



## Passive-Income Seekers: First National Financial (TSX:FN) Dividend Announcement

### Description

[Dividend investing](#) is one of the best strategies to generate significant returns on your investment. Buying and holding a portfolio of income-generating assets in your self-directed portfolio can provide you with additional cash through shareholder dividends.

You can use the cash distributions to supplement your active income and get some help with your monthly expenses. Conversely, you can consider reinvesting the shareholder dividends through a dividend-reinvestment plan to purchase more shares of the dividend stock and accelerate your wealth growth through the power of compounding.

It is crucial to identify high-quality, [income-generating assets](#) that you can buy and hold for a long time to enjoy meaningful long-term wealth growth. When choosing dividend stocks for either of the two purposes, it pays to conduct your due diligence in identifying companies with solid businesses that can sustain the dividend payouts through robust and healthy cash flows.

**First National Financial** ([TSX:FN](#)) is one such stock that you could consider adding to your investment portfolio to create a passive-income stream you can use to supplement your active income. It could also be an excellent investment to generate long-term wealth growth.

### Dividend announcement

First National Financial is a \$2.37 billion market capitalization private lending institution headquartered in Toronto. The company primarily originates, underwrites, and services commercial and residential mortgages in Canada.

With over \$123 billion in mortgages under administration, First National is among the top three firms in the Canadian mortgage broker distribution channel. It is one of Canada's largest non-bank originators and underwriters of mortgages, with a significant portion of the market share.

The Canadian housing market has maintained strong momentum throughout the pandemic, despite

fears of a significant downturn. The result of sustained strength in the housing market has been a boost for lenders like First National Financial stock. Many investors consider the announcement of interest rate hikes as a threat to the company's performance in the coming weeks and months.

However, the stock has continued to perform well overall, as evidenced by its recent dividend announcement. First National Financial announced its monthly dividend payment of \$0.195833 per common share for the April 1 to April 30, 2022, period. The dividend distribution will be payable on May 16, 2022, to the company's shareholders.

The company reported a net income of \$10.4 million in fiscal 2021, up from \$8.9 million in the same period during 2020. This year, the company's performance will most likely be impacted by interest rate hikes, but it remains to be seen whether it will be adverse or positive.

## Foolish takeaway

First National Financial stock trades for \$39.52 per share at writing, and it boasts a juicy 5.95% after its recent-most dividend announcement. Its share prices are down by 7.30% year to date and by 13.35% from its February 2022 high.

Investing in its shares at current levels could let you capitalize on its inflated dividend yield in the near term and enjoy [significant wealth growth](#) through capital gains if its valuation goes through an upward correction in the coming weeks.

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1. Dividend Stocks
2. Investing

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