



## OSFI Releases Draft Guidance on Mortgage Underwriting Principles

**OTTAWA –March 19, 2012** – Today, the Office of the Superintendent of Financial Institutions (OSFI) released [Draft Guideline B-20, Residential Mortgage Underwriting Practices and Procedures](#). The guideline sets out OSFI's current expectations for prudent residential mortgage underwriting. It builds on the Financial Stability Board's draft international [Principles for Sound Residential Mortgage Underwriting Practices](#) (released in October 2011) and OSFI's own domestic supervisory work.

OSFI is issuing the draft guideline to allow industry and other vested parties to provide input on best practices for mortgage lending. The guideline does not affect the rules for insured mortgages, which are set by the government.

“Although financial institution mortgage portfolios in Canada continue to perform well, a number of vulnerabilities in the financial system exist, including high household indebtedness,” said Mark Zelmer, Assistant Superintendent, Regulation Sector. “OSFI is acting in an effort to prevent these vulnerabilities from evolving into problems for the financial system.”

OSFI, the Bank of Canada and the Department of Finance, along with other Financial Institutions Supervisory Committee (FISC) partners, regularly consult with one another on issues pertaining to the financial system.

Created in 1987 by an Act of Parliament, the Office of the Superintendent of Financial Institutions (OSFI) is the primary regulator and supervisor of federally regulated deposit-taking institutions, insurance companies, and federally regulated private pension plans. OSFI's mandate is to advance and administer a regulatory framework that contributes to public confidence in a strong, stable and competitive financial system.

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