



## PRESS RELEASE



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### **Inaugural Issue of AAA Rated Canada Mortgage Bonds to Exceed \$1.5 Billion**

**OTTAWA, Ontario, June 4, 2001** — The June 2001 inaugural issue of **Canada Mortgage Bonds (CMB)** will exceed \$1.5 Billion Canadian dollars and is expected to trade at a modest yield premium to Government of Canada bond issues.

Announced in March of this year, the CMB Program is Canada Mortgage and Housing Corporation's newest housing finance initiative aimed at providing the mortgage market with an alternative and competitive source of funds, which will help to lower mortgage financing costs to Canadians.

"This is a new and very significant financing program that will provide investors with large, highly liquid and regularly issued bonds that could reach an annual issuance in excess of 10 billion dollars, a program similar in size to Government of Canada's recent five year issuance", said Karen Kinsley, Vice-President CMHC. "With the Government of Canada guarantee, high liquidity and competitive yields, CMB will improve the supply of low cost funds available for mortgage lending in Canada and will become an important source of funding for Canada's mortgage market."

CMB will be issued through Canada Housing Trust™. The bonds will be semi-annual coupon, fixed rate, bullet maturity bonds that carry the full guarantee of the Government of Canada, provided through CMHC.

This month's inaugural five-year bond issue will follow an international bond marketing program. The issue will be underwritten by a group of domestic and international dealers led by RBC Dominion Securities, TD Securities and CIBC World Markets Inc.

CMB represent the latest evolution in mortgage funding in Canada and further expand Canada's secondary mortgage market.

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