



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

May 11th, 2022

Ms. Romy Bowers

President and Chief Executive Officer
Canada Mortgage and Housing Corporation
700 Montreal Road, Executive Floor
Ottawa ON K1A 0P7

rbowers@cmhc.ca

Information Request: IR0647

Dear Ms. Bowers:

As you are likely aware, the Parliamentary Budget Officer (PBO) provides independent and non-partisan analysis to the Senate and to the House of Commons about matters related to the nation's finances and the economy, the estimates, certain other government documents, and the cost of proposals. In carrying out my mandate, I often require information held by government departments and Crown corporations and I am entitled to free and timely access – subject to limited exceptions – to such information under section 79.4 of the *Parliament of Canada Act*.

I am currently undertaking an analysis pursuant to paragraph 79.2(1)(b) of the *Parliament of Canada Act*, which mandates the PBO to prepare reports on matters of particular significance relating to the nation's finances or economy that are listed in an annual work plan.

For this analysis, I am requesting information about the mortgage loans that CMHC guaranteed since 1995 to the most recent period to evaluate the budgetary cost of the CMHC Mortgage Loan Insurance program.

As discussed with colleagues at Parliamentary Affairs and Client Operations Analytics of CMHC, we would need:

- 1- Information on major policy changes and their timing since 1995
- 2- Historical data from 2001 to 2009 for the following variables

Static variables

- Origination date
- Property location
- Date CMHC received first premium payment
- Total insurable loan amount

- MLI premium received amount
- Interest rate
- Loan-to-value
- Borrower credit score
- Gross debt service (GDS) ratio at risk
- Total debt service (TDS) ratio at risk
- Total borrower income amount (\$)
- Borrower employment information
- Down payment source (external or not)
- Up-front fees
- Net claim amount
- Net loss on claims
- Foreclosure fees
- Selling price for defaulted loans
- Unpaid balance for defaulted loans
- Premium rate

Dynamic variables: during the entire lifetime of the loans

- Loan age (in quarter at each quarter)
- Current Market value for each property
- Default status
- Prepayment status
- Net equity (Probability of negative equity)
- Annual/quarterly fees
- Refinance status (purchase or refinance)

3- From 2009 to most recent, available quarterly detailed data to trace each loan over its lifetime.

In order to provide the analysis to parliamentarians in a timely manner, I ask the information to be provided to my office no later than **May 25th, 2022**. If access to the requested information cannot be granted by that date, a response must be provided by you as soon as possible.

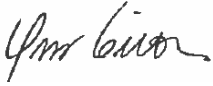
Should you or your staff have any questions about this information request, the analyst responsible, Rolande Kpekou Tossou can be contacted directly at Rolande.KpekouTossou@parl.gc.ca, 613-617-5709.

Attached is a reply form. It too should be filled out and returned by May 25th, 2022, whether or not you provide access to the requested information. Should you refuse to provide access to the requested information, you must provide a written justification for the refusal as required under section 79.41 of the *Parliament of Canada Act*.

The response letter will be posted on the PBO website and, therefore, it should not be marked "confidential". As well, the requested information should be attached separately. If this information is confidential, please clearly mark it as such, either on the electronic spreadsheet or the hard copy version.

Providing timely and effective analysis to the Senate and House of Commons and promoting greater budget transparency and accountability are the PBO's primary objectives. The degree to which this is possible depends, to a large extent, on free and timely access to quality information held by government departments. In doing so, you are assisting us in better serving the Senate, the House of Commons, and their members.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Yves Giroux". The signature is fluid and cursive, with the first name "Yves" and last name "Giroux" clearly distinguishable.

Yves Giroux

Parliamentary Budget Officer

c.c.: Antoine Brunelle-Côté, Privy Council Office, Assistant Secretary to the Cabinet, Liaison Secretariat for Macroeconomic Policy

Attachment: Reply form for IR0647