



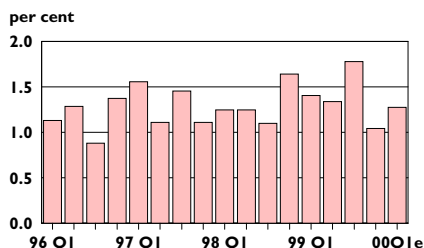
MHC MORTGAGE

MARKET TRENDS

Canada Mortgage and Housing Corporation

Second Quarter, 2000

Residential mortgage credit growth*



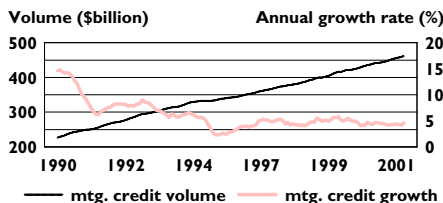
* quarter-over-quarter estimates
Sources: CMHC, Bank of Canada CMHC-MAC 2000

MARKET SHARE OF RESIDENTIAL MORTGAGE CREDIT (%)

	1Q99	2Q99	3Q99	4Q99	1Q00e
Banks	65.2	65.5	65.7	65.5	67.9
Trusts	5.9	5.8	5.7	5.5	3.1
Caisse & Co-op	13.5	13.4	13.4	13.6	13.8
Life Ins. Co.	4.9	4.8	4.6	4.6	4.5
Pension Funds	1.9	1.9	1.9	1.9	1.9
Fin. & Loan	8.5	8.6	8.7	8.9	8.8

e: estimate
Sources: Bank of Canada, CMHC CMHC-MAC 2000

Residential mortgage credit



Sources: Bank of Canada, CMHC (2000-2001) CMHC-MAC 2000

MORTGAGE LENDING

RESIDENTIAL MORTGAGE CREDIT OUTLOOK FOR 2000-2001

by Philippe LeGoff, Senior Economist

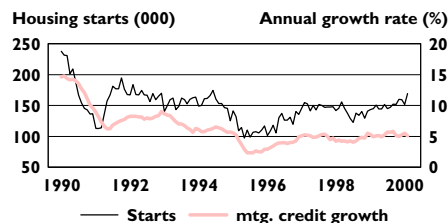
Favourable economic conditions will support further growth in housing markets and residential mortgage credit over the next 18 months. Mortgage credit outstanding will grow by 4.9 per cent this year to surpass \$441 billion, and by 4.5 per cent next year, to reach \$461 billion by December 2001.

The slowdown in household formation and the general trend toward prepayments will be largely offset by a sustained increase in housing starts, higher prices and a greater number of transactions, even in the face of rising mortgage rates. Mortgage credit outstanding will grow by 4.9 per cent this year to surpass \$441 billion, and by 4.5 per cent next year, to reach \$461 billion by December 2001.

Solid growth in housing starts and resale prices in 2000 and 2001

Housing starts, the main source of growth in the housing stock, are among the best indicators of mortgage credit growth, as new homes are largely financed through loans. The relationship between these two variables is in fact quite apparent. Housing starts are expected to rise along with mortgage credit, at a growth rate of 6.0 per cent this year, for a total of 158,900 units. Starts will progress by 3.5 per cent in 2001, reaching 164,400 units.

Housing starts and residential mortgage credit growth move together



Sources: Bank of Canada, CMHC CMHC-MAC 2000

The growth in mortgage credit will also be fuelled by transactions on the resale market, which will post an average price increase of more than 4

Continued on page 8

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HOME TO CANADIANS
Canada

A DECADE OF MORTGAGE LENDING

A DECADE OF RESIDENTIAL MORTGAGE LENDING IN REVIEW: THE 1990S

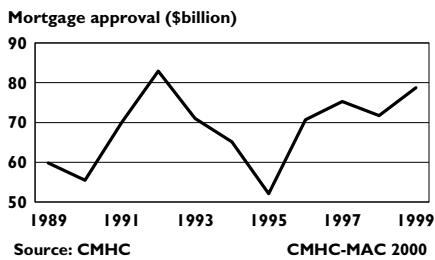
by Ali Manouchehri, Senior Economist - Capital Markets

A growing mortgage lending volume, larger loans, rising concentration of lending activity, bundled mortgage lending, intensified application of new technologies, better informed borrowers, and competitive mortgage lending practices were the earmark of Canadian residential mortgage markets in the 1990s.

Mortgage lending up

Mortgage lending grew in the 1990s, with mortgage approvals¹ as a proxy for mortgage initiation, reaching \$78.7 billion in 1999, a 2.8 per cent annual increase since 1989. The growth in mortgage lending was propelled by the perennial homeownership dream. Among the major forces that contributed to increased mortgage lending in the past decade were lower mortgage rates, demographic factors, the introduction of five per cent downpayment, the Home Buyers' Plan, and rising house prices.

Residential mortgage lending grew in leaps and bounds

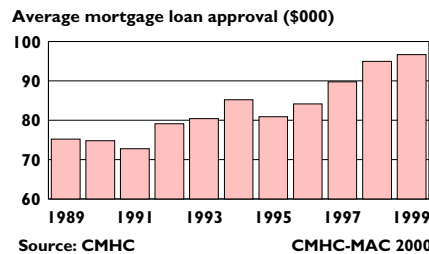


Larger loans

The size of the average approved mortgage loan increased from \$75,229 in 1989 to \$96,670 in 1999, a rate of 2.5 per cent per year. Average loans for new homes grew at an annual pace of 3.5 per cent between 1989 and 1999, to reach \$128,715. The average loan for existing homes rose at an annual pace of 2.4 per cent, from \$72,535 to \$91,873 over the same period. Loans for new homes accounted for 17.3 per cent of total mortgages approved in 1999, unchanged from 1989. The share of

loans approved for new homes out of overall mortgage approval peaked at 20.5 per cent in 1990 and dropped to 13.2 per cent in 1992, the lowest level in the decade.

Average mortgage loan on the rise

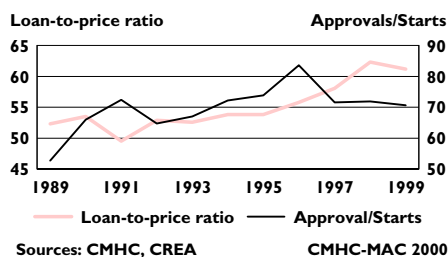


Heavier reliance on mortgages to purchase a home

While the number of newly constructed units ranged from a low of 110,933 in 1995 to a high of 215,382 in 1989, the proportion of those relying on a mortgage loan to purchase a home trended up. The ratio of units approved for a mortgage to housing starts rose from 52.7 per cent in 1989 to 70.7 per cent in 1999.

Heavy reliance on mortgages helped push up the loan-to-value ratio for approved loans relative to the price of units sold through MLS² from

Mortgage loans critical in turning the home ownership dream into reality

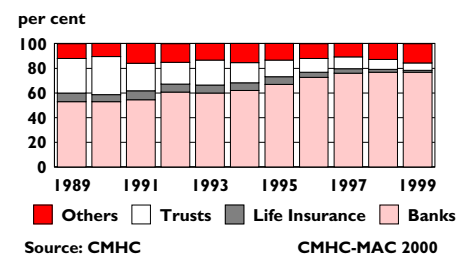


52.3 per cent in 1989 to 61.2 per cent last year. Increases in both the size of the average loan and the percentage of buyers of new homes assuming a mortgage contributed to rising financial leverage in the residential market.

Mortgage lending consolidation

The finance industry witnessed significant consolidation in the 1990s. The chartered banks' share of mortgage loans approved rose from 52.6 per cent in 1989 to 82.8 per cent by 1999, in line with the increasing prominence of the banks in the Canadian finance industry.

Market share of mortgage initiation



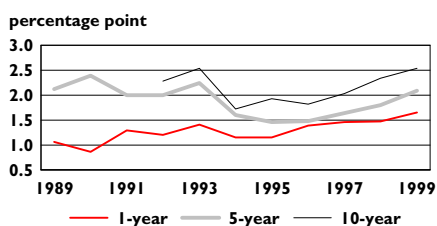
Despite consolidation of mortgage initiation, the mortgage market remained competitive, with many lenders offering similar arrays of mortgage products. Competition helped hold mortgage borrowing costs down, as evidenced by the spread between posted mortgage rates and the costs of funding mortgages approximated by yields on comparable Government of Canada securities.

Continued on page 3

A DECADE OF MORTGAGE LENDING

Continued from page 2

Mortgage-bond yield spreads remained in a narrow range



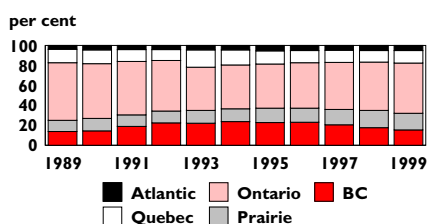
Sources: CMHC, Bank of Canada CMHC-MAC 2000

Regional mortgage lending

Provincial mortgage markets mirrored the housing market in each province. Ontario's resilient housing markets helped the province maintain its overall lead in mortgage initiation over the past decade, though its market share of mortgage approvals declined from 57.7 per cent in 1989 to 50.2 per cent in 1999.

Slower housing markets in British Columbia in recent years moved the province to third place in mortgage approvals, with 15.1 per cent of approved loans in 1999, a marked decline from 23.6 per cent in 1994. Alberta, with strong housing markets since 1997, pushed the Prairie region to second spot in residential lending volume. The Prairie region accounted for 16.5 per cent of mortgage approvals in 1999, with Alberta contributing over three quarters of this amount. Quebec's market share of mortgage approvals nudged down from 13.6 per cent in 1989 to 12.5

Regional mortgage lending market shares



Source: CMHC CMHC-MAC 2000

per cent last year, peaking at 17.2 per cent in 1993. The Maritimes mortgage market enjoyed stability over the period, with its market share of mortgage approvals edging up to 5.1 per cent in 1999 from 3.7 a decade earlier.

Building on the past and looking into the future

Resurrection of longterm mortgages in the early 1990s widened the array of mortgage products available to borrowers. Introduction of various mortgage products with different features made home purchase more feasible for home buyers.

For the most part, mortgage initiation, funding, and servicing continued to remain bundled (that is, handled by the same entity), though steps were taken to diversify funding sources and reduce funding costs. Greater utilization of National Housing Act Mortgage Backed Securities and introduction of Special Purpose Vehicles contributed to further development of the secondary mortgage market in Canada and helped lower mortgage funding costs. Utilization of emerging mortgage insurance tools, such as CMHC's emili³, helped enhance the efficiency of housing finance in Canada and guide further development of mortgage lending.

Mortgage lending enjoyed the benefits of new telecommunication technology through expansion of mortgage shopping and shorter approval processing. While a decade ago shopping for a mortgage required a visit to a local lender, the Internet has become an increasingly popular tool for locating the best mortgage deals. According to a 1999 survey⁴ one in five mortgagors with Internet access

used the Internet to shop for a mortgage and 5 per cent of such borrowers secured a pre-approved mortgage on-line. Mortgage lenders have adapted to changing borrowing habits and increasingly sophisticated mortgagors. According to the same survey, one in ten borrowers switched from one lender to another in search of a more suitable mortgage last year, while there was little evidence of such behaviour in the early 1990s.

Some of the factors that affected mortgage lending in the past decade and set the stage for trends in the new century were the introduction of in-store banking and new partnerships between mortgage lenders and mortgage brokers, real estate firms, builders, and renovation warehouses. ■

¹Mortgage approvals in this report refer to mortgage loans approved by chartered banks, trusts, life insurance, and finance and loan companies, but not by credit unions and caisses populaires.

²Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association

³emili is CMHC's automated mortgage insurance approval tool.

⁴FIRM Residential Mortgage Survey, December 1999.

INDICATORS OF MORTGAGE LENDING ACTIVITY

MORTGAGE CREDIT OUTSTANDING (\$MILLIONS)*

	1997	1998	1999	1Q99	2Q99	3Q99	4Q99	1Q00e
TOTAL	368,651	387,770	409,655	401,015	406,383	413,609	417,917	423,251
% change	5.3	5.2	5.6	1.4	1.3	1.8	1.0	1.3
Banks	222,057	248,026	268,646	261,511	266,208	271,895	273,804	287,554
Trusts	33,679	24,442	23,481	23,731	23,693	23,591	23,090	12,924
Caisse & Co-op	51,687	53,146	54,942	53,975	54,455	55,233	56,748	58,415
Life Ins. Co.	22,071	20,797	19,279	19,761	19,370	19,090	19,079	18,951
Pension Funds	7,997	8,015	7,880	7,803	7,798	7,979	8,111	8,059
Fin. & Loan	31,161	33,343	35,427	34,234	34,859	35,820	37,085	37,348

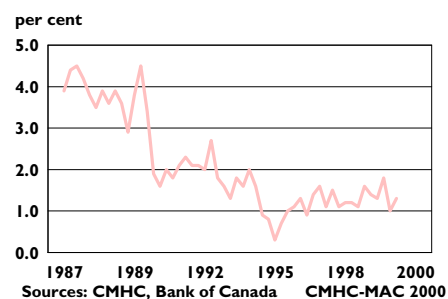
*Seasonally adjusted data

Sources: Bank of Canada, CMHC

e: estimate

CMHC-MAC 2000

Quarterly residential mortgage credit growth



Sources: CMHC, Bank of Canada CMHC-MAC 2000

NHA AND CONVENTIONAL LOANS APPROVED *

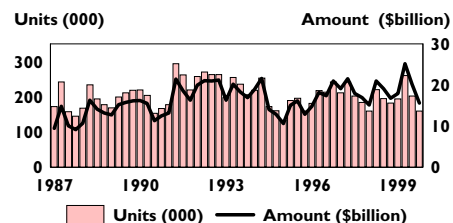
		1998	1999	1Q99	2Q99	3Q99	4Q99
TOTAL	\$ millions	71,714	78,745	17,888	25,121	20,179	15,556
	Units	755,263	814,583	193,488	260,283	201,450	159,362
By Type of Lender							
Banks	\$ millions	55,126	60,574	13,505	19,487	15,553	12,028
	Units	549,716	599,482	138,794	195,145	147,891	117,652
Trusts	\$ millions	5,881	4,725	1,159	1,525	1,216	824
	Units	66,785	52,470	13,556	16,718	13,080	9,116
Life Ins. Co.	\$ millions	1,510	1,049	368	331	198	152
	Units	27,605	19,579	6,448	5,175	4,877	3,079
Others	\$ millions	9,197	12,398	2,856	3,778	3,212	2,551
	Units	111,157	143,052	34,690	43,245	35,602	29,515

* Not seasonally adjusted

Sources: Bank of Canada, CMHC

CMHC-MAC 2000

NHA and conventional approvals



Sources: CMHC CMHC-MAC 2000

MORTGAGE RATES (%)*

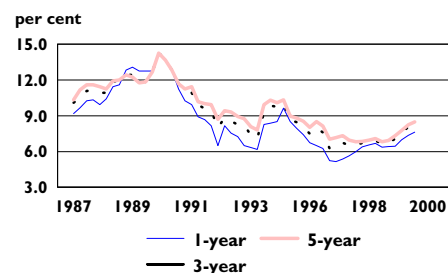
	1997	1998	1999	4Q98	1Q99	2Q99	3Q99	4Q99	1Q00
1-year	5.54	6.50	6.80	6.37	6.42	6.45	6.97	7.35	7.63
3-year	6.56	6.77	7.37	6.63	6.77	7.07	7.60	8.05	8.25
5-year	7.07	6.93	7.56	6.83	6.92	7.32	7.75	8.25	8.48

* Average of period

Sources: Bank of Canada, CMHC

CMHC-MAC 2000

Mortgage rates



Sources: CMHC, Bank of Canada CMHC-MAC 2000

NOTE

If there is a specific trend or development you would like to see analyzed in a future issue please let us know. Suggestions and requests for additional information may be sent to Ali Manouchehri, Senior Economist, Capital Markets, Market Analysis Centre, Canada Mortgage and Housing Corporation (CMHC), 700 Montreal Road, Ottawa, Ontario, K1A 0P7, Tel.: (613) 748-2506, Internet: amanouch@cmhc-schl.gc.ca.

For information regarding MBS please call Colin Mills, Acting General Manager, MBS Centre, CMHC, Toronto, Tel.: (416) 218-3305.

Mortgage Market Trends is a quarterly publication. To order, in Canada call 1-800-668-2642; outside Canada, call 1-613-748-2003.

To receive your subscription over the Internet, visit <http://www.cmhc-schl.gc.ca/MktInfo/Store> \$25.00 per issue. Annual subscription (4 issues) \$85 + GST – Order No. MMTSE.

Cette publication est aussi disponible en français sous le titre SCHL – Tendances du marché hypothécaire – No de commande : MMTSF.

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SECONDARY MORTGAGE MARKET TRENDS

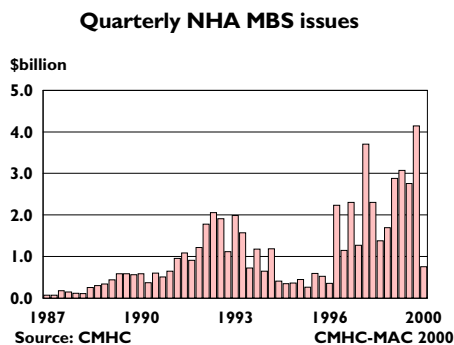
NHA MORTGAGE-BACKED SECURITIES

NHA MBS SLOWS

by Ali Manouchehri, Senior Economist - Capital Markets

Lingering concerns over Y2K-related problems and limited use of NHA MBS as collateral in Large Value Transfer Systems contributed to lower NHA MBS issues in the first quarter of this year, with \$755 million in new issues.

Somewhat higher mortgage rates, combined with rising inflation concerns and subsequent volatility in financial markets, also helped slow demand for mortgages and issuance of NHA MBS in the first quarter of 2000, with 26 new pools issued, totaling \$755 million. This was well off the record pace of \$4.1 billion in the previous quarter.



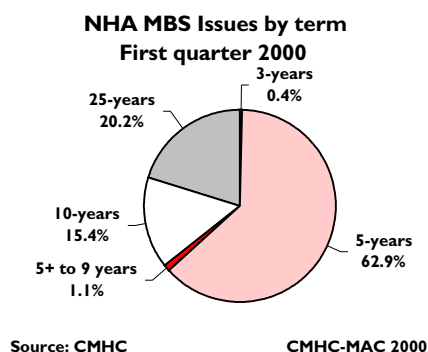
Social housing pools were the bright spot

Except for social housing pools, all pool types declined during the first quarter of 2000. Social housing pools rose nearly 27 per cent over the previous quarter to reach \$262 million.

Single family indemnity pools issued during the quarter were at only about 10 per cent of the level of volume issued in the previous quarter. However, single-family indemnity pool 970 remained popular, accounting for over 50 per cent of all issues between January and March and leading the way with the issue of five new pools amounting to \$381.2 million.

Longer term issues dominant

While the 5-year term is the largest component of NHA MBS issues, those with terms of longer than five years accounted for 36.7 per cent of the new issues during the quarter.



Chartered banks led the issuers

Chartered banks accounted for 84.3 per cent of new NHA MBS issues, surpassing their share of the primary residential mortgage market, of roughly three quarters. Trusts accounted for about 10 per cent of new issues, up from 5.0 per cent in 1999. Loan and finance companies accounted for under 4.0 per cent of the new issues.

NHA MBS outstanding

The decrease in the number of issues of NHA MBS kept the outstanding volume close to 27.7 billion in the first quarter of 2000, accounting for 6.5 per cent of total residential mortgage credit outstanding in Canada.

NHA MBS highlights First quarter 2000

New issues:

- ✓ 26 pools for \$754.9 million
- ✓ 13 single family pools amounting to \$436.9 million
- ✓ issues of social housing pools up by 26.6 per cent to \$261.5 million

MBS-bond yield spreads:

- ✓ on average narrowed by 3 basis points from the last quarter

Outstanding volume:

- ✓ some \$27.7 billion outstanding, up by \$18.5 million from the previous quarter

Little change in spreads

NHA MBS-Government of Canada bond yield spreads for all pool types narrowed by approximately three basis points in the first quarter of 2000. The average spreads were about 30 basis points for non-prepayable polls and 40 basis points for prepayable polls.

Positive outlook

Future issues of NHA MBS will be supported by a number of factors: a flat yield curve, promoting consumer preference for longer term mortgages; the dwindling of term deposits at financial institutions, traditionally a major source of mortgage funding; the growth of mortgage lending and the subsequent pressure on regulatory capital ratios; and reduced issuing costs and the use of these securities as collateral in Large Value Transfer Systems (LVTS). ■

Definition of NHA MBS pool types are provided on page 7

A SNAPSHOT OF CANADIAN MORTGAGE HOLDERS

by Louis Trottier, Senior Economist and Ali Manouchehri, Senior Economist-Capital Markets

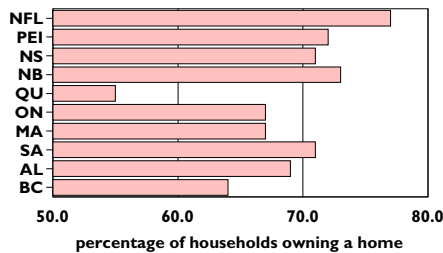
Canadians place a high value on home ownership and invest large amounts of money in their homes. Nearly two of every three households own their homes, and half of them carry a mortgage. Mortgage payments account, on average, for approximately one fifth of a household's disposable income.

Home ownership is the rule

The home ownership dream has turned into reality for the majority of households; approximately 64 per cent of 11.4 million Canadian households now own their homes.

Newfoundland leads the nation with a home ownership rate of 77 per cent, followed closely by New Brunswick, Prince Edward Island, Nova Scotia and Saskatchewan, all of which offer modestly priced homes.

Home ownership more common in Atlantic Canada



Source: Statistics Canada, Survey of Household Spending, 1997-98 MAC 2000

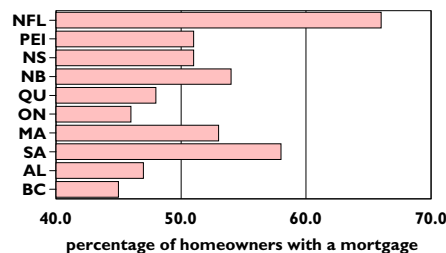
At the other end of the spectrum, the home ownership rate in Quebec is only 55 per cent despite a modestly priced housing market. This is due, in part, to a historically strong rental market, which has offered residents a wide array of housing options. Manitoba's home ownership rate of 67 per cent is somewhat below that of other provinces with similar house prices.

Mortgage-holder home owners

The keen desire for home ownership led to a mortgage debt of over \$423.3 billion in early 2000. Some 48 per cent of all home owners hold a mortgage, with Newfoundland residents taking the top spot at 66 per

cent despite modestly priced homes in the province, while 55 per cent of British Columbia home owners live a mortgage-free life.

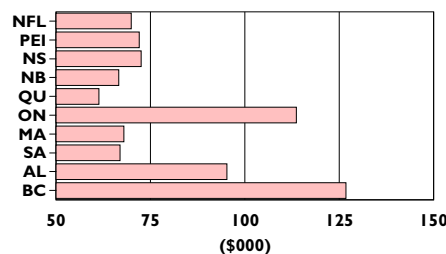
Nearly one half of home owners carry a mortgage



Source: Statistics Canada, Survey of Household Spending, 1997-98 MAC 2000

The average loan approved in 1999 was about \$97,000, with British Columbia residents borrowing the largest amount, \$126,000, and Quebec home owners assuming the smallest loans, at \$61,000.

Average mortgage loan approved



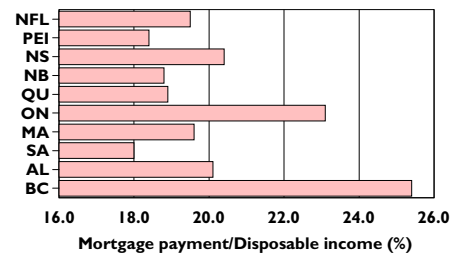
Source: CMHC, Canadian Housing Statistics, 1999 MAC 2000

A recent survey¹ shows that average mortgage debt is about \$77,000 per home owner. Home owners in British Columbia lead the way with an average mortgage of \$106,000, while their Atlantic counterparts carry the smallest mortgage debt, at \$60,000. An average home owner has been making mortgage payments for ten years.

Mortgage payments account for one fifth of the disposable income of home owners

A mortgage is normally paid off over a relatively long period and accounts for a sizable portion of a home owner's income. Home owners in Saskatchewan spend about 18 per cent of their disposable income² on mortgage payments, compared to those in British Columbia, who spend slightly over 25 per cent on average.

B.C. home owners spend a larger portion of their disposable income on mortgages



Sources: Statistics Canada, CMHC MAC 2000

Non-mortgage-related home ownership costs are significant

While mortgage payments represent the largest component of home ownership costs, at 21 per cent, related costs, such as property taxes and utilities, account for over 15 per cent of disposable income.

Mortgage and shelter costs lower for higher income earners

As home owner income rises, mortgage payments become less of a burden. Home owners with a disposable income of less than

Continued on page 7

A SNAPSHOT OF MORTGAGE HOLDERS

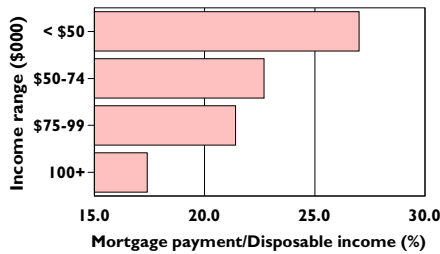
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\$50,000 on average spend 27 per cent of their income on mortgage payments compared to 17 per cent for home owners with a disposable income of over \$100,000.

earning less than \$50,000, regardless of age, spend between 21.7 per cent and 25.9 per cent of their disposable income on mortgage payments. On the other hand, higher incomes have a

prominent role in lightening the mortgage burden. Similar results apply to shelter-to-disposable income ratio, except for younger high-income home owners with a mortgage. ■

Mortgage payments constitute a smaller burden as household income rises



Sources: Statistics Canada, CMHC
MAC 2000

RATIO OF MORTGAGE PAYMENTS TO DISPOSABLE INCOME FOR HOME OWNERS

Income group (\$000)	Less than \$50	\$50-74	\$75-99	\$100 plus
Age				
20-24	23.1%	15.3%	17.6%	3.6%
25-44	25.1%	21.7%	19.6%	17.1%
45-54	25.9%	20.7%	18.5%	15.0%
55-65	25.5%	20.9%	17.7%	12.5%
65+	21.7%	16.8%	11.4%	17.2%

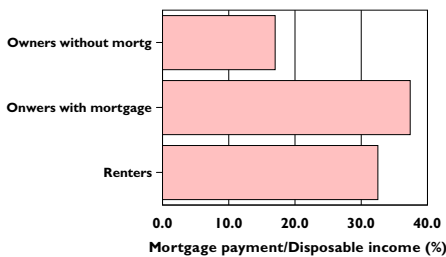
Sources: Statistics Canada, CMHC

CMHC - MAC 2000

Home owners with a mortgage pay a larger share of their income for shelter

Home owners who have paid off their mortgage face the smallest shelter-to-disposable income ratio, at 17 per cent, while home owners with a mortgage carry the heaviest burden, 37 per cent. Renters pay about 32 per cent of their disposable income for shelter-related costs.

Home owners with a mortgage have the heaviest shelter costs/income ratio



Sources: Statistics Canada, CMHC
MAC 2000

Income more important than age in lowering mortgage burden

In general, older home owners have had more time to pay off their mortgages and have a smaller mortgage payment-to-disposable income ratio. However, this ratio does not change substantially with age within each income group--those

NHA MORTGAGE-BACKED SECURITIES POOL TYPE DEFINITIONS

964 - Comprised exclusively of Homeowner Mortgages, any Penalty Interest Payments (PIP) from early prepayment are passed through to the investor

967 - Comprised exclusively of Homeowner Mortgages, all Penalty Interest Payments (PIP) from early prepayment are retained by the issuer

970 - Comprised exclusively of Homeowner Mortgages, Investors are paid an indemnity in the event of any prepayments made outside the core prepayments provisions

966 - Comprised exclusively multi-family rental mortgages, pools mortgages are closed to prepayment options

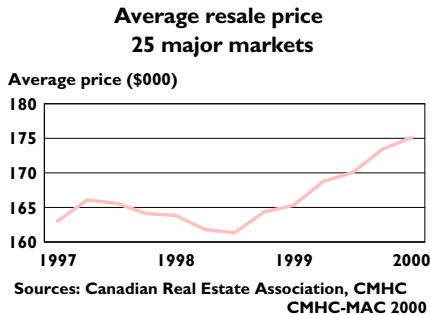
990 - Comprised exclusively Social Housing Mortgages, pools and mortgages are closed to prepayment options

965 - Mixed Pools, these pools can be comprised of any of the above types of mortgages

Continued from page 1

per cent through 2001. The resale price increase has been particularly vigorous since the second half of 1998, especially in large urban centres.

In fact, 1998 marked a turning point for residential real estate prices in Canada after five years of stagnation.



Healthier public finances, a lighter tax burden and strong job creation have brought about greater optimism and higher incomes among households, which now entertain a more positive view of real estate.

Households in Canada, like those in the United States, are buying larger and larger homes, and the proportion of single-detached houses to total starts has grown in the last few years. It is difficult, however, to accurately assess the impact of this phenomenon on the demand for mortgage credit or to determine the proportion of this growth financed through loans and through equity.

The other side of the coin: the ageing of the population

The current growth phase of real estate markets partly constitutes a recovery period following a sluggish mid-1990s. CMHC forecasts a continued high level for new residential construction in the near future.

Over the longer term, the volume of starts will gradually ease unless housing demand is buoyed up by higher immigration levels. This

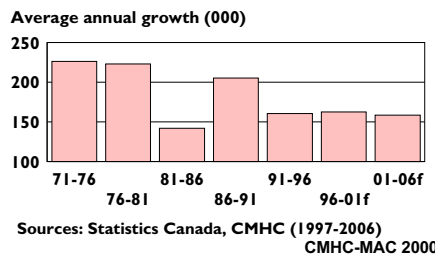
prospect will also be a determining factor in mortgage credit growth in Canada. The current mortgage credit growth rate could be viewed as at its peak, because in the future the borrowing age population will grow more slowly and strong repayment patterns will emerge. In fact, the 45-64 age group will continue to increase its demographic weight over the next few years. Baby boomers are reaching an age when they are saving more and paying off debts, including mortgage debts, in preparation for retirement.

What to do from now until 2015?

The Canadian mortgage market is maturing, and prospects for growth are limited. In fact, most Canadian lending institutions have understood this and are increasingly turning to the international scene to ensure growth in the area of mortgage lending, as in other sectors.

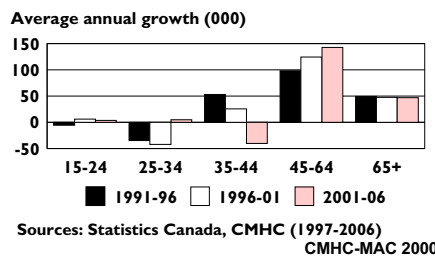
The current transition period may be the right time to think about mortgages and other financial products that will be needed by an older society, as ageing in 2010 and 2015 will be different from ageing in 1950 and 1960. ■

Household growth



At the opposite end of the spectrum, young households buying their first home (normally those between 25-34 years of age) and those purchasing a second residence (aged 35-44 years) will see their numbers stagnate or drop over the next few years.

Households by age group



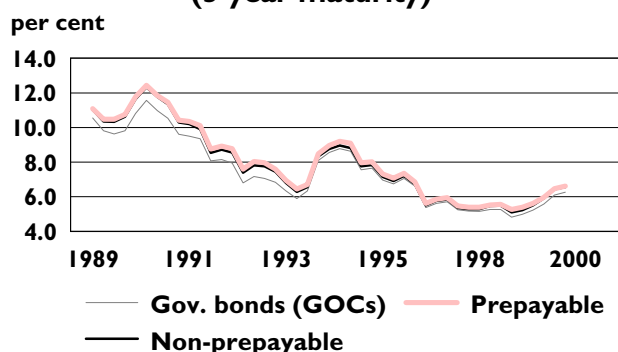
NHA MBS STATISTICS
 NHA MORTGAGE-BACKED SECURITIES
 (Average of period except when indicated)

		1998	1999	1Q99	2Q99	3Q99	4Q99	1Q00
OUTSTANDING AMOUNT (End of period)								
TOTAL	\$million	19,101	27,691	21,002	22,816	24,598	27,691	27,709
	Units	1,152	1,072	1,136	1,115	1,098	1,072	1,052
Residential, single (with PIP)	\$million	1,962	2,208	2,205	2,310	2,278	2,208	2,171
	Units	434	323	408	372	353	323	301
Residential, single (no PIP)	\$million	1,398	1,169	1,339	1,252	1,199	1,169	1,142
	Units	213	201	216	215	207	201	199
Residential, single (no PIP with indemnity)	\$million	10,029	17,721	11,608	12,882	14,531	17,721	17,701
	Units	143	188	154	162	175	188	193
Residential, multiple	\$million	1,414	1,579	1,390	1,530	1,552	1,579	1,565
	Units	97	109	98	103	106	109	111
Social Housing	\$million	3,425	3,693	3,445	3,699	3,777	3,693	3,782
	Units	190	150	178	173	161	150	146
Mixed	\$million	872	1,321	1,015	1,142	1,260	1,321	1,348
	Units	75	101	82	90	96	101	102
ISSUES (Total of period)								
TOTAL	\$million	9,076	12,854	2,879	3,071	2,760	4,144	755
	Units	212	165	40	46	40	39	26
Residential, single (with PIP)	\$million	386	1,172	566	438	105	63	39
	Units	32	24	7	5	7	5	4
Residential, single (no PIP)	\$million	313	142	35	39	40	28	16
	Units	27	19	4	6	4	5	4
Residential, single (no PIP with indemnity)	\$million	6,664	9,473	1,909	1,728	2,149	3,687	381
	Units	83	45	11	8	13	13	5
Residential, multiple	\$million	158	385	32	184	84	86	15
	Units	18	22	3	8	4	7	4
Social Housing	\$million	1,015	1,188	182	544	256	207	262
	Units	23	24	6	9	5	4	6
Mixed	\$million	539	493	154	138	127	74	42
	Units	29	31	9	10	7	5	3
YIELDS (5-year maturity,%)								
MBS Prepayable (with PIP)		5.43	5.86	5.40	5.61	5.97	6.47	6.62
MBS Prepayable (no PIP)		5.49	5.92	5.46	5.66	6.03	6.52	6.67
MBS Non-prepayable		5.34	5.76	5.23	5.50	5.91	6.42	6.56
MBS MMUF		5.39	5.81	5.29	5.55	5.94	6.47	6.60
Mortgage rates		6.93	7.56	6.92	7.32	7.75	8.25	8.48
GOCs		5.13	5.47	4.98	5.22	5.57	6.10	6.27
SPREADS OVER GOC (5-year maturity,%)								
Prepayable (with PIP)		0.30	0.40	0.43	0.38	0.40	0.37	0.35
Prepayable (no PIP)		0.35	0.45	0.48	0.44	0.46	0.43	0.40
Non-prepayable		0.21	0.30	0.26	0.27	0.34	0.33	0.29
MMUF		0.26	0.35	0.31	0.33	0.37	0.37	0.34
Mortgage rates		1.80	2.09	1.94	2.09	2.18	2.15	2.22

* PIP stands for Penalty Interest Payments. Not seasonally adjusted.
 Sources: CMHC, Bank of Canada

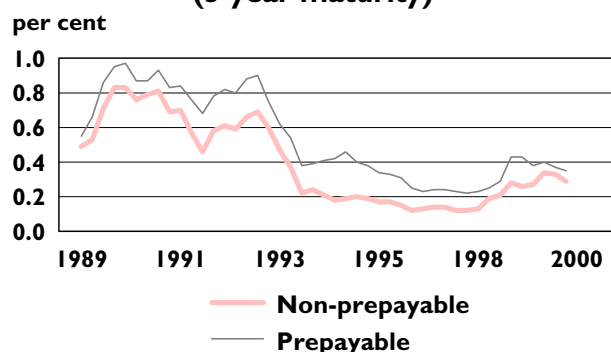
CMHC - MAC 2000

**Selected interest rates
(5-year maturity)**



Sources: CMHC, Bank of Canada, Nesbitt Burns
 CMHC-MAC 2000

**Spreads over GOCs
(5-year maturity)**



Sources: CMHC, Bank of Canada, Nesbitt Burns
 CMHC-MAC 2000

**NHA MORTGAGE-BACKED SECURITIES
JANUARY TO MARCH 2000 ISSUES**

POOL NO.	ISSUER	VALUE (\$)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
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MONTH OF ISSUE: JANUARY 2000

NHA-Insured Market Residential Pools (Single Units)						
96-413-497	Pafco Insurance Co.	12,960,296.34	6.650	2005-01-01	7.93	22.57
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-406	Pafco Insurance Co.	3,335,770.88	6.375	2005-01-01	7.13	23.94
NHA-Insured Market Residential Pools (Non PIP)						
96-702-667	HSBC Bank Canada	5,524,549.80	5.500	2004-12-01	7.11	22.59
Social Housing Pools						
99-008-153	Toronto-Dominion Bank	7,233,028.00	5.875	2005-01-01	6.60	32.51
99-008-161	Bank of Nova Scotia	93,381,460.86	6.450	2025-01-01	7.00	29.02

MONTH OF ISSUE: FEBRUARY 2000

NHA-Insured Market Residential Pools (Single Units)						
96-413-505	Pafco Insurance Co.	5,000,712.93	6.750	2005-02-01	8.19	22.87
96-413-513	Pafco Insurance Co.	2,088,798.03	7.000	2010-02-01	8.42	21.23
NHA-Insured Market Residential Pools (Mixed)						
96-501-309	Equitable Trust Company (The)	18,895,613.77	6.450	2010-02-01	7.12	24.14
96-501-317	Equitable Trust Company (The)	6,716,218.34	6.250	2005-02-01	7.33	24.12
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-414	M.R.S. Trust Company	5,266,520.00	6.450	2005-02-01	7.24	24.99
NHA-Insured Market Residential Pools (Non PIP)						
96-702-675	HSBC Bank Canada	4,237,562.77	6.000	2005-01-01	7.36	22.49
96-702-683	HSBC Bank Canada	2,870,173.76	5.250	2003-01-01	7.07	21.76
NHA-Insured Market Residential Pools (NO PIP WITH INDEMNITY)						
97-001-960	National Bank of Canada	281,006,699.00	5.250	2004-11-01	6.59	21.73
97-001-978	National Bank of Canada	77,522,009.89	5.600	2009-11-01	6.69	21.56
97-001-986	M.R.S. Trust Company	7,204,270.05	5.850	2004-12-01	6.82	21.74
Social Housing Pools						
99-008-179	Toronto-Dominion Bank	4,774,695.00	6.250	2005-02-01	6.98	35.00
99-008-187	Toronto-Dominion Bank	59,329,436.49	6.750	2025-02-01	7.31	30.94

MONTH OF ISSUE: MARCH 2000

NHA-Insured Market Residential Pools (Single Units)						
96-413-539	Vancouver City Savings CU	19,199,932.95	5.350	2005-02-01	6.96	22.11
NHA-Insured Market Residential Pools (Mixed)						
96-501-325	Equitable Trust Company (The)	15,942,139.00	6.400	2010-03-01	7.64	24.03
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-398	Pafco Insurance Co.	2,132,317.48	6.500	2010-03-01	7.45	22.65
96-601-422	Peoples Trust Company	4,175,972.26	6.250	2005-03-01	7.53	23.75
NHA-Insured Market Residential Pools (Non PIP)						
96-702-691	HSBC Bank Canada	3,804,579.89	5.250	2005-02-01	7.21	22.27
NHA-Insured Market Residential Pools (NO PIP WITH INDEMNITY)						
97-001-994	M.R.S. Trust Company	6,997,760.95	6.400	2005-03-01	7.67	23.74
97-002-000	M.R.S. Trust Company	8,502,740.67	5.750	2008-12-01	6.54	20.60
Social Housing Pools						
99-008-195	Toronto-Dominion Bank	78,651,927.51	6.500	2005-03-01	7.02	29.01
99-008-203	Bank of Nova Scotia	18,150,790.91	6.450	2005-03-01	7.03	26.50

*PIP stands for Penalty Interest Payments
Source: CMHC

CMHC - MAC 2000

Definition of NHA MBS pool types are provided on page 7.