

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by issuer of mortgage pass-through certificates for relief from:

- (i) the requirement to prepare, file and deliver interim and annual financial statements; and
- (ii) the requirement under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings to file interim certificates for the issuer's 2004 financial year.

Relief granted subject to conditions, including the requirement to prepare, file and deliver monthly and annual reports regarding performance of pool of assets.

Instruments Cited

National Instrument 51-102 Continuous Disclosure Obligations
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK AND NEWFOUNDLAND AND
LABRADOR**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CANADA MORTGAGE ACCEPTANCE CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the "Jurisdictions") has received an application from Canada Mortgage Acceptance Corporation (the "Issuer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements (collectively, the "Continuous Disclosure Requirements") shall not apply to the Issuer in connection with public offerings of mortgage pass through certificates ("Certificates") of the Issuer;

AND WHEREAS the Decision Maker in each of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick and Newfoundland and Labrador (the "MI 52-109 Jurisdictions") has received an application from the Issuer for a decision pursuant to the securities legislation of such Jurisdictions that the provisions of Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109") concerning the filing of interim certificates (the "Interim Certificates") shall not apply to the Issuer in respect of the 2004 financial year of the Issuer;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14 101 Definitions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the Principal Regulator for this application;

AND WHEREAS the Issuer has represented to the Decision Makers as follows:

1. The Issuer was incorporated under the laws of Ontario on March 11, 2004 and is a wholly owned subsidiary of GMAC Residential Funding of Canada, Limited ("GMAC RFC").
2. The head office of the Issuer is located in Toronto, Ontario.
3. The Issuer is a reporting issuer, or the equivalent, in each Jurisdiction. Pending this decision, the Issuer has complied with the alternative disclosure described in paragraph 18 hereof and, accordingly, has not filed interim financial statements, interim MD&A (as defined below) and Interim Certificates for the interim period ended June 30, 2004. The Issuer submitted its application for the relief described herein on June 24, 2004. Except in respect of the requirements for which relief herein is granted, the Issuer is not in default of the Legislation of any Jurisdiction.
4. The Issuer is a special purpose corporation, the only securityholders of which, other than holders of its shares, are and will be the holders of its Certificates.
5. The Issuer has offered and will offer mortgage pass through certificates that entitle the holders thereof (the "Certificateholders") to the cash flows derived from discrete pools of mortgages, hypothecs or other charges on real or immovable property situated in Canada, or interests therein, and any other rights, interests, benefits and assets acquired by the Issuer pursuant to the related securitization agreements (including the proceeds thereof and any related security) (each collectively referred to as an "Asset Pool"), together with any rights or other assets designed to assure the servicing or timely distribution of proceeds from the Asset Pool to holders of the related Certificates. By its terms, each Asset Pool converts into cash within a finite time period. The Certificates have been sold and will be sold to the public pursuant to short form or shelf prospectuses on the basis of an approved rating by an approved rating organization, as those terms are defined in National Instrument 44 101 - Short Form Prospectus Distributions, or any successor instrument thereto. The proceeds from the sale of Certificates have financed and will finance the purchase by the Certificateholders of undivided co-ownership interests in Asset

Pools. The Certificates evidence and will evidence undivided co-ownership interests in Asset Pools.

6. The Issuer filed a short form prospectus (the "Prospectus") dated June 18, 2004 with each Canadian provincial securities regulatory authority or regulator and received receipts for the Prospectus from each such securities regulatory authority or regulator on June 21, 2004, pursuant to which the Issuer distributed approximately \$270,377,000 Mortgage Pass-Through Certificates, Series 2004-C1 (the "Issued Certificates").

7. To the knowledge of the Issuer, the Issued Certificates are not traded on, and there is no current intention on the part of the Issuer to have any Certificates traded on, any marketplace, as that term is defined in National Instrument 21-101 - Marketplace Operator.

8. The Issuer is currently a venture issuer, as that term is defined in National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102").

9. As a special purpose corporation, the Issuer has not carried and will not carry on any activities other than acquiring Asset Pools and issuing Certificates.

10. The Issuer currently has and will have no material assets or liabilities other than its rights and obligations arising from acquiring Asset Pools and issuing Certificates.

11. No director or officer of the Issuer or any associate thereof is indebted to the Issuer, nor has any director, officer, or any other insider, or any associate or affiliate thereof, entered into a material contract with the Issuer and any remuneration received by a director or officer of the Issuer for acting in such capacity shall be consistent with industry practice.

12. No insider of the Issuer, or associate or affiliate of such insider, has a direct or indirect interest in any transaction which has materially affected or which would materially affect the Issuer.

13. The financial year end of the Issuer is December 31.

14. The auditors of the Issuer are PricewaterhouseCoopers.

15. The information contained in the interim and annual financial statements of the Issuer is not and will not be relevant to the Certificateholders since Certificateholders will only have entitlements in (and recourse to) the Asset Pool securing their series of Certificates and will not have any entitlements in (or recourse to) any other assets of the Issuer.

16. For each Offering, the Issuer and, among others, GMAC RFC, as servicer (the "Servicer"), a Canadian trust company, as custodian on behalf of Certificateholders (the "Custodian") and a reporting agent (the "Reporting Agent") has entered and will enter into a pooling and servicing agreement (the "Pooling and Servicing Agreement") providing for the issuance of Certificates and governing the rights of Certificateholders. There is, however, a possibility that other parties

acceptable to the approved rating organizations rating a particular series of Certificates may serve as Servicer.

17. Each Pooling and Servicing Agreement has provided and will provide for certain administrative functions relating to the Certificates, such as maintaining a register of holders of Certificates and other duties specified in each Pooling and Servicing Agreement, including the preparation by the Servicer and the Reporting Agent of periodic reports (the "Reports") to Certificateholders containing financial and other information in respect of the applicable Asset Pool and the Certificates. Pursuant to the Pooling and Servicing Agreement, the Reports will be prepared by the Reporting Agent based solely on information provided by the Servicer.

18. The Issuer, Servicer or Reporting Agent will provide, on the Reporting Agent's website to be identified in the relevant prospectus for the Certificates or in correspondence sent to Certificateholders, or as is otherwise provided for in the relevant prospectus, no later than the 15th day of each month (or such subsequent business day as is provided in the Pooling and Servicing Agreement if the 15th day of the month is not a business day) in respect of the Issued Certificates and no later than on a monthly basis in respect of other Certificates, the financial and other information prescribed therein to be delivered or made available to Certificateholders on a monthly basis, such information to include information relating to distributions made in that month, Certificate balances, administration and other fees, and certain aspects of the performance and composition of the Asset Pools, and will file or cause to be filed reasonably contemporaneously therewith the monthly reports commonly known as distribution date statements or their equivalent on the System for Electronic Document Analysis and Retrieval ("SEDAR").

19. Notwithstanding paragraph 18 hereof, the Issuer may amend the contents of the financial and other information posted on the Reporting Agent's website and filed on SEDAR in order not to disclose the name of any individual obligor or the name or address of any mortgaged property so as to comply with any confidentiality agreements or other obligations of confidentiality binding on the Issuer.

20. There have been and there will be no annual meetings of Certificateholders. Each Pooling and Servicing Agreement will provide that only the holders of a certain percentage of Certificates of each series of the Issuer have the right to direct the Custodian to take certain actions under the Pooling and Servicing Agreement with respect to such series of Certificates.

21. On not less than an annual basis, the Issuer will request intermediaries to deliver a notice to Certificateholders pursuant to the procedures stipulated by National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer or any successor instrument thereto, advising Certificateholders that the monthly information prescribed in paragraph 18 hereof, the quarterly information prescribed in paragraph 22 hereof and the annual information prescribed in paragraph 23 hereof is available on SEDAR and on a website, and provide the website address and that Certificateholders may request that paper copies of such reports be provided to them by ordinary mail.

22. Within 60 days of the end of each interim period of the Issuer (or within 45 days of the end of an interim period of the Issuer if the Issuer is not a venture issuer at the end of such interim period), the Reporting Agent or the Issuer or its duly appointed representative or agent will post on the applicable website and mail to Certificateholders who so request and will contemporaneously file on SEDAR management's discussion and analysis ("MD&A") with respect to the Asset Pools acquired with the proceeds of the Certificates.

23. Within 120 days of the end of each financial year of the Issuer (or within 90 days of the end of a financial year of the Issuer if the Issuer is not a venture issuer at the end of such financial year), the Reporting Agent or the Issuer or its duly appointed representative or agent will post on the applicable website and mail to Certificateholders who so request and will contemporaneously file on SEDAR:

(a) MD&A with respect to the Asset Pools acquired with the proceeds of the Certificates;

(b) an annual statement of compliance (the "Certificate of Compliance") signed by a senior officer of the Servicer or other party acting in a similar capacity for the applicable Asset Pool, certifying that the Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a material default, specifying each such default and the status thereof; and

(c) an annual accountants' report (the "Accountants' Report") prepared by a firm of independent public or chartered accountants respecting compliance by the Servicer (or such other party acting in a similar capacity) with the Uniform Single Attestation Program for Mortgage Bankers or such other servicing standard acceptable to the Decision Makers.

24. The Issuer will issue news releases and file material change reports in accordance with the requirements of the Legislation in respect of material changes in its affairs and in respect of changes in the status (including as a result of defaults in payments due to Certificateholders) of the Asset Pool underlying the Certificates which may reasonably be considered to be material to Certificateholders.

25. Other than in Ontario, fees payable in connection with the filing of annual financial statements will be paid at the time that, and in respect of, the annual financial information specified in paragraph 23 hereof is required to be filed.

26. In Ontario, the fees payable by the Issuer pursuant to the Ontario Securities Commission Rule 13-502 - Fees or as otherwise determined by the Decision Maker in Ontario, shall be paid no later than the date on which the annual financial information specified in paragraph 23 hereof is required to be filed.

27. The provision of information to Certificateholders on a monthly, quarterly and annual basis as described in paragraphs 18, 22 and 23 hereof, as well as the annual notices to be given by the

Issuer as to the availability of such information given pursuant to terms of paragraph 21 hereof will meet the objectives of allowing the Certificateholders to monitor and make informed decisions about their investment.

28. The Compliance Certificate and Accountants' Report will provide assurance to Certificateholders in respect of the accuracy of the Reports.

AND WHEREAS pursuant to the System this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers in the Jurisdictions under the Legislation is that the Issuer is exempted from the Continuous Disclosure Requirements provided that:

- (a) the only securities that the Issuer distributes to the public are Certificates;
- (b) the Issuer complies with paragraphs 9, 10, 11, 16, 17, 18, 21, 22, 23, 24, 25 and 26 hereof;
- (c) the Issuer complies with all requirements of NI 51-102 other than the requirements concerning the preparation, filing and delivery of interim and annual financial statements; and
- (d) this Decision shall terminate sixty days after the occurrence of a material change in any of the representations of the Issuer contained in paragraphs 4, 5, 9, 10, 11, 12, 14, 15, 17 and 18 hereof, unless the Issuer satisfies the Decision Makers that the exemption should continue.

IT IS FURTHER THE DECISION of the Decision Makers of the MI 52-109 Jurisdictions under the Legislation of such Jurisdictions that the requirement contained in the Legislation to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109 shall not apply to the Issuer in respect of the interim periods during its 2004 financial year provided that it is not required to prepare, file and deliver for such interim periods under the Legislation of the Jurisdictions, whether pursuant to exemptive relief, or otherwise.

DATED September 8, 2004

"Erez Blumberger"