

Development of Risk Appetite Statement at CMHC

- Obtained senior management approval of risks and timelines
- Developed discussions paper on tolerance levels
 - Considered historical volatility
 - Potential future risks
 - “appropriate” levels of risk
- Confirmed Risk Appetite Statement



CMHC and the CMHC Risk Appetite Statement



- Canada's national housing agency, founded in 1946
- CMHC's objective, on behalf of the federal government, is to improve housing quality, choice and affordability for Canadians
- CMHC is a federal Crown corporation
- Reports to Parliament through Minister
- Majority of Board of Directors are from private sector
- 6th largest financial institution in Canada
 - Total assets of \$273 B (Dec. 31, 2009)

CMHC and the CMHC

Risk Appetite Statement (cont'd)

Helping Canadians in Need – 2009

- Social housing
 - 3,810 new social housing units created under the Affordable Housing Initiative in 2009
 - 620,000 families assisted through long-term subsidies
- Renovations programs
 - 18,000 lower-income households assisted
- First Nations
 - development of 822 non-profit rental housing units in 2009
 - renovation of about 1,190 units
- Canada's Economic Action Plan
 - \$950 million committed towards social housing in 2009
 - up to \$1B in low-cost loans for housing-related infrastructure

