



**Haventree
Bank**

B-20 RESIDENTIAL MORTGAGE GUIDELINES

PUBLIC DISCLOSURES

SEPTEMBER 30, 2019

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 September 30, 2019, the Bank has issued uninsured residential mortgages on properties located in Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Downward economic impacts

The Bank lends to borrowers in Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Lending operations outside of Ontario began in 2018 and as such the geographic distribution of the Bank's lending portfolio does not yet reflect the long-term desired distribution based on population and adjusted for variations in geographic risk appetite. Although some of these lending areas are among Canada's largest housing markets, a significant economic shock to the regional economy in Ontario 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.

Residential Mortgage Portfolio Disclosure (\$millions)

Insured vs. Uninsured by Province														
	Ontario		British Columbia		Alberta		Manitoba		Saskatchewan		Nova Scotia		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Residential mortgages, insured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages, uninsured	1,526	85.4%	143	8.0%	100	5.6%	9	0.5%	5	0.3%	2	0.1%	1,785	100%
HELOCs, insured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HELOCs, uninsured	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Amortization period based on \$	
Under 20 years	0.6%
20-24 years	5.6%
25-29 years	34.6%
30-34 years	59.2%
35 years and greater	0.0%

Average LTV of Mortgages Originated During the Quarter							
	Ontario	British Columbia	Alberta	Manitoba	Saskatchewan	Nova Scotia	Average
Residential mortgages	68%	67%	75%	75%	65%	74%	69%
HELOCs	-	-	-	-	-	-	-