Residential Mortgage Portfolio

In accordance with regulatory guidelines, Innovation Federal Credit Union is required to provide additional credit disclosures regarding our residential mortgage portfolio.

Innovation is limited to providing residential mortgages of no more than 80% of the collateral value. Lending at a higher loan-to-value (LTV) is permitted but requires default insurance. The insurance is contractual coverage that protects Innovation's real estate secured lending portfolio against potential losses caused by borrower default. Default insurance can be provided by either government backed entities or other approved private mortgage insurers. Currently Innovation uses Canada Mortgage and Housing Corporation (CMHC) and Sagen to provide mortgage default insurance.

A Home Equity Line of Credit (HELOC) is a form of non-amortizing (revolving) credit that is secured by a residential property. Unlike a traditional residential mortgage, most HELOCs are not structured to fit a predetermined amortization, although regular, minimum periodic payments are required. Innovation is limited to providing HELOCs of no more than 65% of the collateral value.

To determine the potential impact of an economic downturn, which may result in an increase in defaults and a decrease in housing prices, Innovation performs stress tests. The stress testing uses historical delinquency and write-off information over the past 5 years. Our results show that in an economic downturn, Innovation's capital position would be sufficient to absorb residential mortgage and HELOC losses.

The following tables provide details of Innovation's residential mortgage portfolio to allow for evaluation of the soundness and condition of Innovation's residential mortgage operations.

Residential Mortgage Loan Portfolio

	Q3 2025	% of Portfolio	2024	% of Portfolio	Change $	Change %
Insured	515,293,884	29.3%	498,196,359	29.7%	17,097,525	3.4%
Uninsured – Prime	607,863,586	34.5%	527,491,160	31.4%	80,372,426	15.2%
Uninsured – Alt A	569,279,753	32.4%	579,026,901	34.5%	-9,747,148	-1.7%
Non-conforming	9,300,628	0.5%	26,287,676	1.6%	-16,987,048	-64.6%
Reverse	53,805,446	3.1%	19,617,915	1.2%	34,187,531	174.3%
HELOC	4,201,603	0.2%	4,193,576	0.2%	8,027	0.2%
Total	**1,759,744,900**	**100%**	**1,654,813,587**	**100.0%**	**104,931,313**	**6.3%**

Residential Mortgage Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	467	154,035,150	8.8%	329,840
10 – 15 years	471	31,157,150	1.8%	66,151
16 – 20 years	648	76,284,091	4.3%	117,722
21 – 25 years	3,322	608,274,123	34.6%	183,105
26 – 30 years	1976	803,909,872	45.6%	406,837
Greater than 30 years	474	86,084,514	4.9%	181,613
Total	**7,358**	**1,759,744,900**	**100%**	**239,161**

Residential Mortgage Portfolio by Province

Province	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	5,226	821,856,574	46.7%	157,276
Ontario	1,065	542,696,998	30.7%	509,494
Alberta	655	214,204,161	12.2%	327,272
British Columbia	304	152,707,297	8.7%	502,274
Manitoba	69	20,771,415	1.2%	302,709
Prince Edward Island	6	1,167,293	0.1%	184,290
Nova Scotia	17	3,015,235	0.2%	178,515
New Brunswick	8	1,539,671	0.1%	182,310
Newfoundland	6	704,840	0.0%	111,279
Territories	2	1,081,416	0.1%	512,195
Total	**7,358**	**1,759,744,900**	**100%**	**239,161**

Residential Mortgage Loan Term Portfolio by Loan to Value (LTV)

Loan to Value (LTV)	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 25%	690	30,467,127	1.7%	44,155
25% – 50%	1421	214,130,916	12.2%	150,690
50% – 60%	817	156,973,678	8.9%	192,134
60% – 70%	1304	309,485,066	17.6%	237,335
70% – 80%	2139	816,228,939	46.4%	381,594
80% – 90%	477	107,785,292	6.1%	225,965
Greater than 90%	510	124,673,882	7.1%	244,459
Total	**7,358**	**1,759,744,900**	**100%**	**239,161**

Residential Mortgage Loan Term Portfolio by Credit Score

Equifax Rating	Beacon Score	Number of Members	Mortgage Balance	% of Portfolio
Super Prime	741+	3,314	831,349,216	47.2%
Prime	681 – 740	1,757	450,947,165	25.6%
Near Prime	621 – 680	1,312	350,276,050	19.9%
Sub Prime	541 – 620	405	94,879,507	5.4%
Deep Sub Prime	< 540	80	22,076,384	1.3%
No score		37	10,216,578	0.6%
Total		**6,905**	**1,759,744,900**	**100%**

Residential Mortgage Loan Portfolio by Age

Age	Number of Members	Mortgage Balance	% of Portfolio
19 to 24	114	27,767,094	1.6%
25 to 34	1225	329,758,327	18.7%
35 to 44	2189	625,453,223	35.5%
45 to 54	1592	421,983,006	24.0%
55 to 64	1027	227,177,906	12.9%
65+	742	127,605,344	7.3%
Total	**6,889**	**1,759,744,900**	**100%**

Residential Mortgage Loan Portfolio by Delinquency category

Delinquency	Number	Mortgage Balance	% of Portfolio
Not Delinquent	7,220	1,703,727,288	96.7%
1 – 29 days	76	29,768,350	1.7%
30 – 89 days	26	9,742,242	0.6%
90 – 179 days	11	4,576,085	0.3%
180-364 days	11	6,331,898	0.4%
365 days or greater	14	5,599,037	0.3%
Total	**7,358**	**1,759,744,900**	**100%**

Residential Mortgage Loan Portfolio by Write-offs

	Q3 - 2025	#	Q4 - 2024	#
Insured	82,244	5	67,131	7
Uninsured	472,229	3	573,460	3
Reverse	0	0	0	0
HELOC (Home Equity Line of Credit)	0	0	0	0
Total Loans	**554,473**	**8**	**640,591**	**10**

Residential Mortgage Third-Party Originated Portfolio

	Q3 - 2025	#	Q4 - 2024	#
Paradigm Quest	173,832,144	329	237,536,716	447
CMLS	390,509,306	996	436,574,946	1,066
MCAP	13,807,239	29	19,358,054	41
Community Trust	39,638,808	74	49,266,962	92
Home Equity Bank	53,802,350	195	19,616,625	72
Strive	150,263,105	383	48,754,772	110
Total Loans	**821,852,952**	**2,006**	**811,108,075**	**1,828**