

The Dominion Housing Act of 1935 is outlined at pp. 473-474 of the 1938 Year Book; Part I is the only section of that Act under which loaning operations are still carried on. The numbers of loans granted under the Government Home Improvement Plan, which was in existence from Nov. 1, 1936, to Oct. 31, 1940, are shown at pp. 370-371 of the 1941 Year Book. An outline of the provisions of the National Housing Act, 1938, appears at pp. 469-470 of the 1940 Year Book. Loans made under the Housing Acts and the Home Improvement Plan between 1935 and the outbreak of war aggregated about \$100,000,000 which, of course, represented only a part of the capital actually spent, since the borrowers contributed large amounts on their own account.

The National Housing Act, 1944.—This Act, which was passed by Parliament on Aug. 11, 1944, is administered by the National Housing Administration, Department of Finance. The following is a summary of this legislation:—

PART I of this Act is similar to Part I of the National Housing Act, 1938, but has been modified and expanded in certain important details. Loans are still made by the Government and approved lending institutions, jointly, to prospective home owners or to builders of houses for sale to occupants.

Under the new Act, the minimum loan has, in all cases, been made 50 p.c. of the lending value, i.e., the cost of construction or appraised value of the house, whichever is the lesser, together with the cost or appraised value of the land, whichever is the lesser. The maximum loan has been increased to 95 p.c. of the first \$2,000 of lending value, plus 85 p.c. of the next \$2,000, plus 70 p.c. of any lending value in excess of \$4,000. The interest rate has been lowered from 5 p.c. to 4½ p.c., calculated semi-annually.

The term of loan is usually 20 years; however, in an area adequately protected by community planning and appropriate zoning restrictions, a loan may be for a term exceeding 20 years, but not in excess of 30 years. Loans are repayable in monthly instalments of principal and interest. In addition, the borrower each month pays one-twelfth of the estimated annual taxes and the lending company then pays the taxes as they become due.

The new Act provides \$100,000,000 for loans to home owners and for paying losses in respect of these loans and those made under the Dominion Housing Act, 1935, and the National Housing Act, 1938.

PART II of the Act provides for two types of loans: (1) Loans for ordinary rental housing projects which are made generally upon the same conditions as loans under Part I of the Act, except that the maximum loan is 80 p.c. of the lending value and that, in properly planned and zoned areas, the maximum term of the loan is 25 years; (2) Loans to limited dividend housing corporations for low-rental housing projects to ensure adequate housing for people of low income.

A loan to a limited dividend housing corporation is made directly by the Dominion Government and may be for 90 p.c. of the lending value of the project at an interest rate of 3 p.c. per annum. The term of the loan shall not exceed the useful life of the project as fixed by the Minister of Finance, or 50 years, whichever is the shorter period.