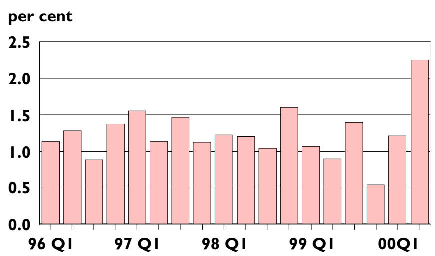
CMHC MORTGAGE MARKET TRENDS

Canada Mortgage and Housing Corporation

Third Quarter, 2000

Residential mortgage credit growth*



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

MARKET SHARE OF RESIDENTIAL MORTGAGE CREDIT (%)

	2Q99	3Q99	4Q99	1Q00	2Q00e
Banks	65.8	66.3	66.4	69.2	70.3
Trusts	5.6	5.4	5.2	2.8	1.8
Caisse & Co-op	13.3	13.3	13.2	13.2	13.1
Life Ins. Co.	4.7	4.5	4.4	4.4	4.3
Pension Funds	1.9	1.9	2.0	2.1	2.0
Fin. & Loan	8.6	8.7	9.0	8.9	8.8

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

In this Issue:

MORTGAGE LENDING

RESIDENTIAL MORTGAGE CREDIT MARCHES ON

by Claude Lapointe, Senior Economist

Mortgage credit continued to expand in the second quarter of 2000, increasing by 2.2 per cent over levels in the first quarter of the year thanks to vibrant housing markets in most parts of the country.

The construction market in Canada slowed in the second quarter, largely as a result of the strike by concrete mixer drivers in Toronto. However, this slowdown did not affect mortgage loan activity, which registered a nation-wide increase of 2.2 per cent in the second quarter to reach $427 billion. Despite the momentary slowdown in construction, the housing market remains healthy in most regions, thanks to a robust resale market.

Mortgage rate increases take their toll

Mortgage rates remained volatile in the second quarter, with concerns over inflation here and abroad. One-year Canadian mortgage rates reached 8.3 per cent in mid-May, and five-year rates jumped to 8.75 per cent, before nudging downward. Continued relatively low rates bode well for the Canadian housing market. However, higher rates in recent months dampened mortgage prepayment somewhat, leading to a larger gain than expected in mortgage credit.

Chartered banks' share surpasses 70 per cent

Banks continued to increase their share of the mortgage loan market at the expense of life insurance and trust companies. Banks, which held 58.8 per cent of the market in the second quarter of 1997, accounted for 65.3 per cent of the market two years later and passed the 70 per cent mark in the second quarter of this year.

Continued on page 8

CMHC SCHL

HOME TO CANADIANS

Canada

PROVINCIAL MORTGAGE MARKETS: A POSITIVE OUTLOOK

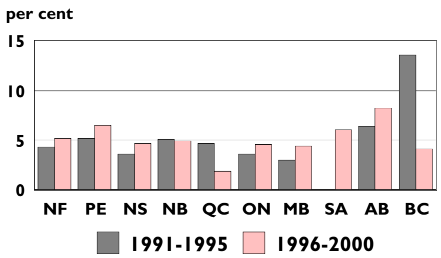
by Ali Manouchehri, Senior Economist - Capital Markets

Ontario and Alberta will lead the provinces in mortgage credit growth in 2000-2001. Mortgage rates, home construction, dwelling sales, and house price appreciation will all be moderate and bode well for mortgage lending in 2000-2001.

Nationally, growth in mortgage credit slowed to 4.3 per cent annually in the second half of the 1990s after a 5.5 per cent increase in the first half of the decade.

The slower mortgage credit expansion corresponded to lower and more moderate home construction, sales, and price growth in British Columbia and Quebec, which was only partially offset by stronger performance in Ontario and Alberta.

Average annual residential mortgage credit growth rate

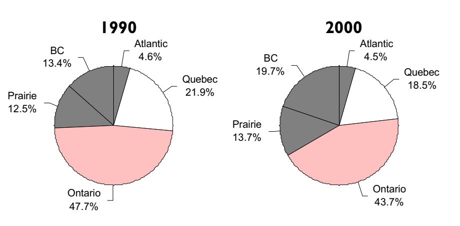


Sources: CMHC, Bank of Canada, Statistics Canada
CMHC-MAC 2000

British Columbia ranks second behind Ontario in market size

Residential mortgage credit levels have traced housing market trends in each province and, accordingly have varied from province to province over time.

Regional distribution of residential mortgage loans outstanding



Sources: CMHC, Bank of Canada, Statistics Canada
CMHC-MAC 2000

British Columbia's vibrant housing industry in the first half of the 1990s caused the provincial mortgage credit to grow by an average of 13.6 per cent per year between 1990 and 1995, much faster than any other province. This rapid pace pushed British Columbia ahead of Quebec in terms of its mortgage market size despite the fact that its housing stock is only about half of the stock in Quebec, and positioned it second only to Ontario. However, a slow down in home construction and sales in the province has lowered mortgage credit growth to 4.1 per cent per year since 1996.

Residential mortgage credit outstanding & housing stock by province, June 2000

Province	Mortgage loans ($m)*	Housing stock (units)*
NF	2,727	210,099
PE	910	50,020
NS	7,022	367,098
NB	4,332	282,512
QC	61,329	3,078,063
ON	144,676	4,332,957
MB	7,812	447,620
SA	5,770	405,152
AB	31,176	1,091,778
BC	64,653	1,546,010
Total	330,406	11,811,309

Source: CMHC, Statistics Canada, Bank of Canada
* Estimate

Results presented in this article are based on data for lenders that provide breakdowns by province. These include chartered banks, independent trust and mortgage companies, and credit unions. The mortgage credit outstanding for these institutions at midyear 2000 reached $331.4 billion, representing approximately 77.6 per cent of the $381.3 billion in total primary mortgages for all financial institutions.

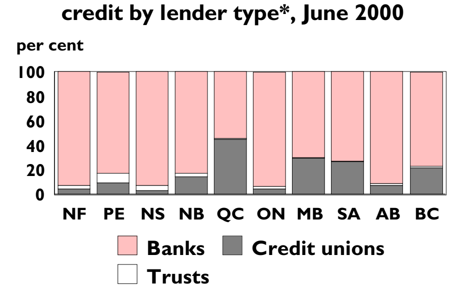
Chartered banks lead in market share

Nearly 90 per cent of residential mortgage loans are with chartered banks, credit unions, and mortgage and trust companies. However, market share by institution type varies from one province to another due to the nature and structure of housing and finance sectors in each province.

Credit unions account for over 44.7 per cent of the outstanding mortgage credit in Quebec. At the other end of the spectrum is Nova Scotia, where credit unions hold a market share of only 3.5 per cent.

The market share for trust and mortgage companies ranges from a low of 0.7 per cent in Quebec to a high of 7.3 per cent in Prince Edward Island.

Market share of residential mortgage credit by lender type*, June 2000



Sources: CMHC, Bank of Canada, Statistics Canada
* Excludes other lender types CMHC-MAC 2000

Chartered banks enjoy the largest share of residential loans outstanding in every province, from 49.7 per cent in Quebec to nearly 93 per cent in Ontario, Newfoundland and Nova Scotia.

Continued on page 3

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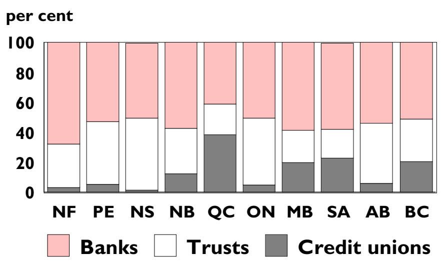
The market share for lenders has also changed over time in response to changes in the finance industry. While independent trusts held over one third of mortgage loans in the Maritimes, Ontario, and Alberta in early 1990, a decade later they accounted for less than 8.0 per cent of the residential mortgage loans outstanding.

Market share of residential mortgage credit by lender type*, June 1990



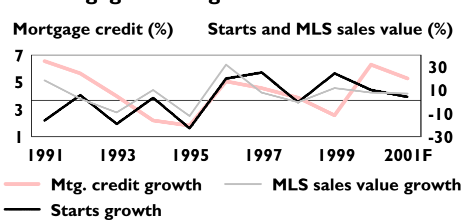
Sources: CMHC, Bank of Canada, Statistics Canada
* Excludes other lender types CMHC-MAC 2000

Regional mortgage market outlook for 2000-2001

Ontario will hold the key

Ontario's healthy economy has led to rising housing starts, mortgage lending activity and mortgage credit growth since 1996. This trend is likely to continue.

Ontario will lead other provinces in mortgage credit growth in 2000-2001



Sources: CMHC, Statistics Canada, Bank of Canada
CMHC-MAC 2000

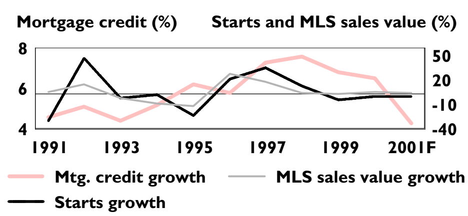
Housing starts, home sales, and prices are forecast to rise in Ontario in 2000-2001, thanks to strong exports and consumer demand. As a result, mortgage credit is expected to grow by 6.3 per cent this year and 5.0 per cent next year.

Since Ontario accounts for about 43.7 per cent of outstanding mortgage loans and 36.7 per cent of housing stock, any improvement in the province's housing and mortgage market will translate to a stronger national mortgage market.

Prairie regional mortgage market will remain vibrant

A strong Alberta economy has propelled the housing and mortgage markets in Alberta and the Prairie region as a whole over the last few years. However, growth in housing, and consequently in mortgage markets, is expected to ease somewhat this year and next. Alberta will lead regional mortgage credit growth, while Saskatchewan and Manitoba will continue their slower growth pattern.

Prairie mortgage market marches on



Sources: CMHC, Statistics Canada, Bank of Canada
CMHC-MAC 2000

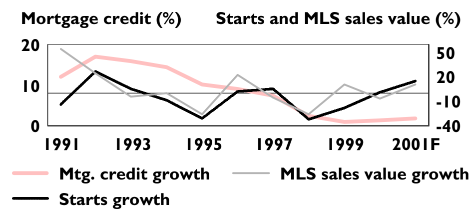
The Prairie region is expected to experience mortgage credit growth rates of 6.0 per cent this year and 4.0 per cent in 2001.

Despite strong housing markets in recent years, the Prairie region's share of mortgage credit (around 13.5 per cent) will continue to remain below its share of the national housing stock (16.2 per cent), reflecting lower indebtedness of Prairie homeowners.

British Columbia's mortgage market improving

B.C.'s mortgage market grew fast and outstanding residential loans expanded at an annual rate of 13.6 per cent in the first half of this decade, the fastest of any province. However, the pace of home construction and sales dampened in line with the economy, and mortgage credit growth began to ease to 4.1 per cent per year starting in 1996.

British Columbia's mortgage market recovering slowly in 2000-01



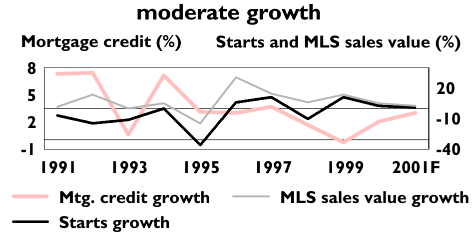
Sources: CMHC, Statistics Canada, Bank of Canada
CMHC-MAC 2000

The continued slowdown will likely constrain mortgage credit growth to under 2.0 per cent this year and next. The weaker pace of housing and mortgage markets in B.C. will have an appreciable impact on the national mortgage market since the province now accounts for nearly 20 per cent of national mortgage credit outstanding.

Quebec's mortgage market will benefit from higher starts and sales

Quebec's mortgage market has grown at a slower pace than the national average since the mid 1990s, a pattern duplicated in its housing market.

Quebec mortgage market posed for moderate growth



Sources: CMHC, Statistics Canada, Bank of Canada
CMHC-MAC 2000

Continued on page 8

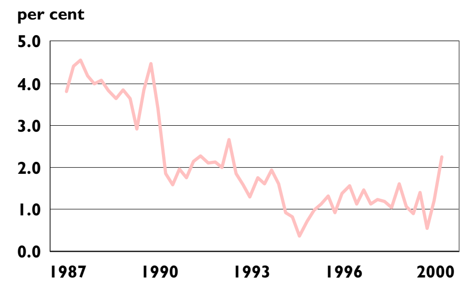
INDICATORS OF MORTGAGE LENDING ACTIVITY

MORTGAGE CREDIT OUTSTANDING ($MILLIONS)*

	1997	1998	1999	2Q99	3Q99	4Q99	1Q00	2Q00e
TOTAL	370,353	388,924	407,143	404,642	410,321	412,566	417,598	426,993
% change	5.4	5.0	4.7	0.9	1.4	0.5	1.2	2.2
Banks	222,106	247,847	268,458	266,305	272,000	273,931	288,836	299,998
Trusts	33,679	24,442	22,366	22,540	22,076	21,510	11,489	7,485
Caisse & Co-op	51,687	53,146	54,177	54,002	54,369	54,660	55,314	55,832
Life Ins. Co.	22,071	20,797	18,812	19,098	18,489	18,088	18,401	18,557
Pension Funds	7,997	7,857	7,995	7,798	7,979	8,400	8,637	8,632
Fin. & Loan	31,161	33,343	35,499	34,859	35,820	37,085	37,339	37,407

*Seasonally adjusted data
e: estimate
Sources: Bank of Canada, CMHC
CMHC-MAC 2000

Quarterly residential mortgage credit growth



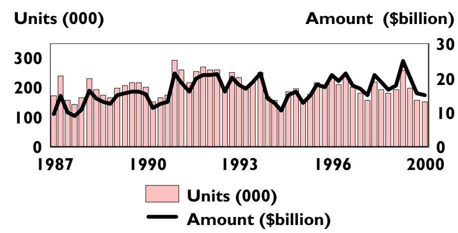
Sources: CMHC, Bank of Canada CMHC-MAC 2000

MORTGAGE LOANS APPROVED*

		1998	1999	2Q99	3Q99	4Q99	1Q00
TOTAL	$ millions	71,714	78,745	25,121	20,179	15,556	15,151
	Units	755,263	814,583	260,283	201,450	159,362	153,590
By Type of Lender							
Banks	$ millions	55,126	60,574	19,487	15,553	12,028	11,316
	Units	549,716	599,482	195,145	147,891	117,652	109,160
Trusts	$ millions	5,881	4,725	1,525	1,216	824	916
	Units	66,785	52,470	16,718	13,080	9,116	9,158
Life Ins. Co.	$ millions	1,510	1,049	331	198	152	287
	Units	27,605	19,579	5,175	4,877	3,079	3,940
Others	$ millions	9,197	12,398	3,778	3,212	2,551	2,632
	Units	111,157	143,052	43,245	35,602	29,515	31,332

* Not seasonally adjusted
Sources: Bank of Canada, CMHC
CMHC-MAC 2000

NHA and conventional approvals



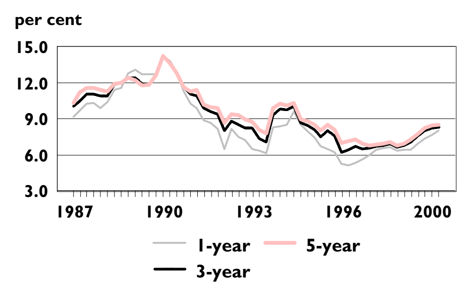
Sources: CMHC CMHC-MAC 2000

MORTGAGE RATES (%)*

	1997	1998	1999	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00
1-year	5.54	6.50	6.80	6.42	6.45	6.97	7.35	7.63	8.03
3-year	6.56	6.77	7.37	6.77	7.07	7.60	8.05	8.25	8.33
5-year	7.07	6.93	7.56	6.92	7.32	7.75	8.25	8.48	8.52

* 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.

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

NHA MORTGAGE-BACKED SECURITIES

NHA MBS ISSUES UP

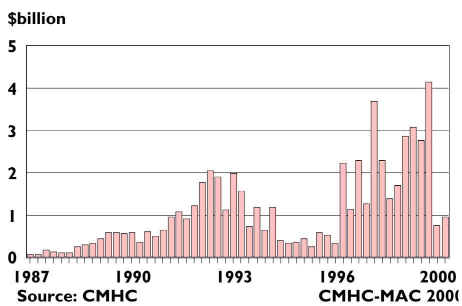
by Ali Manouchehri, Senior Economist - Capital Markets

A combination of factors moderated growth in the NHA MBS market to $967 million in the second quarter of 2000, up 28 per cent from the previous quarter.

Single-family residential pools with indemnity were the bright spot

Single-family indemnity pool 970 remained popular, with $566 million in new issues, up 84.5 per cent from the previous quarter. They accounted for 58 per cent of all new issues between April and June 2000. Issues of multi-family residential and social housing pools were also higher than in the first quarter.

Quarterly NHA MBS issues



Chartered banks led the issuers

Chartered banks accounted for 80.5 per cent of new NHA MBS issues, followed by trusts, at 12.4 per cent, and life insurance companies, at 7.1 per cent.

NHA MBS outstanding

Modest issues of NHA MBS kept the outstanding volume close to $27.7 billion in the second quarter of 2000, accounting for 6.5 per cent of total residential mortgage credit outstanding in Canada.

Little change in spreads

NHA MBS-Government of Canada bond yield spreads for all pool types changed by one to two basis points in the second quarter of 2000. The average spreads were about 30 basis points for non-prepayable polls and 42 basis points for prepayable pools.

Economic drivers of NHA MBS portray a positive outlook

The demand for and supply of NHA MBS are influenced by a number of factors, including demand for mortgages, profitability of mortgage lending, attractiveness of NHA MBS relative to other securities, availability of liquidity to lenders to fund mortgages, and the extent of utilization of NHA MBS in the past.

Higher demand for mortgages in the primary mortgage market supports larger NHA MBS issues. Similarly, improving profit margins on mortgage lending fuels the supply of NHA MBS by lenders. The increased wealth of investors and portfolio management considerations also contribute to rising demand for NHA MBS. On the other hand, availability of highly liquid assets such as cash and deposits can lead lenders to rely less on NHA MBS to fund mortgages. Market share of mortgage lending by lender type also has some bearing on the desire of lenders to issue NHA MBS.

The medium-term outlook for NHA MBS remains positive given the above-mentioned economic and structural factors and the possible introduction of new products. ■

NHA MBS highlights second quarter 2000

New issues:

√ 26 pools for $966.9 million
√ 13 single family pools amounting to $593.5 million
√ issues of multiple pools up nearly five fold to $83.1 million

MBS-bond yield spreads:

√ on average widened by 1-2 basis points from the last quarter

Outstanding volume:

√ $27.7 billion

NHA MBS 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 of Multi-family rental mortgages, pools mortgages are closed to prepayment options

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

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

DETERMINANTS OF DEMAND FOR MORTGAGE LOANS, AND LONG-TERM FORECAST

by Philippe LeGoff and Louis Trottier, Senior Economists

According to a recent study, the main factors affecting residential mortgage demand are demographic growth, changes in the real income of households, mortgage rates and home prices. The study predicts that the real value of the average loan will double over the next 25 years, to reach about $140,000 by 2026.

Principal factors in the demand for mortgage loans

The vigour of the mortgage market can be gauged by the level of real estate activity. The factors that encourage loan demand are demographic growth, changes in the real income of households, mortgage rates and home prices. The value of mortgage credit outstanding therefore correlates closely with the value of real estate sales.

Results of the study

The study conducted by Fortin and Leclerc* on the basis of time series data (1969 to 1998) estimates two relationships that distinguish the number of new mortgage loans and the value of new mortgage loans. What follows are the principal results for the factors that have a significant impact.

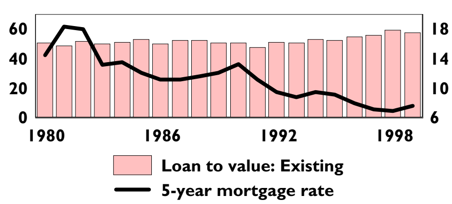
Value of new loans driven by household income

The value of new loans is to a large extent tied to home prices. These, in turn, largely reflect the real income of households.

- √ An increase of one per cent in real home prices brings about a rise of 0.81 per cent in the average value of mortgage loans.
- √ An increase of one per cent in the real income of households drives up home prices by 0.84 per cent.
- √ An increase of one per cent in real income pushes up the value of the average mortgage loan by 0.68 per cent.

The Economic theory teaches that households borrow less when the cost of credit goes up. The researchers point out that when high mortgage rates depress home values, the deterioration of credit conditions brings down the value of new loans. As such, they estimate that an increase of one per cent in the five-year mortgage rate reduces real resale prices by 1.19 per cent and the real value of loans by 0.97 per cent.

Loan to value ratio and 5-year mortgage rate



Sources: CMHC CMHC-MAC 2000

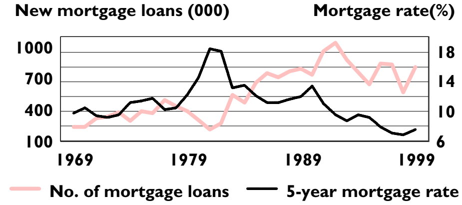
Increased mortgage rates very visibly bring home prices down, as buyer income limitations become more important. Buyers generally opt for more modest properties when credit conditions are less favourable.

Mortgage rates impact number of new loans

The analysis also confirms that the number of new loans is strongly affected by an increase in the nominal mortgage rate. An increase of one percentage point in the nominal interest rate reduces the number of new loans by 15 per cent.

While there is no doubt that the number of loans is sensitive to the nominal interest rate, the significance of the impact seems very high and not representative of the reality on the market. First, the assumption that all else is equal, an assumption essential to the behaviour of statistical models using historical data, does not properly render the net effect of a particular set of conditions. For example, the period from January 1999 to June 2000, marked by an increase in interest rates, also highlighted a rise in the disposable income of households resulting from improved labour market conditions and a lighter tax burden.

No. of new mortgage loans and 5-year mortgage rate



Sources: CMHC, Bank of Canada
CMHC-MAC 2000

This sensitivity of new loans to interest rate levels can also be explained by the fact that an increase of one percentage point in mortgage rates brings about an increase in the monthly payments that is quite high in percentage terms. For instance, for a mortgage of $100,000 amortized over 25 years, a rate increase from 7.0 per cent to 8.0 per cent raises the monthly payments by 9.2 per cent, or $65.

Continued on page 7

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The other important variable that affects the number of mortgage loans is the rate of growth of the population aged between 25 and 34 years. With a rise of one per cent in the size of this age group, the number of mortgages is estimated to rise by 4.8 per cent.

This factor will be increasingly significant in the demand for mortgage loans, as the Canadian population is aging markedly at the same time as its growth is slowing. This is bound to lead to a decline in the demand for new homes and to have a moderating effect on the number of starts. Just how the aging of the population will affect housing demand is a more complex issue, however, and will depend on how the household consumer profile will change with age, a phenomenon that is now uncertain.

Long-term forecast for the value and number of new mortgage loans

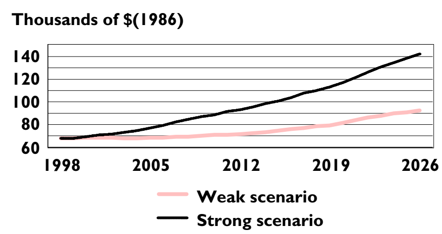
The long-term forecast for the number and value of new loans is based on the three demographic scenarios issued by Statistics Canada and on two assumptions for the annual growth in real income, of 1.0 per cent and 1.65 per cent. The three demographic growth assumptions and the two income growth assumptions result in six scenarios.

Real value of new loans to double

The forecast associated with stronger income growth indicates that the average real value of new mortgage loans will double over the next 25 years. This forecast is not very sensitive to demographic assumptions. The value predicted for 2026 varies only between $136,000 and $141,800, compared with $68,343 in 1999.

The forecast associated with weaker income growth points to a much less pronounced progression in the average value of new loans. This value would hover between $92,400 and $96,400 in 2026. For the overall forecast period, the mortgage rate was set at 7.5 per cent.

Average new mortgage loan

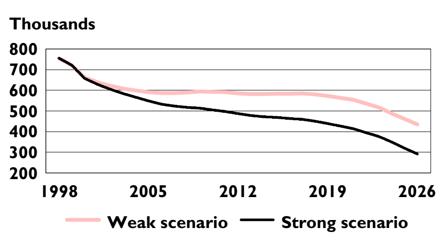


Source: CMHC CMHC-MAC 2000

Demographics influence number of new loans

While the number of new loans is sensitive to growth in the population aged from 25 to 34 years it does not react to real income. The six reference scenarios therefore provide only three forecast paths for the number of new loans. The scenarios suggest an initially rapid reduction in the number of loans. The renewed demographic growth among young households as of 2004 will allow for a shift in this downward trend. The model indicates between 500,000 and 600,000 new loans in 2010, a level comparable to that of the early 1980s.

No. of new mortgage loans



Source: CMHC CMHC-MAC 2000

The decrease will intensify again starting in 2020, with a decline in the young population. There would therefore be only about 300,000 new loans in 2026, according to the most conservative demographic growth scenario. However, as Fortin and Leclerc rightfully mention, this number is very sensitive to interest rate fluctuations in the short term. ■

* Fortin and Leclerc, Determinants of long-term demand for mortgage loans, CMHC, 2000. This study will be available through Canadian Housing Information Centre later this year.

MORTGAGE LENDING CONT'D

Continued from page 1

The share of the mortgage market held by independent trusts continues to slip, dropping to 1.8 per cent in the second quarter of 2000 from 10.4 percent two years earlier. This sharp decline is explained by the fact that Canadian banks have acquired major trust companies in recent years.

Life insurance companies are also losing market share, but at a slower pace than the trusts. Their share of the mortgage loan market shrank from 6.1 per cent in the second quarter of 1997 to 4.3 per cent in the second quarter of 2000. The share of the market held by credit unions and savings co-operatives has slipped from 14.2 per cent to 13.1 per cent in three years, since the second quarter of 1997. Loan corporations and pension funds have more-or-less kept a constant share of the market during that time. ■

PROVINCIAL MORTGAGE MARKETS CONT'D

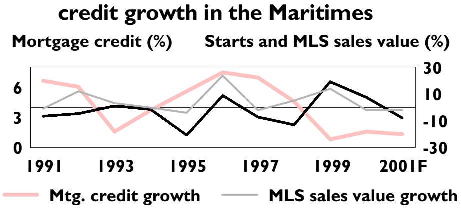
Continued from page 3

Quebec's mortgage market is set to grow in 2000-2001, with mortgage credit expanding by 2.0 per cent this year and 3.0 per cent in 2001.

Atlantic region losing some steam

In 1999, mortgage markets in the Atlantic region experienced their slowest growth of the decade. Slower housing markets in Nova Scotia and New Brunswick in 2000-2001will keep mortgage credit growth below 2.0 per cent this year and next. ■

Weaker housing markets limit mortgage credit growth in the Maritimes



Sources: CMHC, Statistics Canada, Bank of Canada
CMHC-MAC 2000

MORTGAGE RATES OUTLOOK

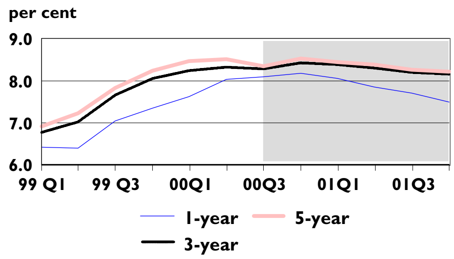
by Ali Manouchehri, Senior Economist - Capital Markets

Mortgage rates have trended upward since early 1999. However, growing evidence of an economic slowdown in Canada and the U.S. point to lower rates by next year.

Mortgage rates will remain susceptible to upward pressure this fall, sparked by robust economic growth at home and globally as well as potentially higher interest rates in Europe and the United States.

Mortgage rates will ease after the emergence of convincing evidence of slower economic growth, softening in the labour market and consumer spending, and weaker price increases in Canada and south of the border.

Mortgage rates close to a peak



Sources: CMHC, Bank of Canada CMHC-MAC 2000
* 2000-2001 are CMHC forecast

Despite the continued strength of petroleum prices, moderate consumer and industrial price increases will help keep our interest and mortgage rates low in 2000-2001. Mid- to long-term bond and mortgage rates could cap out in the U.S. and Canada over the next few months if long-term bond yields continue to remain below short-term interest rates as a result of a combination of easing inflationary expectations and a rising budgetary surplus.

The outlook for mortgage rates remains positive, with one-, three- and five-year mortgage rates in the 7.50-8.25, 7.75-8.50, and 8.00-8.75 per cent range respectively. Mortgage rate discounts of 0.25 to 1.25 percentage points will remain an important competitive instrument over the forecast horizon.

There are risks to the forecast. Mortgage rates could move even higher than our base scenario if U.S. rates rise much further or if the Canadian dollar faces severe downward pressure. On the other hand, a sharp slowdown in the labour market and consumer spending in the U.S. and Canada could lead to lower mortgage rates sooner than anticipated. ■

NHA MORTGAGE-BACKED SECURITIES

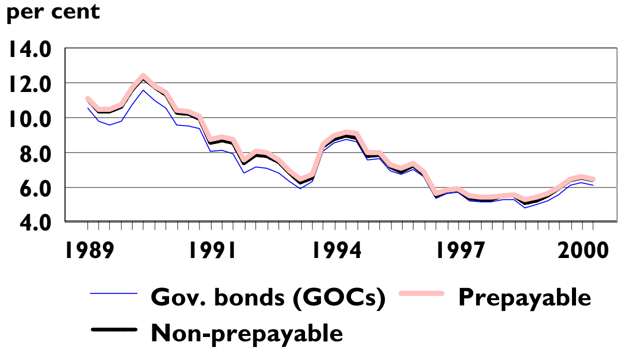
(Average of period except when indicated)

		1998	1999	2Q99	3Q99	4Q99	1Q00	2Q00
OUTSTANDING AMOUNT (End of period)								
TOTAL	$million	19,101	27,691	22,816	24,598	27,691	27,709	27610
	Units	1,152	1,072	1,115	1,098	1,072	1,052	1043
Residential, single (with PIP)	$million	1,962	2,208	2,310	2,278	2,208	2,171	2097
	Units	434	323	372	353	323	301	285
Residential, single (no PIP)	$million	1,398	1,169	1,252	1,199	1,169	1,142	1071
	Units	213	201	215	207	201	199	193
Residential, single (no PIP with indemnity)	$million	10,029	17,721	12,882	14,531	17,721	17,701	17621
	Units	143	188	162	175	188	193	204
Residential, multiple	$million	1,414	1,579	1,530	1,552	1,579	1,565	1563
	Units	97	109	103	106	109	111	115
Social Housing	$million	3,425	3,693	3,699	3,777	3,693	3,782	3902
	Units	190	150	173	161	150	146	141
Mixed	$million	872	1,321	1,142	1,260	1,321	1,348	1356
	Units	75	101	90	96	101	102	105
ISSUES (Total of period)								
TOTAL	$million	9,076	12,854	3,071	2,760	4,144	755	967
	Units	212	165	46	40	39	26	26
Residential, single (with PIP)	$million	386	1,172	438	105	63	39	28
	Units	32	24	5	7	5	4	2
Residential, single (no PIP)	$million	313	142	39	40	28	16	0
	Units	27	19	6	4	5	4	0
Residential, single (no PIP with indemnity)	$million	6,664	9,473	1,728	2,149	3,687	381	566
	Units	83	45	8	13	13	5	11
Residential, multiple	$million	158	385	184	84	86	15	83
	Units	18	22	8	4	7	4	6
Social Housing	$million	1,015	1,188	544	256	207	262	270
	Units	23	24	9	5	4	6	4
Mixed	$million	539	493	138	127	74	42	21
	Units	29	31	10	7	5	3	3
YIELDS (5-year maturity,%)								
MBS Prepayable (with PIP)		5.43	5.86	5.61	5.97	6.47	6.62	6.49
MBS Prepayable (no PIP)		5.49	5.92	5.66	6.03	6.52	6.67	6.54
MBS Non-prepayable		5.34	5.76	5.50	5.91	6.42	6.56	6.42
MBS MMUF		5.39	5.81	5.55	5.94	6.47	6.60	6.48
Mortgage rates		6.93	7.56	7.32	7.75	8.25	8.48	8.52
GOCs		5.13	5.47	5.22	5.57	6.10	6.27	6.13
SPREADS OVER GOC (5-year maturity,%)								
Prepayable (with PIP)		0.30	0.40	0.38	0.40	0.37	0.35	0.36
Prepayable (no PIP)		0.35	0.45	0.44	0.46	0.43	0.40	0.42
Non-prepayable		0.21	0.30	0.27	0.34	0.33	0.29	0.30
MMUF		0.26	0.35	0.33	0.37	0.37	0.34	0.35
Mortgage rates		1.80	2.09	2.09	2.18	2.15	2.22	2.39

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

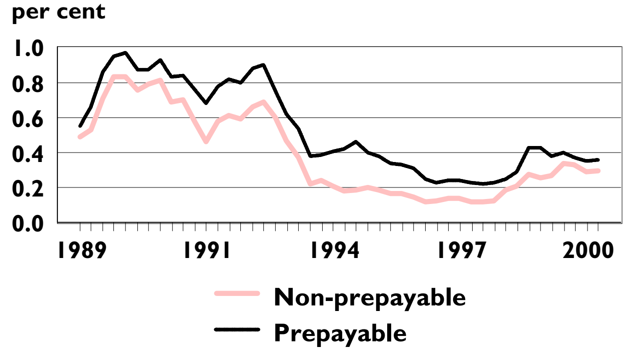
CMHC - MAC 2000

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
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NHA MORTGAGE-BACKED SECURITIES

APRIL TO JUNE 2000 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
Month of Issue: April 2000						
NHA-Insured Market Residential Pools (Single Units)						
96-413-521	Alberta Motor Assoc.Insur.Comp	10,888,528.89	6.300	2005-04-01	8.33	23.21
NHA-Insured Market Residential Pools (Mixed)						
96-501-333	Equitable Trust Company (The)	8,892,467.61	6.150	2005-04-01	7.41	19.99
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-430	Peoples Trust Company	23,319,094.04	6.250	2010-04-01	7.25	24.14
96-601-448	Peoples Trust Company	2,368,740.00	6.450	2020-04-01	7.75	25.00
96-601-455	Equitable Trust Company (The)	2,856,358.58	5.750	2001-05-01	6.87	19.33
NHA-Insured Market Residential Pools (NO PIP WITH INDEMNITY)						
97-001-952	Bank of Montreal	317,595,397.39	6.250	2005-04-01	7.42	22.48
97-002-18	National Bank of Canada	97,551,474.56	5.750	2005-01-01	7.29	21.84
97-002-26	MFQ-Vie Corporation d'Assurance	7,800,925.67	5.950	2005-04-01	7.15	22.58
97-002-34	MFQ-Vie Corporation d'Assurance	4,951,877.26	5.250	2004-01-01	6.40	19.98
Social Housing Pools						
99-008-211	Toronto-Dominion Bank	102,240,092.67	6.125	2005-04-01	6.72	28.49
Month of Issue: May 2000						
NHA-Insured Market Residential Pools (Mixed)						
96-501-341	Equitable Trust Company (The)	9,532,811.24	6.600	2010-05-01	7.38	20.50
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-463	Peoples Trust Company	15,000,739.88	6.400	2010-05-01	7.21	24.01
NHA-Insured Market Residential Pools (NO PIP WITH INDEMNITY)						
97-002-042	M.R.S. Trust Company	6,343,525.94	6.250	2005-05-01	7.70	22.99
97-002-059	Bank of Montreal	50,960,423.85	6.750	2005-05-01	7.71	22.44
97-002-067	MFQ-Vie Corporation d'Assurance	9,820,434.53	5.100	2004-11-01	6.23	21.64
97-002-075	MFQ-Vie Corporation d'Assurance	5,648,765.84	6.500	2005-05-01	7.42	22.09
Social Housing Pools						
99-008-229	Bank of Nova Scotia	2,226,480.00	5.850	2005-05-01	6.52	35.00
99-008-237	Toronto-Dominion Bank	74,077,537.82	5.750	2005-05-01	6.41	27.97
Month of Issue: June 2000						
NHA-Insured Market Residential Pools (Single Units)						
96-413-562	Alberta Motor Assoc.Insur.Comp	17,034,706.07	6.100	2005-06-01	8.19	22.61
NHA-Insured Market Residential Pools (Mixed)						
96-501-358	Equitable Trust Company (The)	2,340,797.85	6.800	2020-06-01	7.85	35.00
NHA-Insured Market Residential Pools (Multiple Units)						
96-601-471	Peoples Trust Company	20,102,066.16	5.550	2005-06-01	6.96	21.76
96-601-489	Peoples Trust Company	19,493,651.72	6.400	2010-06-01	7.86	26.69
NHA-Insured Market Residential Pools (NO PIP WITH INDEMNITY)						
97-002-083	M.R.S. Trust Company	9,995,962.60	6.700	2005-06-01	7.69	23.07
97-002-091	Bank of Montreal	42,685,512.98	6.500	2005-06-01	7.71	11.16
97-002-109	MFQ-Vie Corporation d'Assurance	12,219,463.32	6.250	2005-06-01	7.35	22.15
Social Housing Pools						
99-008-245	Toronto-Dominion Bank	90,992,288.17	6.250	2005-06-01	7.01	31.33

*PIP stands for Penalty Interest Payments

Source: CMHC

CMHC - MAC 2000