

**CMHC'S GUARANTEE OF CANADA MORTGAGE BONDS CARRIES THE FULL FAITH AND CREDIT OF CANADA, AND CONSTITUTES A DIRECT, UNCONDITIONAL OBLIGATION OF CANADA**

The **Canada Mortgage Bonds (CMB) Program** was introduced by Canada Mortgage and Housing Corporation (CMHC), the **Canadian government's housing agency**, in June 2001. The objective of the CMB Program is to reduce mortgage financing costs for Canadian mortgage borrowers.

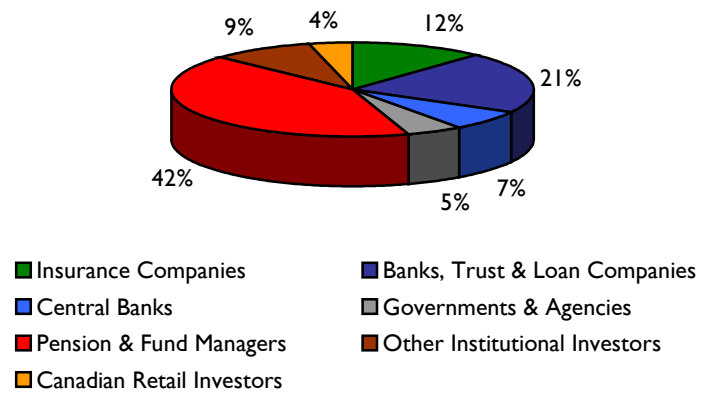
CMB are issued by Canada Housing Trust™ (CHT), a special purpose trust created to issue CMB. The bonds are **semi-annual coupon, fixed rate, bullet maturity bonds** that carry a **full timely payment of interest and principal guarantee of the Government of Canada** as provided through CMHC.

CMB have been given Canada's **S&P AAA/Moody's Aaa** credit rating and a **0% capital weighting** under the BIS guidelines. CMB are **not subject to tax withholding** by Canada.

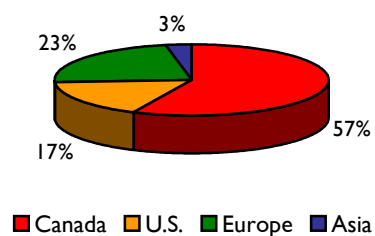
To date there have been **14 fixed rate issues**, issued roughly quarterly and averaging approximately C\$3.8 billion per issue. The largest ever, single tranche, syndicated Canadian Dollar bond issue was launched under the CMB Program in December of 2003 in the amount of C\$ 5.5 billion. CHT also issued a **floating rate note** for \$800 million, another benchmark in the public market, in December of 2004. The CMB program currently has **C\$54.45 billion outstanding**.

The inaugural issue of the CMB Program was named EuroWeek's 2001 Dollar Bloc Deal of the year. CHT was also awarded EuroWeek's 2002 Canadian Dollar bond of the year for the September 2007 maturity.

**Original Distribution by Investor Type (For Issues in 2003)**



**Original Distribution by Region (2001 through 2004)**



### Canada Mortgage Bonds – Bond Issues to Date

Currency	Coupon	Maturity	Current Size (\$ Millions)	CUSIP
CAD	5.527%	June 15, 2006	2,200	I3509PAA1
CAD	4.750%	March 15, 2007	5,900	I3509PAB9
CAD	5.100%	September 15, 2007	6,700	I3509PAC7
CAD	4.400%	March 15, 2008	5,750	I3509PAE3
CAD	3.700%	September 15, 2008	4,300	I3509PAG8
CAD	4.100%	December 15, 2008	10,300	I3509PAH6
CAD	3.550%	March 15, 2009	4,450	I3509PAK9
CAD	4.650%	September 15, 2009	8,600	I3509PAL7
CAD	3.750%	March 15, 2010	5,450	I3509PAN3
CAD	3m CDOR - 0.03%	March 15, 2010	800	I3509PAP8

### Credit Ratings – Bond Issues to Date

**Moody's** Aaa      **S & P** AAA      **DBRS** AAA

0% risk weighted under the BIS guidelines / No Canadian withholding tax

#### **LEGEND**

The information presented here is not an offer for sale within Europe, the United States, Japan or elsewhere of any Canada Housing Trust No. 1 Canada Mortgage Bonds or any other security of Canada Housing Trust No. 1 or any security of Canada Mortgage and Housing Corporation. Securities of Canada Housing Trust No. 1, including any offering of its Canada Mortgage Bonds, may not be offered or sold in the United States or in Japan absent registration under U.S. or Japanese securities laws or unless exempt from registration under such laws and may not be offered or sold in any other jurisdiction except in accordance with the laws of that jurisdiction. Furthermore, this communication is directed only at persons who (i) are outside the United Kingdom, (ii) have professional expertise in matters relating to investments, or (iii) are persons falling within Article(2)(a) to (d) ("high net worth companies etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 ("relevant persons"). Any investment or investment activity to which this communication relates is available from Canada Housing Trust only and will be engaged in by Canada Housing Trust only with, relevant persons. Persons other than investment professionals must not rely on or act upon this communication.

**February 28, 2005**