



**Haventree
Bank**

B-20 RESIDENTIAL MORTGAGE GUIDELINES

PUBLIC DISCLOSURES

DECEMBER 31, 2018

Overview

This disclosure is prepared in accordance with the requirements of OSFI Guideline B-20 - Residential Mortgage Underwriting Practices and Procedures. These disclosures are made to enable market participants to conduct an adequate evaluation of the soundness and condition of Haventree Bank's (the "Bank") residential mortgage operations.

Insured and uninsured mortgages

An insured mortgage is one that carries with it an insurance policy that protects the mortgage lender or title holder in the event that the borrower defaults on payments or is otherwise unable to meet the contractual obligations of the mortgage.

The Bank's mortgage portfolio consists of uninsured mortgages primarily for owner-occupied, single-family residential properties for purchases, refinances, equity take-outs and debt consolidation. In addition to borrower payment defaults, as an uninsured residential mortgage lender, credit risk also results from reliance on the maintenance of collateral values. The Bank is therefore selective in the types of property accepted as collateral, the reliance on the appraisal of the property, and its geographic location. As at December 31, 2018, the Bank has issued uninsured residential mortgages on properties located in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Downward economic impacts

The Bank predominantly lends to borrowers in urban and suburban areas of Ontario. Although these lending areas are among Canada's largest housing markets, a significant economic shock to the regional economy could have a disproportionately adverse impact on the mortgage portfolio compared to the impact for a lender with a more regionally or nationally diversified mortgage portfolio. During the year, the Bank also began lending in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba, which over time will provide for a more geographically diversified portfolio.

Residential Mortgage Portfolio Disclosure (\$000)

Insured vs. Uninsured by Province												
	Ontario		Manitoba		Saskatchewan		Alberta		British Columbia		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Residential mortgages, insured	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages, uninsured	1,433,395	92.3%	2,500	0.2%	1,001	0.1%	44,203	2.9%	69,658	4.5%	1,550,757	100%
HELOCs, insured	-	-	-	-	-	-	-	-	-	-	-	-
HELOCs, uninsured	-	-	-	-	-	-	-	-	-	-	-	-

Amortization period based on \$	
Under 20 years	0.5%
20-24 years	4.3%
25-29 years	28.2%
30-34 years	67.0%
35 years and greater	0.0%

Average LTV of Mortgages Originated During the Quarter						
	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Average
Residential mortgages	69.6%	70.1%	74.1%	73.3%	66.7%	69.7%
HELOCs	-	-	-	-	-	-