (or delegate)" access role (a "**Signing Officer**") is authorized by the Organization to use the Securitization CRM Portal to agree to and submit to CMHC, in the name of and on behalf of the Organization, any documents required to:
 - (i) make applications to CMHC, in the name of and on behalf of the Organization, for participation as an NHA MBS Approved Issuer and for NHA MBS Guarantee approval on NHA MBS issued by the Organization;
 - (ii) enter into and amend contracts with CMHC for the latter's guarantee of NHA MBS issued in accordance with the terms and conditions of NHA MBS Guarantee approvals on NHA MBS issued by the Organization;
 - (iii) segregate mortgages now owned or hereafter acquired by the Organization into pools against which the Organization may issue NHA MBS;
 - (iv) enter into any agreement, execute any documents and furnish any Information required or deemed necessary or proper by CMHC in connection with any of the foregoing;
 - (v) bind the Organization by all the terms and conditions set forth in the NHA MBS Guide; and

- (vi) do all other things that a Signing Officer has the ability to do in the Securitization CRM Portal, from time to time, on behalf of the Organization, as specified in the Securitization CRM Portal User Guide (the “**User Guide**”);

provided, however, that where the board resolutions or other documentation of the Organization previously provided to CMHC to evidence the authority of, or sub-delegation of authority of, a Signing Officer require that such Signing Officer act together with one or more other Signing Officer(s) to complete any of the foregoing acts and thereby bind the Organization, such act(s) may only be completed by the requisite number of Signing Officers acting together, through the Securitization CRM Portal or otherwise.

- (c) each User of the Organization that is granted access to use the Securitization CRM Portal using the “Advanced Administrator” access role (an “**Advanced Administrator**”) is authorized by the Organization to use the Securitization CRM Portal, for and on behalf of the Organization, to access, update and submit certain Information and certain other documentation in connection with the Organization’s participation in the NHA MBS Program, and to do all other things that an Advanced Administrator has the ability to do in the Securitization CRM Portal, from time to time, on behalf of the Organization, as specified in the User Guide; and
- (d) each User of the Organization that is granted access to use the Securitization CRM Portal using the “Administrator” access role (an “**Administrator**”) is authorized by the Organization to use the Securitization CRM Portal, for and on behalf of the Organization, to access, update and submit certain Information and certain other documentation in connection with the Organization’s participation in the NHA MBS Program, and to do all other things that an Administrator has the ability to do in the Securitization CRM Portal, from time to time, on behalf of the Organization, as specified in the User Guide.

4. Covenants of the Organization. The Organization covenants and agrees that:

- (a) upon any change in the authority of the User, or any other officer, employee or representative of the Organization, to access and use the Securitization CRM Portal, the Organization will immediately notify CMHC of such change and remove and/or alter the access of the User, or such other officer, employee or representative of the Organization, accordingly; and
- (b) if the Organization is an Issuer, the User, and any other Signing Officer of the Organization, will only grant another officer, employee or representative of the Organization access to the Securitization CRM Portal:
 - (i) as a Signing Officer, if it has the authority to grant that person such access on behalf of the Organization and that person has been authorized by the Organization, or it is authorized to and has delegated its authority to that person, to use the Securitization CRM Portal in the manner described in Subsection 3(b);
 - (ii) as an Advanced Administrator, if it has the authority to grant that person such access and that person is authorized by the Organization to use the Securitization CRM Portal in the manner described in Subsection 3(c) above; or
 - (iii) as an Administrator, if it has the authority to grant that person such access and that person is authorized by the Organization to use the Securitization CRM Portal in the manner described in Subsection 3(d) above.

5. **Acknowledgements of the Organization.** The Organization acknowledges and agrees that:
 - (a) CMHC is not responsible for confirming the authority of any User, or any other officer, employee or representative of the Organization, to access and use the Securitization CRM Portal in the manner described in Section 3;
 - (b) the Organization is responsible for any misuse of the Securitization CRM Portal by its Users and other officers, employees or other representatives, and is bound by all transactions executed on its behalf through the Securitization CRM Portal;
 - (c) CMHC is not responsible for confirming the authority of the User or, if the Organization is an Issuer, any other Signing Officer to grant another officer, employee or other representative of the Organization access to the Securitization CRM Portal; and
 - (d) without limiting the generality of the foregoing, if the Organization is an Issuer, CMHC's consent is required each time the User or another Signing Officer grants another officer, employee or other representative of the Organization access to the Securitization CRM Portal as a "Signing Officer" and the Organization will be required to provide CMHC with copies of board resolutions or any other documentation requested by CMHC evidencing the authority of, or sub-delegation of the User's or other Signing Officer's authority to, such person.
6. **Release and Indemnity.** The Organization agrees to indemnify, release and forever hold harmless CMHC, its officers, directors, employees, agents and any other parties working for or engaged by CMHC or otherwise involved in connection with the administration of the NHA MBS Program from any and all claims, actions, demands, causes of action, suits, debts, damages (including without limitation, direct, indirect, special, incidental, punitive, third party or consequential damages) or any other losses, expenses or liabilities of whatever nature or kind sustained by the Organization or any other person arising out of, or in connection with, the use of the Securitization CRM Portal by the User or any other officer, employee or representative of the Organization. CMHC is not responsible for any applications, requests or documentation submitted in connection with the NHA MBS Program through the Securitization CRM Portal that are lost, late, misdirected or delayed for any reason, including for any failure of the Securitization CRM Portal or the CMHC website or technical malfunctions related thereto.
7. **Account Security.** The Organization is responsible for safeguarding the credentials and passwords that are used to access the Securitization CRM Portal and agrees not to disclose, and to cause all authorized users to safeguard and not disclose, such credentials and passwords to any third party. The Organization is responsible for any activity using your account, whether or not such activity is authorized.
8. **Security.** CMHC has implemented security policies and practices in the interest of protecting Information from unauthorized access, improper use, alteration, unlawful or accidental destruction, and accidental loss. CMHC's security infrastructure is designed to block unauthorized access while permitting authorized communications. While CMHC has taken reasonable efforts to protect Information, CMHC cannot guarantee the security of electronic systems or email and cannot be held responsible for unauthorized or unintended access. CMHC also cannot guarantee, warrant, or represent in any way that the Information the Organization provides will be transmitted securely or protected completely against interception, loss, misuse or alteration. The Organization shall immediately notify CMHC of any unauthorized use of its accounts. The Organization acknowledges that it is the Organization's responsibility to use a secure connection to access the Securitization CRM Portal.

9. **No Warranties.** THE SECURITIZATION CRM PORTAL IS PROVIDED ON AN “AS-IS” AND “AS AVAILABLE” BASIS AND AT YOUR OWN RISK. OTHER THAN AS EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS, CMHC MAKES NO REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE, WHETHER EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS TO THE FULL EXTENT PERMISSIBLE UNDER APPLICABLE LAW ANY AND ALL OTHER WARRANTIES OR CONDITIONS OF ANY KIND, INCLUDING: (A) FITNESS FOR A PARTICULAR PURPOSE; (B) THAT THE SECURITIZATION CRM PORTAL WILL ALWAYS BE AVAILABLE, ACCESSIBLE, UNINTERRUPTED, TIMELY, SECURE, OR OPERATE WITHOUT ERROR; AND (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.
10. **Force Majeure.** CMHC shall not be responsible or liable for delays in or for failures in the availability of the Securitization CRM Portal due to causes beyond its reasonable control, including without limitation, acts of God, Organization acts or omissions, third party product or service failures, Internet or telecommunications outages, acts of civil or military authorities, fire, strikes, power surges or outages, epidemics, flood, earthquakes, riot, or war.
11. **Limitation.** Neither CMHC, its agents, employees, directors, officers and affiliated companies (“**CMCH Parties**”) are liable to the Organization or any third party for any direct, indirect, special, incidental, punitive, third party, consequential damages or any other damages, losses or expenses (including loss of profits, loss of data or other intangible losses) however caused, sustained by the Organization or any other person as a result of the use of this Securitization CRM Portal site and/or any web browser, including any liability for: (a) interruptions and communication line failures including communication malfunctions that affect the accuracy or timeliness of messages or instructions between the Organization and CMHC and/or that prevent messages or instructions from being transmitted in whole or in part or agreements from being formed between the Organization and CMHC; (b) the Organization’s inability to access and/or use, at any time, any part of this Securitization CRM Portal or any services provided on it; (c) the malfunctioning or unavailability of this Securitization CRM Portal, in whole or in part; (d) any harm or loss to your computing systems or records or data howsoever caused including caused by viruses, “worms,” “trojan horses” or other similar intrusive, disruptive or destructive programs or files of that nature; (e) interception or disclosure of confidential or sensitive information transmitted over the Internet; (f) inaccuracies, delays in operation or transmission, failures, errors or omissions or loss of transmitted information; and (g) lack of suitability, reliability, timeliness or availability of this site or any material or services offered on the Securitization CRM Portal. The limitations and exclusions of liability set out herein shall apply regardless of the form of action or theory of liability, including for breach of contract, tort, negligence, by statute or otherwise.
12. **Access to Information and Privacy Statement.** Where Personal Information is collected, the collection, use and disclosure of Personal Information shall be in accordance with the federal *Privacy Act*. The *Privacy Act* provides individuals with a right to access their Personal Information that is under the control of CMHC, to request corrections of their Personal Information and to file a complaint to the Privacy Commission of Canada regarding CMHC’s handling of Personal Information. Please direct any questions, comments, concerns, requests for Personal information or complaints to CMHC’s Access to Information and Privacy Office at (613) 748-2501 or via email at ATIP-AIPRP@cmhc.ca.
13. **Website Terms and Conditions and Privacy Policy.** Use of CMHC’s website is subject to the [Website Terms and Conditions](#) (the “**Website Terms and Conditions**”) and CMHC’s [Privacy Policy](#) (the “**Privacy Policy**”), to the extent each is applicable. To the extent there is any conflict between the Website Terms and Conditions or the Privacy Policy and these Terms and Conditions, these Terms and Conditions shall govern.

14. **Headings for Convenience Only.** The headings used in these terms and conditions are intended for convenience or reference only and do not affect the interpretation of the provisions of these terms and conditions.
15. Individual agreeing to these Terms and Condition represents that it is authorized to do so for and on behalf of, and thereby bind, the Organization.

Organization agrees to these Terms and Conditions.

AGREE

APPENDIX B – ATTESTATION OF A SIGNING OFFICER GRANTING OTHER USERS ACCESS TO THE CMHC SECURITIZATION PORTAL

“By clicking “**I Agree**”, I certify the following, in my capacity as an authorized officer of **[fill in the blank for the name of the Issuer]** (the “**Issuer**”):

1. **[Fill in the blank for name of the employee]** (the “**User**”) is authorized by the Issuer to use this securitization customer relationship management portal (the “**Securitization CRM Portal**”) to access, update and submit information, including information about the Issuer and personal information (meaning any information about an identifiable individual that is recorded in any form), and other documentation in connection with the Issuer’s participation in the NHA Mortgage-Backed Securities Program administered by Canada Mortgage and Housing Corporation (“**CMHC**”) and to do all other things that the “**Signing Officer (or delegate)**” access role, “**Advanced Administrator**” access role or “**Administrator**” access role, as applicable, has the ability to do in the Securitization CRM Portal, from time to time, on behalf of the Issuer, as specified in the Securitization CRM Portal User Guide (the “**User Guide**”);
2. Without limiting the applicability of paragraph 1, if the User has been assigned the “**Signing Officer (or delegate)**” access role, the User is authorized by the Issuer to use the Securitization CRM Portal to agree to and submit to CMHC, in the name of and on behalf of the Issuer, any documents required to:
 - (a) make applications to CMHC in the name of and on behalf of the Issuer for participation as an NHA MBS Approved Issuer and for NHA MBS Guarantee approval on NHA Mortgage-Backed Securities (“**NHA MBS**”) issued by the Issuer;
 - (b) enter into and amend contracts with CMHC for the latter’s guarantee of NHA MBS issued in accordance with the terms and conditions of NHA MBS Guarantee approvals on NHA MBS issued by the Issuer;
 - (c) segregate mortgages now owned or hereafter acquired by the Issuer into pools against which the Issuer may issue NHA MBS;
 - (d) enter into any agreement, execute any documents and furnish any information, including information about the Issuer and any personal information (meaning any information about an identifiable individual that is recorded in any form), required or deemed necessary or proper by CMHC in connection with any of the foregoing;
 - (e) bind the Issuer by all the terms and conditions set forth in the NHA Mortgage-Backed Securities Guide, as amended by CMHC from time to time; and
 - (f) do all other things that the “**Signing Officer (or delegate)**” access role has the ability to do in the Securitization CRM Portal in connection with the NHA Mortgage-Backed Securities Program administered by CMHC, from time to time, on behalf of the Issuer; and
3. I have authority to grant the User access to the Securitization CRM Portal as a “**Signing Officer (or delegate)**”, “**Advanced Administrator**” or “**Administrator**”, as applicable, on behalf of the Issuer.”

Notwithstanding anything else to the contrary contained herein, where the board resolutions or other documentation of the Issuer previously provided to CMHC to evidence the authority of, or sub-delegation of authority of, a Signing Officer require that such Signing Officer act together with one or more other Signing Officer(s) to complete any of the foregoing acts and thereby bind the Issuer, such act(s) may only be completed by the requisite number of Signing Officers acting together, through the Securitization CRM Portal or otherwise.