



YÄNONHCHIA'

INDIGENOUS HOUSING FINANCE (YIHF) NETWORK

CASH AND INTELLIGENCE TO GROW INDIGENOUS HOUSING

1. AFFORDABLE SEED CAPITAL – the \$150M CAPITAL FACILITY
2. ONGOING ACCESS TO MARKET/ ESG CAPITAL – SECURITIZATION
3. INSTITUTIONAL INDIGENOUS LENS AND KNOWLEDGE BASE





AFFORDABLE SEED CAPITAL – \$150M Capital Facility

Essential investment to launch the implementation phase

Essential base from which to activate the securitization lever



AFFORDABLE SEED CAPITAL – \$150M Capital Facility

Sufficient, affordable, and predictable,
with terms and conditions reflecting objectives,
enabling a seamless transition to securitization

CALL TO ACTION #1

MANY OPTIONS/ APPROACHES TO CAPITALIZE THE CAPITAL FACILITY

COMMITMENT OF ALL INTERESTED PARTNERS NEEDED TO EXPLORE SOLUTIONS

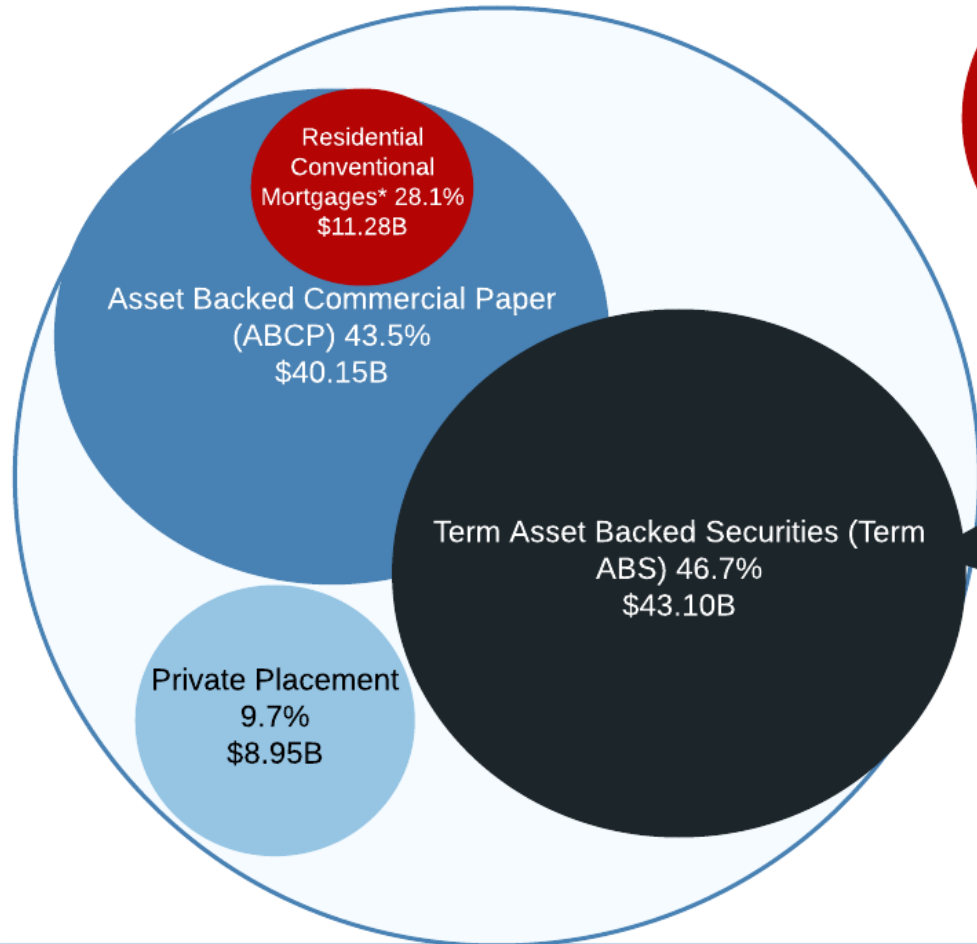
SINGLE FEDERAL INTERLOCUTOR WITH COORDINATION RESPONSIBILITY

CALL FOR THE FORMATION OF A \$150M CAPITAL FACILITY COMMITTEE

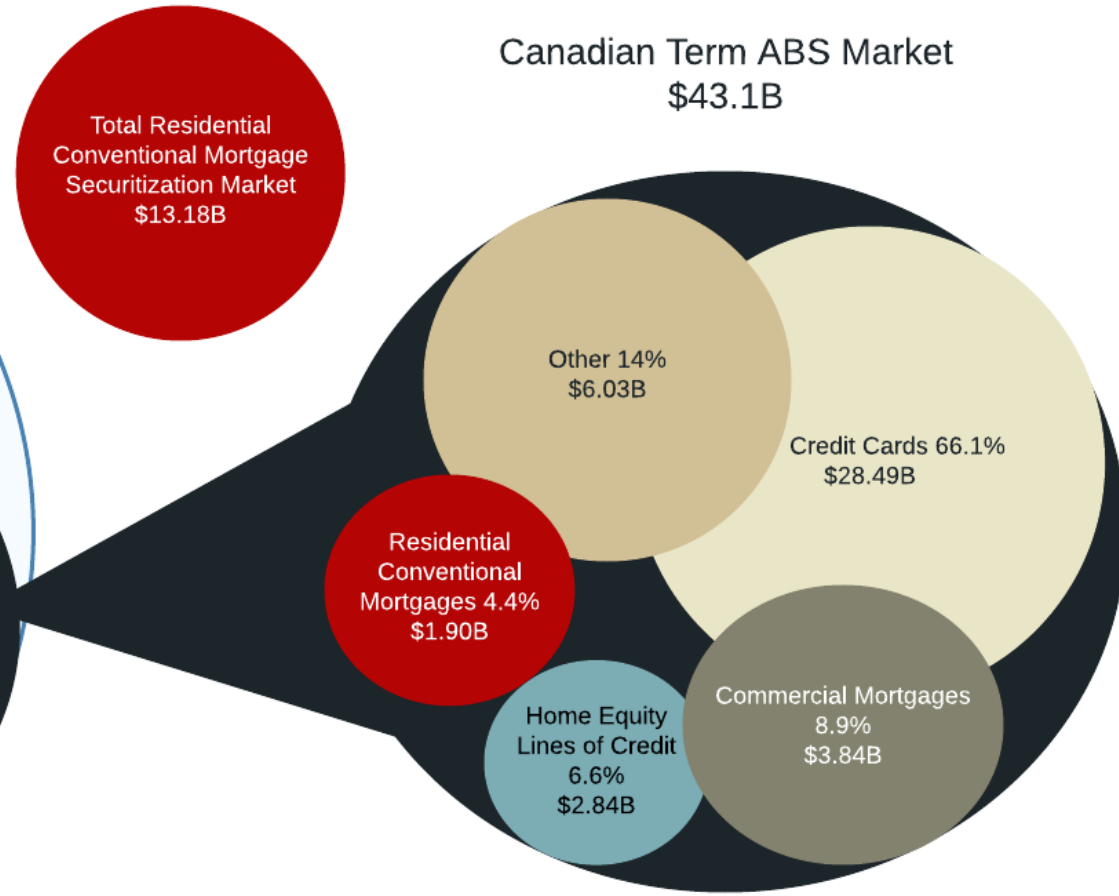
A blue-tinted photograph of a modern glass skyscraper on the left, its reflection visible in a wet, reflective surface in the foreground. The sky is a clear, light blue. The word "Securitization" is overlaid in white text in the lower center of the image.

Securitization

Canadian Securitization Market
\$92.3B



Canadian Term ABS Market
\$43.1B



Total Residential Conventional Mortgage Securitization Market
\$13.18B

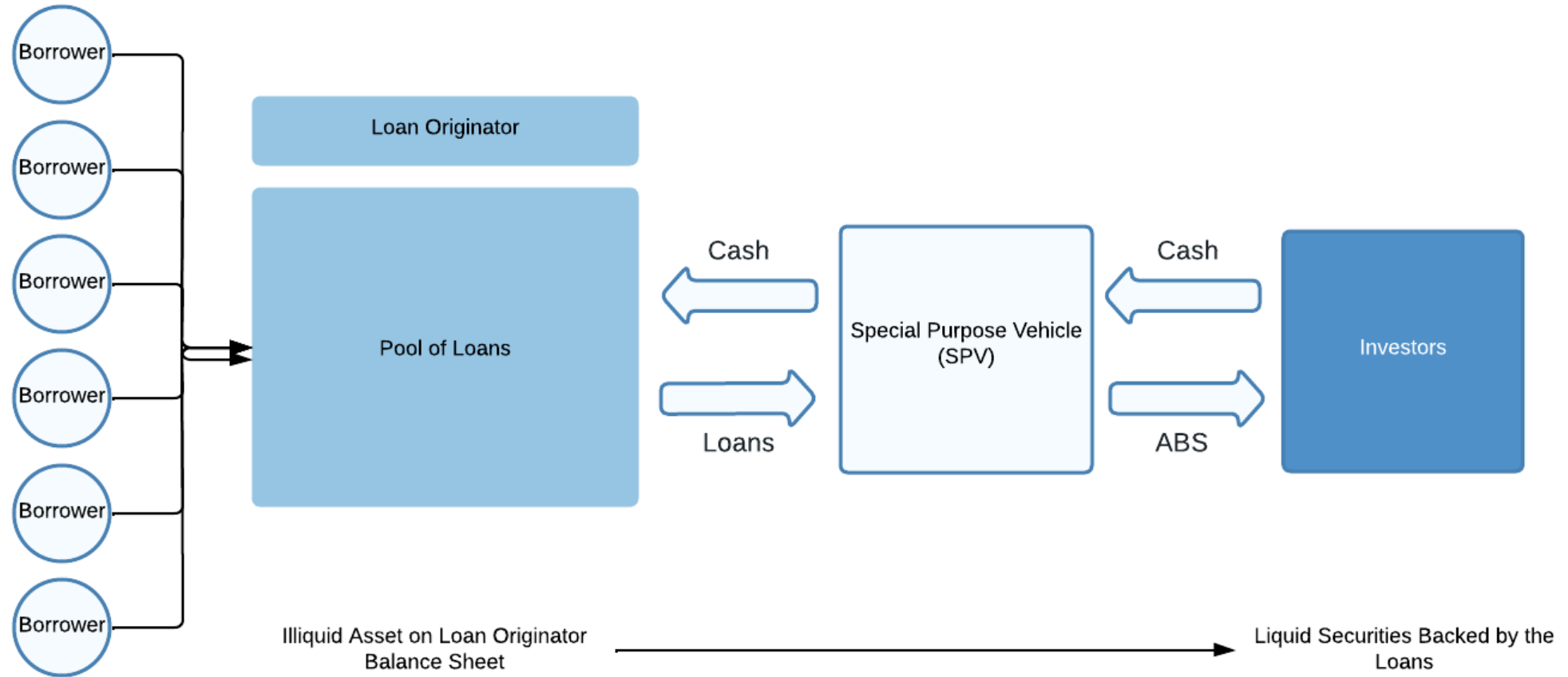
All figures are from October 31, 2022.
Other 0.1% (\$0.1B) not pictured represented FRNs and Affected ABCP.
*Residential Conventional Mortgage ABCP is a short term security with maturity <270 days.

All figures are from October 31, 2022.
Other 14% (\$6.03B) represents: Auto Loans (6.5%), Auto Leases (2.2%), Equipment Finance (2.4%), Reverse Mortgages (0.87%), Auto Rental (0.81%), and Consumer Loans (0.81%).

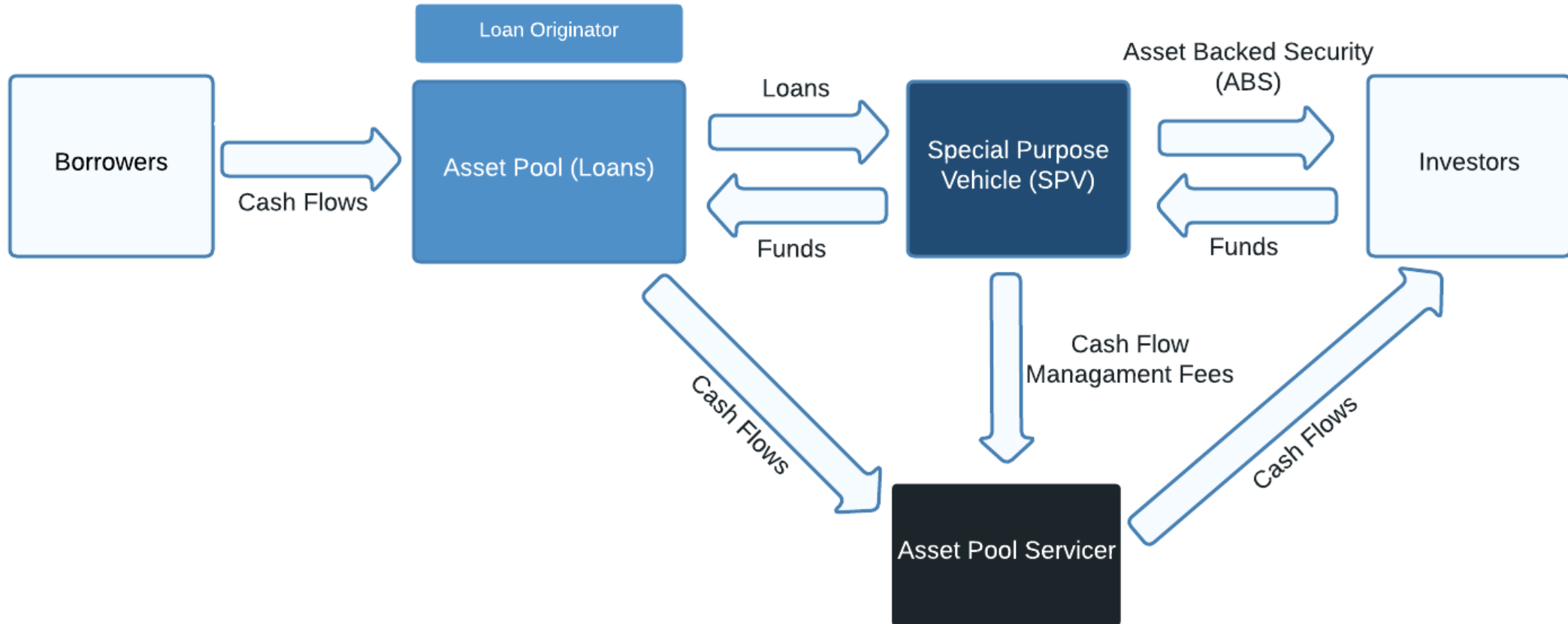
(Source: [DBRS](#))



Securitization Overview



Securitization Overview Continued

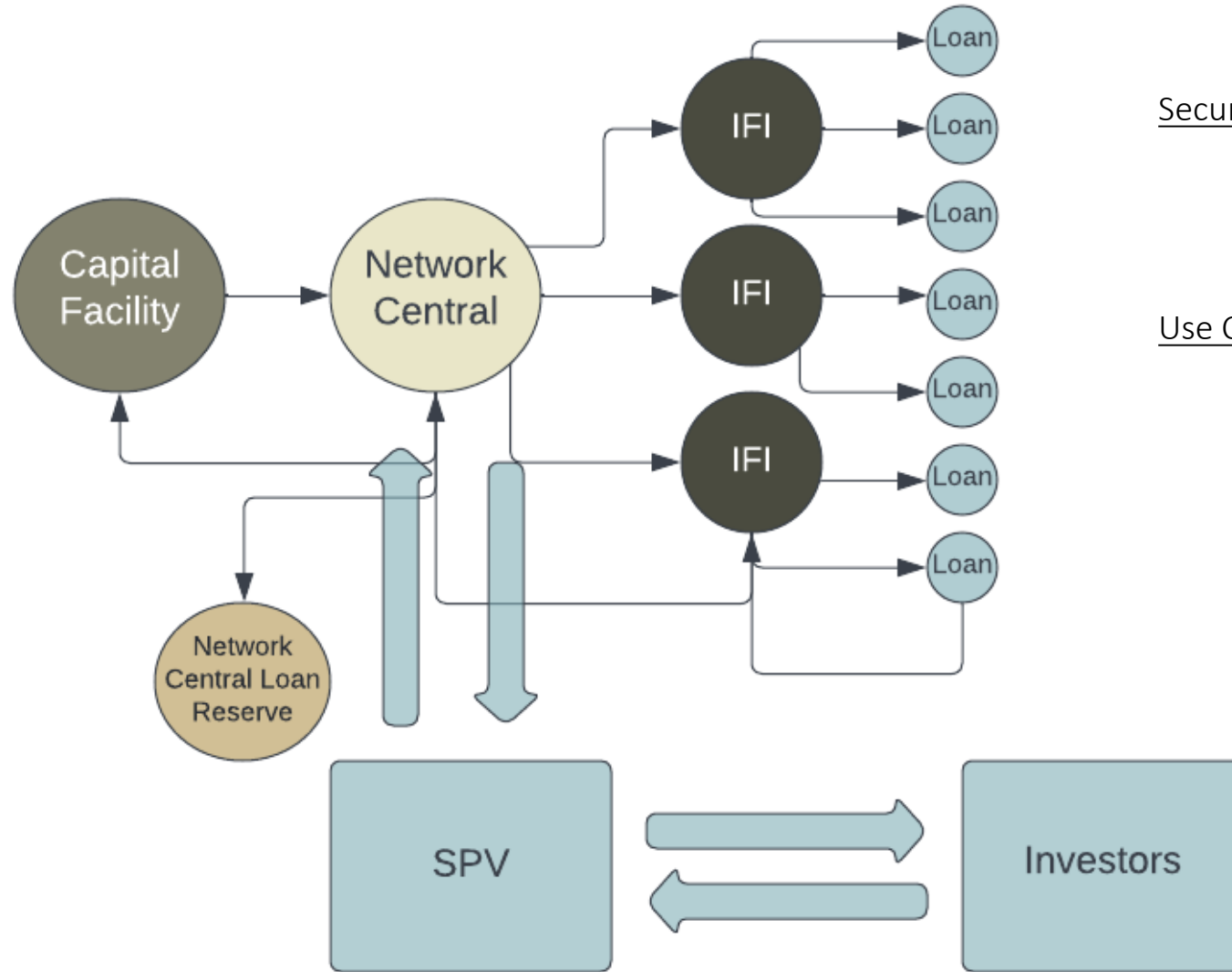


The securitization process involves bundling or pooling assets (loans) and selling them to a Special Purpose Vehicle (SPV). The SPV buys the bundle of assets (loans) and “repackages” them into securities which are sold to capital market investors.

(Source: [IMF](#))



Securitization: Yänonhchia' Model



Securitization Benefits for Yänonhchia':

- Support continuing operations beyond 2028
- Bring liquidity to the Indigenous housing loan market
- Lower overall cost of funding

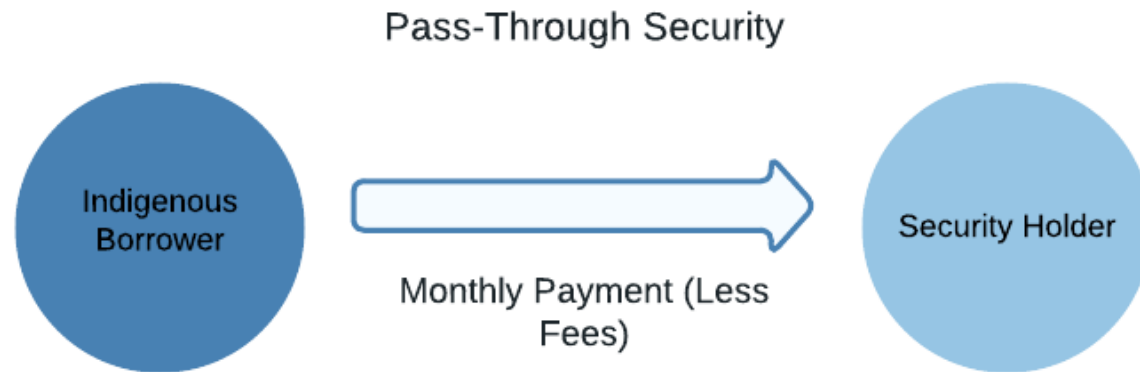
Use CMHC Underwriting Standards:

- Minimum Credit Score;
- Maximum loan-to-value (LTV) ratio;
- Maximum gross-debt-servicing (GDS) & total debt servicing (TDS);
- Maximum amortization, etc.,

*Ratios and guidelines would be adjusted to Indian Act constraints.



Yänonhchia' Credit Enhancement

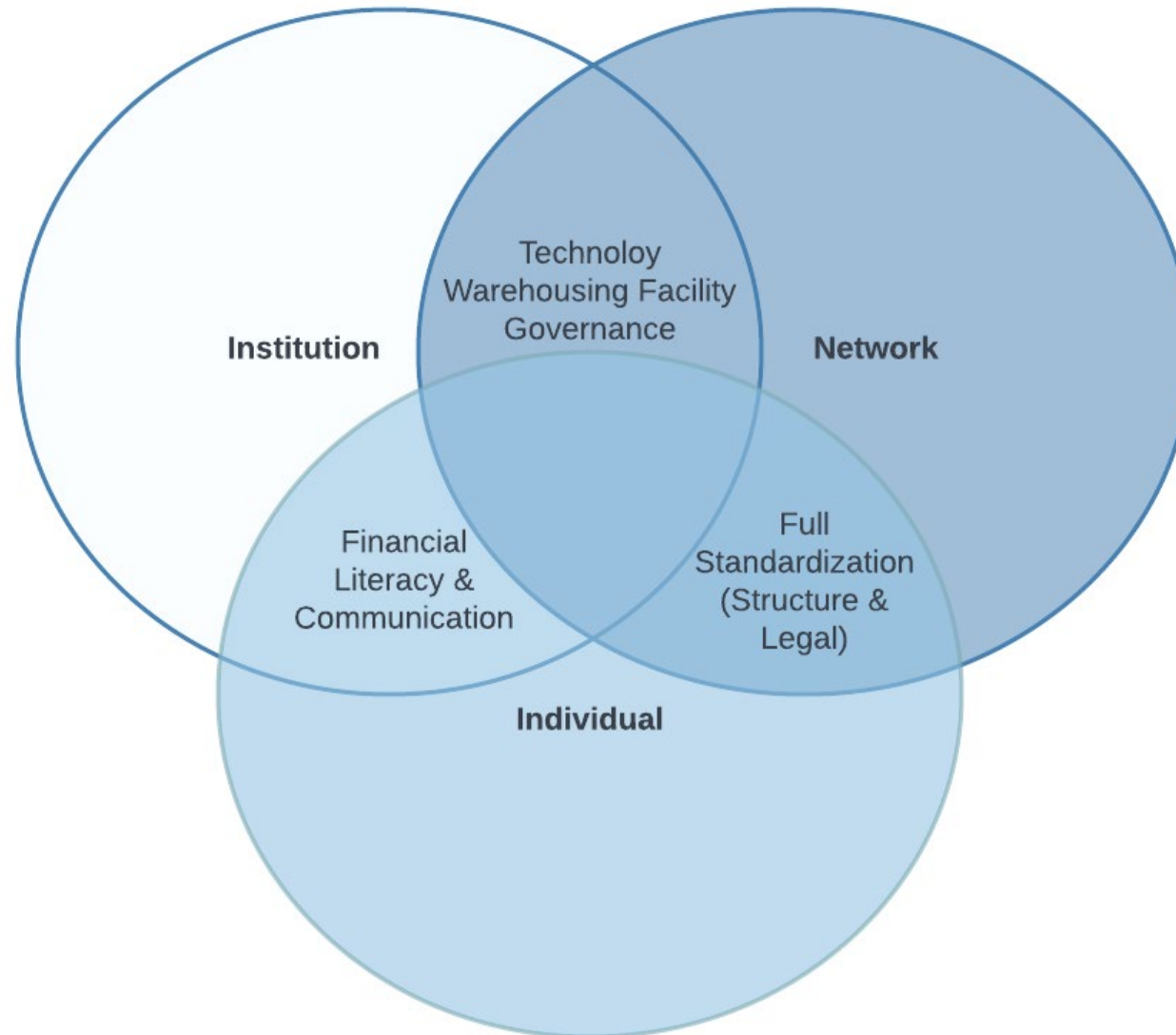


The Indigenous housing loan backed security would be a pass-through security meaning that the loan payment flows directly from the borrower to the security holder, creating risk for the security holder. Below are potential proposed credit enhancement methods to reduce said risk and ultimately obtain a lower cost of funding:

- Overcollateralization;
- Recourse Waterfall;
 - Individual IFIs should work to the best of their ability to collect any unpaid housing loan payments, if this fails IFIs should use funds from internal reserve account(s); if this fails,
 - Network Central reserve account(s) can be used to cover losses; if this fails,
 - External Support can be utilized (Regional/National entity/entities which provide backstop deposits/insurance); finally,
 - Blanket Insurance can cover any additional losses.



Achieving Indigenous Housing Loan Financing by 2028



CALL TO ACTION #2

MANY OPTIONS/ APPROACHES TO ENGAGE SECURITIZATION

COMMITMENT OF ALL INTERESTED PARTNERS NEEDED TO EXPLORE SOLUTIONS

SINGLE FEDERAL INTERLOCUTOR WITH COORDINATION RESPONSIBILITY

CALL FOR THE FORMATION OF A SECURITIZATION COMMITTEE