

Survey of Non-Bank Mortgage Lenders, first quarter 2020

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Non-bank lenders extend fewer residential mortgages in the first quarter

The growth in the value of residential mortgage loans extended by non-banks decelerated 12.9% to \$35.1 billion during the first quarter. This was likely due to the seasonality of mortgage lending, as there are generally fewer mortgage closings during the winter months. The total number of mortgages extended also decreased to 142,783—a deceleration of 12.2%.

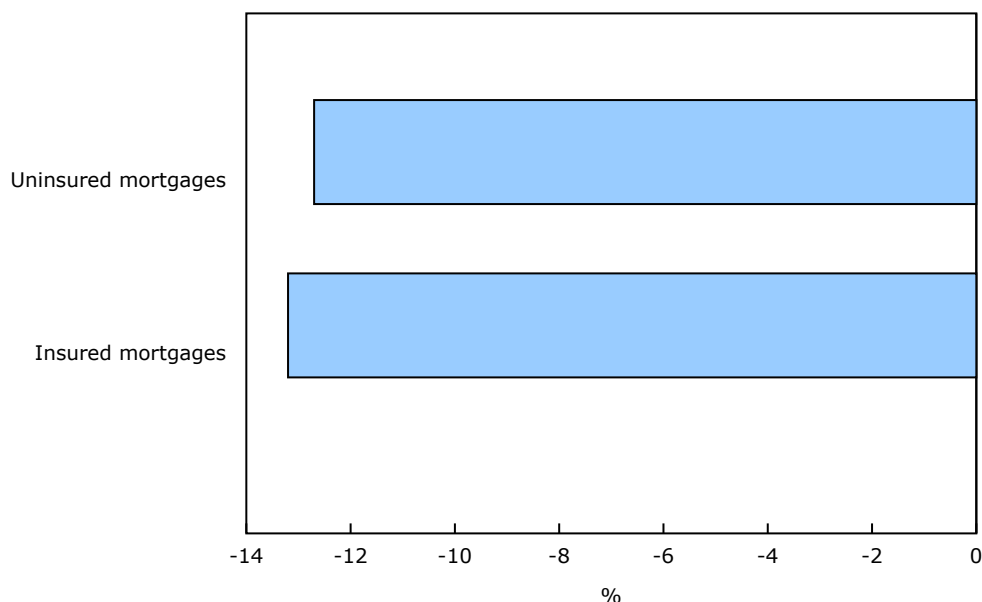
The COVID-19 pandemic had a minimal impact on the first quarter of 2020 results, as physical distancing measures and provincial shutdowns were announced during the last two weeks of the quarter; however, these data will provide a valuable benchmark on the potential impact of COVID-19 on non-bank lending in later reference periods.

Mortgages extended during the first quarter of 2020 represented 10.6% of the total value and 8.4% of the total number of outstanding residential mortgages.

The average value of mortgages extended was \$262,056 for insured and \$235,570 for uninsured mortgages. Regarding the value of mortgages extended, growth decelerated in both insured (-13.2%) and uninsured (-12.7%) mortgages, albeit at different rates. For the number of extended mortgages, insured mortgages decelerated less (-8.4%), while uninsured mortgages declined at a rate of 14.4%.

Chart 1

Quarterly growth in the value of residential mortgages extended decelerates during first quarter of 2020, insured and uninsured



Source(s): Survey of Non-Bank Mortgage Lenders (5249).



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Total value of outstanding residential mortgages increases in the first quarter

The total value of outstanding residential mortgages held by non-bank lenders grew by 1.2% from the previous quarter to \$330.3 billion, while the total number remained virtually unchanged.

The average value of outstanding mortgages was \$194,455, up slightly from \$192,041 in the fourth quarter of 2019.

Uninsured mortgages outstanding, representing more than half (59.4%) of total outstanding mortgages, grew 2.7% in value and 0.5% in number in the first quarter. In contrast to insured mortgages outstanding, which declined 0.9% in value and 1.1% in number. This reflects a trend witnessed over the last several quarters in which uninsured mortgages have been increasingly making up a larger proportion of mortgages outstanding.

As borrowers start to defer their mortgage payments, it is anticipated that outstanding residential mortgage values will rise in subsequent quarters—as the amounts being deferred are added to the outstanding balance (principal).

Value of mortgages in arrears over 90 days increases in the first quarter

In the first quarter of 2020, the value of mortgages in arrears over 90 days increased 2.0% to \$901.8 million and decreased 1.5% in number to 3,939 mortgages. The average value of a mortgage in arrears over 90 days was \$228,953.

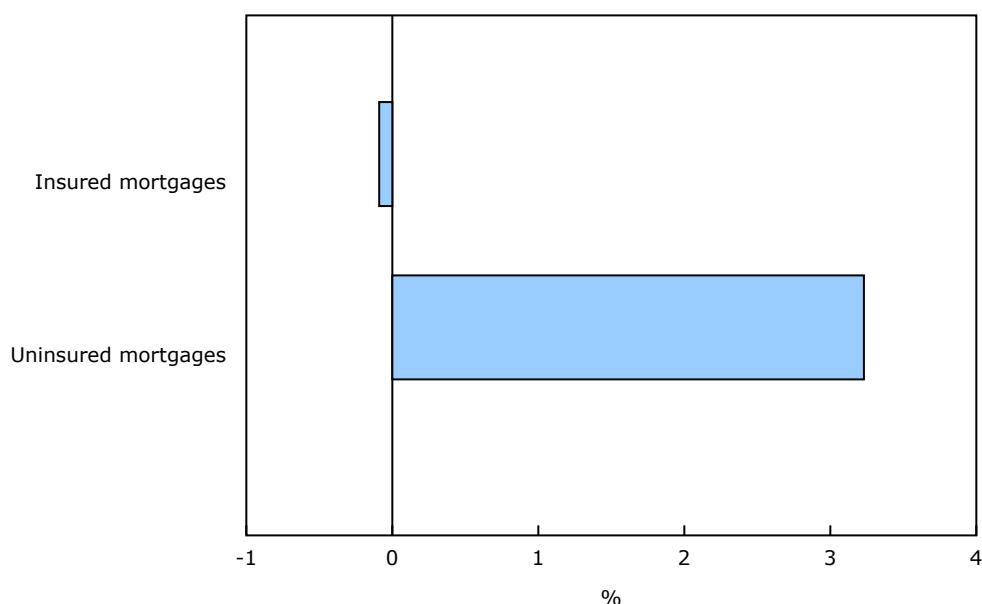
These mortgages represented 0.3% of the total value and 0.2% of the total number of outstanding mortgages at the end of the quarter. The delinquency rate over the same period was 0.23%, unchanged from the fourth quarter of 2019.

The majority of mortgages over 90 days in arrears were uninsured, with uninsured mortgage growth accelerating (+3.2%) while insured mortgages remained relatively unchanged from the previous quarter. In regards to the number of mortgages over 90 days in arrears, uninsured mortgages declined by 6.2% while insured mortgages grew by 5.4%.

With physical distancing measures and relief measures fully in place in the second quarter, the economic effects on mortgage lending are expected to be more pronounced in the coming quarters.

Chart 2

Quarterly growth in value of mortgages over 90 days in arrears, insured and uninsured



Source(s): Survey of Non-Bank Mortgage Lenders (5249).

Table 1

Survey of Non-Bank Mortgage Lenders: Canadian residential mortgages, first quarter 2020

	Insured residential mortgages		Uninsured residential mortgages		Total residential mortgages	
	value (thousands of dollars)	number	value (thousands of dollars)	number	value (thousands of dollars)	number
Total outstanding at the end of the quarter	133,557,822	586,950	196,782,916	1,111,853	330,340,738	1,698,803
Total extended during the quarter	14,433,504	55,078	20,660,698	87,705	35,094,201	142,783
Total in arrears at the end of the quarter	2,917,173	14,434	4,028,361	19,530	6,945,534	33,964
Total in arrears over 90 days at the end of the quarter	324,388	1,711	577,461	2,228	901,848	3,939

Source(s): Survey of Non-Bank Mortgage Lenders (5249).

For more information on housing statistics, visit the [Housing Statistics Portal](#).

Note to readers

The Survey of Non-Bank Mortgage Lenders is a recent initiative to collect information at the national level. This initiative will help complete the overall picture of the residential mortgage market in Canada. Until recently, residential mortgage data from non-bank lenders were collected only by some organizations at the provincial level, for certain industries, and at varying levels of detail.

The survey covers non-bank residential mortgage lenders, such as local credit unions, mortgage finance companies, trusts, insurance companies, mortgage investment corporations and private lenders. The entities included are not only those that issue residential mortgages, but also those that purchase them.

Please refer to [Survey of Non-Bank Mortgage Lenders, fourth quarter 2019](#), for quarterly comparisons.

Some figures may not add up to 100% as a result of rounding.

Data are not seasonally adjusted.

Definitions:

Outstanding mortgages refer to the mortgage balances remaining on the lender's balance sheet as of the end of the quarter.

Mortgages extended are the mortgages approved, issued and added to the balance sheet during the quarter.

Mortgages in arrears are mortgage loans overdue at the end of the quarter.

Definitions, data sources and methods: survey number [5249](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).