The first change occurred in September 1952 when the rate of interest payable by a borrower on joint loans was increased from 5 p.c. to $5\frac{1}{4}$ p.c. per annum calculated semi-annually. The interest rate on new loans of other types under the Act were also raised by one-quarter of one per cent. The move brought the interest rate to $3\frac{3}{4}$ p.c. on loans to limited dividend companies, $4\frac{3}{4}$ p.c. on loans to primary industries, 5 p.c. on loans for rental insurance projects and $5\frac{1}{4}$ p.c. on direct corporation loans to home-owners. The revision in interest rates under the Act conformed with a general increase that had taken place in the interest-rate structure.

A second change in National Housing Act regulations occurred in October 1952 when the maximum loan for rental housing was raised from $6,700 to $8,500 for semi-detached and row houses and from $6,700 to $7,200 for fully serviced apartments of fireproof construction.

Under the terms of the National Housing Act, the Central Mortgage and Housing Corporation joins with approved private lending institutions in making loans to prospective home-owners or builders of dwellings for sale or for rental. The Corporation advances 25 p.c. of the loan and the lending institution 75 p.c. These joint loans are amortized over a period of not more than 30 years and, in the case of loans to prospective home-owner defence workers, for a period not exceeding 25 years.

The Central Mortgage and Housing Corporation may make direct loans for house building in areas where joint financing is not available through lending institutions on a basis similar to that for joint loans. Special provisions are effective in the case of prospective home-owner defence workers or builders of dwellings for sale to defence workers. Direct loans may also be made for low-rental and medium-rental units to limited dividend companies and companies engaged in the primary industries of logging, lumbering, fishing and mining. Up to the end of 1952, 21 limited-dividend companies had been formed under the sponsorship of business companies or local groups supplemented in some cases by municipal grants or contributions from service clubs. Many of the units constructed through these companies are occupied by widows and old-age pensioners. In addition, when private lending institution funds are not available for suitable rental insurance projects, such projects may be financed by direct loans.

The Rental Insurance Plan, instituted in 1948, is designed to encourage the construction of rental housing accommodation. Owners of projects built under the Plan are guaranteed a return of rent sufficient to pay taxes, operating expenses, debt service and a minimum return of 2 p.c. on equity of the owner. From 1948 to December 1952, projects have been approved involving 18,300 units having an estimated cost of $135,000,000.

Under the land-assembly provisions of the Act, which provide for the development of raw land into serviced lots for residential purposes and the sale at prices considerably below the market price for comparable lots, lending institutions are guaranteed the recovery of their investment together with an annual return of 2 p.c. Land-assembly projects have also been undertaken directly by the Corporation.