



# Our Homes, Our Way

*Annual Report 2017*

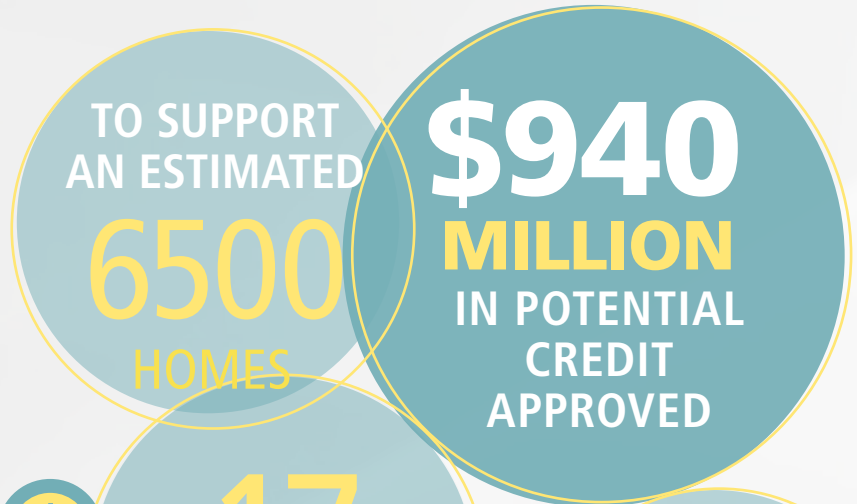
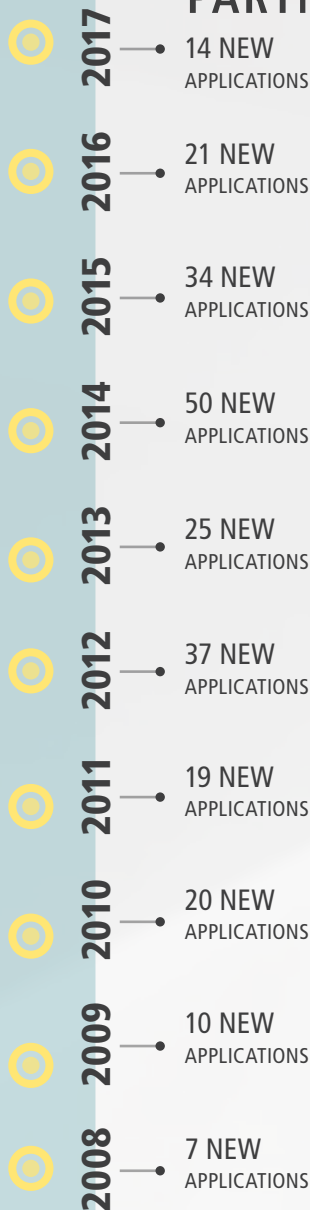


# First Nations Market Housing Fund

The Fund is the first national fund created to support financing arrangements for housing on reserve and settlement lands – it supports market-based housing on reserve by providing easier access to homeownership, rental and renovation loans in First Nations communities.

# 237 PARTNERS

CLOSE TO **40%**  
OF FIRST NATIONS  
ACROSS CANADA



## CAPACITY DEVELOPMENT PILLARS

There are three pillars within the Fund's Capacity Development Program:

All three pillars are intertwined; success in one area supports growth in the others. Strong capacity development initiatives in the areas of finance and governance for instance, support overall community development while fostering a positive environment for the implementation and sustainability of a strong market-based housing system.



# 195

FIRST NATIONS  
MARKET HOUSING  
FUND PARTNERS  
APPROVED  
FOR CREDIT  
ENHANCEMENT  
AND/OR CAPACITY  
DEVELOPMENT

## CAPACITY DEVELOPMENT

# 122

PARTICIPATING  
FIRST  
NATIONS

# 1060

CAPACITY  
DEVELOPMENT  
INITIATIVES

# \$18 MILLION

SPENT ON BUILDING  
THE FOUNDATION  
FOR SUCCESS IN  
FIRST NATIONS  
COMMUNITIES

## 2017 HIGHLIGHTS

# 14

NEW FIRST NATIONS PARTNERS

# 12

NEW QUALIFIED FIRST NATIONS

# 1

NEW LENDER PARTNER

# 56

FUND-BACKED HOME LOANS

## FORWARD-LOOKING STATEMENTS

The Annual Report of the First Nations Market Housing Fund (“the Fund”) contains forward-looking statements regarding objectives, strategies and expected financial results. There are risks and uncertainties beyond the control of the Fund that include, but are not limited to, economic, financial and regulatory conditions. These factors, among others, may cause actual results to differ substantially from the expectations stated or implied in the forward-looking statements.



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# TABLE OF CONTENTS

Message from the Chairperson of the Trustees .....	6
Message from the Executive Director .....	7
Our Mandate .....	8
Our Vision .....	9
2017 – A Year in Review .....	10
External Environment .....	10
The Fund in Action .....	12
The Fund’s Growing Footprint.....	16
Capacity Development .....	18
Regional Report .....	24
Atlantic .....	24
Quebec .....	26
Ontario .....	28
Manitoba .....	30
Saskatchewan .....	32
Alberta .....	34
British Columbia .....	36
Yukon and NWT .....	38
Capacity Development Recognition .....	40
Spreading the Word .....	44
Our First Nations Partners .....	49
Getting to Know our Newest Partners .....	55
Our Reach .....	66
A Financial Snapshot .....	68
Management Discussion and Analysis .....	71
Summary of Financial Results .....	80
Financial Statements .....	82
Governance .....	97
Board of Trustees .....	99
Committee Members .....	100
Fund Staff .....	101
Our Lending Partners .....	102
How the Fund Works .....	104
Glossary of Terms .....	106
List of Acronyms .....	107
Contact Us .....	108

## MESSAGE FROM THE CHAIRPERSON OF THE TRUSTEES

The brainchild of the Kelowna Accord, the First Nations Market Housing Fund is a First Nation idea brought to reality to help First Nations families overcome the barriers to home ownership. In 2018, the Fund enters its second decade having developed extensive expertise to leverage the power of home ownership to help drive Canada's reconciliation efforts.

Social and economic reconciliation go hand in hand. The home – a stable place to raise a family and, through ownership, a means to increasing wealth and economic security – is where reconciliation will have its greatest impact. The theme of this year's Annual Report is *Our Homes, Our Way* because it reflects the assertive role First Nations leaders across the country are taking to provide local access to home ownership as a key element of community building.

First Nations communities continue to lag behind the rest of Canada in most social and economic determinants, including the opportunity of home ownership. The 2016 Canada census figures listed in this Report show the tremendous needs for housing in Indigenous communities. We know that the 2011 census showed 31 per cent of on-reserve units were privately owned compared with approximately 68 per cent of housing privately owned by non-Indigenous Canadians.

The Government of Canada's ambitious \$40-billion National Housing Strategy (NHS), launched in late 2017, will help address these needs. The NHS commits the Government to fund and continue the work currently underway to co-develop distinctive housing strategies for First Nations, Inuit and Métis Nation partners.

Generating the supply and demand of privately held homes in First Nations communities is essential to close these housing gaps and free up public housing for those with the greatest needs.

The implementation of market-based housing faces many barriers. Many communities lack access to financing. Others do not have governance structures that enable and sustain private ownership. An inadequate building system prevents some communities from having quality homes built. Many First Nations have little familiarity with private housing and how it provides an opportunity to create wealth.

The Fund provides support to help tackle these barriers by building capacity within these communities and raising awareness about the possibilities of home ownership.

The Fund's footprint continues to grow, with 237 First Nations having chosen to work with the Fund. The partnerships between our First Nations organization and First Nations governments are difference makers that lead to increased home ownership and more prosperous and vibrant communities.

The majority of Canadians takes home ownership for granted. With time and unwavering commitment, the day is coming when real estate company For-Sale signs on First Nation lawns across Canada will be commonplace – and the Fund will be there every step of the way.

We look forward to working with the Government of Canada and First Nations communities to make *Our Homes, Our Way*.



John Beaucage

# MESSAGE FROM THE EXECUTIVE DIRECTOR

*Our Homes, Our Way* reflects the journey that First Nations are taking to find innovative ways to address their housing needs with market-based housing solutions.

The Fund has learned that the goal of providing market-based housing can only be achieved with sustained effort and partnership with one community at a time. Every one of the Fund's partnerships with First Nations is tailored to the community's capacity, challenges and opportunities. The Fund works with each and every First Nation on their own timelines to address their distinct housing challenges. These challenges vary from First Nation to First Nation, and so does the Fund's support.

As the activities described in this Report make clear, the Fund continues to meet the growing demand for capacity development by designing and delivering initiatives that contribute to strong financial management, good governance and a community commitment to market-based housing. To date, over 1,060 capacity development initiatives have been undertaken in 122 First Nations.

Fund staff and Trustees continue to closely follow the national dialogue on Indigenous housing facilitated by the Government of Canada. We have participated in Indigenous and Northern Affairs Canada's On-Reserve Housing Reform; CMHC's Let's Talk Housing; and the work on housing reform with the Assembly of First Nations.

We believe the expertise acquired by the Board and our staff can help strengthen other areas of interest to Indigenous people, such as social services, education, and community and skills development. We have enthusiastically shared our key learnings and best practices within these venues whether it is how to successfully partner with four in 10 of Canada's First Nations, creating local conditions to support a market housing system, strengthening expertise and financial literacy for communities and individuals, or instilling confidence that the dream of home ownership is possible.

The First Nations Market Housing Fund was never meant to be a short-term fix that made a small dent in the problem and then disappeared. From our inception at Kelowna, we were conceived to be part of a long-term journey to address barriers erected over many centuries. With our words and our deeds, we work every day to improve the lives of First Nations with *Our Homes, Our Way*, one community at a time.



Deborah Taylor



John Beaucage, Chairperson, Deborah Taylor, Executive Director

## OUR MANDATE

Our mandate is to facilitate access to financing for market-based housing in First Nations communities. We help create the capacity in First Nations communities to support and sustain market-based housing programs, thereby contributing to the social welfare and civic improvement of First Nations communities and their residents. Our overarching goal is to promote a system in which First Nations residents have the same housing opportunities on communally held lands – be they reserve, settlement or lands set aside – as other Canadians have in communities across the country.



## OUR VISION

As we focus on increasing the opportunities for on-reserve market-based home ownership, our vision is that:

*Every First Nation family has the opportunity to have a home on their own land in a strong community.*



Fund-backed home, Tyendinaga Mohawk Territory

# 2017 – A YEAR IN REVIEW

## External Environment

In 2017, Indigenous-related issues, including housing and infrastructure, were in the spotlight on a variety of fronts.

Budget 2017 announced Indigenous and Northern investments of \$3.4 billion over five years and further longer-term investments (Budget 2017 Highlights – Indigenous and Northern Investments) to advance reconciliation, improve quality of life and promote skills and opportunities for Indigenous Peoples. Budget 2017 built upon the investment of \$8.4 billion over five years made in Budget 2016, which included \$4.5 billion over five years in infrastructure investments, including housing in Indigenous and northern communities, schools, water and waste-water treatment, and other community infrastructure.

Pursuing the new funding for social housing within the timeframes set out by the Funders meant that time and energy of many First Nations communities were directed away from focusing on market-based housing.

Key results from the Census of Population, 2016 were released by Statistics Canada in 2017, including The Housing Conditions of Aboriginal People in Canada. Highlights from this report indicated:

- One in five (19.4%) Aboriginal people lived in a dwelling in need of major repairs. In comparison, 6.0% of the non-Aboriginal population reported living in a dwelling in need of major repairs.
- Among the 744,855 First Nations people with registered or treaty Indian status, 44.2% lived on reserve while 55.8% lived off reserve. There was a pronounced difference in the dwelling conditions of those who lived on reserve and those who did not. The proportion of First Nations people with registered or treaty Indian status who lived in a dwelling that needed major repairs was more than three times higher on reserve (44.2%) than off reserve (14.2%).
- While the proportion of First Nations people who lived in a dwelling that needed major repairs was lower in 2016 than in 2011, among those living on reserve the proportion rose by 0.8 percentage points.
- Close to one-fifth (18.3%) of the Aboriginal population lived in housing that was considered not suitable for the number of people who lived there, according to the National Occupancy Standard.

On November 22, 2017, the Government released Canada's National Housing Strategy (NHS) – an ambitious \$40-billion plan to help ensure that Canadians have access to housing that meets their needs and that they can afford. To respect the Government of Canada's commitment to a nation-to-nation, Inuit-to-Crown, government-to-government relation with Indigenous people, the NHS commits the Government to fund and continue the work currently underway to co-develop distinctive housing strategies for First Nations, Inuit and Métis Nation partners.

Reiterating that no relationship is more important to the Government than the one with Indigenous peoples, First Nations are leading the development of a First Nations National Housing and Infrastructure Strategy to ensure the future of housing and infrastructure reform is envisioned from a First Nations perspective. The new policy framework for housing and infrastructure reform provides a long-term approach that will support First Nations care, control and management of housing and infrastructure, and address the needs of First Nations people living both on and off reserve.

The First Nations Market Housing Fund is proud to have been represented at various meetings over the year that were part of the process to collaboratively develop the First Nations housing and infrastructure strategy. In addition, a submission to Government was made by the Trustees outlining opportunities to achieve the Crown/First Nations commitment to wealth creation through Indigenous home ownership backed by the First Nations Market Housing Fund.

There are challenges with First Nations members qualifying for home loans in Fund-backed communities resulting in a lag in unlocking the credit the Fund has already approved for a potential 6,500 home loans (as at December 31, 2017). In 2016, the Office of the Superintendent of Financial Institutions (OSFI) introduced changes to the eligibility rules (mortgage rate stress testing) for new government-backed insured mortgages. In 2017, OSFI announced similar measures effective January 1, 2018 for all non-insured mortgages. Potential borrowers in First Nations communities that partner with federally regulated lenders will be subject to these eligibility rules, which may further impact the timing of their ability to qualify for homes.

The Fund was the brainchild of the Kelowna Accord. It was inspired by the need to find creative ways to deal with the housing crisis on reserve. The idea was to see whether, given the tools and the opportunity, people living on reserve, on settlement lands and on lands set aside, would aspire to solve their own housing problems. The Fund was one piece of the solution from Kelowna and was never intended to solve all the housing issues. It was meant to tackle a portion of the need and demand using a creative financing instrument supported by capacity development. The purpose of the Fund is to support individuals who can afford a housing loan to finance the acquisition or construction of a house in order to create sustained economic growth and free up subsidized housing for those in greatest need.

In taking stock of the current environment, the Trustees and staff know there is still much work to be accomplished in building the foundation of knowledge and systems through which individuals, families, communities, Councils and financial institutions can participate in market-based housing in First Nations communities. The process of achieving market housing is lengthy and requires significant time, focus and consistency to introduce, prepare for, and implement each phase.

The Fund remains focused on ensuring continued success in achieving its mandate to increase the opportunities for market-based home ownership on First Nations lands and is prepared to embrace an enriched mandate subject to new directions the Government of Canada may introduce resulting from the consultations on the On-Reserve Housing Reform.

## The Fund in Action

The Fund works carefully within a complex and cluttered environment to establish the engagement approach, application processes, supportive programs, and relationships needed to build the confidence of First Nations governments, individual community members and lenders. This carefully built foundation is expanding the emerging market-based housing system in First Nations communities and involving a wide range of First Nations, their organizations and the financial community in what is often a multi-year process. For many First Nations individuals and communities, the Fund has served as the first experience in market housing and is enabling them to build expertise, administration systems and governance models to ready themselves for home ownership.

Sharing the experiences of our First Nations partners to find innovative ways to address their housing needs continued to flourish in 2017. As it is completely voluntary for First Nations to make use of the market-based Fund, the Trustees and staff are particularly proud that close to 40 per cent of First Nations have chosen to work with the Fund. Recognizing the uniqueness of each First Nations partner and working with them on their own timelines to provide the choice and flexibility they need to provide viable housing options respects *Our Homes, Our Way*.

To respond to the unique needs of its First Nations partners, the Fund continued to focus on designing and accessing capacity development initiatives that contribute to strong financial management, good governance and a community commitment to market-based housing. Over **1,060** initiatives are now underway or completed in **122** First Nations. More than **\$18 million** has been spent to date on building the foundation required to implement and/or sustain market-based housing on communally-held First Nations lands across Canada.

In April 2017, the Fund convened its annual strategic planning session. A review of the Fund's strategic planning efforts since 2009 demonstrated a consistent evolution in the growth of the Fund, from: building the organization; assessing and responding to the low but growing capacity to implement market housing; communicating about major developmental issues and perceptions; fine-tuning approaches that get results; and accomplishing the Fund's core mandate.



John Beaucauge, Chairperson, Ruth Williams, Vice-Chairperson



Annual strategic planning session

Given the content of the foundational documents, the trends identified in the environmental scan, the critical issues that have emerged, and the successes experienced to date, the strategic framework is clear. There is a solid commitment to our First Nations organization and a shared focus on continuous improvement. Some highlights of concerns and opportunities heard from First Nations leadership who participated in the 2017 strategy dialogue follow:

- *Though challenging, the establishment of more-structured housing systems and enforcement of policies/payment does work*
- *Engage with community membership along with leadership to strengthen the messaging and continue to present market housing as a home-owning option*
- *Get into the schools, alongside the banks to promote home ownership as a component of financial literacy*
- *Explore how to support Band efforts to collaborate with home owners (e.g. incentives)*
- *Emphasize how market housing can assist Councils/communities to turn housing from a liability to an asset that creates wealth for community members*
- *Examine how to support First Nations Councils to establish and maintain a consistent priority for market housing*
- *Ensure that market housing is one option as part of the community's growth and development path and feeds residual economic opportunities*
- *Consider urban situations including where Tribal Councils own and manage a portfolio of urban houses, and First Nations are involved in supporting/providing housing to citizens living on urban reserve lands established under Treaty Land Entitlement and other types of negotiated arrangements*
- *Explore the process through which a First Nation could transition from Band homes to market homes*
- *Determine if there is any potential to work with various types of First Nations trust funds that have been established at the community level, often through negotiated settlement agreements*

*“The Fund has the benefit of assisting our people to move home.”*

-Ruth Williams, Vice-Chairperson

*“The distinct advantage is that people don’t have to stay on a waiting list to build a home. A lot of people have good jobs, they are good risk, they are credit worthy and they should have access to housing.”*

-Chief R. Donald Maracle, Mohawks of the Bay of Quinte



Fund-backed home, Tyendinaga Mohawk Territory



Fund-backed home, Tyendinaga Mohawk Territory

*“The First Nations Market Housing Fund makes a huge difference in people’s ability to be self-sufficient and own a mortgage and own their own home. We moved home about two and a half years ago and it’s probably the best decision we ever made.”*

-Sarah Loft, Homeowner, Mohawks of the Bay of Quinte

*“This program gave us the ability and the want to move back.”*

-Jeremy Doxtator, Homeowner, Mohawks of the Bay of Quinte

## The Fund's Growing Footprint

The Fund's growing footprint is evidenced in many ways. Statistical measurement is one way to gauge progress, but the Trustees and staff are witness to the many milestones achieved at the leadership, community and individual levels. Throughout the Annual Report, we are sharing some of the impacts the Fund's work has made in supporting each vital step taken by the Fund's partnering First Nations communities to expand market-based housing options.

We begin by sharing some of the considerations that first brought First Nations leadership to work with the Fund. These considerations were shared by the leaders who participated at the Trustees' Strategic Planning Session in April 2017:

- Scale of need in their communities;
- Unique circumstances within their housing situations that required creative approaches (e.g. urban-based reserve land);
- Necessity of finding additional revenue to pay for housing; and
- Growing receptivity and willingness amongst membership.

During 2017, the Fund witnessed the expansion of the desire to strengthen and support the emerging market-based housing system on-reserve as **14** First Nations chose to partner with the Fund, bringing the total number of First Nations partners to **237**. Eleven First Nations partners that were approved for the Fund's Credit Enhancement and Capacity Development Program chose to be announced in 2017. Their profiles and market-based housing aspirations are featured under 'Getting to Know our Newest Partners.' Over **\$940 million** in potential credit for loans for approximately **6,500** homes backed by the Fund were approved by the end of 2017. These numbers continue to grow toward the Fund's full potential of leveraging \$3 billion in additional on-reserve housing investments.

Also in 2017, the Fund welcomed Williams Lake and District Credit Union (B.C.) as its newest lending partner. Its profile is featured under '[Our Lending Partners](#)'.

The Fund is proud to have a total of **17** partnering national and regional financial institutions through the Fund's Credit Enhancement program. The support of these partnerships results in more choice in underserved geographic areas and opportunities for First Nations to establish new relationships with a financial institution to increase home loan options for their citizens to purchase, build or renovate a home in their community.

Meet Buzz and Maple Manuel – long time residents of the Upper Nicola Band, B.C.



Buzz and Maple Manuel are the first Band members to utilize this new home-ownership program. When the Upper Nicola Band Market Based Housing Program became available to members, Buzz and Maple put the wheels in motion. They worked on saving their equity contribution and then began determining what location would best suit their family. Buzz works for Indigenous Sport, Physical Activity and Recreation Council as the Provincial Coordinator, and Maple works for the Upper Nicola Band (UNB) at the Health Care Centre. As they made application to their band for a lot allocation, they knew that a site located near their sons' elementary school, along with a million-dollar view of Douglas Lake, would be the perfect home location. They continued to work with the UNB Housing Department and followed the process to the end. They decided they would purchase a modular home unit and looked at dozens of house plans before choosing their three-bedroom, two-bathroom open-concept home.

The modular home was delivered early December 2017, and by mid-January 2018 they were ready to move into their brand new home. Moving into their home is their new stress as they work full-time and are busy each weekend with sports and recreation, including hockey and lacrosse.

Buzz and Maple offer this advice to fellow members and/or home owners –

*“Working with the band and bank was great! They pointed us in the right direction and provided support we never thought imaginable! This was definitely a right choice for our family and worth every dollar saved!”*

# CAPACITY DEVELOPMENT

*Our Homes, Our Way* reflects the uniqueness of each First Nation's journey toward, or enhancement of, market-based housing options for their citizens. Every partnership is tailored to the community's capacity, challenges and opportunities. This means the Fund must work with every First Nation on their own timelines to address their distinct housing challenges. These challenges vary from First Nation to First Nation, and so does the Fund's support.

The Fund provides capacity development initiatives to First Nations governments and their citizens to strengthen their capacity to support market-based housing in the community. The provision of capacity development funding looks different in each community even though it focuses on the Fund's three access criteria pillars: Financial Management; Good Governance; and Community Commitment. All three pillars are intertwined; success in one area supports growth in the others. Robust capacity development initiatives in the areas of finance and governance, for instance, support overall community development while fostering a positive environment for the implementation and sustainability of a strong market-based housing system.

The Fund provides capacity development support in a variety of areas:



Powwow, Long Plain First Nation



Powwow, Long Plain First Nation

# Capacity Development

## COMMUNITY EDUCATION

Home ownership **Financial Literacy**  
Home Maintenance & Repair

Personal Finance  
Roles & Responsibilities of Tenants & Landlords  
Managing Credit/Debit and Mortgages

Fire Safety Courses  
Facilities Management

Energy Assessment  
Housing Inventory Management System  
Housing Authority  
Home Inspection Training  
Housing Committee Training  
Housing Strategy **Housing Manager Training**

## HOUSING & INFRASTRUCTURE

Tendering Policy  
Geothermal Heating Installation Training  
**Operations & Maintenance Manual**  
Wastewater Management Training  
**Arrears Management**  
Asset Management Training  
**Housing Policy**  
Training/Workshop  
Waste Management  
Water and Sewer Infrastructure  
Oil & Gas Burner Piping  
Fire Suppression

Workplace Investigations Certification  
Stress Management & Customer Service Training

Pre-retirement Guide

## HUMAN RESOURCES

Development of Department Annual Plans  
**Team Building** HR Training  
Human Rights & Occupational Training  
First Aid Training **Succession Planning**  
**Workplace Health & Safety Training**  
Position Classification Lateral Violence Training

HR Manual  
Employee Handbook  
Job Descriptions & Evaluations  
Performance Management Program  
Employment Law Training

## HR & Personnel Policy

Internal Communications Plan  
Organizational & Compensation Grid



Lands Management Manual  
GIS & Lands Management Training  
Environmental Management Plan

Land Surveys  
Land Registry System  
**Engineering Studies**  
Land Use Planning Training

## LANDS & ECONOMIC DEVELOPMENT

Land Disposition Law

## DEVELOPMENT

Land Use Plan, Land Use Bylaw, Zoning Bylaw  
**Lands Act, Land Tenure, Land Code**



# FINANCIAL MANAGEMENT

Finance Manual

## AFOA Courses

Payroll Training  
Financial Planning

Financial Administration Law  
Payroll Accounting Courses  
Trust Management  
HST Recovery Training

Accounting & Financial Reporting Training  
Tangible Capital Assets Policy Conference Attendance

## Financial Policy, Bylaw and Law

Accounting Software Training  
Financial Management Analysis

Heating, Refrigeration & Air Conditioning Training  
Professional Development & Management Training  
Leadership, Governance and Management

Communications, Web Design, Social Media & Toastmasters Training

## Environmental Management Plan

# GOVERNANCE

Capital Planning Study

Election Code

## Governance Policy

CAPA Courses

Engineering Study

Organizational Review  
& Development

Quality Assurance Training

Conflict Resolution  
& Prevention Training

## Policy Training

Community Management Training

Comprehensive Community Plan

ISO Internal Audit Training

Matrimonial Real Property Training

## Real Estate Licensing

## Sanitary System Sewer Bylaw

Information Systems & Software Training

Public Administration Training

Bylaw Development

Business Continuity Plan

Energy Efficiency Training

Executive Board Training

Community Strategic Plan

Membership Code

Business Planning Workshop

Land Code Informational Video

Certified Property Management Training

## Capital Project Prioritization



Project Management Training

Real Property Administration  
Business Writing



Powwow, Long Plain First Nation

## Capacity Development

The Fund spends a great deal of time speaking with partners, potential partners and stakeholders and continually aims to improve its capacity development product offering. At the end of 2017, there were 1,060 capacity development initiatives either underway or completed and over 500 product offerings. We share the stories of some of the individuals who participated in capacity development initiatives during 2017 in **'Capacity Development Recognition.'**

The First Nations Market Housing Fund wishes to congratulate the following 2017 Graduates who were supported by the Fund's Capacity Development Program:

### VIU – First Nation Housing Manager Certificate

Phyllis Edwards, Lower Nicola Indian Band

Joe Shuter, Lower Nicola Indian Band

Stanley Gilpin, Cree Nation of Eastmain

### CAPA – Certified Aboriginal Professional Administrator

Flora Gull, Waswanipi Cree First Nation

Beverly Asmann, Lower Similkameen Indian Band

Chief Janice Henderson, Mitaanjigamiing First Nation

### CAFM – Certified Aboriginal Financial Manager

Grace Strang – Lac Seul First Nation

Nigel Selvadurai, Seabird Island Band



Chief Janice Henderson – Certified Aboriginal Professional Administrator



Stanley Gilpin, First Nation Housing Manager

# REGIONAL REPORT

## Atlantic



### FIRST NATIONS

- 13 FIRST NATIONS PARTNERS
- 2 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 3 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 8 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **76 visits to 20 First Nations**
- **More than 35 presentations**



- **7 First Nations have used capacity development in over 80 initiatives**
- **410 people trained**



### CREDIT AND LOANS

- NEARLY \$13 MILLION IN CREDIT APPROVED
- 167 POTENTIAL HOME LOANS
- 30 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** The Fund was invited to participate with Lennox Island First Nation in a pilot project aimed at developing various housing options, including Fund-backed loans. The Fund’s contribution included bringing information from both Long Plain and Carcross-Tagish First Nations on their respective tiny/mini homes projects, as well as supporting data collection and assessment and an objective comparison of housing options, all needed to develop the strategy.

*“We believe that our agreement with the First Nations Market Housing Fund will give band members more choices when it comes to building or renovating their home and we look forward to working with the First Nations Market Housing Fund and our band members.”*

-Chief Terrance Paul, Membertou



Fund-backed home, Membertou



Deborah Taylor, Executive Director, Chief Matilda Ramjattan, Lennox Island First Nation

# REGIONAL REPORT

## Quebec



### FIRST NATIONS

- 14 FIRST NATIONS PARTNERS
- 5 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 6 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 3 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **64 visits to 17 First Nations**
- **More than 35 presentations**



- **4 First Nations have used capacity development in over 70 initiatives**
- **450 people trained**



### CREDIT AND LOANS

- \$77.3 MILLION IN CREDIT APPROVED
- 423 POTENTIAL HOME LOANS
- 92 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** During 2017, community workshops were held in four Cree communities in Quebec that the Fund is serving. Workshops covered a number of topics including: how to finance your own home; helping members to determine if they are ready for homeownership; or, if they qualify for a homeownership loan; and how to improve personal credit, how to budget and to get out and stay out of bad debt. These informative and engaging workshops were complemented by one-on-one Outreach Sessions that built on what was learned and gave potential borrowers the opportunity to talk privately about their personal financial situation and their goals. Approximately 60 people attended these events. The Fund offers these popular sessions in communities working with the Fund to encourage homeownership and to improve housing payments on reserve and on settlement lands.

*“Working with the Fund is more than increasing housing options in the community, it is also about strengthening the financial stability, independence and pride in home ownership on an individual and collective basis. We look forward to working with the Fund to achieve our community’s vision.”*

-Chief Richard Shecapio, Cree Nation of Mistissini



Fund-backed homes – Cree Nation of Mistissini

# REGIONAL REPORT

## Ontario



### FIRST NATIONS

- 65 FIRST NATIONS PARTNERS
- 9 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 38 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 18 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **471 visits to 82 First Nations**
- **More than 210 presentations**



- **42 First Nations have used capacity development in over 357 initiatives**
- **1120 people trained**



### CREDIT AND LOANS

- \$293 MILLION IN CREDIT APPROVED
- 2,554 POTENTIAL HOME LOANS
- 100 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** Millie Pawis of Henvey Inlet knew what she wanted in a home when she decided to renovate the house left to her by her late father. While the renovation to this DIA house took almost nine months for a contractor to fully complete, Millie says it was worth it. As opposed to building on a new lot she was able to save money by using the services to the original house. More space for her family was Millie’s key desire, and she got it. What was a small house with three bedrooms squeezed into space for two, has been turned into a two-story, four-bedroom house with two baths, a family room, a garage and two balconies. The transformation was truly amazing.

*“I am so grateful for the opportunity to be able to access the financing via the First Nations Market Housing Fund program in order that I may renovate my house the way I want it done so it meets my wants as well as my needs.”*

-Millie Pawis, Homeowner



Fund-backed home, before, during construction and after, Henvey Inlet First Nation

# REGIONAL REPORT

## Manitoba



### FIRST NATIONS

- 16 FIRST NATIONS PARTNERS
- 4 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 2 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 10 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **90 visits to 22 First Nations**
- **More than 50 presentations**



- **10 First Nations have used capacity development in over 67 initiatives**
- **350 people trained**



### CREDIT AND LOANS

- \$8.75 MILLION IN CREDIT APPROVED
- 60 POTENTIAL HOME LOANS

As at December 31, 2017

**2017 Highlight:** The Fund hosted a reception at the Inn at the Forks, Winnipeg, to provide the Trustees an opportunity to meet with First Nations leaders, partners, lenders, stakeholders and friends of the Fund. The reception provided another opportunity to hear about the housing and capacity development needs of communities and to share success stories of how the Fund works with its First Nations partners to support home ownership as a viable and sustainable housing option.

*“I really think this First Nations Market Housing Fund is something that we can all benefit from across the country. We need to try this. We need to implement it. We need to give our young people a chance.”*

-Chief Dennis Meeches, Long Plain First Nation



John Beaucage, Chairperson and Manitoba leaders

# REGIONAL REPORT

## Saskatchewan



### FIRST NATIONS

- 13 FIRST NATIONS PARTNERS
- 2 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 3 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 8 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **87 visits to 33 First Nations**
- **More than 60 presentations**



- **7 First Nations have used capacity development in over 45 initiatives**
- **150 people trained**



### CREDIT AND LOANS

- \$18.5 MILLION IN CREDIT APPROVED
- 170 POTENTIAL HOME LOANS

As at December 31, 2017

**2017 Highlight:** Peter Ballantyne Cree Nation is on the move. They have undertaken a number of initiatives to strengthen their government as they work toward both qualifying for a Fund-backed loan program and certification by the First Nations Financial Management Board. With the support of the Fund during the year, thirteen staff members from Peter Ballantyne’s eight communities undertook customized financial management training, working together using the Nation’s data, and further developing a friendly user guide to increase their capacity to serve leadership and membership.

*“I would like to send my appreciation for the training that the First Nations Market Housing Fund helped provide to the accountants at PBCN. Each group had a great time learning how to enter transactions into Accpac. The checklist and month end procedures will become a tool for both the management and Council to assist them in ensuring that the accounting is getting done and to report on the financial activities for the period.”*

-Donna Morin, Director of Finance



# REGIONAL REPORT

## Alberta



### FIRST NATIONS

- 18 FIRST NATIONS PARTNERS
- 6 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 2 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 10 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **150 visits to 32 First Nations**
- **More than 60 presentations**



- **10 First Nations have used capacity development in over 66 initiatives**
- **200 people trained**



### CREDIT AND LOANS

- \$202.5 MILLION IN CREDIT APPROVED
- 415 POTENTIAL HOME LOANS
- 7 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** The Fund worked intensively with staff and a sub-committee of Chief and Council, as well as with lawyers, to finalize a rental policy for Saddle Lake Cree Nation to implement in a six-plex built with INAC funding from Budget 2016. The policy will now be used as the basis of consultation for a rental policy for the community's more than 660 other housing units. Chief and Council are committed to applying rent across the board, so they can eventually qualify for a Fund-backed loan program. The policy developed with the Fund will serve as a starting point for other First Nations that also have not charged rent.

*“It’s going to create an economy for that community. It will create jobs, potentially revenue and that’s the focus. Let’s go for it! We can do it!”*

-Councillor Carlon Big Snake, Siksika Nation



Fund-backed home – Siksika Nation

# REGIONAL REPORT

## British Columbia



### FIRST NATIONS

- 87 FIRST NATIONS PARTNERS
- 12 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 52 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 23 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **400 visits to 109 First Nations**
- **More than 220 presentations**



- **35 First Nations have used capacity development in over 323 initiatives**
- **500 people trained**



### CREDIT AND LOANS

- \$270.2 MILLION IN CREDIT APPROVED
- 2,379 POTENTIAL HOME LOANS
- 20 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** The Skowkale First Nation is an example of a community that has taken on a number of initiatives on their own that qualified them under the Fund’s Credit Enhancement Program in 2017. The Fund has and will continue to support Skowkale’s goal of encouraging homeownership and offering options to members. In 2017, Skowkale undertook the following initiatives with the support of the Fund’s Capacity Development Program:

- legal survey of a new 45 lot subdivision
- training for Land’s staff to better serve the community in lands management and development of the new subdivision
- development of an Allotment Policy to support the allocation of land for housing in a fair, equitable and transparent process

*“We want more. We want better. We want safer and we want better quality. The Fund came in with the experts and the capacity to allow us to find a way to do all of this work. It’s also allowing people to dream. Now people are starting to dream again and that’s what’s really exciting about it.”*

-Chief Harvey McLeod, Upper Nicola Band



Fund-backed home, Skidegate First Nation



# REGIONAL REPORT

## Yukon and NWT



### FIRST NATIONS

- 11 FIRST NATIONS PARTNERS
- 2 FIRST NATIONS CURRENTLY PARTICIPATING IN THE ASSESSMENT PROCESS
- 6 FIRST NATIONS APPROVED FOR CREDIT ENHANCEMENT AND CAPACITY DEVELOPMENT
- 3 FIRST NATIONS APPROVED FOR CAPACITY BUILDING ONLY

- **80 visits to 15 First Nations**
- **More than 30 presentations**



- **6 First Nations have used capacity development in over 50 initiatives**
- **200 people trained**



### CREDIT AND LOANS

- \$60 MILLION IN CREDIT APPROVED
- 327 POTENTIAL HOME LOANS
- 6 FUND-BACKED HOME LOANS

As at December 31, 2017

**2017 Highlight:** The first loans backed by the Fund in the Yukon were approved for citizens of Teslin Tlingit Council. The First Nations Bank of Canada was excited to be the lending partner.

*“First Nations Bank of Canada is very pleased to help provide more housing options for the People of Teslin. Providing more options for home ownership will lead to many positive outcomes for the community and is consistent with our commitment to First Nations in the region.”*

-Keith Martell, Chief Executive Officer, First Nations Bank of Canada



Fund-backed home, Teslin Tlingit Council



Fund staff - Nancy Pine visiting Teslin Tlingit Council

## Capacity Development Recognition

The Fund's success is directly tied to the success of our First Nations partners, which is why we would like to recognize the following individuals and highlight their success. All those profiled have personally and professionally benefited from the Fund's Capacity Development Program.



**NAME:** Sharon Stevenson French

**FIRST NATION:** Peguis, Manitoba

**CERTIFICATION:** Certified Aboriginal Professional Administrator

### How will the professional development you received help you as it pertains to your current role / future endeavours?

The CAPA certification has provided me with the capacity to manage at a senior level with the development of a wide variety of skills and techniques to understand and appreciate the complexity of a senior management role. I appreciate, how in our indigenous teachings, we need to create a balance to fully understand the complexities of life, personal, people and community and their effect on us. I have learned patience and appreciation. Aho!

### How will the professional development you received help in strengthening the First Nation Administration / Community?

The CAPA designation held by a community member helps to strengthen the professional view of the First Nation from the perspective of Indigenous Services and other outside agencies. The CAPA designation has also helped to inspire other community members to pursue a professional designation and continue to develop their capacity for themselves and the community.



**NAME:** Stanley Gilpin

**FIRST NATION:**  
Cree Nation of Eastmain, Quebec

**CERTIFICATION:**  
First Nations Housing Manager

**How will the professional development you received help you as it pertains to your current role / future endeavours?**

It will definitely help a lot; after completing this course I gained more skills and knowledge about housing management. I had managerial experiences from my previous jobs which helped me, but this course focused on housing administration, financial management and a bit on construction. I gained more knowledge and better perspective on the housing file itself. I am glad I took this course and was able to complete and graduate from this program.

**How will the professional development you received help in strengthening the First Nation Administration / Community?**

It will definitely improve our housing administration and management. We were in the process of developing policies. A lot of ideas were shared from other students during the course which help us finalize and improve our Housing Policy which strengthens the overall management of the Housing department within the Band Administration. There are a few things we need to adjust and have better control over including our financial obligations. I find that our community is supportive of our intentions to improve our community housing program.



**NAME:** Jeff Harder

**FIRST NATION:** Long Plain, Manitoba

**PROFESSIONAL DEVELOPMENT :**  
A series of courses put on by the Manitoba Education Tourism Council that covered various topics including constructing policies and procedures, event co-ordination, marketing, risk management, human resources, and communication.

**How will the professional development you received help you as it pertains to your current role / future endeavours?**

The professional development I received has assisted with the organization of major community events and will allow me a more efficient way to plan these in the future.

**How will the professional development you received help in strengthening the First Nation Administration / Community?**

This will strengthen Arrowhead Development Corporation/Long Plain First Nation by allowing me to impart knowledge to other members of our administrative staff, growing our collective understanding of event planning.



**NAME:** Chief Janice Henderson

**FIRST NATION:**  
Mitaanjigamiing First Nation

**CERTIFICATION:**  
Certified Aboriginal Professional  
Administrator

**How will the professional development you received help you as it pertains to your current role / future endeavours?**

The CAPA program will be very beneficial to me as a leader of my community by helping to distinguish the everyday roles between Chief and Council and those responsible for the management of administration.

**How will the professional development you received help in strengthening the Band Administration / Community?**

The knowledge I gained in learning about critical thinking and analysis, for example, helps to provide greater understanding, clarifying policy direction, and guiding policy processes of our Nation. I would definitely recommend this program and thank FNMHF for cost sharing the tuition.

## Spreading the Word

*Our Homes, Our Way* starts from the premise that the Fund strives to serve First Nations in a respectful way and at their own pace. The choices made reflect each First Nation's reality, which is unique in many respects. Building strengths in capacity reflects the strategies designed with each First Nation. The parameters set for Fund-backed loans reflect each community's needs. The designs of homes and the renovations chosen reflect individual tastes and levels of affordability. The Fund is committed to a sustainable solution that comes from full engagement of our First Nations partners. To support this commitment, the staff made a total of 126 trips and conducted 233 meetings in 2017.

In August 2017, the Board of Trustees held its meeting in Winnipeg, Manitoba. The first day of the meeting was dedicated to formulating a submission to the Government of Canada on achieving the Crown/First Nations commitment to wealth creation through Indigenous home ownership backed by the First Nations Market Housing Fund. Following the day's strategy session, the Trustees and staff attended the guided Mikinak-Keya Spirit tour at the Canadian Museum for Human Rights. The tour guides provided insight into the seven sacred teachings that call on each of us to take responsibility for how we live and treat each other.



Elder Ernie Daniels, Long Plain First Nation, Jim Prodger, Trustee

On the second day of the meeting, the Trustees and staff were hosted by Chief Dennis Meeches and Elder Ernie Daniels of Long Plain First Nation. A signatory to Treaty One, Long Plain First Nation is a proud Ojibway and Dakota community in the central plains region of Manitoba. Long Plain First Nation comprises three geographical areas as reserve lands. The Trustee meeting was held at the office complex on the Keeshkeemaquah Urban Reserve. Chief Meeches and Elder Ernie Daniels escorted the Trustees on a tour of the community and highlighted the location where new homes with Fund-backed loans will be constructed. The group also toured Long Plain Reserve No. 6 and had the opportunity to meet the owners of Mini Homes of Manitoba. Long Plain First Nation received support through CMHC's Section 95 (Non-Profit Housing) Program to build 12 one-bedroom, tiny-homes. Chief Meeches saw this opportunity as a solution for how to house singles and couples in his community. The tiny-homes were being constructed in the arena, and 14 community members had been hired to help with the project.



John Beaucage, Chairperson, AFOA International Conference in Vancouver, B.C.



Trustees, Chief Dennis Meeches, Spirit Circle Riders

During the tour at Long Plain Reserve No. 6, the Trustees and staff were honoured with a spirit circle ride performed by the riders who are touring to bring awareness of the children taken during the Sixties Scoop.

At the end of the day, the Trustees and staff returned to the Keshkeemaquah Urban Reserve for a community feast and powwow. This provided the opportunity to meet many citizens of Long Plain, hear their stories, learn firsthand how the Fund's capacity development program has had a positive impact on staff receiving training, and partake in the powwow.

Chief Meeches and Elder Daniels hosted the Trustees and staff at the Yellowquill College located on the Madison Reserve on the final day of the August Trustee meeting. Yellowquill College is a First Nation-owned-and-operated post-secondary institution. In 2015, an award-winning Petro Canada gas station and convenience store opened. Chief Meeches shared plans to develop an 80,000-sq. ft. office building. The Trustees and staff sincerely enjoyed the hospitality extended by Chief Meeches, Elder Daniels and staff at Long Plain First Nation.

Market-based housing is recognized as a necessary component of any long-term effective approach to meeting the current and future housing needs of Indigenous peoples in Canada. The First Nations Market Housing Fund is the only federally established mechanism dedicated to home ownership in First Nations communities. The Chairperson and Vice-Chairperson of the Trustees and the Executive Director attended and/or presented at various meetings throughout the year to contribute input to the National Housing Strategy and On-Reserve Housing Reform discussions. In addition, the Fund provided a submission to the Government of Canada outlining how the Government can strengthen

its approach to provide home-ownership opportunities for Indigenous peoples by reaffirming its commitment to the First Nations Market Housing Fund. The Fund is a readily available means to ensure that the commitment to market-based home-ownership opportunities is further entrenched and enhanced within the Indigenous approach.

The full Board of Trustees attended the AFOA Canada Inaugural International Conference in October which was held in Vancouver. The Fund sponsored a plenary session entitled "Capacity Development: Unleashing Indigenous Potential." The

keynote speaker was Amanda Young, Chief Executive Officer, First Nations Foundation, Australia. In addition to Amanda, distinguished panelists included: Bill Lomax, Vice President, Goldman Sachs, USA; Chief Nathan Matthew, Simpcw First Nation; and Elizabeth Richards, Chair of Nga Kaitatau Maori o Aotearoa, Accountants Australia and New Zealand. John Beaucage, Chairperson of the Trustees, delivered opening remarks in which he said that, to achieve community goals, there must be an investment in human capital. The panel discussed how they have pursued capacity development at an individual and institutional level, including: what differences exist in the approaches by different countries; what the key elements of developing this type of plan are to ensure that a community has the human capital that can achieve its strategic goals; and, how a community can ensure it can retain this skill level into the future.

While attending the AFOA Canada Inaugural International Conference, the Fund announced a partnership with Deakin University of Australia to undertake an independent study to explore the factors that support or hinder the uptake of private financing for sustainable First Nations home ownership on reserve lands. The Fund anticipates the findings of this study will be published in 2018. An iterative process of enquiry and reflection incorporating emerging themes from the data analysis and literature review will be undertaken to provide robust insights. The Fund will use this information to consider enhancements to its capacity development program offering to help more First Nations and individuals prepare, implement and sustain market-based housing options in their community. The analysis will subsequently be used in academic publications and for education purposes.



Deborah Taylor, Executive Director, AFOA International Conference in Vancouver, B.C.



Ruth Williams, Vice-Chairperson, Dr. Luisa Lombardi, Deakin University

In March, the Fund and the Canadian Council for Aboriginal Business (CCAB) announced a strategic alliance partnership. This partnership led to a collaborative effort with CCAB and the Sustainable Forestry Initiative to examine how mutual First Nations clients could benefit from our connections.



JP Gladu, President and CEO, CCAB, Deborah Taylor, Executive Director, John Beaucage, Chairperson

Our expertise continued to be sought in the planning of multiple conferences, workshops and strategic planning events throughout 2017. The invitation to participate in such events was often accompanied by an invitation to present or participate on a panel. Each opportunity was leveraged as a means to develop a relationship with new First Nations clients, obtain feedback and improve our service.

The Fund attended/presented and/or hosted information booths at the following conferences during 2017:

- Northern Ontario First Nations Housing Conference (Thunder Bay)
- AFOA Canada 2017 National Conference (Calgary)
- BC AFN Housing Conference (Victoria)
- All Ontario Chiefs Conference (Sioux Lookout)
- Chiefs of Ontario Special Assembly (Gatineau)
- Union of Ontario Indians Assembly (Sarnia)
- Assembly of First Nations (AFN) Annual General Assembly (Regina)
- First Nations (AB) Technical Services and Advisory Group (TSAG) (Edmonton)
- Cree Regional Government Housing Task Force (Montreal)
- AFOA Canada International Conference (Vancouver)
- OFNEDA – Annual General Meeting (Toronto)
- CANDO - 24th Annual National Conference & AGM (Fredericton)
- Assembly of First Nations Housing Forum (Montreal)
- Assembly of First Nations Special Chiefs Assembly (Ottawa)
- Southern Chiefs Organization Assembly (Winnipeg)
- Federation of Sovereign Indigenous Nations Assembly (Saskatoon)
- Aboriginal Business Match (Membertou, Vancouver Island, Penticton)
- Aboriginal Strategies Ltd. Conference (Winnipeg)
- Sustainable Forestry Initiative® Inc. Annual Conference (Ottawa)
- Ontario First Nations Technical Services Corporation Conference (Thunder Bay)

## OUR FIRST NATIONS PARTNERS

During 2017, the Fund is proud to have announced 11 new partnerships that will strengthen and expand the emerging First Nations market-based housing system and the Fund's footprint.

*“Empowering market-based housing opportunities on reserve and settlement lands requires vision, strong leadership and commitment from First Nations communities and financial institutions. The Cree Nation of Mistissini, Saugeen First Nation, Wahta Mohawks, Mattagami First Nation, Chapleau Cree First Nation, Nuxalk Nation, Mohawk Council of Akwesasne, Wasauksing First Nation, Lennox Island First Nation, Skowkale First Nation and Kwantlen First Nation are the latest partnerships to be welcomed by the Fund and will add to the growing impact of broader housing choices as a path to vibrant and sustainable communities. Together we are creating local conditions to support a market housing system, strengthening expertise and financial literacy for communities and individuals, and instilling confidence that the dream of home ownership is possible.*

*We know our work has just begun. There is a shortage of homes on Canada's First Nations. Important social and economic gaps must be closed between Indigenous and Non-Indigenous Canadians. Whether the community is large or small, rural or urban, hope and dreams will be built from coast to coast to coast, one community at a time to build our homes, our way.”*

– John Beaucage, Chairperson of the Fund



Powwow, Long Plain First Nation

## First Nations Partners Announced in 2017



**ROW 1** Cree Nation of Mistissini, Saugeen First Nation, Wahta Mohawks, Mattagami First Nation

**ROW 2** Chapleau Cree First Nation, Nuxalk Nation, Mohawk Council of Akwesasne, Wasauksing First Nation

**ROW 3** Lennox Island First Nation, Skowkale First Nation, Kwantlen First Nation

## First Nations Partners Announced Over the Years

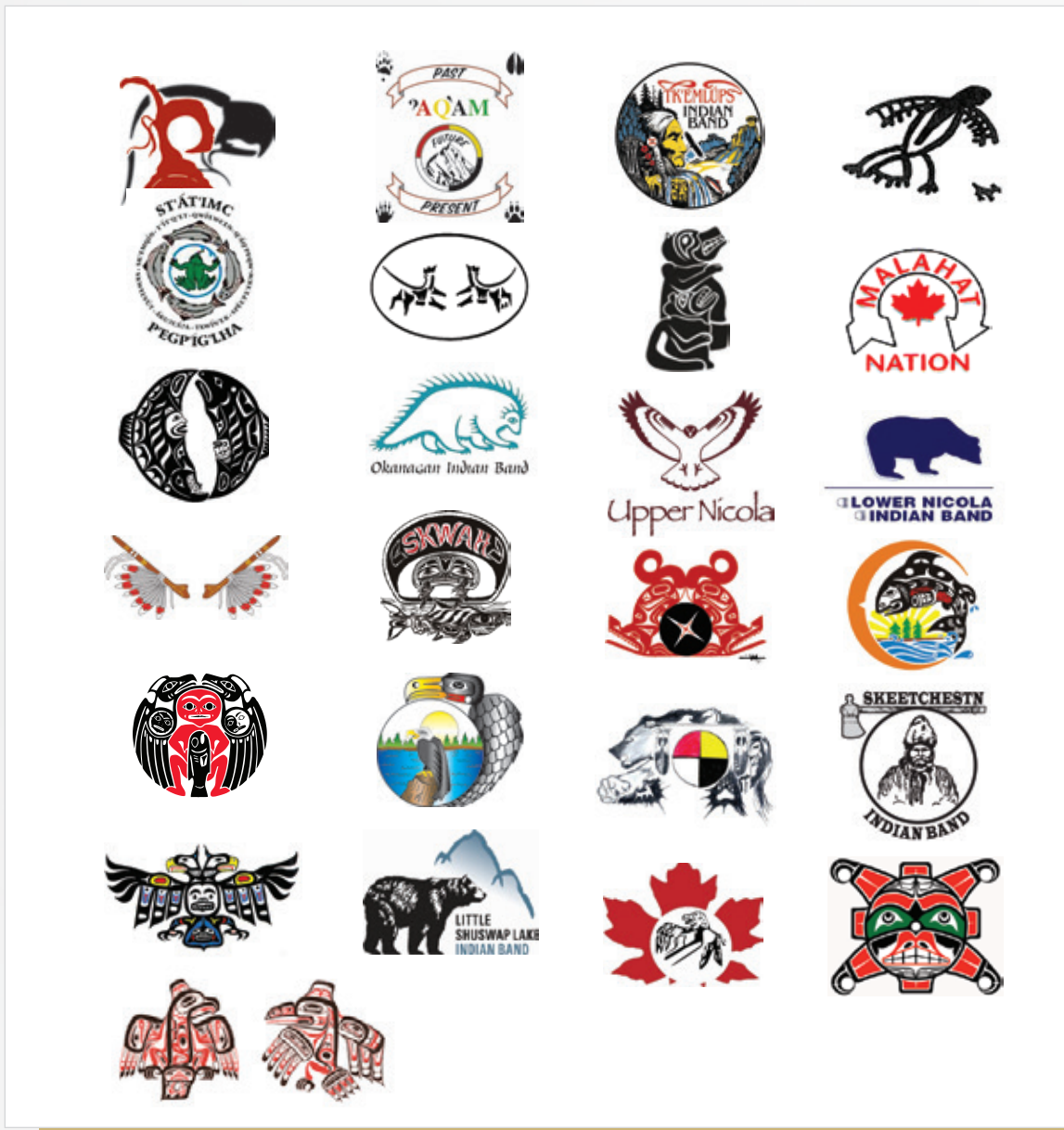
### *Yukon*



**ROW 1** Champagne Aishihik First Nations (2011), Carcross/Tagish First Nation (2013), Kwanlin Dün First Nation (2015)

**ROW 2** Teslin Tlingit Council (2016), Tr'ondëk Hwëch'in (2016)

## British Columbia



**ROW 1** Seabird Island Band (2009), ʔaq'am (St. Mary's Indian Band-2010), Tk'emlups Indian Band (2010, Neskonlith Indian Band (2011)

**ROW 2** T'it'q'et First Nation (2012), Penticton Indian Band (2012), Adams Lake Indian Band (2013), Malahat Nation (2013)

**ROW 3** Tsawout First Nation (2013), Okanagan Indian Band (2014), Upper Nicola Band (2014), Lower Nicola Indian Band (2014)

**ROW 4** Simpcw First Nation (2014), Skwah First Nation (2015), Lake Cowichan First Nation (2015), Leq'á:mél First Nation (2015)

**ROW 5** Halalt First Nation (2015), Penelakut Tribe (2015), Nooaitch Indian Band (2015), Skeetchestn Indian Band (2015)

**ROW 6** Sechelt Indian Band (shishálh Nation-2015), Little Shuwap Lake Indian Band (2016), Tsartlip First Nation (2016), Quatsino First Nation (2016)

**ROW 7** Skidegate Band Council (2016)

## Alberta



Siksika Nation (2012)

## Saskatchewan



Lac La Ronge Indian Band (2009), Onion Lake Cree Nation (2009), Flying Dust First Nation (2013)

## Manitoba



Long Plain First Nation (2015), Fisher River Cree Nation (2015)

## Ontario



**ROW 1** Batchewana First Nation (2009), Atikameksheng Anishnawbek (2010), Hiawatha First Nation (2010), Moose Cree First Nation (2010)

**ROW 2** Sagamok Anishnawbek (2010), Serpent River First Nation (2010), Mississauga First Nation (2011), M'Chigeeng First Nation (2011)

**ROW 3** Whitefish River First Nation (2011), Wikwemikong Unceded Indian Reserve(2012), Nipissing First Nation (2012), Wahnapitae First Nation (2013)

**ROW 4** Beausoleil First Nation (2013), Ojibways of Pic River First Nation (2013), Lac Seul First Nation (2013), Curve Lake First Nation (2013)

**ROW 5** Mohawks of the Bay of Quinte (2013), Henvey Inlet First Nation (2013), Temagami First Nation (2013), Aundeck Omni Kaning (2014)

**ROW 6** Garden River First Nation (2014), Chippewas of Nawash Unceded First Nation (2014), Alderville First Nation (2015)

## Quebec



Cree Nation of Wemindji (2013), Cree Nation of Eastmain (2013), Cree First Nation of Waswanipi (2013), Cree Nation of Chisasibi (2014)

## Nova Scotia



Membertou (2009)

## Newfoundland and Labrador



Miawpukek First Nation (2008)

# Getting to Know our Newest Partners



## Cree Nation of Mistissini

The Cree Nation of Mistissini (CNM), Cree or “Eeyouch” for “big rock,” is the largest Cree community of the James Bay Crees of Quebec. Mistissini is situated at the south-east end of Mistissini Lake, the largest freshwater lake in Quebec.

CNM has a registered population of approximately 4,000, with 90 per cent living on reserve.

There are approximately 1,000 housing units in the community which include 600+ rentals, 50 rent-to-own, 100 private home ownerships managed by CNM and an additional 250 units owned and managed by the Cree Nation Government entities, including the Cree Health and Social Services and School Boards.

In 2016, CNM adopted a new direction in housing which places an emphasis on private home ownership. This approach involves a design and build concept with the result being a final sale to qualified members of the Cree Nation of Mistissini. Consistent with this new direction, CNM is currently building 20 units which are intended for sale to CNM members. The CNM has a land tenure system under the Cree Naskapi Act which grants a Right of Superficie to use and occupy land designated for home ownership.

CNM is working with the First Nations Market Housing Fund to enhance opportunities and capacity to support new construction, as well as the purchase, refinance or renovation of an existing home, and to further support member education workshops and one-on-one outreach counselling to enhance eligibility for home ownership and management of personal finances.

*“Working with the Fund is more than increasing housing options in the community, it is also about strengthening the financial stability, independence and pride in home ownership on an individual and collective basis. We look forward to working with the Fund to achieve our community’s vision.”*

- Chief Richard Shecapio



## Saugeen First Nation

Saugeen First Nation is an Ojibway community on the shores of Lake Huron at the base of the Bruce Peninsula, two miles northeast of Southampton and approximately 18 miles west of Owen Sound, Ontario.

Saugeen First Nation operates 20 departments and two businesses on reserve, in addition to many growing small businesses run by community members. The Nation provides both seasonal and year-round employment for 150 staff, including the management of its lands and cottage leases. South Sauble Beach Park, operated seasonally by the Nation, is known for its shallow, sandy beach, which is driveable. The area is a popular destination for hiking, fishing and swimming.

Saugeen has a population of approximately 1,750 members; nearly half live on reserve. Home ownership and housing in general are important to this community. The majority of 185 homes built on reserve are privately owned; 25 are Band rentals, including apartment units and an Elder's complex.

The public is invited to sample Saugeen's Ojibway cultural heritage and experience their gracious hospitality. The Saugeen First Nation Amphitheatre and gardens, located in the heart of the village, is a continued source of pride.

*“Financing has been a problem, and we are very pleased to finally be partnering with the First Nations Market Housing Fund so that our Members have greater access to mortgage funds. The individual assistance from the Fund, through finance workshops and one-on-one credit counselling, is expected to allow those that don't presently, qualify for loans.”*

- Chief Lester Anaquot



## Wahta Mohawks

The Wahta Mohawk Nation is one of eight First Nations that make up the Iroquois Confederacy; it is recognized as the Eastern Door. The Wahta community was founded when a group of the Mohawk people moved from Kanesatake, Oka, Quebec to Gibson Township in 1881. The Wahta Mohawks are mainly descended from Mohawks who were members of the Five Nations confederacy, which also included the Oneida, Onondaga, Cayuga and Seneca. When the Tuscarora joined in the early 1700s, they became the Six Nations Confederacy. The Confederacy still exists and the People continue to refer to themselves as Haudenosaunee or People of the Longhouse.

Wahta is located approximately eight kilometres from the town of Bala, Ontario and consists of two reserves: Indian River and Wahta Mohawk Territory. The total land base is approximately 14,795 acres. Wahta has successfully negotiated additions to the reserve, part of which is located close to the intersection of Muskoka Rd 38 and the Hwy 400 interchange. This will provide the community with significant economic development opportunities in the near future. In addition, there are 21 member-owned or band-owned businesses operating within the community.

Wahta has a membership of almost 750, with 175 individuals living in the community. The Nation plans to work with the First Nations Market Housing Fund to expand options for home ownership, as well as provide some additional rental housing on the territory.

*“We are pleased that our members now have more options for home ownership and home improvement in our community through the First Nations Market Housing Fund. Our governance in the area of housing will improve through new and upgraded housing policy and procedures with the goal to make it easier for community members to access housing purchases and housing upgrades. This also creates an opportunity for the existence of a housing market where members can more easily buy and sell houses within the community.*”

*We look forward to capacity development initiatives that will benefit our staff and community as a whole. We welcome this new housing initiative to Wahta Mohawks.”*

- Chief Philip Franks



## Mattagami First Nation

Mattagami First Nation is home to the Ojibway and Oji-Cree tribes who have long occupied the Mattagami River shores and the Mattagami Lake areas as far as the Moose River headwaters of the James Bay coast. A signatory to Treaty #9, Mattagami was relocated in 1921 after the original community flooded from hydro development. Translated, the Ojibway word 'Mattagami' means 'Meeting Of The Waters'.

Today, nearly 180 members out of 580 reside in the community, which is an 80-kilometre drive southeast of Timmins, or 20 kilometres northwest of Gogama, Ontario. The efforts of community members and students of the Mattagami school are helping to restock the community's lake with prized fish. Since it began operating, the Band's walleye fish hatchery has introduced about seven million walleye fry into the lake system.

Pride in home ownership is evident in Mattagami First Nation, with 45 privately owned homes built. Members have the opportunity to own their own homes once a housing loan is paid in full through a Certificate of Possession issued by the Nation. There is a dedicated housing department to manage the community's housing portfolio of 69 units, including rentals and teacherages. Working in partnership with the Fund, Mattagami wants to strengthen housing and administrative capacity, and provide more market-based home-ownership options for members, benefitting generations to come.

In 1962, Mattagami First Nation made history by electing an all-women Chief and Council. Mattagami is represented at the regional level by Wabun Tribal Council and Nishnawbe-Aski Nation (NAN).

*“The vision of Mattagami First Nation as a healthy, vibrant community is very much in line with the goals of the Fund. This new partnership enables our Nation to continue growing our governing capacity as a self-sufficient community and develop the tools needed to assist more of our members in achieving their individual potential as homeowners in our community.”*

- Chief Chad Boissoneau



## Chapleau Cree First Nation

Chapleau Cree First Nation, also known as the Fox Lake Reserve, is situated five kilometres southwest of the town of Chapleau, Ontario, at the bottom of the Arctic Watershed where water flows north to James Bay. The original settlement of the Chapleau Cree was on the Nebskwashi River, east of the town of Chapleau; in 1989, Chapleau Cree negotiated land to establish a permanent community. In September 2016, Chapleau Cree further reached an agreement with Canada for compensation and nearly 4,000 square hectares of provincial Crown land from Ontario as part of an unfulfilled Treaty 9 entitlement. Chapleau Cree First Nation is a tribal member of the Mushkegowuk Council and political-territorial affiliate of the Nishnawbe Aski Nation.

Approximately 30 per cent of the of the Nation's 420 members currently reside on the 10.36-square-kilometre reserve. The Nation has 38 homes, most of which are privately owned, along with a seniors' residence, administrative offices complex, health centre, Public Works Garage, and Water Treatment Plant. The Pimii Kamik Gas Bar, Chapleau Cree Small Engines and Chapleau Cree Auto/Truck Garage are band-owned businesses located in the community providing employment and access to services.

Chapleau Cree members have been returning to the community with potential employment growth in the mining sector. Working with the First Nations Market Housing Fund, Chapleau Cree continues to improve housing conditions and increase housing development for members as part of planning a five-year economic development strategy to bring new infrastructure and opportunities into the community.

*“Chapleau Cree First Nation embraces the notion of building community homes and infrastructure to meet the needs of the growing community. Our children deserve a healthy environment, and that begins with a good home. Future development will bring growth and innovative fair market housing for new home owners. Chapleau Cree intends on building and maintaining homes for the approaching seasons. This is based on our vision and values of investing in the community and sustaining management of our treaty land settlement.”*

– Chief Keith Corston



## Nuxalk Nation

The Nuxalk Nation is located in the Great Bear Rain forests of B.C., surrounded by the steep Coastal Mountains and nestled in the pristine rich valley of Bella Coola. The main community is situated on the meeting point of the Bella Coola River and the Bentick Arm of the Pacific Ocean.

The Nuxalkmc have traditionally depended on the rivers and streams that cut through the 80-kilometre valley. The ocean, rivers and streams supply the abundance of salmon, eulachon, Dungeness crab, prawns and other seafoods. The valley and fjords supply a flavour of traditional roots and vegetables, greens, wild berries and wild game from their home territories.

The community is accessible by air from Vancouver, by ferry from Port Hardy or by road from Williams Lake, B.C. The 320 miles of adventurous paved highway is partly gravel, with the gravel road portion descending down into the valley at an 18-per-cent grade for 19 kilometres.

In the community of two villages, half of the Nation's 1,734 registered Nuxalkmc live in approximately 260 units: 216 privately-owned homes and approximately 41 rental units.

Nuxalk Nation has been working to increase housing opportunities in the community, as well as ensuring high-quality construction is suited to compliment the wet West Coast, minimize fossil fuel burning and meet green options, energy savings and, most importantly, the economic lifestyle of the Bella Coola valley and community.

The Nation has made significant changes to its approach to construction, including incorporation of its own building specifications booklets, building code practices, standardization of materials and using "as builds" as training opportunities for Nuxalk members looking to get into the trades.

Nuxalk Nation, in partnership with the First Nations Market Housing Fund, has plans to expand its home ownership options for members to construct new homes that suit the economic, social and cultural needs with the options to purchase on reserve, refinance or complete renovations on existing homes in the community.

*"Nuxalk hired a champion to manage the affairs related to housing and the Nation's assets. This endeavour is supported by Chief and Council. The reality of an experienced housing person will benefit the Nation, providing that internal politics has no interference with growth of the Nation. This opportunity provides options to utilize the resources available to benefit the Nation and sustain the community and build capacity to support the economy. Working with the First Nations Market Housing Fund will benefit the Nation's growth as we move forward into the future."*

- Chief Wally Webber



## Mohawk Council of Akwesasne

The Akwesasne Mohawk Territory is a community of over 12,000 Mohawks who have inhabited the St. Lawrence River Valley for centuries. The territory straddles the international boundary line between the United States (New York State) and Canada, while also straddling the Quebec-Ontario provincial line. These boundaries have created complex jurisdictions throughout the Akwesasne territory that can complicate our community members' path to success and daily life.

The Mohawk Council of Akwesasne governs the northern (Canadian) portion of the community and strives to improve the lives of community members through many departments, including Housing.

The First Nations Market Housing Fund benefits the community by providing additional tools and resources needed to break down barriers and make the dream of home ownership a reality.

*“Housing continues to be one of our community’s most pressing needs. As a multi-jurisdictional territory, home-ownership can be very challenging to achieve in Akwesasne. Programs and initiatives like the First Nations Market Housing Fund are the resources MCA needs to address our unique challenges and making housing and mortgages available to more of our community members.”*

- Grand Chief Abram Benedict



## Wasauksing First Nation

Wasauksing First Nation is located on the eastern shore of Georgian Bay in Lake Huron, approximately five kilometres off Highway 69 and three kilometres southwest of Parry Sound on Parry Island. Parry Island is the second-largest island on Lake Huron, with a land base of 7,874 hectares (19,457 acres). The Anishinabe, Potawatomi and Odawa community has 1,300 community members, with approximately 400 members living on-reserve. The Nation is uniquely situated in north-central Ontario's picturesque tourism mecca among the 30,000 Islands.

Wasauksing First Nation strives to provide equal opportunities for all members of the community to develop, enhance and succeed in economic growth while promoting the continued social, traditional and spiritual development of its First Nation. The organization has a staff of approximately 90 and provides programs and services in a broad range of areas, including health, economic development, social services, public works, housing, lands, membership/citizenship and education.

Currently, there are 183 homes in the community with over half of them privately owned. The remaining homes are owned, administered and maintained as rentals by Wasauksing First Nation. Through the support of the First Nations Market Housing Fund's capacity development program, Wasauksing has improved upon its performance measures with the development of a Human Resource Policy and a Public Works Operations Manual. The First Nation was also successful in the development and implementation of a new Housing Policy.

Going forward with the Fund's loan program, Wasauksing First Nation is well positioned to guarantee financing for its members who qualify to purchase/build a new home or renovate and modernize an existing home, or to create other market-based housing solutions on reserve.

*“Wasauksing First Nation is pleased to be able to partner with the First Nation Market Housing Fund to help offer additional market-based housing options for our citizens to build or renovate their own homes within the community. The new program will help to empower those citizens who want to own their own home, while also helping to alleviate our housing shortage.”*

-Chief Warren Tabobondung



## Lennox Island First Nation

Lennox Island is a proud Mi'kmaq Nation located in Malpeque Bay off the northwest coast of Prince Edward Island. Steeped in Mi'kmaq culture and traditions that have been passed down since time immemorial, the community has embraced its past and present and looks forward to its journey into a bright and thriving future. Connected by a short causeway and bridge, Lennox Island is home to approximately 450 of its 1,100 members.

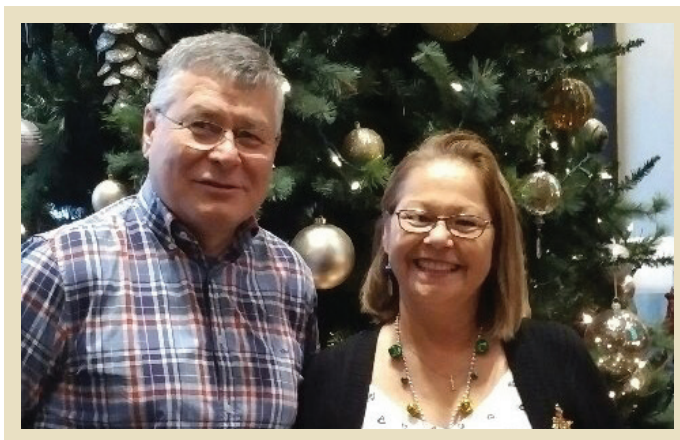
For thousands of years, the Mi'kmaq Nation has been sustained by Malpeque Bay, which not only provides an important food source to the community but also income in the form of fisheries, primarily lobster, oyster and other shellfish. The Malpeque Bay is world-renowned for its rich history and natural beauty which are shared through information and tours provided by the Lennox Island Mi'kmaq Cultural Centre.

It is our hope that revenue generated from the fisheries will provide assistance with programs, services and housing. Housing our Band members is one of the priorities of the Lennox Island Band Council. The vision is to ensure that all members who are interested in residing on reserve will have fair access to adequate comfortable housing.

The Mi'kmaq Nation is anticipating that more members living off reserve will express interest in private home ownership in the community, as the subdivision earmarked for market-based housing is developed. Working with the First Nations Market Housing Fund, Lennox Island will be able to access additional tools and resources to support its housing operations and expand home ownership options for its members to construct new homes, purchase or undertake renovations on existing homes in the community.

*“Our focus is a housing strategy. This partnership between Lennox Island First Nation and the First Nations Market Housing Fund will help us achieve our vision to house everyone in our community.”*

- Chief Matilda Ramjattan



John Beaucage, Chairperson, Chief Matilda Ramjattan



## Skowkale First Nation

The Skowkale First Nation (Sq'ewqeyl in the Halq'emeylem language) is located in the Upper Fraser Valley and neighbours the City of Chilliwack. Skowkale is a member of the Stó:lō Nation and has approximately 265 members.

Governed under a Family Representative system, the community is home to approximately 160 of its members and an estimated 1,000 non-Band members who live on leased CP lands. Ninety per cent of member homes are privately owned.

The community has worked hard to strengthen its governance system which has resulted in significant changes, including having full jurisdiction over its reserve lands under Land Code, full enforcement of housing policies, enacting a Financial Administration Law and becoming a borrowing member of the First Nations Finance Authority. To continue on this journey of strong governance and economic independence, the Skowkale First Nation Chief and Council have decided to move away from social and rental housing and place more focus on home ownership. To support this effort, Skowkale First Nation is developing a new subdivision to open home ownership opportunities for Skowkale members.

The Skowkale First Nation leadership looks to the First Nations Market Housing Fund to support the First Nation's efforts to expand and align its policies, assist in the delivery of education and awareness initiatives to support home ownership, and to provide options to members that will encourage new construction and the purchase or renovation of existing homes in the community.

*“We are in a time where the winds are changing in our communities. We at Skowkale are happy to partner with the First Nations Market Housing Fund to further enhance our community's housing program offerings. The FNMHF's support and expertise will help to address our housing needs as we continue on our path to home ownership for our people.”*

- Chief Mark Point



## Kwantlen First Nation

Following a traditional system of governing, Kwantlen First Nation (“Tireless Runner” in Kwantlen’s traditional language) blends customary and modern governance practices. Kwantlen has a membership of approximately 294, with one-quarter living on reserve, primarily on I.R. #6, McMillan Island.

Bordering Fort Langley, B.C. and metro Vancouver, there is a high level of employment among community members. Of the 41 homes on reserve, most are privately owned and on Kwantlen-owned land. CMHC Section 95 rental housing was first introduced into the community in 2011. The community works hard to ensure consistent rental collection and management of any rental arrears. Chief and Council strongly support members wanting to build, buy or renovate their own homes.

Kwantlen looks to the Fund to support its efforts to increase the availability of suitable lots for future residential development; to strengthen and finalize housing and land policies and procedures, particularly for home ownership and rent-to-own arrangements; and to expand the number of home-ownership units. Kwantlen would also like to explore a business and financing model to operate a Life Skills Home in the community.

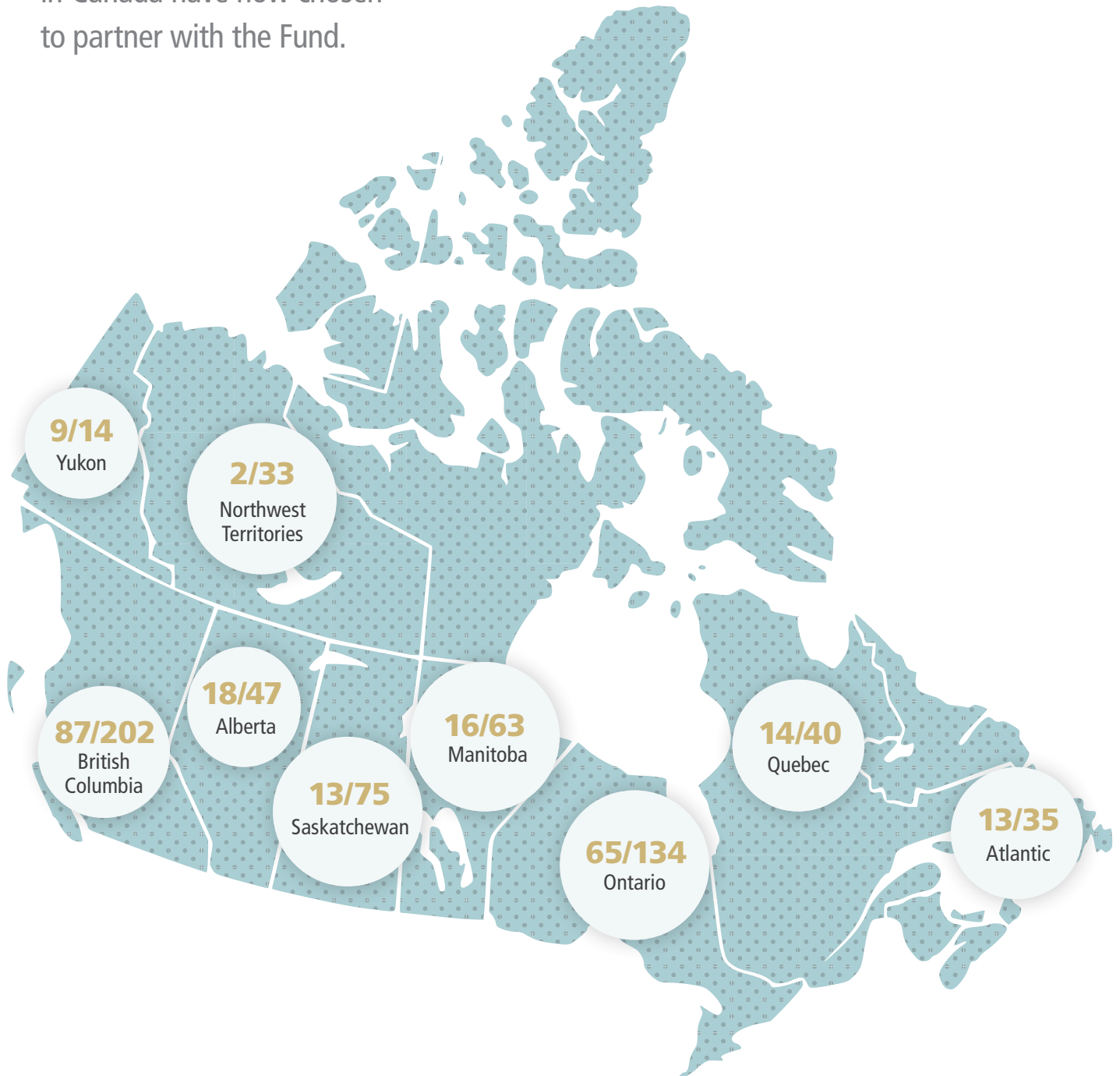
*“As our capacity continues to strengthen at Kwantlen First Nation, we are grateful for opportunities to build positive relationships to promote our community’s health and continued growth. We are thankful and excited for the future opportunities to come from working with the First Nations Market Housing Fund and know this will benefit our community and future generations”.*

- Tumia Knott, Councillor and President, Seyem’ Qwantlen Business Group

# Our Reach

Close to **40% of First Nations**

in Canada have now chosen to partner with the Fund.



*“We’ve seen the slow change to accept that if I want to build a house or buy a house I have to do it myself. If I have a good income I can build whatever I want, and I have to pay for it. That has been a bit of a change in philosophy. We’ve got 237 communities that have accepted that change. That’s over one-third of all the First Nations in Canada that have decided that they wish to take part in a market housing program.”*

- John Beaucage, Chairperson

*“The seed will be planted and it will only grow.”*

- Councillor Hector Winnipeg, Siksika Nation

# A Financial Snapshot

## THE FUND



## TRAVEL

**\$270,640**

SPENT ON STAFF TRAVEL IN 2017



**126 TRIPS**

TRIPS ACROSS THE COUNTRY



**APPROXIMATELY**  
**\$2,150/TRIP**



**233**  
**MEETINGS**

ACHIEVING EFFICIENCIES  
IN TIME AND COST

## CAPACITY DEVELOPMENT

**\$1.3 MILLION**

THE AMOUNT SPENT ON  
CAPACITY DEVELOPMENT IN 2017



Powwow, Long Plain First Nation

# MANAGEMENT DISCUSSION AND ANALYSIS

The Fund’s vision statement is “Every First Nation family has the opportunity to have a home on their own land in a strong community.” The Fund’s commitment is to facilitate access to financing for market-based housing in First Nation communities and build the capacity of First Nations to support the ongoing administration of market-based housing programs. The Fund accomplishes this through core business activities. A summary of the 2017 performance measures and the results are presented herein. The performance measures noted herein are those of the 2017 Business Plan, which was approved by the Minister.

## Objective 1.0: Implement the Credit Enhancement Facility

The Credit Enhancement Facility was established to provide additional security to backstop on-reserve housing loan programs. This facility supports First Nations to establish on-reserve housing loan programs with lenders.

The security provided by the Credit Enhancement Facility means that lenders may be willing to offer loans on more favourable terms than they would in the absence of the facility. This could come in the form of lower interest rates or other terms and conditions (for example: reduced or eliminated program access fees and the payment of administration fees to the First Nation to recognize that there is work for the First Nation to perform in guaranteeing each loan).

This facility provides assurances to third-party lenders and insurers that repayment of financing arranged for housing by a qualified First Nation community will be honoured up to the limit of the agreed-upon Credit Enhancement (CE) in the event that a First Nation fails to fulfil its responsibility for the repayment of a loan default.

Objectives	Activities
<ul style="list-style-type: none"> <li>• To support First Nations establishing on-reserve housing loan programs</li> <li>• To support First Nations achieving favorable terms and conditions in on-reserve housing loan programs</li> <li>• To identify lenders for on-reserve housing loans</li> <li>• To effectively administer the Fund including timely reporting, processing, and payment of claims</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing and communications</li> <li>• Business and development services</li> <li>• Selection of eligible lenders</li> <li>• Qualification and selection of eligible First Nations</li> <li>• Compliance monitoring and evaluation</li> <li>• Creating and providing reports</li> <li>• Processing and payment of claims</li> </ul>

Key Performance Indicators 2017 Plan	2017 Results
20 new applications	14 new applications
22 new qualified First Nations	12 new qualified First Nations
495 loans approved	56 loans approved
	1 new lender approved

The current number of First Nations approved for CE and loans backstopped reflects the unanticipated length of time required to get First Nations to accept the Fund as an alternative form of financing home ownership on reserve and, once approved, the time required to educate citizens on the many aspects of home ownership. The Fund's experience has been that many individuals applying for loans are turned down until they address credit issues, which takes time.

The target of 495 approved loans for 2017 was based on a plan of 234 First Nations approved for CE to the end of 2016 with the Fund backstopping an average of nine home loans per First Nation per year. At the end of 2016, the Fund had approved 100 First Nations for CE and 166 loans for 199 homes. Of the 100 First Nations approved for CE at the end of 2016, the Fund backstopped loans for 17 of them, ranging from one to 53 home loans per First Nation.

In addition, a First Nation approved for CE in 2011 was able to guarantee 400 new homes over the next five years. Due to a severe flood in 2013 in which the First Nation lost over 150 existing homes, its efforts to build new homes has been delayed. The First Nation began taking applications in the spring of 2015 and by the end of 2017 had guaranteed six homes under the Fund's CE program, with more expected in 2018.

In 2017, the Fund secured 14 applications from First Nations, falling below the planned target of 20 by six. This was partially due to the fact that, in the early years of the Fund, there was pent-up demand from First Nations to take advantage of this potential new form of on-reserve home ownership for their members. As time progresses, we expect slightly fewer First Nations to apply to the Fund on an annual basis.

By end of 2017, the Fund had received applications from 237 of the 634 First Nations in Canada. This represents about 37 per cent of First Nations and clearly demonstrates an increasing demand to partner with the Fund. To the end of 2017, the Fund had been operating for nine-and-a-half years. In the last four years, the Fund has received 119 applications, or over 50 per cent of all applications received, showing the increasingly positive momentum. From its inception through to the end of 2014, the Fund had backstopped 72 loans for 90 homes. Over the past three years (2015-17), the Fund backstopped an additional 143 loans for 165 homes. This brings the Fund's backstopped totals to the end of 2017 to 215 loans for 255 homes, or 65 per cent of the total homes backstopped in the past three years.

This shows the continuing positive trend in the Fund's results. Prior to 2017, the Fund had approved a potential of \$895 million for Housing Loan Guarantee Credits. At the end of 2017, the potential figure was \$943 million - an increase of \$48 million or five per cent. The Fund has now been in operation for over nine years and, thus, continues to learn from its experiences.

At the end of 2017, of the 237 applications that had been received, 112 applications were approved for Credit Enhancement and Capacity Development, 83 applications were approved for Capacity Building only, and a further 42 applications were under review.

Based on the results at the end of 2017, 57 per cent of the applications assessed (112 out of 195) qualified for Credit Enhancement and Capacity Development. Of the remaining 43 per cent, all were approved for Capacity Development (CD); 88 originally qualified for CD, five had gone on to qualify for CE (one in 2012 that qualified for CD in 2010; two in 2013, one of which qualified for CD in 2010, the other in 2011; and two in 2017, one of which qualified for CD in 2011, the other in 2014). Based on applications approved for Credit Enhancement thus far, an average of 12 home loans per community is forecast per year over five years at \$145,000 per loan. This figure compares to nine home loans per year at \$150,000 on average in the original targets. Although the level of loan activity per First Nation is less than the number of requests from qualified First Nations, the rate of progress is up to the members of the First Nation. As noted above, many prospective homeowners are addressing credit issues, as well as saving the required down payment.

In 2017, the Fund continued to focus specific resources on First Nations that were closest to being operational under the Credit Enhancement Program. This has allowed for increased support in those communities that are determined to advance market-based housing. The Fund continues to have three consulting positions in place, which focus strictly on credit enhancement and getting loans to individuals.

During 2017, the Fund provided 37 partial loan guarantees to third-party lenders under the Credit Enhancement facility for 56 homes, bringing the accumulated total to 215 partial loan guarantees for 255 homes. At December 31, 2017, the total value of the loans was \$42.5 million, of which the Fund is guaranteeing 10 per cent, or \$4.3 million. An estimate of the Fund's liability at December 31, 2017 on this guaranteed amount of approximately \$4.3 million is \$165,502. The Fund has no history of any claims paid to lenders at this point. As at December 31, 2017, there were 15 loans in arrears, which represented seven per cent of the total of 215 loans outstanding. The amounts in arrears total \$22,516, which represents 0.05 per cent of the total value of loans outstanding of \$42.5 million. These loans in arrears range from 15 to 120 days outstanding. By comparison, six loans were in arrears at the end of 2016 with total amounts in arrears of \$9,329 and, at the end of 2015, 11 loans were in arrears totaling \$20,481. 2015 was the first year in which arrears were recorded in Fund-backed loans.

A loan is considered to be in arrears until all outstanding amounts are paid in full, even if partial payments are being made. The Fund's estimated liability calculation is formula-driven which, for each loan in arrears, is based on the amount in arrears, the number of days it is in arrears and the financial strength of the First Nation that is guaranteeing the loan. The methodology underwent a fulsome review for use in the preparation of the Fund's 2017 financial statements. The liability at the end of 2017 (\$165,502) was less than that at the end of 2016 (\$263,750). Although more loans were in arrears and the amounts in arrears were higher at the end of 2017, the lower liability figure reflects a revised methodology that accounts for the reduced risk of an actual pay-out by the Fund, given that the average number of days in arrears has been steadily declining over the period 2015-17 and that the Fund has never paid a claim to a lender under the CE program. Therefore, the difference of \$98,248 was credited to expenses in 2017 in the Statement of Operations with a corresponding decrease to the liability account in the 2017 Statement of Financial Position. The first year such an expense and liability was recorded was in 2013.

## Objective 2.0: Deliver Capacity Development Program

The Fund has established a Capacity Development (CD) program which provides funding for First Nations communities that meet or are close to meeting the Fund's criteria for the Credit Enhancement Facility but have areas which could be strengthened or improved. To implement and sustain a market-based housing program in any community, several factors must align, including: a strong, stable government; a governance framework that includes legislation, policies and processes that enable housing development; professionals who can carry out and communicate the Government's directions; and education, business and health services. Residents must have confidence that they have services at their disposal to meet their family's needs. Employment turnover regularly occurs through promotion and retirements. Job training is required to keep skills current and train incoming employees so that the system continues to function. This can be especially challenging in smaller or more remote communities where access to a smaller pool of expertise can be an issue.

Funding for capacity development supports the provision of training, advice and coaching which focuses on improving market-based housing capacity for qualified First Nations and members of these communities. The maximum budget available in any given year for the Capacity Development Program shall not exceed 50 per cent of the preceding year's net income, which is calculated as investment revenue less expenses. Any unexpended amounts at the end of each year may be carried forward to be spent in subsequent years as approved in the annual Business Plans.

In providing Capacity Development to approximately 120 communities to date, the Fund has developed more than 500 products to serve First Nations and their unique needs. The Fund has re-focused Capacity Development efforts by utilizing existing products that have been developed and sharing them with new communities, tailoring them to meet each community's needs. An inventory of products created by the Fund has been catalogued and certain products have been stripped of identifiers so they may be shared with other First Nations as a starting point. This approach is helping to stretch the Fund's Capacity Development funding though it is not in itself enough. While using existing products may seem like a reasonable approach, these products will not always work for First Nations that may find themselves in a different circumstance than the First Nation for whom the initial product was developed. Products still need to be customized to meet the unique needs of each First Nation and training is vitally important at the leadership, administrative and citizen level to implement policy and procedural changes.

The Fund is anticipating increased demand for Capacity Development services from those already approved as well as from more First Nations who decide to apply and participate in the Fund. Furthermore, given the natural turnover of staff within First Nations, the Fund is often asked to repeat training for those communities who have already qualified for Credit Enhancement. Increased demand is therefore putting upward pressure on costs for Capacity Development services. This upward pressure on costs is at odds with the downward pressure on CD funding due to decreasing investment income because of lower interest rates.

Since Capacity Development services are funded by investment income and given the declining outlook for investment income due to lower interest rates, there will be pressure to "do more with less." The current projection is that there will be insufficient net income to permit Capacity Development to continue at a reasonable level. For this reason, the Fund, while continuing to be self-sustaining, will be seeking the Government's approval to alter the manner in which Capacity Development funding is established.

Objectives	Activities
<ul style="list-style-type: none"> <li>• To support First Nation Capacity Development efforts so that they can access and sustain the Credit Enhancement Facility</li> <li>• To support First Nation Capacity Development efforts such as, but not limited to: <ul style="list-style-type: none"> <li>◦ Leadership</li> <li>◦ Administration</li> <li>◦ Citizens</li> </ul> </li> <li>• To support First Nation Capacity Development to address non-performing loans</li> </ul>	<ul style="list-style-type: none"> <li>• Developing and providing marketing and communications tool to increase awareness and participation</li> <li>• Approving use of Capacity Development funding for First Nations</li> <li>• Working with eligible First Nations to create Capacity Development Plans</li> <li>• Identifying products and qualified consultants to meet Capacity Development needs</li> <li>• Prioritizing disbursement and use of Capacity Development funding in accordance with the Capacity Development Plans</li> <li>• Providing ongoing monitoring and evaluation to ensure compliance with terms and conditions</li> <li>• Creating and providing reports with respect to activities</li> <li>• Developing new Capacity Development tools that are consistent with First Nation needs</li> </ul>

Key Performance Indicators 2017 Plan	2017 Results
11 new qualified First Nations for CD with CE	10 new qualified First Nations for CD with CE
9 new qualified First Nations for CD only	11 new qualified First Nations for CD only
11 First Nations assisted by CD funds become eligible for CE	2 First Nations assisted by CD funds become eligible for CE
Tangible new strength demonstrated in the community as a result of CD funding	Land use planning was completed in a number of communities, paving the way for informed development, including residential construction.
CD funding commitments provided to First Nation Communities	During the year \$1,277,564 was spent towards CD. Additional commitments of approximately \$600,000 were outstanding at year-end for work yet to be completed
New tools and materials developed to respond to a particular need	Matrimonial Real Property Laws reflecting cultural norms were developed and ratified in some communities

The Fund has qualified consultants available to assist First Nation communities meet their goals. They have been assessed and have met the Fund's consultant criteria. As noted earlier, two of the communities that were previously approved for CD only qualified for CE in 2017; one of the communities was approved for CD in 2011, the other in 2014. The difference in time reflects the complexity and how quickly each community tackled the elements needed to demonstrate its readiness to introduce and sustain a market-based housing program.

The 2017 CD expenditures of \$1,277,564 were less than those in 2016 by \$204,608 or 14 per cent. The reasons for the decrease were two-fold: (1) during 2017 there was other Federal Government funding available to First Nations which helped to meet their needs and took some of the pressure off the Fund; and (2) there was a conscious effort to stay within the budget approved by the Minister for CD expenditures of \$3,800,000 per the 2017 Business Plan. In addition, in some cases there were cost-shared initiatives which reduced the amount the Fund needed to spend. It should be noted that these dollars are not lost and remain available for capacity building initiatives in subsequent years.

Year	Budget per the Minister (\$)	Actual Amount Spent on CD (\$)	Increase (Decrease) in Actual Spending Compared to Prior Year
2008*	0	0	n/a
2009	1,547,000	2,500	2,500
2010	2,792,412	183,382	180,882
2011	1,485,000	1,022,903	839,521
2012	2,727,000	2,041,603	1,018,700
2013	3,577,500	2,880,541	838,938
2014	3,834,000	5,404,490	2,523,949
2015	3,888,000	4,476,964	(927,526)
2016	3,888,000	1,482,172	(2,994,792)
2017	3,800,000	1,277,564	(204,608)
	27,538,912	18,772,119	

\* The Fund was not permitted to spend any money on CD in 2008 as it did not have any net income from a prior year.

It should be noted that the Fund is self-sustaining. The capacity development is fully funded from income earned from the investment of a \$300-million capital contribution by the Federal Government to establish the Fund. There is no additional federal money provided.

Capacity Development funding for all but tuition is only advanced when the products are prepared and accepted by the Fund and the First Nation. This process, which assures a high-quality product, directly affects the cash outflow in a given year. Investment in CD continued to increase over the first six years of the Fund's existence (2008-14). It has decreased in recent years because, as noted earlier, other Federal government funding was available to First Nations and efforts were made by the Fund to reduce capacity development spending to stay within the budget approved by the Minister. A summary of the Capacity Development activity in 2017 is as follows:

- 12 consultants signed contracts for CD work at 25 First Nations.
- 4 group trainers provided CD training at 5 First Nations.
- 21 learning institutions provided training for 71 initiatives at 33 First Nations.

Going into 2018, the Fund is carrying forward a balance of \$8,739,329 available for Capacity Development spending in subsequent years. The amount that can be spent in 2018 will be subject to the Minister's approval. Any unexpended amounts at the end of 2018 may be carried forward to be spent in subsequent years if approved in the Business Plan.

## Objective 3.0: Effectively Manage Investment Services

Investment guidelines from the Department of Finance define how funds from upfront contributions from the Government of Canada, including the contribution received by the Fund, may be invested. These guidelines require the development of a Statement of Investment Policy and Investment Strategy on an annual basis. The Statement of Investment Policy limits the types of investment vehicles permitted. Given the current low interest rate environment, the short-term outlook for investment income is more modest than in previous years.

The Fund will be taking steps to examine all possible alternatives to increase revenues in a safe way, compliant with the Minister of Finance framework. The Fund will work with its Investment Manager and other experts to explore the risks and opportunities associated with a higher yield. Should a substantive change be contemplated to the Statement of Investment Policy, the Trustees will seek the approval of the Funder in accordance with section 8.2 of the Funding Agreement and the approval of the Minister of Finance before implementing a new strategy.

In 2017, all investment activity was conducted in accordance with the requirements of the Fund's Statement of Investment Policy and the Fund's Investment Strategy, both of which are revisited annually. Investment income in 2017 was sufficient to provide for both administrative expenses and funding for Capacity Development requirements in 2017.

Objectives	Activities
<ul style="list-style-type: none"> <li>Maintain sufficient liquidity in order to meet business requirements</li> <li>Preserve and grow capital to maintain and expand the capacity of the Fund to carry out its core activities</li> </ul>	<ul style="list-style-type: none"> <li>Investing assets in accordance with the Statement of Investment Policy and the annual Investment Strategy</li> <li>Maintain a custodial account for the holding of securities</li> <li>Monitor and provide regular performance and position reporting</li> <li>Review the Statement of Investment Policy and Investment Strategy annually</li> </ul>

Key Performance Indicators 2017 Plan	2017 Results
Preserve capital	The Fund's net worth, i.e. its Deferred Contributions, grew in 2017 from \$349.4 million at the beginning of the year to \$355.0 million at the end of the year; a growth of \$5.6 million or 1.6%. The original contribution by the Federal government was \$300 million
Investment income that is available for Capacity Development and Administration	Investment income was \$10,654,023. Investment income exceeded total expenses by \$5,670,929

## Objective 4.0: Effectively Manage the Fund

To remain a strong organization that is able to fulfil its mandate, the Fund draws on sound financial and risk management policies, efficient and reliable information technology processes and systems, and effective human resources management.

Objectives	Activities
<ul style="list-style-type: none"> <li>• Support Fund objectives by providing:               <ul style="list-style-type: none"> <li>◦ Sound financial and risk management</li> <li>◦ Efficient and reliable information technology processes</li> <li>◦ Effective human resource management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Managing the Fund’s bank accounts, processing expenditures, preparing necessary reports and statements, filing required returns</li> <li>• Business Plan</li> <li>• Annual Report</li> <li>• Managing human resources</li> <li>• Contracting for all necessary goods and services</li> <li>• Maintaining the Fund’s policies, procedures, and guidelines</li> <li>• Identifying and enacting process improvements</li> </ul>
Key Performance Indicators 2017 Plan	2017 Results
10 Board meetings	10 Board meetings held
27 Committee meetings	23 Committee meetings held
Business Plan prepared	2018 Business Plan prepared and sent to Minister
Annual Report prepared	2016 Annual Report prepared and sent to Minister
Financial Statements prepared in timely manner	2016 audited financial statements were prepared and sent to Funder on time

The Fund prepared and reported in a timely manner the following reports:

1. Quarterly financial statements to the Funder, per the Fund’s Funding Agreement; and
2. Quarterly financial reports to the Federal Government for inclusion in the Public Accounts of Canada.

In addition, the Fund filed its 2016 T3 Trust Income Tax and Information Returns [“Returns”] showing nil taxable income in a timely manner. The Fund has filed these Returns showing nil taxable income for each of 2008 through 2016. Trust Notices of Assessment [“Notices”] were received from the CRA indicating that the assessed taxable income and taxes payable were nil for each of the nine years. The Notices indicate that the CRA can reassess the return at any time within three years of the date of the Notices if it finds an error during a review or audit of the return. The three-year period on the Notices for the years 2008 through 2013 have now expired.

Given the pending outcome of the National Housing Strategy, the Minister requested that the Fund prepare a one-year Business Plan for 2018 instead of the usual five-year Business Plan. This one-year Plan was prepared and submitted to the Minister in a timely manner and approved by the Minister in early 2018. The 2016 Annual Report was completed and sent to the Minister in a timely manner.

During 2016, the Fund hired a new information technology support provider. The Fund’s information technology capabilities continued to strengthen in 2017.

# SUMMARY OF FINANCIAL RESULTS

Financial results as compared to plan are as follows:

	2017 Plan (\$)*	2017 Results (\$)
Cash and Cash Equivalents**	13,039,000	27,425,183
Long-term Investments	337,282,000	328,818,985
Deferred Contributions	347,506,000	355,022,890
Investment Income	10,387,000	10,654,023
Administration Expenses	4,904,868	3,803,778
Capacity Development Expenses	3,800,000	1,277,564
Funds available for 2018 Capacity Development***	4,000,000	8,739,329

\* The plan figures noted above are from the approved 2017 Business Plan.

\*\* Cash and cash equivalents includes accrued interest receivable.

\*\*\* Budgeted CD expenditures in any given year shall be approved by the Minister responsible for CMHC as part of the annual Business Plan.

The Fund operates in a dynamic environment characterized by ever-changing economic and social factors that make business planning a challenge, especially during a transitional period at the Federal level with a new national housing strategy. Although the overall figures are consistent with the projections made in 2016 for fiscal 2017, some expenses fell short of planned amounts, either intentionally or unintentionally. However, the Fund's successes throughout 2017 attest to its commitment to succeed and its flexibility in adjusting to its evolving environment.

Cash and Cash Equivalents, Long-term Investments and Deferred Contributions were all above the planned amounts as total actual expenses were less than planned over the two-year period 2016-17 by approximately \$7.0 million.

The 2016 Statement of Investment Policy required the Fund to keep a minimum of 2% of its investments in cash or cash equivalent investments (which includes accrued interest receivable), which allows a maximum of 98% to be invested in long-term fixed income instruments. Although there was no change in this requirement in 2017, there was an anticipation of change in the composition of long-term fixed income instruments for 2018 to permit investments in corporate bonds. As of December 31, 2017, the Fund had established a larger balance in cash and cash equivalents compared to 2016 and to the budget in order to have funds ready to invest in corporate bonds in 2018. The actual figures at the end of 2017 were 92.3% (2016 – 97.1%) in long-term instruments and 7.7% (2016 – 2.9%) in cash and cash equivalents.

Investment income was slightly in excess of the planned amount, by \$267,000, as although the actual yields earned on the long-term portion of the Fund's portfolio was less than planned, due to the lower expenses in 2016-17 as noted earlier, the Fund had more monies to invest in long-term investments than planned.

Administration expenses were under-spent as compared to the plan by approximately \$1.1 million, primarily due to under-spending in travel, professional & technical services and Trustee governance costs. Travel costs related to on-site visits were lower than planned because the number of applications received from First Nations was less than planned (14 instead of 20). The actual number of First Nations approved for CE in 2017 was also less than planned (12 instead of 22). Fund staff were able to achieve efficiencies in time and cost savings by holding multiple meetings and visits to First Nation communities and lenders in a single trip. In terms of professional fees, the Fund incurred lower salaries and benefits costs due to staff turnover during the year. Trustee governance costs were less than planned as the plan was based on a full complement of nine Trustees, however only six Trustee were actually in place during 2017.

Capacity development expenses were approximately \$2.5 million below the planned amount for a few reasons. There was an increase in Federal government funding available to First Nations, namely from INAC and CMHC, which helped to meet certain needs of First Nations and took some of the pressure off the Fund. As well, some First Nations did not require all the capacity development funds in 2017 and there were opportunities to share costs with the Fund on certain initiatives. There was also a conscious effort by the Fund to stay within the budget approved by the Minister for capacity development expenditures of \$3.8 million per the 2017 Business Plan. It should be noted that these CD dollars are not lost and remain available for capacity building initiatives in subsequent years.

Based on the 2017 results, up to \$8,739,329 is available for capacity development spending in 2018. Actual capacity development expenditures in any given year shall be approved by the Minister responsible for CMHC as part of the annual Business Plan. The Minister has approved \$4.0 million in capacity development spending for 2018. Any unexpended amounts at the end of 2018 may be carried forward to be spent on capacity development activities in subsequent years.

# FINANCIAL STATEMENTS

## Independent auditors' report

To the Trustees of  
**First Nations Market Housing Fund**

We have audited the accompanying financial statements of **First Nations Market Housing Fund**, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in deferred contributions and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

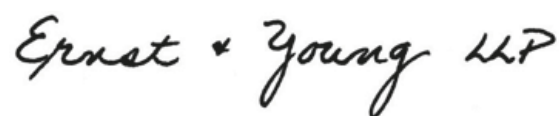
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **First Nations Market Housing Fund** as at December 31, 2017, and the results of its operations, changes in deferred contributions and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.



Ottawa, Canada  
March 7, 2018

Chartered Professional Accountants  
Licensed Public Accountants

# STATEMENT OF FINANCIAL POSITION

As at December 31		
Assets	2017 (\$)	2016 (\$)
<b>Current</b>		
Cash and cash equivalents [note 3]	26,296,478	8,853,806
Accrued interest receivable	1,128,705	1,233,823
Prepaid expenses	37,854	36,336
Accounts receivable	-	2,383
<b>Total current assets</b>	<b>27,463,037</b>	<b>10,126,348</b>
Long-term investments [note 4]	328,818,985	340,658,262
Capital assets, net [note 5]	140,747	180,601
	<b>356,422,769</b>	<b>350,965,211</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [notes 6 and 14]	1,174,093	1,265,524
<b>Total current liabilities</b>	<b>1,174,093</b>	<b>1,265,524</b>
Credit enhancement guarantee liability [note 9]	165,502	263,750
Capital lease obligation [note 13]	60,284	83,976
Deferred contributions [note 7]	355,022,890	349,351,961
	<b>356,422,769</b>	<b>350,965,211</b>

Commitments and contingent liabilities [note 12]  
See accompanying notes

On behalf of the Trustees:



John Beaucage  
Chairperson



Maurice Biron, CPA, CGA  
Audit Chairperson

## STATEMENT OF OPERATIONS

Year Ended December 31		
Revenue	2017 (\$)	2016 (\$)
Recognition of deferred contributions related to current year operations	4,983,094	5,498,409
<b>Total revenue</b>	<b>4,983,094</b>	<b>5,498,409</b>
<b>Expenses</b>		
Administrative [notes 5, 8 and 14]	3,803,778	3,787,539
Capacity development [note 11]	1,277,564	1,482,172
Credit enhancement guarantee (recovery) [note 9]	(98,248)	228,698
<b>Total Expenses</b>	<b>4,983,094</b>	<b>5,498,409</b>
<b>Excess of revenue over expenses for the year</b>	<b>—</b>	<b>—</b>

See accompanying notes.

## STATEMENT OF CHANGES IN DEFERRED CONTRIBUTIONS

Year Ended December 31		
	2017 (\$)	2016 (\$)
<b>Deferred contributions, beginning of year</b>	<b>349,351,961</b>	<b>343,794,166</b>
Investment income	10,654,023	11,056,204
Recognized as revenue to match expenses	(4,983,094)	(5,498,409)
<b>Deferred contributions, end of year</b>	<b>355,022,890</b>	<b>349,351,961</b>

See accompanying notes.

# STATEMENT OF CASH FLOWS

Year Ended December 31		
Operating Activities	2017 (\$)	2016 (\$)
Excess of revenue over expenses for the year	—	—
Add (deduct) items not affecting cash		
Depreciation of capital assets	43,266	20,906
Credit enhancement guarantee liability (recovery)	(98,248)	228,698
Net change in non-cash working capital balances [note 10]	14,552	(1,212,114)
Net increase in deferred contributions	5,670,929	5,557,795
Non-cash amortization of premiums and discounts	1,387,554	1,278,269
<b>Cash provided by operating activities</b>	<b>7,018,053</b>	<b>5,873,554</b>
<b>Capital Activities</b>		
Acquisition of capital assets	(3,412)	(59,269)
<b>Cash used in capital activities</b>	<b>(3,412)</b>	<b>(59,269)</b>
<b>Investing Activities</b>		
Purchase of long-term investments	(22,858,277)	(38,133,383)
Proceeds on sale of long-term investments	33,310,000	33,077,000
<b>Cash provided by (used in) investing activities</b>	<b>10,451,723</b>	<b>(5,056,383)</b>
<b>Financing activities</b>		
Principal repayment under capital lease obligation	(23,692)	(6,811)
<b>Cash used in financing activities</b>	<b>(23,692)</b>	<b>(6,811)</b>
<b>Net increase in cash during the year</b>	<b>17,442,672</b>	<b>751,091</b>
Cash and cash equivalents, beginning of year	8,853,806	8,102,715
<b>Cash and cash equivalents, end of year</b>	<b>26,296,478</b>	<b>8,853,806</b>

# NOTES TO FINANCIAL STATEMENTS

## 1. Nature of Operations

The First Nations Market Housing Fund [the “Fund”] was established on March 31, 2008 through an Indenture of Trust in the Province of Ontario. The purpose of the Fund is to facilitate the availability of financing for, and the accessible supply of, market-based housing in First Nations communities. The Fund also helps to create the capacity in First Nations communities to become self-sufficient in developing and sustaining market-based housing, thereby contributing to the social welfare and civic improvement of First Nations communities and their residents. An over-arching goal is to move to a system that provides to First Nations residents the same housing opportunities and responsibilities in their communities as other Canadians. The Fund operates on a not-for-profit basis. The beneficiary of the Fund is Her Majesty the Queen in right of Canada.

The Fund’s vision statement is that “every First Nation family has the opportunity to have a home on their own land in a strong community”.

On April 28, 2008, the Fund entered into the following agreements with Canada Mortgage and Housing Corporation [“CMHC”]:

- A Funding Agreement which sets out the terms and conditions for the transfer and use of a \$300 million contribution from the Funder [“CMHC”] on behalf of the Government of Canada to the Fund. This agreement provides additional direction of the Fund’s non-profit activities, reporting obligations, permitted use of funding and duties of Trustees.
- A Management Agreement which sets out the terms and conditions for the management of day-to-day activities of the Fund by the Manager [“CMHC”] on behalf of the Fund. The initial term of the Management Agreement was for five years. The term of the Management Agreement was extended by agreement to March 31, 2015. No further extension of the term of the Management Agreement has been entered into. CMHC continues to provide select management services to the Fund pursuant to the terms of the Management Agreement notwithstanding its expiry.

## 2. Significant Accounting Policies

These financial statements are prepared in accordance with the Public Sector ["PS"] Accounting Handbook including the use of the standards for government not-for-profit organizations that include sections PS 4200 to PS 4270, which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada ["GAAP"]. The significant accounting policies used in the preparation of these financial statements conform in all material respects with Canadian GAAP and are summarized as follows:

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Financial instruments are subsequently measured at cost or amortized cost using the effective interest rate method. Included in financial assets are cash and cash equivalents, accounts receivable, accrued interest receivable, and long-term investments. Included in financial liabilities are accounts payable and accrued liabilities, and capital lease obligation.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments with an original term to maturity of 98 days or less that are readily convertible to known amounts of cash.

Cash equivalents must be rated by at least two rating agencies as outlined in the table below. If an issuer has no long-term rating, one short-term rating is required for investments with a term of less than one year. In instances where the rating agencies' opinions differ, the lowest available rating shall be used for the purpose of determining an instrument's eligibility for investment. The fair value of cash equivalents is disclosed in note 3.

Minimum Rating Criteria – Term Less Than 365 Days			
Investment	Moody's	S&P	DBRS
Canadian Governments and their Crown Agents	P-1(A) / A3	A-1(Low) / A-	R-1(low) / A(low)
All Other Investments	P-1 / Aa3	A-1 / AA-	R-1(mid) / AA(low)

### LONG-TERM INVESTMENTS

Long-term investments are purchased with the intention to hold until maturity. Transaction date accounting is used to record the purchase and sale of long-term investments. Premiums and discounts are amortized to income using the effective interest rate method over the period to maturity. Gains and losses on disposal and impairments are recorded in income in the period incurred.

Long-term investments must be rated by at least two rating agencies as outlined in the table below. In instances where the rating agencies' opinions differ, the lowest available rating shall be used for the purpose of determining an instrument's eligibility for investment. The fair value of long-term investments is disclosed in note 4.

Minimum Rating Criteria – Term Greater Than One Year			
Investment	Moody's	S&P	DBRS
Canadian Governments and their Crown Agents	A3	A-	A(low)
All Other Investments	Aa3	AA-	AA(low)

## CAPITAL ASSETS

Capital assets comprise furniture and equipment and leasehold improvements made to the Fund's office space. Capital assets are recorded at acquisition cost. Depreciation of furniture and equipment is provided on a declining balance basis over the assets' estimated useful life at a rate of 20%. Depreciation of leasehold improvements is provided on a straight-line basis over the term of the lease.

Included in furniture and equipment are computer equipment under capital leases. In case of assets under capital leases, expected useful lives are determined by reference to comparable owned assets or over the lease term, if shorter.

## REVENUE RECOGNITION

The Fund follows the deferral method of accounting for contributions. Initial contribution and subsequent investment income are deferred and recognized as revenue in the period in which the related expenses are recognized.

## LEASES

The Fund classifies leases as operating or capital based on the substance of the transaction at inception of the lease.

An operating lease is a lease in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments under an operating lease are recognized as an expense on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Leases in which substantially all the risks and rewards of ownership are transferred to the lessee are classified as capital leases. Assets meeting capital lease criteria are capitalized at the lower of the present value of the related lease payments plus incidental payments or the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance cost and the liability. The finance charge is recognized in income within administrative expenses and is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## INCOME TAXES

The Fund is accounted for as an entity that, pursuant to Section 149 of the Income Tax Act (Canada), is not subject to income taxes.

## MEASUREMENT UNCERTAINTY

The preparation of these financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the credit enhancement guarantee liability as well as commitments and contingent liabilities.

Estimates are based on the best information available at the time of financial statement preparation and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### 3. Cash and Cash Equivalents

The following table presents the composition of cash and cash equivalents:

	2017 (\$)	2016 (\$)
Cash	470,427	545,002
Banker's Acceptances	25,826,051	8,308,804
	<b>26,296,478</b>	<b>8,853,806</b>

As at December 31, 2017, the fair value of the Fund's investments in Banker's Acceptances was \$25,851,362 [2016 – \$8,310,993]. The fair value of the Fund's Banker's Acceptances is determined by reference to published price quotations in an active market.

### 4. Long-Term Investments

The following table presents the contractual maturity structure and average yield for the long-term investments:

	Within 1 Year (\$)	1 To 3 Years (\$)	3 To 5 Years (\$)	Over 5 Years (\$)	2017 (\$)	2016 (\$)
Provincial Bonds	33,150,673	72,383,736	41,201,460	137,140,553	283,876,422	296,048,006
Banker's Acceptances	5,001,890	—	—	—	5,001,890	—
Sovereign Bonds	—	—	—	—	—	4,478,512
Government of Canada Bonds	—	—	25,935,222	14,005,451	39,940,673	40,131,744
<b>Total</b>	<b>38,152,563</b>	<b>72,383,736</b>	<b>67,136,682</b>	<b>151,146,004</b>	<b>328,818,985</b>	<b>340,658,262</b>
<b>Yield</b>	<b>3.65%</b>	<b>3.62%</b>	<b>2.74%</b>	<b>2.69%</b>	<b>3.02%</b>	<b>3.18%</b>

As at December 31, 2017, the fair value of the Fund's long-term investments was \$335,184,872 [2016 – \$354,510,950]. The fair value of the Fund's long-term investments is determined by reference to published price quotations in an active market.

## 5. Capital Assets

The following table presents the composition of capital assets:

	2017 (\$)	2016 (\$)
Furniture and equipment	329,042	325,630
Less accumulated depreciation	188,295	145,029
<b>Net book value</b>	<b>140,747</b>	<b>180,601</b>

Depreciation expense is \$43,266 [2016 – \$20,906] and is included in administrative expenses in the statement of operations. Leasehold improvements have been fully depreciated and, as such, no amortization was recorded during the year.

## 6. Accounts Payable and Accrued Liabilities

The following table presents the composition of accounts payable and accrued liabilities:

	2017 (\$)	2016 (\$)
CMHC	253,480	242,481
Other accounts payable and accrued liabilities	920,613	1,023,043
	<b>1,174,093</b>	<b>1,265,524</b>

## 7. Capital Management

The Fund includes deferred contributions in the definition of capital. As at December 31, 2017, the deferred contributions were \$355,022,890 [2016 – \$349,351,961]. These contributions were primarily invested in long-term investments with the balance being held in cash and cash equivalents to meet short-term operating requirements.

The Fund's objectives when managing capital are to minimize volatility of expected investment results and cash flows in order to earn sufficient returns so that the Fund can fulfill its objectives, maintain sufficient liquidity to meet business requirements as they arise and to preserve capital.

The deferred contributions comprise the initial contribution of \$300 million from the Funder along with any investment income net of any expenses incurred by the Fund. The Indenture of Trust requires that any income, gains and accretions, after expenses, shall be added to this initial contribution and be devoted exclusively to the objectives of the Fund. The Indenture of Trust also requires that the Fund's contingent and actual obligations under the credit enhancement facility not exceed the net worth of the Fund, with the Fund defining net worth as the difference between what the Fund owns and what it owes. The Fund is in compliance with these conditions as set out in the Indenture of Trust.

No changes were made in the objectives, policies or processes that were applicable for the year ended December 31, 2017.

## 8. Administrative Expenses

The following table presents the composition of administrative expenses:

	2017 (\$)	2016 (\$)
Professional and technical services [a]	2,584,656	2,544,543
Travel	281,790	251,257
Trustee governance [b]	304,113	286,985
Business premises [c]	180,476	177,347
Computer and telecommunications	161,276	170,715
Other [d]	291,467	356,692
	<b>3,803,778</b>	<b>3,787,539</b>

- [a] Professional and technical services include the following services: all staff [salaries and fringe benefits], Investment Manager, legal, audit, banking, custodial, insurance, consulting and other miscellaneous services.
- [b] Trustee governance includes honoraria and travel expenses for up to nine Trustees.
- [c] Business premises mainly include office rental expenses and utilities.
- [d] Other expenses mainly include marketing and promotion, depreciation of furniture and equipment, office supplies and postage and courier, and Fund development.

The various management fees and out-of-pocket costs related to CMHC as discussed in note 14 are primarily included within the "Professional and technical services" account listed above.

## 9. Credit Enhancement Facility and Guarantee Liability

Under its Credit Enhancement Facility, the Fund provides guarantees to third party lenders and insurers that repayment of financing arranged for housing in qualified First Nations communities will be honoured up to the limit of the agreed upon Credit Enhancement in the event that a First Nation fails to fulfill its responsibility for the repayment of a loan default. The Fund's accumulated Credit Enhancement coverage cannot exceed the net worth of the Fund, with the Fund defining net worth as the difference between what the Fund owns and what it owes. As long as the Fund remains a going concern, the deferred contribution is not considered an amount owing by the Fund.

As at December 31, 2017, the Fund has approved maximum housing loan guarantee credit to First Nation communities of \$943.1 million [2016 – \$894.7 million] based on an estimated 6,500 units [2016 – 6,050].

Since its inception, the Fund has provided guarantees on a total of 215 loans [2016 – 166] for 255 units [2016 – 199], including both single and multi-unit rental properties, under the Credit Enhancement Facility for a maximum guaranteed amount of \$4,252,202 [2016 – \$3,216,405]. The amortization period of the loans ranges from 6 to 25 years. The First Nations have indemnified the Fund for any amounts that may be paid by the Fund to the lender under the Credit Enhancement Facility.

As at December 31, 2017, the maximum guaranteed amount outstanding was \$3,982,761 [2016 – \$3,016,620]. An estimate of the Fund's liability on this guaranteed amount was \$165,502 [2016 – \$263,750]. The Fund has no history of any claims paid to lenders at this point. As at December 31, 2017, there were 15 loans in arrears [2016 – 6 loans]. The amounts in arrears total \$22,516 [2016 – 9,329] and range from 15 to 120 days in arrears [2016 – 7 to 150 days]. The Fund's estimated liability calculation is formula-driven which, for each loan in arrears, is based on the amount in arrears, the number of days it is in arrears and the financial strength of the First Nation that is guaranteeing the loan. The formula is reviewed on an annual basis. The Fund's history of loans in arrears over the past three years, 2015 to 2017 with 2015 being the first year that the Fund experienced loans in arrears, indicates that the average number of days in arrears has steadily declined during this period. Given this, and that the Fund has not paid any claims to lenders under the Credit Enhancement program in its history, the formula was updated to reflect a reduced risk of an actual pay-out by the Fund. As the liability established at the end of 2016 was \$263,750, which is greater than the estimated liability at the end of 2017 of \$165,502, the difference of \$98,248 was credited to expenses in 2017 [2016 – an expense of \$228,698] in the statement of operations with a corresponding decrease to the liability account in the 2017 statement of financial position. The first year such an expense and liability was recorded was in 2013. The estimated liability is included in note 12 as a contingent liability.

## 10. Net Change in Non-cash Working Capital Balances

	2017 (\$)	2016 (\$)
Decrease in accrued interest receivable	105,118	264,138
Decrease (increase) in prepaid expenses	(1,518)	2,921
Decrease (increase) in accounts receivable	2,383	(1,535)
Decrease in accounts payable and accrued liabilities	(91,431)	(1,477,638)
	14,552	(1,212,114)

## 11. Capacity Development

The maximum amount available for capacity development in any given year shall not exceed 50% of the preceding period's net income. For purposes of determining the amount of capacity development available, the Fund defines net income as investment and other income less any expenses incurred during the period. Any unexpended amounts at the end of the year can be carried forward to be spent in subsequent years.

Changes in funds available for capacity development are as follows:

	2017 (\$)	2016 (\$)
Balance, beginning of year, before additional allocation	4,402,530	4,363,628
Add		
Allocations during the year [50% of prior year's net income]	2,778,898	1,521,074
	7,181,428	5,884,702
Less		
Funds expended towards capacity development	1,277,564	1,482,172
Balance, end of year, before additional allocation	5,903,864	4,402,530
Add		
Allocations for subsequent year [50% of current	2,835,465	2,778,898
Balance, available in subsequent year	8,739,329	7,181,428

## 12. Commitments and Contingent Liabilities

### COMMITMENTS

The Fund leases office premises and certain computer equipment under long-term operating leases expiring up to July 31, 2024. Future minimum annual lease payments for the office premises over the next five years are as follows (see note 13 for computer equipment lease commitments):

	(\$)
2018	84,555
2019	101,407
2020	104,321
2021	108,400
2022	109,857
	508,540

In addition, on June 1, 2016, the Fund entered into a three-year contract with an information technology (IT) organization to provide IT support services. Future minimum annual payments over the remaining term of the contract are as follows:

	(\$)
2018	53,681
2019	22,367
	76,048

On April 28, 2008 the Fund entered into a five-year Management Agreement with CMHC. The term of the Management Agreement was extended by agreement to March 31, 2015. No further extension of the term of the Management Agreement has been entered into. CMHC continues to provide selected management services to the Fund pursuant to the terms of the Management Agreement notwithstanding its expiry. This Management Agreement requires the Fund to reimburse the Manager for all reasonable actual direct, indirect and overhead costs it incurs. These costs include salary and fringe benefit costs of certain employees of the Fund, investment manager fees, human resource administration fees and other related out-of-pocket costs incurred by CMHC on behalf of the Fund.

As at December 31, 2017, the Fund had entered into contracts with suppliers to provide capacity development services. The work performed by these suppliers to December 31, 2017 but not yet paid by the Fund of \$267,639 [2016 – \$332,866] is included in note 6 under “Other accounts payable and accrued liabilities”. The outstanding commitment on these contracts for work that was not yet performed as at December 31, 2017 is approximately \$598,500 [2016 – \$815,000].

As at December 31, 2017, the Fund had entered into contracts with consultants to provide professional services to the Fund. The work performed by these consultants to December 31, 2017 but not yet billed to the Fund of \$58,114 [2016 – \$46,324] is included in note 6 under “Other accounts payable and accrued liabilities.” The outstanding commitment on these contracts for work that was not yet performed as at December 31, 2017 is approximately \$184,000 [2016 – \$24,000].

#### CREDIT ENHANCEMENT FACILITY

As at December 31, 2017, the Fund had made guarantees to third party lenders totaling \$3,982,761 [2016 – \$3,016,620] under its Credit Enhancement Facility. See note 9 for details.

#### INCOME TAXES

The Fund had discussions with the Rulings Directorate [“CRA Rulings”] of the Canada Revenue Agency [“CRA”] about its non-taxable status. At the conclusion of the most recent round of discussions in 2009, CRA Rulings was not prepared to support the Fund’s position that it is non-taxable pursuant to Subsection 149(1) of the Income Tax Act (Canada) (the “Act”).

The Fund has filed T3 Trust Income Tax and Information Returns showing nil taxable income for each of the years of 2008 to 2016. Trust Notices of Assessment [“Notices”] were received from the CRA indicating that the assessed taxable income and taxes payable were nil for each of these nine years. The Notices indicate that the CRA can reassess the return at any time within three years of the date of the Notices if it finds an error during a review or audit of the return. The three-year time period on the Notices for the years 2008 to 2013 have now expired. The 2014 Notice was dated August 19, 2015, the 2015 Notice was dated November 17, 2016, and the 2016 Notice was dated June 7, 2017.

The Fund plans to pursue all available avenues to support its position with the CRA, and the courts, if necessary, to ultimately determine that the Fund is exempt from Part I tax under the Act. Should it ultimately be determined that the Fund is subject to income tax, any income taxes owing since 2014 by the Fund would be approximately \$3,450,000 [2016 – \$3,200,000].

### 13. Capital Lease Obligation

The Fund leases certain computers under long term leases, which have been capitalized. The Fund leases printers on a five-year term, which will end on August 7, 2021. The Fund also leases personal computers on a three-year term, which will end on July 31, 2019. Future minimum annual lease payments over the next four years are as follows:

	(\$)
2018	27,834
2019	23,211
2020	9,343
2021	5,450
Total minimum lease payments	65,838
Less amount representing interest	5,554
Present value of net minimum capital lease payments	60,284

Total interest on leases for the year was \$4,142 [2016 – \$1,705].

### 14. Related Party Transactions

The Fund is related to the Government of Canada through the Funding Agreement, which provided the \$300 million contribution by CMHC in 2008 as agent of and on behalf of the Government of Canada. The net equity of the Fund is consolidated annually with the financial results of the Government of Canada in the Public Accounts.

The Fund is related to the CMHC Minister through the Management Agreement which was required to be approved by the CMHC Minister pursuant to Section 16.1 of the Indenture of Trust.

The Fund is also related to CMHC through the Funding and Management Agreements. All payments to CMHC are made in the normal course of business, measured at the exchange amount and are made in accordance with the terms of the Funding and Management Agreements.

In 2017, the Fund purchased \$929,470 [2016 – \$881,485] from CMHC related to various 2017 management fees and reimbursed CMHC for \$9,576 [2016 – \$21,884] in out-of-pocket costs. As at December 31, 2017, the Fund owed CMHC an amount of \$253,480 [2016 – \$242,481].

## 15. Financial Instruments-Risks and Uncertainties

### MARKET RISK

Market risk is the risk of adverse financial impact arising from changes in underlying market factors, including interest rate risk and credit risk.

### INTEREST RATE RISK

Interest rate risk relates to the impact of interest rate changes on the Fund's cash flow and financial position. The risk arises from differences in the timing and amount of cash flows related to the Fund's financial assets and liabilities.

The Fund has limited exposure to interest rate risk given its diversification strategy, its held-to-maturity approach, and its purchasing of fixed income securities using a laddered approach.

### CREDIT RISK

Credit risk is the risk of loss arising from a counterparty's inability to fulfill its contractual obligations. Credit risk includes the risk of default, and encompasses both the probability of loss and the probable size of the loss, net of recoveries and collateral, over time.

The Fund's maximum exposure to credit risk is the fair value of its investments and various accounts receivable as well as the Fund's guarantee of loans under the Credit Enhancement Facility. It is management's opinion that the Fund is not exposed to significant credit risk arising from these financial instruments. The Fund's credit risk associated with investments is managed through the implementation of policies, which includes limits to the permitted investments and minimum credit ratings. These credit ratings are described in note 2. As at December 31, 2017, all investments held by the Fund were issued by the Government of Canada, a Province, or a national bank.

The Fund's credit risk associated with guarantee of loans under the Credit Enhancement Facility is mitigated through annual reviews of First Nations communities' financial strength and ongoing communication with community leaders to ensure that the First Nations communities continue to be in compliance with terms and conditions of Credit Enhancement Facility agreements.

### LIQUIDITY RISK

Liquidity risk is the risk that the Fund will have insufficient cash flows to meet its obligations associated with financial liabilities.

The Fund has a cash flow planning process in place to ensure sufficient resources meet current and projected cash requirements. Liquidity sources include cash and cash equivalents, accounts receivable, investment income and the maturity of long-term investments.

# GOVERNANCE

The Fund was established through an Indenture of Trust on March 26, 2008 between CMHC and the Trustees. The governance, management and operations of the Fund are in accordance with the terms and conditions of the Fund's enabling documents. These documents include an Indenture of Trust and a Funding Agreement with CMHC. The documents were designed to protect both the Fund's federal funding and the parameters put in place for the administration of the funding over the long term. The Fund received a one-time contribution of \$300 million from the Government of Canada. Interest earned from investing the contribution is used to pay for the Fund's administration costs and its Capacity Development Program. The Fund is self-sustaining through the investment of the Government of Canada's capital contribution and the reinvestment of a portion of its revenues.

Nine Trustees who have been drawn from the First Nation community, the Government of Canada community and the private-sector financial community provide oversight to the Fund. The Minister for CMHC appoints six Trustees and the Minister for INAC appoints three Trustees. Trustee appointments are outstanding currently with all terms having reached their end.

The Trustees are responsible for meeting the Fund's objectives and ensuring prudent investment and safeguarding of assets, financial accountability and regular reporting of results. To support the Trustees in their responsibilities, five Board Committees have been established: Audit Committee; Investment Committee; Human Resources Committee; Operations Committee; and Governance Committee. Mandates and responsibilities have been set out for each committee.

The Trustees meet face-to-face four times a year to review regular business and once per year for strategic planning purposes. The Trustees also conduct meetings via conference call, as required. Each year, their August face-to-face meeting includes one or several First Nations communities, while the remainder of the meetings are held at the Fund's Ottawa office.

Information is provided below regarding Trustee and Committee meetings in 2017:

Meetings	Number of Members	Number of Planned Meetings*	Number of Actual Meetings	Average Number of Days per Meeting
Trustee	6	10	10	1.5
Audit Committee	3	5	5	.25
Investment Committee	2	4	5	.25
Human Resources Committee	2	2	2	.25
Operations Committee	2	8	5	.25
Governance Committee	2	8	6	.25

\*Meetings are held face-to-face or via conference calls.

Actual expenses incurred during the year for Trustee governance are as follows:

Expense	2017 (\$)
Honoraria	118,125
Travel	148,274
Total	266,399

CMHC is appointed Manager of the Fund. A Management Agreement between CMHC and the Fund describes the services CMHC has agreed to provide with respect to the management of the Fund. This Agreement expired March 31, 2015. While no extension has been entered into, CMHC continues to provide select management services to the Fund pursuant to the terms of the Management Agreement, notwithstanding its expiry.

# BOARD OF TRUSTEES

Each of the Trustees joined the Board in March 2008. Their biographies may be found on the Fund's website: [www.fnmhf.ca](http://www.fnmhf.ca).

## JOHN BEAUCAGE

Chairperson  
(Ontario) Wasauksing First Nation

## RUTH WILLIAMS

Vice-Chairperson  
(British Columbia) Shuswap First Nation

## MAURICE BIRON

(Ontario) Garden River First Nation

## JIM PRODGER

(Nova Scotia)

## GAIL SHAWBONQUIT

(Ontario) Atikameksheng Anishnawbek

## ERIC MENICOCHE

(Northwest Territories) Liidlii Kue First Nation



Trustees, Chief Dennis Meeches, Long Plain First Nation, Anita Munn and Darrell Manuliak – Mini Homes of Manitoba

# COMMITTEE MEMBERS

## AUDIT COMMITTEE

Maurice Biron, Chairperson  
Eric Menicoche  
Jim Prodger

## INVESTMENT COMMITTEE

John Beaucage, Chairperson  
Ruth Williams

## HUMAN RESOURCES COMMITTEE

Ruth Williams, Chairperson  
Gail Shawbonquit

## OPERATIONS COMMITTEE

John Beaucage  
Ruth Williams

## GOVERNANCE COMMITTEE

John Beaucage  
Ruth Williams



Eric Menicoche, Trustee, Gail Shawbonquit, Trustee

# FUND STAFF

**Deborah Taylor**, Executive Director

**Earl Commanda**, Program Manager

**George Jenkins**, Manager, Fund Administration

**Ruth Deatcher**, Senior Coordinator, Business Development and Credit Enhancement Implementation

**Jason Haskett**, Senior Program Officer

**Nancy Pine**, Senior Program Officer

**Lucille Michaud**, Senior Program Officer

**Jan Edmison**, Senior Business Analyst

**Carl Kanjilal**, Senior Financial Analyst

**Mike Britton**, Senior Financial Analyst

**Tae Kim**, Senior Financial Analyst

**Almaz Kifleyesus**, Analyst

**Tracy Tarnowski**, Advisor Business Processes

**Gale Foster**, Administrator

**Crystal Garrow**, Assistant Administrator

## AS OF DECEMBER 31, 2017



**Earl Commanda**  
Program Manager



**Ruth Deatcher**  
Senior Coordinator  
Business Development  
and Credit Enhancement  
Implementation



**Lucille Michaud**  
Senior Program Officer



**Jason Haskett**  
Senior Program Officer

## OUR LENDING PARTNERS



**Williams Lake & District  
Credit Union**

In 2017, the Fund announced its newest lending partners, Williams Lake & District Credit Union, bringing the total number of lending partners to 17.

*“At the heart of our Credit Union lies a commitment to help our members achieve their dreams. Our partnership with the First Nations Market Housing Fund allows us to have a meaningful impact with Indigenous members whose dream is to buy, build or renovate a home on-reserve.”*

—Nolan Hill, Manager, Retail & Commercial Lending

Williams Lake and District Credit Union has been serving members since 1952. Branches in Williams Lake, 100 Mile House and Bella Coola provide financial services for a diverse population encompassing a vast geographic area.

Williams Lake and District Credit Union proudly manages assets in excess of \$240 million and employs 75 dedicated individuals.

Committed to making a difference, the Credit Union supports its local communities through funding, staff expertise, and the energy and commitment of staff volunteers.

## National

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## Saskatchewan

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## Ontario/Quebec

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## British Columbia

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Williams Lake & District  
Credit Union



# HOW THE FUND WORKS

The First Nations Market Housing Fund is a self-sustaining, independent, and not-for-profit trust with two clear goals:

1. To facilitate the availability of private-sector financing for First Nations while helping to ensure an accessible supply of market-based housing in First Nations communities; and
2. To increase the capacity of First Nations seeking to expand or develop market-based housing.

The Fund builds on the successes of innovative communities. It is strictly optional; it does not replace any existing programs. Instead, the Fund works in tandem with existing programs to expand market housing on reserve.

## WHAT IS MARKET-BASED HOUSING?

Market-based housing is a broad term that encompasses private home ownership, rentals, and rent-to-own housing. Simply put, it means the owners and occupants pay for the cost of their housing either through rental or loan payments. Market-based housing gives First Nations a powerful means to invest in their communities, and it gives First Nation families the ability to invest in their futures by building personal wealth in their homes. It also contributes to the sustainability of existing programs by providing another option and allowing funds to be targeted to where they are needed most.

## HOW DOES THE FUND ACCOMPLISH THIS?

The Fund qualifies a First Nation and provides partial financial backing to approved lenders for housing loan guarantees made by the First Nation to financial institutions. The First Nation then uses this backing to negotiate an arrangement with an approved lender or lenders so their members can apply directly to the lender(s) for financing. The financing will help build, buy, or renovate a home on reserve or settlement lands where appropriate, to either own or rent. Due to the communal nature of the land, the First Nation needs to guarantee the housing loans of its members.

If a borrower defaults on an eligible loan, the lender will seek compensation from the First Nation. Should the First Nation not honour its obligation as guarantor, the lender will be able to turn to the Fund for compensation up to the amount of Credit Enhancement accumulated by the lender for loans made in the community. The Fund itself does not provide loans.

## The Fund:

### SUPPORTS ARRANGEMENTS BETWEEN FIRST NATIONS AND LENDERS

The Fund has created an alternate form of security for housing loans made on reserve or settlement lands which will attract lenders and give First Nations leverage to negotiate more favourable interest rates, risk-sharing agreements, reduced program access fees, and administrative arrangements. In this way, people on reserve will have the same housing choices and opportunities as people in non-First Nation communities.

### RESPECTS THE COMMUNAL NATURE OF RESERVE LAND

Off reserve, lenders take land as security in exchange for housing loans. On reserve, land is held by the Crown for the benefit of the First Nations' members and often considered communal. Because lenders cannot use communal land as security, this has made it more difficult for First Nations members to obtain housing loans in their communities. The backing provided by the First Nations Market Housing Fund, in conjunction with First Nation guarantees, attracts lenders by offsetting the security issue while preserving the communal nature of reserve land.

### INCREASES THE CAPACITY OF FIRST NATIONS

The Fund has established a Capacity Development Program which provides support for First Nations communities that meet or are close to meeting the Fund's criteria for the Credit Enhancement but have areas which could be strengthened or improved. Funding for capacity development supports the provision of training, advice and coaching which focuses on improving market-based housing capacity for qualified First Nations and members of these communities.

### ACCESS CRITERIA

Access criteria are based on principles, not rules. The criteria are separated into three pillars:

- Financial Management;
- Good Governance;
- Evidence of community demand and support for market-based housing.

First Nations choose how best to satisfy each principle by demonstrating their own strengths in each of the pillars.

# GLOSSARY OF TERMS

## Lease Inducement

The negotiation of lease agreements sometimes includes incentives, or inducements, offered by the landlord which encourages the party leasing the property (lessee) to sign the lease. These incentives may include an up-front cash payment to the lessee, a rent-free period or a contribution to certain lessee costs such as leasehold improvements/office fit-up costs.

## Held-to-Maturity Investments

Held-to-maturity investments are financial assets with fixed or determinable payments and a fixed maturity date that management has the positive intention and ability to hold to maturity.

## Settlement Date Accounting

Settlement date accounting refers to an accounting method whereby an asset, such as an investment, is recognized by an entity in its accounting records on the day the entity receives it. This occurs when a given transaction has been fulfilled, which is when performance by both parties has been satisfied.

## Effective Interest Rate Method

A method for systematically moving bond discounts or premiums from the statement of financial position to interest income over the life of the investment.

## Deferral Method

Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

## Fair Value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties under normal conditions.

# LIST OF ACRONYMS

**FNMHF (“The Fund”)** – First Nations Market Housing Fund

**NAEDB** – National Aboriginal Economic Development Board

**FNFMB** – First Nations Financial Management Board

**AFOA** – Aboriginal Financial Officers Association

**INAC** – Indigenous and Northern Affairs Canada

**CMHC** – Canada Mortgage and Housing Corporation

**AANDC** – Aboriginal Affairs and Northern Development Canada

**AFN** – Assembly of First Nations

**TSAG** – Technical Services and Advisory Group

**NATOA** – National Aboriginal Trust Officers Association

**CANDO** – Council for the Advancement of Native Development Officers

**OFNTSC** – Ontario First Nations Technical Services Corporation

**OALA** – Ontario Aboriginal Lands Association

**OFNEDA** – Ontario First Nations Economic Developers Association

**COO** – Chiefs of Ontario

**CCAB** – Canadian Council for Aboriginal Business



## CONTACT US

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