

CMI MORTGAGE INVESTMENTS PROGRAM





WHO WE ARE

The Canadian Mortgages Inc. (CMI) Group of Companies is an award-winning leader in the private lending space. It is a fully integrated enterprise composed of CMI Private Mortgages, CMI Mortgage Services, and the CMI Mortgage Investment Corporation (CMI MIC). These affiliated companies work collaboratively to originate, underwrite, and service mortgages, creating a seamless mortgage investment experience. Fuelled by innovation, we strive to provide both investors and mortgage brokers with access to non-bank private mortgage funds. We aim to deliver strong, risk-adjusted returns for our investors. Having successfully funded in excess of \$500 million in private mortgages across Canada, we are one of the country's fastest growing alternative lending firms.

WHAT WE DO

We fund equity-backed short-term mortgage investments, secured by real estate, typically either a first or second position. While many of our mortgages are residential, we also cater to commercial/industrial, agricultural, construction, and land/development investors and borrowers. CMI's lending policies adhere to strict underwriting policies in order to safeguard our investors' capital.

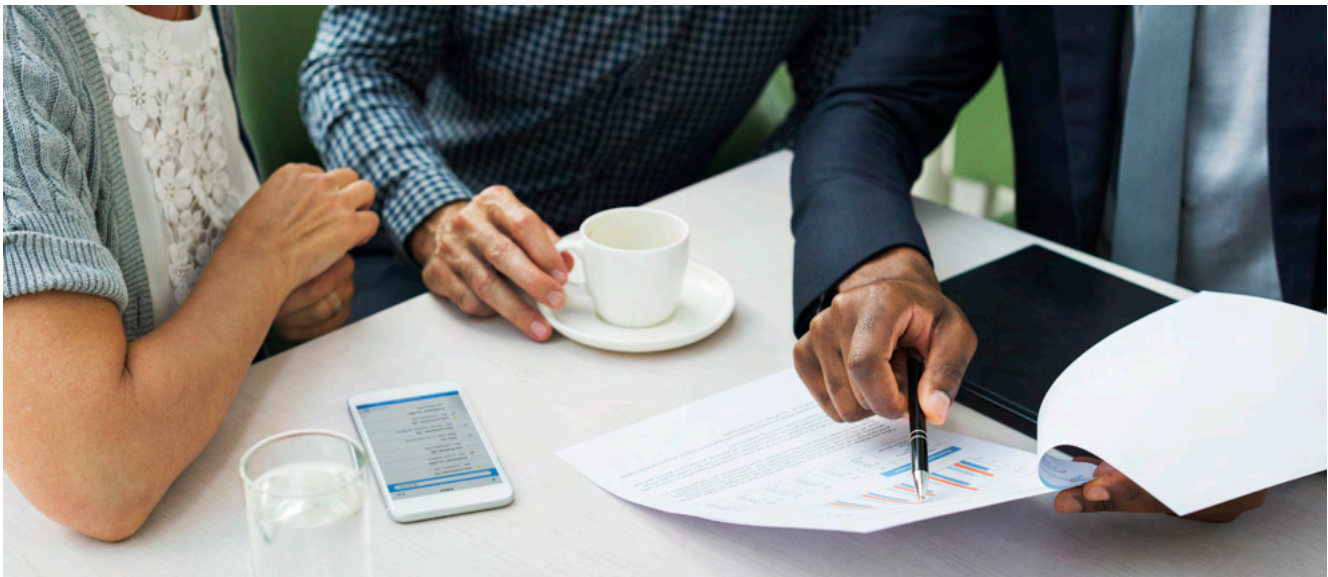
Our mortgages are funded by individual investors or a small syndication. After closing, mortgages are serviced and administered by CMI Mortgage Services, a Mortgage Administrator licensed under the Financial Services Regulatory Authority of Ontario (FSRAO), enabling us to offer a full-service solution to investors.

Our processes are focused on making mortgage investing safe and worry-free for our investors. To facilitate a smoother and more efficient closing process, we have also partnered with top legal professionals across Canada.

We source and provide mortgage investment opportunities exclusively in collaboration with the registered mortgage broker community in Canada, which today is comprised of over 20,000+ members. All mortgage brokers who wish to work with us are carefully screened and if approved, are added to our list of preferred partners.

Each and every mortgage application that we present to our investors has been carefully scrutinized and thoroughly reviewed as part of our stringent underwriting process. To ensure the accuracy of property valuations, we only use a select group of highly qualified appraisers. These appraisers are provided with specific guidelines that ensures the values they provide are accurate, conservative and unbiased.

Our entire investment process is focused on capital preservation. Risk and fraud management are essential cornerstones of our funding formula. Our goal is to ensure that the investment opportunities we present do not jeopardize your financial wellbeing while at the same time providing a short term cash or bond alternative investment solution that provides attractive risk-adjusted returns.



LOCATION CRITERIA

We lend in urban and smaller centres across Canada. Although most of our mortgages are in Ontario and British Columbia, we also lend in Alberta, Manitoba, and also in the Maritimes on case-by-case basis. Leverage and yield are highly dependent on location.

Ultimately, our mortgages are customized to fit each investor's investment objectives and risk tolerance. Our objective is to offer you investments that you will be comfortable with.

PROPERTY CRITERIA

As an equity lender, our primary concern is the value of the real estate that is securing your mortgage assets. To that end, we incorporate strict appraisal criteria to help ensure that we are funding only high-quality mortgages.

Only appraisers that have been approved by us can be used. All appraisers are provided with strict guidelines that are more stringent than industry standards.

- Properties should be in liquid markets to facilitate sale proceedings, if and when required. Less liquid properties would carry lower debt-to-equity ratios and/or higher returns to compensate for the additional risk
- Properties should be in a good state of general repair, unless a renovation or specific property improvement loan is being contemplated. We utilize holdbacks to mitigate risk related to deferred maintenance, where the risk warrants such measures
- Properties must not have any major structural or foundation problems, unless part of a construction mortgage which is addressing these deficiencies
- Properties should conform to local building codes and zoning by-laws and should be legally conforming properties
- All borrowers are required to provide title insurance as part of any mortgage funding. This protects you against fraud, along with other risks related to surveys, zoning, and building code violations
- Property taxes will always be paid up to date prior to, or as part of, the process of closing the mortgage. Such a disbursement, if required, shall be made directly by our lawyers as part of any closing, to the local tax office
- Existing mortgage payments shall be in good standing (when funding a second mortgage), or shall be placed into good standing as part of the funding
- All liens and executions registered against the borrowers or their property are to be paid from mortgage proceeds or paid prior to funding, or postponed to our mortgage advance



LENDING CRITERIA

- All borrowers shall show reasonable ability to service the mortgage loan
- Mortgages are typically committed for 12-month durations. Options for shorter as well as longer term investments are also available
- Mortgage for early payouts are typically closed, with a 3-month penalty, though open mortgages are also available on bridge loans and other short-term opportunities
- All properties are to be appraised within 30-60 days of closing, by an approved appraiser, using our specific guidelines with a value and conditions that are acceptable
- Borrowers shall not have any outstanding collections, judgments or writs against them, other than those being discharged as part of the mortgage closing



MORTGAGE AMOUNTS

| MORTGAGE | AMOUNTS |
|----------|---------------------------------|
| First | \$50,000 to \$5,000,000 |
| Second | \$25,000 to \$2,000,000 |
| Third | managed on a case-by-case basis |

INVESTOR YIELDS

| MORTGAGE | YIELDS |
|----------|----------|
| First | 5% - 12% |
| Second | 7% - 16% |

Yields shown above outline the range available to investors. This includes all types (low yield, mid yield, high yield). Yields are calculated based on a complex underwriting matrix and are offered based on a combination of factors: location, borrower credit, collateral and capacity to repay.

Most mortgages are for 12-month terms, with a pre-payment privilege based on a 3-month interest penalty payable to the investor in the event of a pre-maturity payout. Our mortgages are typically interest only, paid and compounded monthly. Other terms are available, from time to time, such as those with custom terms.

MORTGAGE SERVICING

Our full-service mortgage administration program is managed and administered by CMI Mortgage Services. Our knowledgeable and experienced team manage your mortgages for you, including any potential NSF's, insurance cancellations, mortgage default and enforcement, renewals, discharges, and any other unforeseen events that may come up during the term of the mortgage.

This service is offered to our investors FREE of charge. In the event of a default, the borrower will accrue fees as per their mortgage contract, for which they are solely responsible. These fees are collected by CMI Mortgage Services as compensation for our servicing program. Our collection rate on default repayment is a remarkable 98%.

Our robust program also facilitates major benefits rarely found in other programs, such as re-insurance for home/fire policies, the ability to defer legal fees until the sale of the properties (in most provinces), and even the ability to liquidate any non-performing mortgages via our real estate enforcement arm, CMI Real Estate.

COMMITMENTS

All mortgages are funded using our comprehensive mortgage commitment, which has been reviewed by dozens of lawyers and tested in court many times, along with being a constantly evolving and improving aspect of our business. Our investors get the benefit of our experience with thousands of transactions in multiple jurisdictions.

LEGAL REPRESENTATION

We have partnered with legal representatives across the country to provide funding in a timely manner, with an emphasis on ensuring due diligence and quality control is provided for our investors.

WHY CMI

CMI provides investors with the opportunity to achieve above average and stable fixed income returns, secured by real estate, without the need to expend the personal time and energy required to source and directly manage these mortgage investments. Our strengths lie in our vast industry experience and professional team, with close to \$200 million in current mortgages under administration and over \$500 million in private mortgages issued to date.

In addition to our whole mortgage investments, the CMI Group of Companies also include CMI MIC Funds, which is comprised of three Mortgage Investment Corporations (MIC). A MIC is a pool of private mortgage investors, professionally managed, with risk managed across a pool of mortgage assets. Our funds are all administered by CMI Mortgage Services For more information, please visit www.cmimic.ca



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