

Survey of Non-Bank Mortgage Lenders, first quarter 2021

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Non-banks report slowing growth in residential mortgages extended in the first quarter

After three quarters of continuous growth, non-bank lenders extended fewer mortgages in the first quarter of 2021 – potentially due to slowing demand after [eight quarters of continuous price increases of residential mortgage loans](#), as well as normal seasonal decreases at this time of year.

The total value of residential mortgage loans extended by non-banks decreased by 9.9% to \$51.9 billion in the first quarter. The total number of these mortgages declined by 17.3% from the previous quarter to 191,831, but was up 34.4% compared with the first quarter of 2020. Mortgages extended during the first quarter of 2021 represented 15.3% of the total value and 11.2% of the total number of outstanding residential mortgages held by non-banks.

The majority of the value of mortgages extended in the first quarter were uninsured (62.9%). The value of uninsured mortgages extended decreased by 7.5% to \$32.7 billion, while the number fell by 18.9% to 122,525 mortgage loans. Insured mortgages extended also declined in value (-13.6% to \$19.2 billion) and number (-14.5% to 69,306 mortgages).

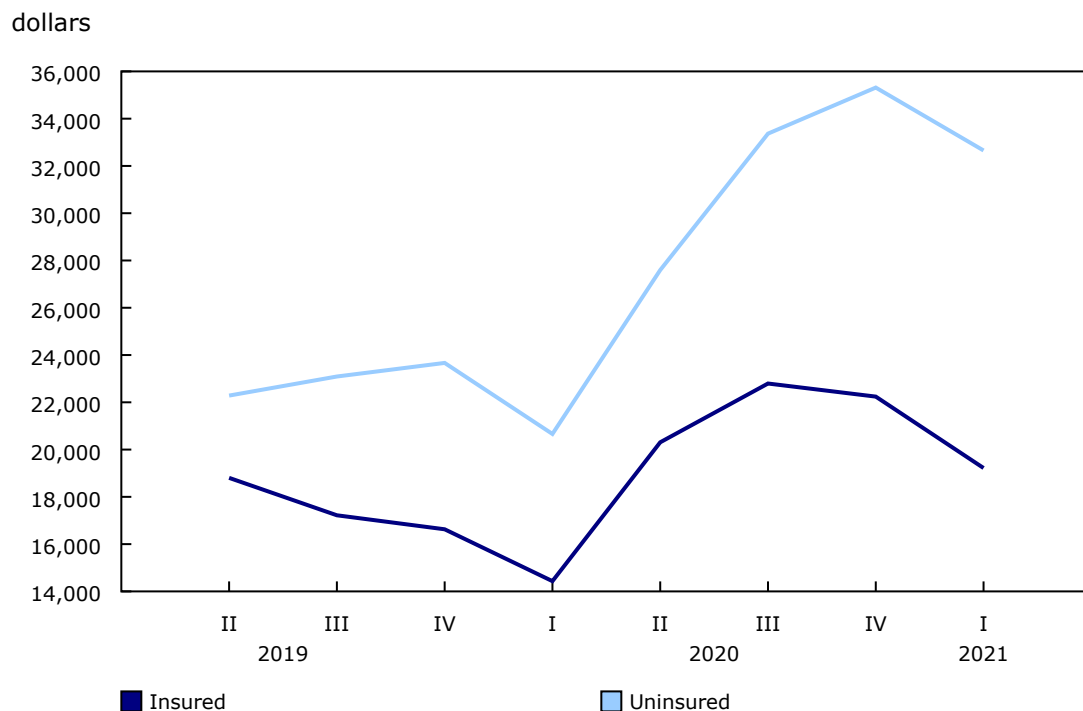
The average value of uninsured mortgages extended increased by \$32,751 to \$266,510 in the first quarter, while the average value for insured mortgages extended rose from \$274,515 in the fourth quarter of 2020 to \$277,318 in the first quarter of 2021.

One of the purposes of this release is to provide a more detailed picture of non-bank lenders, which were divided in two categories: credit unions and other non-bank lenders (the last category includes insurance companies, trusts, mortgage finance companies, mortgage investment entities and other lenders). Other non-bank lenders accounted for 53.9% of the survey sample, while credit unions made up the other 46.1%.

Credit unions extended 97,729 mortgages in the first quarter with a total value of \$22.4 billion—four-fifths of that value was uninsured (81.7%) while the other one-fifth was insured (18.3%). Other non-bank lenders extended less mortgages at 94,102 mortgages, but at a higher total value than credit unions, (\$29.5 billion). Just over half of that mortgage value (51.3%) was insured. This is reflected in the higher average value (\$313,106) of a mortgage extended by other non-bank lenders, while credit unions had an average extended mortgage value of \$229,308.



Chart 1
Value of mortgages extended by quarter, insured and uninsured (millions)



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

Total value of outstanding residential mortgages edges up

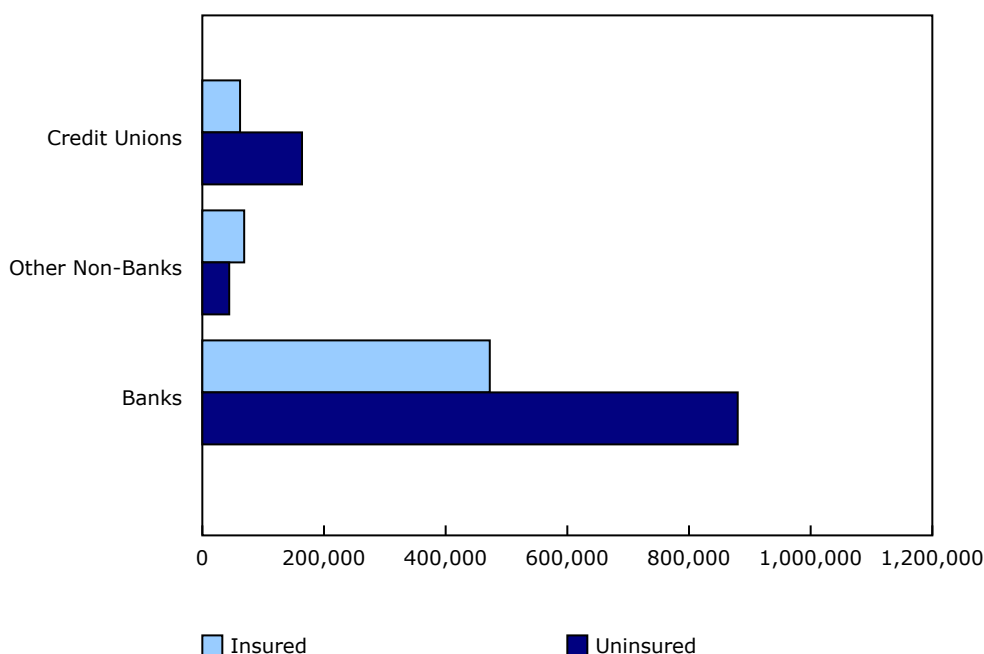
The total value of outstanding residential mortgages held by non-bank lenders edged up 0.4% in the first quarter to \$338.9 billion. The overall number of outstanding mortgages was relatively unchanged (-0.1%) at 1,717,693. The average value of an outstanding non-bank mortgage edged up \$1,025 to \$197,286.

Uninsured mortgages, which represented 61.4% of total outstanding non-bank mortgage value, increased in value (+2.2% to \$208.0 billion) and in number (+0.8% to 1,148,139) in the first quarter. In contrast, the value and number of outstanding insured mortgages both decreased in value (-2.4% to \$130.8 billion) and in number (-2.0% to 569,554).

Chartered banks reported similar changes, with a 3.8% increase in the value of uninsured mortgages to \$880.1 billion, while the value of insured outstanding mortgages decreased by 1.9% to \$472.5 billion.

Despite accounting for a smaller share of the survey sample, credit unions held more value and number of outstanding mortgages than other non-bank lenders. Indeed, by dividing lenders into quartiles based on the total value of their outstanding mortgages (with the smallest lenders being in the first quartile and the largest in the fourth), almost three quarters (73.7%) of credit unions were in the third or fourth quartile. Credit unions held 1,339,527 mortgages in the first quarter, with a value of \$225.8 billion. Almost three-quarters (72.5%) of that value was uninsured while the other 27.5% was insured. Conversely, 70.2% of other non-bank lenders were deemed small or medium size lenders (first or second quartile), and they held 378,166 outstanding mortgages worth \$113.0 billion, with 60.9% insured and 39.1% uninsured.

Chart 2
Value of outstanding mortgages by lender, insured and uninsured (millions)



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

Value and number of mortgages in arrears for over 90 days decreases for the third consecutive quarter

There were 3,387 residential non-bank mortgages in arrears for over 90 days in the first quarter, down 11.3% from the previous quarter. The total value of these mortgages decreased 6.0% to \$867.4 million, while their average value rose from \$241,499 to \$256,088.

Two-thirds of the value of mortgages in arrears over 90 days was uninsured (66.4%), down 5.4% from the fourth quarter of 2020 to \$576.0 million. The number of mortgages in arrears decreased by 11.7% to 1,853 mortgages. One-third of the value of mortgages in arrears for 90 days or more was insured (33.6%). Both the number (-10.8% to 1,534) and value (-7.1% to \$291.4 million) of insured mortgages in arrears were down in the first quarter.

Credit unions saw the most mortgages in arrears for more than 90 days at the end of the first quarter, at 1,795 mortgages (with a value of \$270.5 million, of which 62.1% was uninsured and 37.9% was insured). However, other non-bank lenders had the highest value of mortgages in arrears over 90 days, with 1,592 mortgages in arrears, with a value of \$596.9 million – more than twice the value of credit union's mortgages in arrears. Three-quarters of these mortgages were uninsured, despite other non-bank lenders holding more insured outstanding mortgages.

These mortgage loans represented 0.26% of the total value and 0.20% of the total number of outstanding non-bank mortgage loans at the end of the first quarter. Smaller lenders (those in the first quartile), had more mortgages in arrears for over 90 days compared with other larger lenders, with 3.2% of their total outstanding mortgages in arrears for more than 90 days. Conversely, lenders in the third quartile had the lowest share of outstanding mortgages in arrears over 90 days—at 1.4%.

With physical distancing measures and government relief measures still in place at the time of this release, the economic effects of the pandemic on mortgage lending are expected to continue through 2021 and into 2022.

Non-banks continue to defer fewer mortgage loans in the first quarter

Non-bank lenders declared that the total value of deferred mortgages decreased for the third straight quarter, falling from \$8.6 billion in the fourth quarter of 2020 to \$6.9 billion in the first quarter 2021, a decline of 20.1%. The number of mortgages deferred declined 16.7% to 29,713. The average value of a deferred mortgage decreased from \$241,917 to \$232,069.

Most lenders offered deferred mortgages for a short period of three to six months in 2020, to help customers deal with the financial challenges caused by the COVID-19 pandemic. The continued decrease in deferred mortgages reflects clients repaying their deferred payments.

Two-thirds of the value of mortgages deferred was uninsured (66.8%) and was valued at \$4.6 billion—down 25.5% from the fourth quarter of 2020. The number of uninsured deferred mortgages decreased 20.9% to 20,592. One-third of deferred mortgages were insured. The value of these mortgages decreased 6.5% to \$2.3 billion, while the number of insured deferred mortgages fell 5.5% to 9,121. Lenders of all sizes deferred more uninsured mortgages than insured.

Table 1
Survey of Non-bank Mortgage Lenders: Canadian residential mortgages by lender type, first quarter 2021

	Credit Unions		Other		Total	
	Thousands of dollars	Number	Thousands of dollars	Number	Thousands of dollars	Number
Insured residential mortgages outstanding	62,016,844	321,802	68,813,251	247,752	130,830,094	569,554
Uninsured residential mortgages outstanding	163,854,229	1,017,725	44,193,163	130,414	208,047,393	1,148,139
Total residential mortgages outstanding at the end of the quarter	225,871,073	1,339,527	113,006,414	378,166	338,877,487	1,717,693
Insured residential mortgages extended	4,105,615	17,868	15,114,167	51,438	19,219,782	69,306
Uninsured residential mortgages extended	18,304,463	79,861	14,349,689	42,664	32,654,153	122,525
Total residential mortgages extended during the quarter	22,410,078	97,729	29,463,857	94,102	51,873,935	191,831
Insured residential mortgages in arrears	2,265,360	13,213	566,421	2,479	2,831,781	15,692
Uninsured residential mortgages in arrears	3,569,303	21,229	1,031,251	2,748	4,600,554	23,977
Total residential mortgages in arrears at the end of the quarter	5,834,662	34,442	1,597,673	5,227	7,432,335	39,669
Insured residential mortgages over 90 days in arrears	102,397	658	188,998	876	291,395	1,534
Uninsured residential mortgages over 90 days in arrears	168,068	1,137	407,908	716	575,975	1,853
Total residential mortgages over 90 days in arrears at the end of the quarter	270,465	1,795	596,906	1,592	867,370	3,387

Note(s): Figures may not add to totals as a result of rounding.

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

Table 2
Survey of Non-bank Mortgage Lenders: Canadian residential mortgages deferred, first quarter 2021

	Q1 2021		Q4 2020		Q3 2020		Q2 2020	
	Thousands of dollars	Number	Thousands of dollars	Number	Thousands of dollars	Number	Thousands of dollars	Number
Insured residential mortgages deferred	2,289,723	9,121	2,449,866	9,652	5,027,543	19,240	8,588,160	35,026
Uninsured residential mortgages deferred	4,605,735	20,592	6,180,275	26,022	11,047,165	40,559	16,853,584	65,346
Total residential mortgages deferred	6,895,458	29,713	8,630,141	35,674	16,074,708	59,799	25,441,744	100,372

Note(s):

Figures may not add to totals as a result of rounding.

Imputation has not been applied to the variables in Table 2. Users are encouraged to exercise caution when interpreting the results.

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

Table 3
Survey of Non-bank Mortgage Lenders: Canadian residential mortgages, first quarter of 2020 – first quarter of 2021.

	Q1 2021		Q4 2020		Q3 2020		Q2 2020		Q1 2020	
	Thousan ds of dollars	Number	Thousan ds of dollars	Number	Thousan ds of dollars	Number	Thousan ds of dollars	Number	Thousan ds of dollars	Number
Insured residential mortgages outstanding	130,830,094	569,554	133,982,638	581,393	135,989,162.3	590,994	134,820,020	591,640	133,557,822	586,950
Uninsured residential mortgages outstanding	208,047,393	1,148,139	203,566,585	1,138,507	202,073,821	1,133,142	196,200,238	1,107,589	196,782,916	1,111,853
Total residential mortgages outstanding at the end of the quarter	338,877,487	1,717,693	337,549,223	1,719,900	338,062,983.3	1,724,136	331,020,259	1,699,229	330,340,738	1,698,803
Insured residential mortgages extended	19,219,782	69,306	22,241,186	81,020	22,794,760.85	85,151	20,308,151	76,072	14,433,504	55,078
Uninsured residential mortgages extended	32,654,153	122,525	35,315,333	151,076	33,367,094.94	145,362	27,594,561	117,749	20,660,698	87,705
Total residential mortgages extended during the quarter	51,873,935	191,831	57,556,519	232,096	56,161,855.79	230,513	47,902,712	193,821	35,094,201	142,783
Insured residential mortgages in arrears	2,831,781	15,692	3,167,941	16,560	3,035,780.723	15,974	2,416,582	12,751	2,917,173	14,434
Uninsured residential mortgages in arrears	4,600,554	23,977	5,060,978	26,055	4,821,778.187	25,459	3,789,803	19,753	4,028,361	19,530
Total residential mortgages in arrears at the end of the quarter	7,432,335	39,669	8,228,919	42,615	7,857,558.91	41,433	6,206,386	32,504	6,945,534	33,964
Insured residential mortgages over 90 days in arrears	291,395	1,534	313,710	1,720	355,023.535	1,811	375,735	1,892	324,388	1,711
Uninsured residential mortgages over 90 days in arrears	575,975	1,853	608,572	2,099	584,578.146	2,258	702,575	2,500	577,461	2,228
Total residential mortgages over 90 days in arrears at the end of the quarter	867,370	3,387	922,283	3,819	939,601.681	4,069	1,078,310	4,392	901,848	3,939

Note(s): Figures may not add to totals as a result of rounding.

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 the Survey of Non-bank Mortgage Lenders [fourth quarter 2020](#) release for quarterly comparisons.

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

Data are not seasonally adjusted.

Please note that no imputation was performed on the data in Table 2. This information should be associated with Table 1 with caution.

The data from the second quarter of 2019 to the first quarter of 2021 are available by request.

Definitions

Outstanding mortgages are 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.

Mortgages deferred are mortgages for which an agreement is in place between the lender and the borrower to pause or suspend a borrower's mortgage payments and other accommodations for a specified period of time. Statistics Canada began to collect data on deferred residential mortgages in the second quarter of 2020.

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).