

Question 1:

Requirement 3.5.1.13: Proponents should describe how the ESG models equity returns, bond returns, real estate returns. Also describe the development process.

Would CMHC please clarify what is meant by 'development process' in this context? For example, does this refer to the development of asset models or is it more general?

Response:

CMHC would like a description of the development process cycle of the asset models for example, how was the model first developed. CMHC would also like an explanation to be given on how models are kept current, and the type of research done. CMHC would also like to know what testing is done to ensure adequacy or relevance to market conditions.

Question 2:

The RFP refers to real-world and risk-neutral ESGs. Are proponents expected to answer all the questions for both basis, or is the reference to know if the proposed software provides real-world and risk neutral ESG?

Response:

CMHC wants to know if the proposed software provides both real-world and risk-neutral scenarios. The proposal should contain enough information for the evaluators to make that assessment. It is not expected that all answers are based on both categories.

Question 3:

The classification of the questions indicate three basis, R/M/I. Please outline the meaning of each classification.

Response:

R/M/I. – means Rated, Mandatory, Informational