

Survey of Non-Bank Mortgage Lenders, fourth quarter 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, June 2, 2022

Throughout the last quarter of 2021, many housing market indicators remained below the record-setting levels reached in the first half of the year. While non-bank lenders saw a decrease in both the value and number of mortgages extended relative to the third quarter, the total value and number of mortgages extended throughout 2021 surpassed the totals registered in 2020.

Non-banks report decrease in the value of residential mortgages extended

In the fourth quarter of 2021, Canadian non-bank mortgage lenders extended \$58.7 billion in mortgages, \$1.0 billion less than in the previous quarter and \$13.4 billion less than the peak of \$72.1 billion registered in the second quarter of 2021. At 221,126, the number of mortgages extended in the fourth quarter represented a decrease of 3.1% relative to the third quarter of 2021 and a decrease of 4.7% year over year. This is broadly consistent with the yearly fluctuations in the number of home sales recorded by the [Canadian Real Estate Association](#) for the last quarter of 2021: the number of transactions was down 11.5% in October, 0.7% in November, and 10.9% in December, compared with the same months in 2020.

The quarterly decrease in the value of mortgages extended was driven by uninsured mortgages, which saw a 3.6% decrease. Decreases in the value of uninsured mortgages extended were observed for both credit unions (-5.5%) and other non-bank lenders (-1.1%). This was tempered by a 1.7% increase in the value of insured mortgages extended, primarily driven by other non-bank lenders, who extended \$17.3 billion in insured mortgages in the fourth quarter of 2021. This was 5.3% more than they extended in the previous quarter. Credit unions, on the other hand, extended 9.4% less in insured mortgages in the fourth quarter, relative to the third quarter. Quarterly fluctuations in mortgages extended are in part attributable to seasonal variations in mortgage activity.

Despite the moderation observed in the second half of the year, Canadian non-bank lenders extended \$242.3 billion in mortgages throughout 2021. This is an increase of \$45.6 billion (+23.2%), compared with the value of mortgages extended in 2020.

Shares of insured and uninsured mortgages outstanding continue to diverge

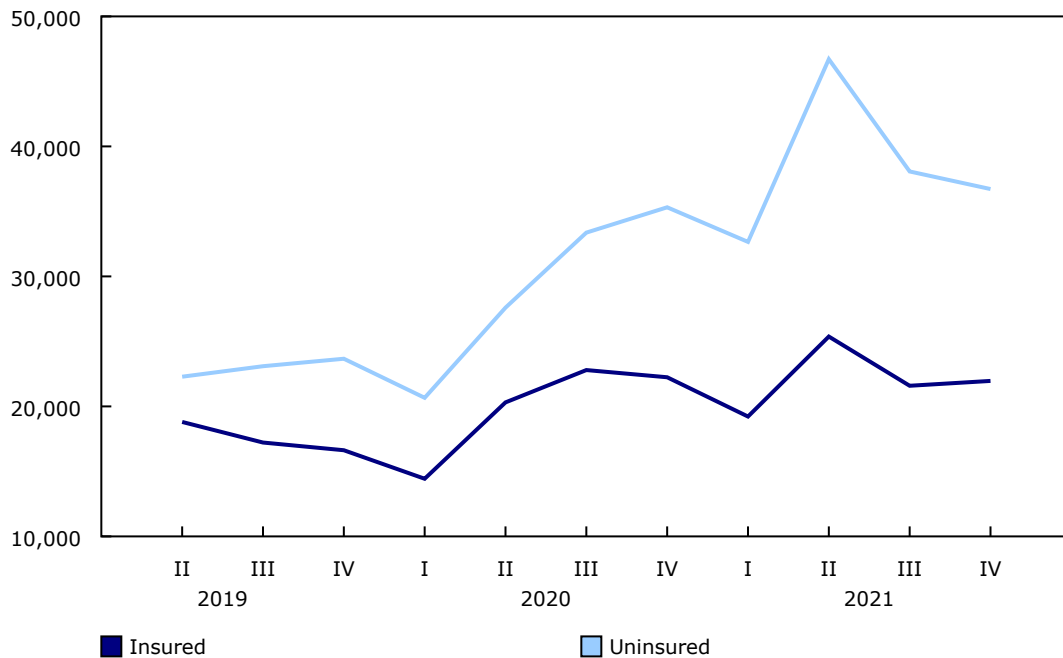
The total value of mortgages outstanding held by Canadian non-bank lenders reached \$356.6 billion in the fourth quarter of 2021, which represents roughly one-fifth of the mortgages outstanding held by all Canadian lenders. By comparison, [the total value of outstanding residential mortgages held by chartered banks](#) was \$1.5 trillion at the end of 2021, more than four times the value of the holdings of non-banks.

The increase in the value of mortgages outstanding was attributable to uninsured mortgages, which saw a quarterly increase in value of 3.2%. Conversely, the value of Canadian non-bank lender holdings of insured mortgages fell by 0.7%. The value of outstanding mortgages increases when mortgages are extended and added to a lender's balance sheet; it decreases when mortgages are repaid or sold to other parties. The insured and uninsured mortgage holdings of non-bank lenders have been diverging since the inception of the survey in the second quarter of 2019—during most quarters, the value of uninsured mortgages grew and that of insured mortgages fell. As a result, the share of uninsured mortgages out of the total value of mortgages outstanding has increased from 57.4% in the second quarter of 2019, to 64.6% in the second quarter of 2021.



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

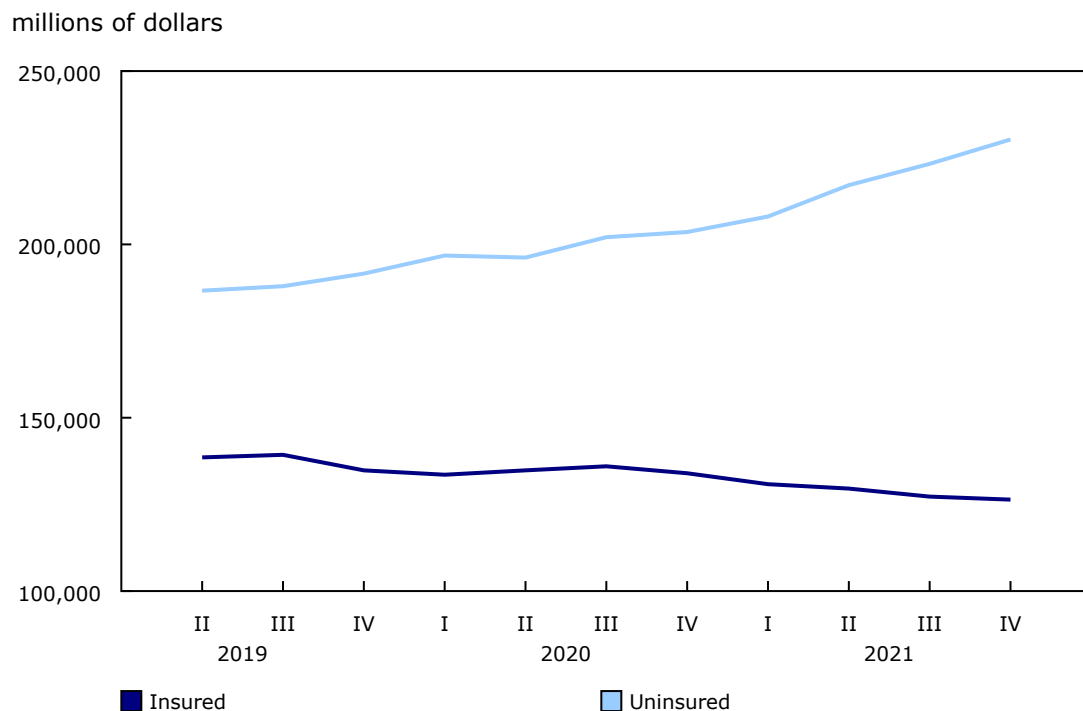
millions of dollars



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

The value of mortgages in arrears over 90 days reaches new low

Chart 2
Value of mortgages outstanding, by quarter, insured and uninsured



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

At the end of the fourth quarter of 2021, the value of mortgages in arrears for over 90 days was \$677.0 million. This represented a decrease of \$137.7 million relative to the previous quarter and the lowest value recorded for this variable since the survey was launched in the second quarter of 2019. The effect of recent increases in the Bank of Canada's policy interest rate may be reflected in the proportion of mortgages in arrears observed in upcoming quarters.

At 0.2%, the proportion of mortgages in arrears for over 90 days out of the total number of outstanding mortgages held by non-bank lenders edged down 0.1% relative to the fourth quarter of 2020. This share is consistent with the 0.2% reported for chartered banks by the [Canadian Banker's Association](#) at the end of December 2021.

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

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

	Credit Unions		Other		Total	
	thousands of dollars	number	thousands of dollars	number	thousands of dollars	number
Outstanding insured residential mortgages	60,736,844	305,248	65,640,090	230,255	126,376,933	535,503
Outstanding uninsured residential mortgages	181,708,183	1,062,258	48,556,514	129,804	230,264,697	1,192,062
Total outstanding residential mortgages at the end of the quarter	242,445,027	1,367,506	114,196,602	360,059	356,641,630	1,727,565
Insured residential mortgages extended	4,705,689	21,344	17,253,852	51,756	21,959,541	73,100
Uninsured residential mortgages extended	19,948,065	102,472	16,771,421	45,554	36,719,486	148,026
Total residential mortgages extended during the quarter	24,653,754	123,816	34,025,273	97,310	58,679,027	221,126
Insured residential mortgages in arrears	2,260,039	13,304	480,501	2,150	2,740,540	15,454
Uninsured residential mortgages in arrears	3,760,190	21,836	849,543	2,323	4,609,733	24,159
Total residential mortgages in arrears at the end of the quarter	6,020,229	35,140	1,330,044	4,473	7,350,273	39,613
Insured residential mortgages over 90 days in arrears	75,251	529	132,175	628	207,425	1,157
Uninsured residential mortgages over 90 days in arrears	118,683	825	350,891	526	469,573	1,351
Total residential mortgages over 90 days in arrears at the end of the quarter	193,933	1,354	483,066	1,154	676,999	2,508

Note(s): Figures may not add up 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, fourth quarter of 2020 to fourth quarter of 2021

	Fourth quarter of 2020		First quarter of 2021		Second quarter of 2021		Third quarter of 2021		Fourth quarter of 2021	
	thousand s of dollars	number	thousand s of dollars	number	thousand s of dollars	number	thousand s of dollars	number	thousand s of dollars	number
Insured residential mortgages deferred	2,449,866	9,652	2,289,723	9,121	2,035,690	7,988	1,977,758	7,816	1,304,757	5,374
Uninsured residential mortgages deferred	6,180,275	26,022	4,605,735	20,592	3,826,829	16,004	3,693,692	15,612	2,749,118	12,297
Total residential mortgages deferred	8,630,141	35,674	6,895,458	29,713	5,862,519	23,992	5,671,450	23,428	4,053,875	17,671

Note(s):

Figures may not add up 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, third quarter of 2020 to third quarter of 2021

	Fourth quarter of 2020		First quarter of 2021		Second quarter of 2021		Third quarter of 2021		Fourth quarter of 2021	
	thousands of dollars	number	thousands of dollars	number	thousands of dollars	number	thousands of dollars	number	thousands of dollars	number
Outstanding insured residential mortgages	133,982,638	581,393	130,830,094	569,554	129,562,460	556,915	127,247,682	544,445	126,376,933	535,503
Outstanding uninsured residential mortgages	203,566,585	1,138,507	208,047,393	1,148,139	217,085,825	1,167,498	223,231,963	1,178,274	230,264,697	1,192,062
Total outstanding residential mortgages at the end of the quarter	337,549,223	1,719,900	338,877,487	1,717,693	346,648,285	1,724,413	350,479,646	1,722,719	356,641,630	1,727,565
Insured residential mortgages extended	22,241,186	81,020	19,219,782	69,306	25,371,701	89,670	21,587,264	76,971	21,959,541	73,100
Uninsured residential mortgages extended	35,315,333	151,076	32,654,153	122,525	46,709,134	192,427	38,071,669	151,190	36,719,486	148,026
Total residential mortgages extended during the quarter	57,556,519	232,096	51,873,935	191,831	72,080,835	282,097	59,658,933	228,161	58,679,027	221,126
Insured residential mortgages in arrears	3,167,941	16,560	2,831,781	15,692	2,697,202	15,048	2,495,002	13,956	2,740,540	15,454
Uninsured residential mortgages in arrears	5,060,978	26,055	4,600,554	23,977	4,345,559	23,060	4,202,537	22,378	4,609,733	24,159
Total residential mortgages in arrears at the end of the quarter	8,228,919	42,615	7,432,335	39,669	7,042,762	38,108	6,697,539	36,334	7,350,273	39,613
Insured residential mortgages over 90 days in arrears	313,710	1,720	291,395	1,534	253,663	1,379	255,465	1,402	207,425	1,157
Uninsured residential mortgages over 90 days in arrears	608,572	2,099	575,975	1,853	517,529	1,615	559,231	1,531	469,573	1,351
Total residential mortgages over 90 days in arrears at the end of the quarter	922,283	3,819	867,370	3,387	771,192	2,994	814,696	2,933	676,999	2,508

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

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

Note to readers

The Survey of Non-Bank Mortgage Lenders is a recent initiative to collect information at the national level. It 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 in 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, third quarter 2021](#) 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.

Data from the second quarter of 2019 to the fourth 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 with payments 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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).