National Housing Council
Review Panel on the Financialization of Purpose-Built Rental Housing

Submission on Mortgage Securitization and Canada Mortgage Bonds
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Introduction

It is reassuring to see that the financialization of housing has recently gained attention in Canadian housing policy discussions. As identified by the National Housing Council and the Federal Housing Advocate, the financialization of purpose-built rental housing through direct purchase by financial firms and institutional investors has been at the forefront of this discussion. But there are other forms of financialization in Canada that have large impacts on housing market and affect the accessibility, quality, and affordability of rental housing.

One of the most prevalent and important of these other forms of financialization is mortgage securitization. Financial instruments created by securitizing mortgage debt played a pivotal role in the 2008 financial crisis, and still form the backbone of much of the world's financial system. In Canada, securities in the form of National Housing Act Mortgage-Backed Securities ("NHA MBS") and Canada Mortgage Bonds ("CMB") constitute a unique, government-backed financial product that shapes Canadian housing markets behind the scenes. Through these programs, the CMHC manipulates mortgage lending and prioritizes home ownership above alternative forms of tenure that could better serve the financially disadvantaged, including rentals, social housing, and housing cooperatives.

The existence and operation of these programs is not well-known or understood outside the professional mortgage securitization community. I recently completed a PhD in Law at the University of British Columbia, for which I wrote a dissertation examining these programs in detail. As such, I would like to take this opportunity to flag these programs for the National Housing Council, raise potential problems they pose, make connections between these programs and the financialization of purpose-built multi-unit housing, and encourage further investigation.

After spending several years examining the NHA MBS and CMB programs in detail, I have grave concerns about the impacts they may be having on housing markets and the lack of attention they receive in the media and in the housing policy community. In particular, I am worried that these programs may be contributing to high Canadian housing prices and providing incentives to over-finance detached singe-family and condominium housing at the expense of rentals, both private and public. These market distortions appear to be operating regressively. They likely provide advantages to those are in or have access to the private home purchasing market over those who cannot afford, or do not want, to purchase a home and take on mortgage debt. I believe that examining the financialization of multi-unit housing without considering the overall context of mortgage financing and securitization is like trying to understand the functioning of car by observing it only from the outside: important context and vital information regarding the mechanisms that underlie it are missing. We can only obtain a complete picture by looking under the hood.

Mortgage Securitization in Canada: How It Works

Residential real estate is a massive and relatively stable asset class, attracting funds from many large institutional investors. In Canada, the total value of housing and the land underlying it totalled approximately $8.5 trillion at the end of the first quarter of 2023, over one-quarter of which ($2.2 trillion) was subject to mortgage debt.[1] While financialization of housing does occur through direct investment in real estate, by far the largest form occurs through the purchasing of mortgage-backed securities, which taps into that $2.2 trillion dollar debt pool. Through mortgage-backed securities, institutional investors can purchase the payments remaining on mortgage debts as a fungible financial instrument. As of the end of 2022, about $471 billion was securitized though the NHA MBS and CMB programs, nearly one-quarter of the total amount of mortgage debt outstanding in Canada.[2]

Mortgage securitization works by pooling together mortgage debts and selling individual interests in the pool as separate securities. The purchasers obtain an interest in the mortgage payments, in effect becoming co-owners of the underlying debt. Depending on how the pool is organized, and on how the securities are structured, securitization can spread the risks of default, prepayment, and mortgage insurance delay or failure across the investors who purchase the securities.

Individual mortgage loans are risky. If a creditor issues or purchases one loan, and that loan runs into difficulties, the creditor will bear the entire brunt of the loss. Further, bare mortgage debt is illiquid, as it can be very difficult to find an investor willing to purchase it. So, rather than investing a small number of individual mortgage loans, for which the failure of any one mortgage loan could be disastrous, investors in mortgage-backed securities purchase an interest in a large pool of loans. If a few of the mortgage loans in the pool fail, the cost is spread across all the investors in the pool. As a result, the potential loss for any one investor is both small and predictable, and so the resulting securities can be traded on secondary markets. This is very useful for large institutional investors looking for a safe liquid instrument in which to park large volumes of cash.

In Canada, the federal government, through the CMHC, has designed two special forms of mortgage securitization: NHA MBS and CMB. These products are highly attractive to institutional investors because the federal government itself guarantees the timely payment of amounts owing to investors in the securities. Consequently, even though the securities are

[1] Statistics Canada, *National Balance Sheet Accounts*, Table 36-10-0580-01, released 14 June 2023 < https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610058001>.
[2] CMHC, *2022 Annual Report*, at page 108.

created and serviced by private firms, they are considered extremely safe investments, on par with government bonds. Financial institutions use them to satisfy capitalization requirements and thus have a strong incentive to create as many as possible. Further, if there is a financial crisis, or heavy market turmoil resulting in bank failure, the federal government is automatically and immediately on the hook to ensure that the investors in these securities are made whole.

Each of the two products work differently from the other. The NHA MBS instruments are "pass-through" securities: as payments are made on the underlying mortgages, the entire amount received is passed through to the investors. Because mortgage payments are variable and amortize over time, these securities are less attractive in the general securities markets and are primarily used by domestic banks for capitalization and risk management purposes. In contrast, CMB are "coupon" securities. These instruments behave much like government bonds. An investor who purchases CMB receives regular interest payments during the life of the bonds, and then receives return of the principle when bonds mature. This structure makes the CMB attractive to a wide range of investors and enables a robust, liquid secondary market; however, it also involves underlying complexities that give rise to poorly understood financial risks.[3]

The stated purpose of these programs is to reduce mortgage interest rates for homebuyers in two ways: by providing a ready source of funds for mortgage lending, and by increasing competition within the mortgage lending sector.[4] Traditional mortgage lending is generally funded by direct investors in banks and financial firms and by customer retail savings deposits. Securitization gives firms access to national and international capital that would otherwise not be available, enlarging the pool of capital available to fuel mortgage debt. To foster competition, CMHC uses non-market allocation mechanisms in an attempt to ensure that smaller lenders have ready access to their securitization products and cannot be consistently outbid by the larger players. At the same time, the corporation acts as a gatekeeper to the programs, as CMHC must give discretionary approval to every financial institution that wants to participate. While this gatekeeping function helps to keep out riskier and less scrupulous actors, it also limits competitiveness.

Altogether, the NHA MBS and CMB programs play a pivotal role in Canadian mortgage markets and in the overall Canadian banking system. The programs do so by leveraging the credit of the federal Crown and putting public funds at significant risk for the benefit of the financial sector and, ostensibly, for the benefit of potential homebuyers. Given the size and scope of the programs, however, it is worth asking whether they truly benefit homebuyers and whether they might have unanticipated and unexamined effects on housing markets, housing

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[3] For a detailed discussion see Jason Leslie, *The financialization of housing in Canada and federally-backed mortgage securitization: public risks, private benefits*, UBC Open Collections (2022) <https://open.library.ubc.ca/soa/cIRcle/collections/ubctheses/24/items/1.0422515>, Ch 7.

[4] CMHC & Canada Housing Trust No. 1, *Canada Mortgage Bonds Program (CMB Program) User Guide 2018* (Ottawa: CMHC, 2018), available at https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/securitization/canada-mortgage-bonds/cmb-program-guide, at page 1-1. The 2018 version is the current version as of July 2023.

prices, and housing tenure. In particular, it is worth asking whether they help create a playing field that is ripe for rental tenure insecurity and the infusion of other forms of housing financialization into the market.

Mortgage Securitization Privileges Homeownership and Keeps Canadians in Debt

The ultimate purpose of mortgage securitization in Canada is, simply put, to help people buy homes. While this may seem a noble goal on the surface, the current reality is that, while there is a crisis of housing in Canada, there is no crisis of homeownership. Despite a small dip since 2011, Canada maintains a high rate of homeownership. Approximately 2/3 of all households are owner-occupied.[5] But, rather than contributing to housing affordability, home ownership has become an artifact of socio-economic privilege and a driver of inequality and resentment between different generations and social classes.[6]

High levels of homeownership have been maintained on the back of record levels of household debt. As revealed in a recent CMHC report, debt levels in Canada are the highest in the G7, and are exceeded among peer countries only by Australia.[7] While many other countries experienced a contraction in household debt after the 2008 financial crisis, Canada did not. Instead, household debt totals rose from 80% of GDP in 2008 to a whopping 107% of GDP in 2021.[8] Government-backed mortgage securitization is central to the maintenance of this debt. About three-quarters of total household debt is held in mortgage loans, and during the crisis, the federal government was able to use the NHA MBS and CMB programs to keep the mortgage taps flowing.[9] While our banking system was lauded by the financial world at the time, our current record levels of household debt and high housing prices are directly traceable to this mechanism.

Mortgage securitization fosters a society in which households are clamouring to enter the already saturated home-ownership market, are willing to take on historical levels of debt to do so, and are providing financial institutions with a steady source of government backed, low-risk assets to use for capitalization and other financial purposes. It is in this context that purpose-built multi-unit rentals must compete to survive.

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[5] Statistics Canada, “To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home” (Ottawa: Statistics Canada, 2022), available at <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm>

[6] For an example of the views of younger generations of Canadians on homeownership, see Michelle Cyca, “The End of Homeownership” (15 June 2023) *MacLean’s* <https://macleans.ca/longforms/the-end-of-homeownership/>.

[7] Aled ab Iorwerth, “Risks to Canada’s economy remain high as household debt levels continue to grow” (23 May 2023) <https://www.cmhc-schl.gc.ca/blog/2023/risks-canadas-economy-remain-high-household-debt-levels-continue-grow> at

[8] *Ibid*.

[9] For a detailed discussion of how mortgage securitization was used to manage the 2008 financial crisis, see Jason Leslie, *supra* note 3, at pp 87-101.

While it may seem that facilitating home purchases should decrease demand for rental units, thus leading to lower rents and more affordable rental housing, this does not appear to be happening. Despite a small dip during the COVID pandemic, average asking rents in Canada have risen from $1796 per month in June 2019 to $2042 in June 2023.[10] The higher profitability of housing sales over rental in a market fueled by securitized mortgage capital provides incentives to take rental units off the market to be sold as condos and reduces incentives to create new purpose-built rental units. Indeed, data suggests that from 2006-2019, the stock of purpose-built rentals across Canadian cities “remained virtually unchanged.”[11] Meanwhile, the stock of individual condominium units offered as secondary rentals increased. These secondary rentals are generally more expensive and provide less tenure security then purpose-built rentals, driving up rents overall and further contributing to market conditions that enable the financialization of purpose-built rentals. The potential contribution of mortgage securitization to the dynamics of this market should not be overlooked and deserves a closer examination.

Mortgage Securitization Diverts Capital away from Affordable Housing

One of the main ways that the federal government accesses funding for its programs is through issuing Government of Canada bonds. Since their introduction in 2001, however, Canada Mortgage Bonds have taken over a substantial amount of total government-backed borrowing. When considered alongside NHA MBS volumes, the proportion of capital backed by government guarantee that has been directed into the hands of private mortgage holders is substantial.

While NHA MBS were originally introduced in 1987, they only became popular after CMB were introduced in 2001. CMB require NHA MBS for their operation, as the CMB are secured by pools of NHA MBS. During the run up to the 2008 financial crisis, total volumes of CMB rose rapidly. Nearly all NHA MBS created during this time were used to secure CMB. At the same time, the total volume of Government of Canada bonds fell proportionately. Indeed, until the start of the crisis, CMB were replacing regular government bonds at a rapid pace.

[10] Rentals.ca, “July 2023 Rent Report” <https://rentals.ca/national-rent-report>.

[11] Social Innovation Canada, “Financialization and Housing: A social innovation approach to a better housing system,” Housing Lab Report December 2021 <https://sicanada.org/wp-content/uploads/2021/12/Financialization_of_Housing_Report.pdf> at 34.

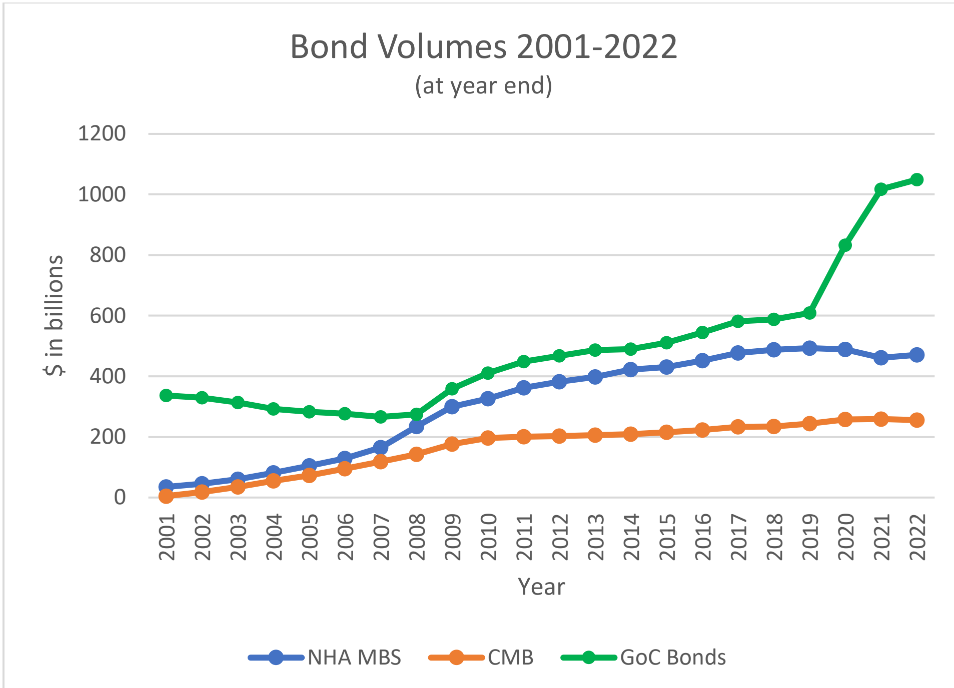

Chart composed by author. NHA MBS data from CMHC annual reports; GoC Bonds data from Statistics Canada table 10-10-0130-01.

Around the time of the 2008 crisis, the picture shifted. Direct government borrowing began to increase again in response to the need for stimulus spending and crisis management. At the same time, NHA MBS volumes began to rise even more quickly, and while CMB volumes increased modestly, most of the new NHA MBS were created for purposes other than the creation of new CMB. From the period starting at the end of the crisis until the beginning of the COVID pandemic, NHA MBS volumes keep rising along with Government of Canada bonds, and in fact, NHA MBS volumes were nearly equal with bond volumes, with around half of the NHA MBS being used to secure CMB. Only at the start of the COVID pandemic did this situation change. Since then, NHA MBS volumes have decreased slightly and CMB volumes have remained about the same, while direct government borrowing through Government of Canada bonds has skyrocketed in order to fund the extraordinary measures required to deal with the COVID pandemic.

This history of replacing Government of Canada bonds with mortgage securities is troubling. The overall picture shows that the federal government has actively encouraged capital to be diverted away from general government borrowing into the private mortgage loan markets. While the interest on NHA MBS and CMB securities is paid in the first instance by private mortgage loan borrowers instead of from tax revenues, these instruments do gain the benefit of being backed by the Canadian government, just like regular government bonds. If a crisis were to occur within the housing markets or in the banking sector, the government would be on the hook to make up those interest payments and ensure that the principle is returned to investors on time. As a consequence, NHA MBS and CMB are considered extremely safe investments. They pay interest rates only slightly higher than regular Government of Canada bonds, and can be used just like government bonds for capitalization purposes. Even after the recent increases in direct government borrowing, NHA MBS volumes remain at a level only slightly less than half of Government of Canada bond volumes. This is capital that could be tapped to fund direct government investment in affordable, purpose-built rental housing, instead of being used to fuel private purchases of single-family detached homes and condominium units.

It is true that some NHA MBS pools are used to securitize mortgage lending to multi-unit developments and social housing projects.[12] While this is potentially a better use of government-guaranteed borrowing than detached homes and condos, it still amounts to a form of financialization and provides an incentive for the financial sector to push private mortgage borrowing instead of public investment to fund such projects. Further, NHA MBS and CMB mortgage pool eligibility has been expanded over the years to go beyond purchase mortgages, and now includes second mortgages and collateralized mortgage loans. Securitization is thus being used to fuel not just home buying but also homeowner access to equity, a benefit that accrues only to those who already have substantial wealth embedded in the value of their home and are not in acute housing need.

It is unclear to what extent multi-family mortgage pools have been securitized, nor to what extent securitized mortgages are involved in the general phenomenon of financialized purpose-build multi-unit housing. As explained further below, it is difficult for the public to obtain precise data on the details of securitization, such as the proportion of securitized mortgage funding used for multi-family and social housing development. Investigation or review by a government body could, hopefully, enable some of this data to be accessed and analyzed, used by policy makers within the public sector, and made available in an anonymized and summary form to the public as appropriate.

Mortgage Securitization Poses Systemic Risks

Government-backed mortgage securitization is not risk-free. The Canadian system does avoid some of the worst excesses that lead to the 2008 financial crisis, such as dividing securities into separate risk categories and using uninsured loans in the loan pools. However, the complex mechanisms that underlie the CMB architecture create risk structures that are not fully understood and which have not yet been subject to significant economic stress.

The proper functioning of the CMB system relies on stable interest rates and accurate NHA MBS valuation methods.[13] If interest rates change quickly, and especially if interest rates

[12] The current NHA MBS Users Guide notes that there are two categories of "Multiple-family pools," which may include social housing projects, and one special category specifically for "Social Housing Loans." CMHC, *The NHA Mortgage-Backed Securities Guide 2018* (CMHC: Ottawa, 2018) at p C5-5 to C5-6.

[13] For a detailed overview of the mechanics behind CMB and their risk factors, see Jason Leslie, *supra* note 3, Chapters 6 and 7.

start high and fall rapidly, the payment swaps and repurchase agreements used in the program could come under stress. In such an environment, one or more of the banks used in the system could become insolvent or chose not to make payments, in which case CMHC could be left attempting to sell large quantities of NHA MBS quickly. However, there is no active, liquid market for NHA MBS, and so accurately valuing the NHA MBS and finding buyers could be difficult. Further, CMHC keeps no reserves set aside for dealing with calls on the securitization guarantee. If CMHC cannot sell the NHA MBS on time, or for a sufficient amount of money, it may need to dip into general government revenues in order to pay off investors.

The NHA MBS and CMB programs have thus far existed solely in an environment of historically low interest rates. This situation has enabled the programs to run smoothly and allowed the federal government a great deal of leeway in using them to manage the 2008 financial crisis. Sooner or later, however, interest rates will rise again and return to historical norms. That may be occurring now as central banks raise interest rates rise to combat high inflation. High interest rates such as those seen in the 1980s could arise again sometime in the future. The ability of the mortgage securitization system to handle such environments has not been tested.

Further, the inflated housing prices and high household indebtedness levels fuelled by mortgage securitization leave Canadians vulnerable to financial shocks. During the 2008 financial crisis, the federal government was able to delay a housing price correction and keep the mortgage debt flowing through the existing CMB program and by introducing a special temporary program, the Insured Mortgage Purchase Program ("IMPP"), which bought NHA MBS directly from mortgage lenders. However, at that time, government borrowing had been deceasing for years, and subprime mortgages were only just finding their way into Canada. Overall household debt levels were also significantly lower than they are today. With current high levels of both public and private debt in Canada, it is not at all clear that the system could sustain an increase in NHA MBS and CMB offerings and another round of IMPP. Recent relaxation of standards for insured mortgage loans has seen a surge in subprime lending and riskier mortgage loans.[14] In the event of another crisis, housing prices could destabilize and fall, and the economy could contract, bringing vulnerable households underwater. Widespread foreclosures could flood the markets with new renters and encourage yet another wave of housing financialization as institutional investors buy up and re-develop housing stock.

[14] See e.g. Peter Evans, "CMHC urges lenders to stop offering so many high-risk mortgages", CBC News (12 Aug 2020) online: < https://www.cbc.ca/news/business/cmhc-mortgage-insurance-1.5683506>; Kevin Orland & Ari Altstedter, "'Accident waiting to happen': Zero-down mortgages in Canada stoke U.S. subprime-like fears" (21 July 2021) *Financial Post* <https://financialpost.com/real-estate/mortgages/zero-down-mortgages-subprime-fears-canada> .

The Financial Industry has an Unhealthy Reliance on Mortgage Securitization

The unique form of government-backed mortgage securitization in Canada provides banks a strong incentive to rely on them for capitalization and risk management. Ideally, financial institutions should have a diversified portfolio, holding a range of relatively safe, liquid assets to ensure that they can weather any financial turbulence that might lead to a reduction in the value or liquidity of an asset class. Because banks can create large volumes of NHA MBS and CMB so easily, taking advantage of high housing prices and Canada's cultural appetite for homeownership, these assets have come to dominate their financial risk planning. This convenience both motivates banks to keep pumping out mortgage debt and entrenches their reliance on it, further distorting Canadian housing markets and potentially making it harder to increase the supply of affordable purpose-built multi-unit housing.

As early as 2014, CMHC was internally expressing concerns that banks were leaning too heavily on NHA MBS to satisfy liquidity requirements in response to the introduction of new "stress tests" from the Office of the Superintendent of Financial Institutions ("OSFI").[15] To encourage greater diversification, CMHC raised the guarantee fees payable on holdings of NHA MBS in excess of $9 billion. But total NHA MBS volumes have risen since that time, and it is unclear whether financial institutions have reduced their reliance on NHA MBS in response to the fee increase.[16]

The banking sector appears nervous about any changes to the securitization programs that might reduce its ability to take advantage of them. In the proposed 2023 budget, the federal government indicated that it is considering consolidating the CMB program within the government's regular borrowing program.[17] In doing so, they hope to bring interest rates on CMB down to the same levels as GoC bonds, potentially saving money that could be redirected to affordable housing programs. While the details of this consolidation plan have not yet been released, industry is already raising an alarm, questioning whether the government should "become[], to some extent, a financial entity" by dissolving CMB and funding mortgage debt directly through Government of Canada bonds.[18] But CMHC already acts as a financial entity: it creates, markets and manages NHS MBS and CMB, it holds the beneficial interest in the NHA MBS that secure CMB, it seeks to make a profit from its securitization guarantee fees, and it bears the product's ultimate financial risks. Both the NHA MBS and CMB programs are deeply

[15] CMHC, Submission to Management re: NHA MBS and CMB Guarantee Fee Review (21 May 2014), obtained by the author through the *Access to Information Act* and available upon request.

[16] According to CMHC annual reports, total NHA MBS volumes have increased from $422 billion at the end of 2014 to $471 billion at the end of 2022.

[17] Government of Canada, 2023 Budget, Annex 2: Debt Management Strategy <https://www.budget.canada.ca/2023/report-rapport/anx2-en.html>.

[18] Comment by Benjamin Reitzes, managing director of Canadian rates at the Bank of Montreal, quoted in Mark Rendell, "Ottawa's mortgage bond plan draws concerns from Bay Street: Critics wary of government's proposal to gain more revenue from Canada Mortgage Bonds" (15 May 2023) *The Globe and Mail* p B1.

embedded in government operations and risk-taking, so a desire to recoup more of the financial benefits for public use makes perfect sense.

Kevin Fettig, president of CMI Financial Group and one of the original architects of the CMB program, suggested that the banks' concerns may have more to do with losing the ability of their managers to add CMBs to their portfolios and thus making it harder to hit financial targets.[19] It may also reflect a concern that a ready source of capitalization assets could be taken away. In any case, the outcry demonstrates the financial sector's resistance to altering the structure of mortgage securitization in a way that might benefit affordable housing initiatives. It also shows how the entrenched position of these programs can get in the way of proposed policy changes to deal with the housing crisis. Any recommendations regarding changes to funding for purpose-built muti-housing housing must take this potential for resistance into account.

Mortgage Securitization Data is Shielded from Public View

A final point to note is that much of Canada's mortgage securitization system takes place outside of public view. Even though CMHC – a public entity – organizes, enables, and guarantees their operation, the programs rest on a complicated legal patchwork of private contracts and trust arrangements. As I discovered during the process of researching my dissertation, much of the NHA MBS and CMB program material is only accessible through the *Access to Information Act* process. Moreover, much of the information needed in order to fully understand and evaluate these programs is protected information, including third-party financial information and information that the CMHC needs to keep private in order to maintain its competitive position.[20] Public oversight of the programs is therefore extremely difficult. In my PhD research, I was able to obtain a basic overview of how these products work, the general types of risks they might pose, and a vague sense of how they might be impacting Canada's affordable housing crisis. However, it was impossible to obtain the detailed financial information that would be necessary to accurately assess the programs in detail and the specific impacts they are having on housing finance and the landscape of housing tenure.

Detailed reviews of the NHA MBS and CMB programs are thus only possible within, or in cooperation with, public institutions that can obtain access to the underlying financial data. However, it appears that these programs may never have been subject to such a assessment. The only overall review of the CMB program that I was able to find in my research was

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[19] Jared Lindzon, "Changes to Canada's CMB program could have unintended consequences, experts say" (30 May 2023) *Mortgage Industry News* <https://www.canadianmortgagetrends.com/2023/05/changes-to-canadas-cmb-program-could-have-unintended-consequences-experts-say/>

[20] I outline the details of my attempts to access this information and the redactions claimed by CMHC in my dissertation. See Jason Leslie, *supra* note 3 at pp 21-25, 253-259.

conducted for CMHC by KPMG in 2008, before the financial crisis.[21] For this review, KPMG was specifically instructed not to conduct a full program evaluation, but rather to compose an "attribution analysis" that would focus on finding perceived benefits arising from the program and a telling a "credible 'performance story'" about how well it is working.[22] The exercise was, therefore, a far cry from an objective, balanced, arms-length assessment.

It is possible that CMHC or another federal agency has done a proper comprehensive review that I was not able to obtain through the *Access to Information Act*. If so, any such review should be disclosed and made public as soon as possible so that the housing policy and finance communities can be fully informed, complete their own evaluations, and make policy recommendations to government in response.

This shielding of data from the public means it is even more important that the National Housing Council undertake a detailed examination of mortgage securitization and its potential effects on housing tenure, including its effects on the financialization of purpose-built, multi-unit housing. Only an organization that falls within the federal public sector will have access to the underlying data and information necessary to fully understand the impacts that these financial instruments might be having. The financial sector, non-profit advocates, and academics are only able to obtain an incomplete picture, limiting their effectiveness in providing oversight over these financially expansive key programs.

Conclusion

Mortgage securitization in Canada is organized, promoted, and guaranteed by the federal government. The impacts of this enormous public program are rarely examined and are not fully appreciated in the housing policy community. Trying to understand other forms of housing financialization in Canada requires taking these potentially far-reaching impacts into account. I hope that, through this brief overview, I have inspired the National Housing Council to further investigate the NHA MBS and CMB programs and to consider their influence on the financialization of purpose-build multi-unit housing and any potential policy responses to this pressing and complex problem.

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[21] KPMG & Canada Mortgage and Housing Corporation. "Canada Mortgage Bonds Program Evaluation Final Report" (Ottawa: CMHC, June 2008) <https://silo.tips/download/audit-and-evaluation-services>.

[22] CMHC, Memo to Management re: Scope of work for the evaluation of benefits to Canadians as a result of the Canada Mortgage Bonds Program (16 June 2005) (CMHC Policy) at 1-2, obtained by the author through the *Access to Information Act* and available upon request.