

Canadian Association of Accredited Mortgage Professionals Responds to Government Measures Announced Today on Mortgage Insurance

Toronto, ON (January 17, 2011) – “Canada’s housing sector is one of the principal pillars of the Canadian economy and today’s measures outlined by Finance Minister Jim Flaherty are part of reassuring Canadians that their primary asset is well protected,” said Jim Murphy, AMP, President and CEO of the Canadian Association of Accredited Mortgage Professionals (CAAMP).

In particular, CAAMP supports measures that strengthen owners’ equity in their homes as well as those that encourage the reduction of their mortgages. CAAMP is also pleased that no change was made to the down payment requirement as it recommended.

Murphy added that “rather than reducing the amortization period to 30 years from 35, as the Minister has announced, we would have preferred that the government had required those people seeking 35 year amortizations to meet the same qualifying standards as those with a shorter amortization. We hope the government will revisit this one feature as the economy strengthens.”

Canada’s housing market grew rapidly in the past decade, along with the economy. CAAMP is currently working on an updated economic analysis of the mortgage market, prepared by Will Dunning, CAAMP’s Chief Economist. The report notes that “there is always risk in the mortgage market. In Canada’s situation, the major risk factor is loss of ability to pay (especially due to job loss). A secondary risk factor is unaffordable increases in payments. This research report concludes that this is a negligible risk factor at present and in the near-to-medium future. Recent discussions about the mortgage market have focused on this negligible factor.”

“Revisiting the Canadian Mortgage Market – The Risk is Minimal (Update from January 2010 Report)”, will be released and available on www.caamp.org on Wednesday, January 19, 2011.

About CAAMP

CAAMP is the national organization representing Canada’s mortgage industry. With over 12,000 mortgage professionals representing over 1,700 companies, its membership is drawn from every province and from all industry sectors. This diversified membership enables CAAMP to bring together key players with the aim of enhancing professionalism.

In 2004, CAAMP established the Accredited Mortgage Professional (“AMP”) designation to enhance educational and ethical standards for Canada’s mortgage professionals. Established in 1994, CAAMP has taken a leadership role in Canada’s mortgage lending industry and has set the standard for best practices in the industry. CAAMP’s other primary role is that of consumer advocate. On an ongoing basis CAAMP aims to educate and inform the public about the mortgage industry. Through its extensive membership database, CAAMP provides consumers with access to a cross-country network of the industry’s most respected and ethical professionals.

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