



Compliance is now more than just a state of mind

The National Housing Act Mortgage-Backed Securities (NHA MBS) Program has numerous requirements that Issuers need to deal with in order to participate in the program. These requirements, which are maintained throughout the [NHA MBS Program Guide](#), include requirements relating to Issuer eligibility, mortgage eligibility, monthly reporting and reconciliations, servicing, cash settlement and unscheduled activities such as foreclosure, defaults and prepayments, just to name a few.

Are you comfortable with compliance?

A few questions that you might want to ask yourself:

- What review or oversight do you have over your NHA MBS Program?
- Do you have a comprehensive summary of all the requirements set out in the NHA MBS Program Guide?
- Have you mapped your processes and controls against the requirements to identify any potential gaps?
- How do you demonstrate compliance with the NHA MBS Program Guide?
- Are you comfortable that the appropriate cash is being remitted and settled in accordance with the requirements?
- Do you track servicer advances made?
- Do you rely on another party to service mortgages underlying NHA MBS you have issued? Are you comfortable that the other party is in compliance with the requirements?
- Are you able to reconcile your reported MBS data to your core banking systems?

How can we help?

We can help you in assessing the compliance of your processes relative to the NHA MBS Program Guide requirements. We can also identify potential opportunities to enhance the efficiency and effectiveness of your monthly NHA MBS processes. You will be provided with a diagnostic heat map assessment.

		Compliance with Guide	People	Data and Systems	Reconciliation	Controls
1	Issuer accesses mortgage documents. The Issuer's mortgage loan servicing systems can produce at any time, for all mortgages, an accounting that identifies the CMHC pool 3 for each listed mortgage.	✓				
		Detailed commentary provided				
2	Mortgage P&I, property taxes and prepayment penalties are collected by the Issuer or sub-contract servicer and deposited in a P&I Custodial/Trust account on a daily basis. They are deposited by the end of BD3 and Issuer maintains an additional dollar amount in the P&I Trust account at all times to cover deposits of unscheduled principal prepayments.	In remedy				
		Detailed commentary provided				
18	Establish and maintain records of advances for payments required on securities, including their allocation between P&I; the pooled mortgages with respect to which advances are made; and recoveries/losses of advances made to such mortgages including allocation between P&I.	✗				
		Detailed commentary provided				

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