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Two Firms Selected to Finance Affordable Housing in Ontario

TORONTO, Ontario, November 8, 2006 — Developers of affordable housing in Ontario will have access to lower-cost financing for construction and mortgages thanks to federal and provincial initiatives announced today.

Under the Ontario Mortgage and Housing Initiative (OMHI), TD Bank and MCAP Financial Corporation have been selected to provide more than \$600 million in low-cost financing for the construction of affordable housing.

In addition, Canada Mortgage and Housing Corporation (CMHC) will provide a streamlined application process, and will waive insurance premiums for all qualifying affordable units under the program.

The Honourable Diane Finley, Minister of Human Resources and Social Development Canada and Minister responsible for CMHC, and John Gerretsen, Ontario's Minister of Municipal Affairs and Housing made this announcement today.

"Canada's new Government is pleased that Canada Mortgage and Housing Corporation has been able to ensure that financing is provided for the Canada – Ontario Affordable Housing Program at the lowest possible cost," said Minister Finley. "This initiative will help make quality affordable housing a reality for many families in Ontario and provide them with a chance at a better life."

"Our government is committed to building more affordable housing for people in need in Ontario," said Minister Gerretsen. "This initiative will speed up the production of more affordable housing by providing developers of affordable housing with access to the most competitive financing rates available in the province."

The two financial firms were selected after a tendering process conducted under the OMHI, an innovative program launched in June 2006 to help developers of affordable housing to access lower-cost, long-term financing both for construction and mortgages and insured by CMHC.

Financial institutions with operations in Ontario were invited to bid on becoming a qualified lender for the program. The qualified lenders will have exclusive rights to provide financing to participants of the Canada – Ontario Affordable Housing Program. CMHC will provide mortgage insurance to qualified lenders, with no premium, to help further reduce lending rates. As a result, affordable housing proponents will be able to make rents more affordable.

The new federal – provincial agreement comprises a commitment of \$301 million from each of the two levels of government. With this commitment, the federal, provincial and municipal governments will invest at least \$734 million in affordable housing over the life of the Canada – Ontario Affordable Housing Program. In total, the program will help 20,000 Ontario households by 2010.

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