

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

	Q1 2026	% of Portfolio	2025	% of Portfolio	Change	
					\$	%
Insured	502,258,463	26.1%	515,463,026	28.1%	(13,204,563)	(2.6%)
Uninsured – Prime	728,603,571	37.9%	667,396,426	36.4%	61,207,145	9.2%
Uninsured – Alt A	610,536,929	31.7%	583,006,246	31.8%	27,530,683	4.7%
Non-conforming	8,636,750	0.4%	8,384,752	0.5%	251,998	3.0%
Reverse	72,154,840	3.7%	53,532,615	2.9%	18,622,225	34.8%
HELOC	4,266,445	0.2%	4,408,904	0.2%	(142,459)	(3.2%)
Total	1,926,456,998	100%	1,832,191,969	100%	177,378,382	10.7%

Residential Mortgage Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	787	273,156,774	14.2%	347,086
10 – 15 years	449	30,715,858	1.6%	68,409
16 – 20 years	646	75,083,706	3.9%	116,229
21 – 25 years	3,306	617,168,620	32.0%	186,681
26 – 30 years	1,979	824,888,684	42.8%	416,821
Greater than 30 years	526	105,443,356	5.5%	200,463
Total	7,693	1,926,456,998	100%	250,417

Residential Mortgage Portfolio by Province

Province	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	5,366	863,773,708	44.7%	160,984
Ontario	1,184	630,535,638	32.7%	532,755
Alberta	661	218,848,074	11.4%	330,989
British Columbia	345	176,511,856	9.2%	511,742
Manitoba	84	26,097,382	1.4%	311,606
Prince Edward Island	7	1,251,353	0.1%	189,256
Nova Scotia	23	4,033,327	0.2%	174,287
New Brunswick	13	2,644,447	0.1%	199,975
Newfoundland	9	1,122,678	0.1%	127,347
Territories	2	1,638,535	0.1%	743,443
Total	7,693	1,926,456,998	100%	250,417

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

Loan to Value (LTV)	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 25%	689	34,064,893	1.8%	49,441
25% – 50%	1510	238,982,392	12.4%	158,266
50% – 60%	842	163,918,519	8.5%	194,678
60% – 70%	1322	325,938,881	16.9%	246,550
70% – 80%	2389	940,434,376	48.8%	393,652
80% – 90%	435	96,206,869	5.0%	221,165
Greater than 90%	506	126,911,068	6.6%	250,812
Total	7,693	1,926,456,998	100%	250,417

Residential Mortgage Loan Term Portfolio by Credit Score

Equifax Rating	Beacon Score	Number of Members	Mortgage Balance	% of Portfolio
Super Prime	741+	3,399	880,088,866	45.6%
Prime	681 – 740	1,827	477,480,816	24.8%
Near Prime	621 – 680	1,403	388,878,021	20.2%
Sub Prime	541 – 620	436	105,494,672	5.5%
Deep Sub Prime	< 540	73	18,990,226	1.0%
No score		120	55,524,397	2.9%
Total		7,258	1,926,456,998	100%

Residential Mortgage Loan Portfolio by Age

Age	Number of Members	Mortgage Balance	% of Portfolio
19 to 24	120	29,489,185	1.5%
25 to 34	1248	352,199,326	18.3%
35 to 44	2315	682,408,022	35.4%
45 to 54	1727	476,993,928	24.8%
55 to 64	1079	251,793,894	13.1%
65+	755	133,572,642	6.9%
Total	7,244	1,926,456,998	100%

Residential Mortgage Loan Portfolio by Delinquency category

Delinquency	Number	Mortgage Balance	% of Portfolio
Not Delinquent	7,536	1,859,505,623	96.5%
1 – 29 days	79	33,463,757	1.7%
30 – 89 days	34	11,083,328	0.6%
90 – 179 days	11	4,159,790	0.2%
180-364 days	20	12,560,701	0.7%
365 days or greater	13	5,683,799	0.3%
Total	7,693	1,926,456,998	100%

Residential Mortgage Loan Portfolio by Write-offs

	Q1 - 2026	#	Q4 - 2025	#
Insured	3	1	83,694	6
Uninsured	9,927	1	540,472	5
Reverse	0	0	0	0
HELOC (Home Equity Line of Credit)	0	0	0	0
Total Loans	9,930	2	624,166	11

Residential Mortgage Third-Party Originated Portfolio

	Q1 - 2026	#	Q4 - 2025	#
Paradigm Quest	152,171,220	288	159,366,007	303
CMLS	384,657,937	981	375,356,807	956
MCAP	9,129,941	19	10,726,133	22
Community Trust	34,506,452	65	35,881,056	67
Home Equity Bank	72,000,121	247	72,348,096	252
Strive	269,424,353	706	212,651,205	544
Total Loans	921,890,023	2,306	866,329,304	2,144