

A corporation to be eligible must establish the need for the project, provide sufficient equity, limit its dividends to 5 p.c., set rents and operate the corporation in a manner acceptable to the Minister. The Minister is authorized to approve life insurance companies and other lending institutions, under the jurisdiction of Parliament, investing up to 5 p.c. of their assets in Canada in low-cost or moderate-cost housing projects.

The amount appropriated for loans and guarantees under this Part is \$50,000,000.

If a city wishes to clear land of slums, the Dominion Government will, under certain conditions, give financial assistance. These conditions are: (1) The land acquired must be properly planned; (2) The approval of the Provincial Government must be obtained to the acquiring of the land; (3) The land must be sold to a limited dividend housing corporation or approved lending institution which will build a low- or moderate-cost rental housing project upon it; (4) The sale price must be low enough that the housing units in the project can be rented on a fair and reasonable basis. The Government's grant will be one-half the difference between the cost of acquiring and clearing the land and the sale price to the company building the project. The amount appropriated for this purpose is \$20,000,000.

PART III of the Act is designed to extend the provisions of Part I to rural areas. The Minister is authorized to pay a lending company up to \$20, together with travelling expenses, for making a loan in a rural or remote area. A farmer's mortgage may provide for periodic payments which will coincide with the times at which he receives his income. If the farmer already has a mortgage upon his farm with an approved lending institution, this mortgage may be consolidated with one to be made under the Act to assist in the construction of a house upon the farm. The Government's advance and share in any subsequent loss is limited to the joint loan.

PART IV of the Act provides for loans by banks or approved instalment credit agencies for home improvement and home extension loans. Loans bear interest at 5 p.c. per annum. A home improvement loan must not exceed \$2,000 on a single-family dwelling or \$2,000 plus \$1,000 for each additional family housing unit in a multiple-family dwelling. A home extension loan must not exceed \$3,000 for the first family housing unit created in the house and \$1,000 for each additional family housing unit. These loans are from a maximum term of 3 to 5 years. The total amount of loans which may be guaranteed is \$100,000,000 and the Government's guarantee is 5 p.c. of the total amount of loans made by a bank or approved credit agency.

PART V provides for research into housing construction and materials and for a survey of housing conditions in Canada and also for assistance by the Dominion Government in community planning.

PART VI permits the establishment of a plan for reducing term insurance to pay a loan in the event of the death of the borrower.