

The life insurance and trust and loan companies increased their NHA lending by 92 p.c. and, by the end of 1960, had approved loans for 21,111 dwellings compared with 11,015 in 1959. The banks made loans for 45 houses, in contrast to 14,067 in the preceding year. The substantial increase in lending by life insurance and trust and loan companies was influenced partly by a change in the NHA interest rate. Late in 1959 the maximum rate of interest was increased to 6½ p.c. from 6 p.c. By mid-1960 there was a marked easing in the supply of mortgage credit with the result that the new rate for insured mortgages became more competitive and these lenders began investing at a greater pace.

CMHC direct loans were made to home owners for 10,168 dwellings and to merchant builders for 3,693 houses. Included in the home-owner approvals were 560 for veterans building under Part II of the Veterans' Land Act and 22 dwellings in co-operatives. In 1959, loans to owner-applicants financed 14,559 homes and builders 13,188.

In March 1960, Parliament increased the statutory provision for Corporation lending by \$500,000,000 but the Government indicated commitments from these public funds should be considerably less than the \$343,000,000 committed in 1959. Loan requirements were so designed that the smaller amount of public funds would serve the most urgent needs first. Eligibility was limited to applicants with annual incomes of up to \$5,000, with adjustments for family size to \$5,600. The direct lending program was under constant review and when it became apparent that demand in the lower income sector would not require all of the available funds, the income ceilings were raised to \$7,000 and \$7,600. Also, at this time builders became eligible for loans if they could provide commitments from *bona fide* purchasers. Faced with some evidence of abatement in demand among the \$7,000 level, and in a move to aid winter employment, the Government, in October, removed all income restrictions and permitted builders to apply for two loans for display houses.

#### 25.—Mortgage Loan Approvals<sup>1</sup> under the National Housing Act, by Month, 1956-60

Month	Number of Units				
	1956	1957	1958	1959	1960
January.....	1,245	325	2,786	2,933	110
February.....	2,067	1,132	5,515	2,395	523
March.....	4,101	1,902	6,776	3,559	1,169
April.....	5,817	3,083	6,026	6,664	1,611
May.....	7,242	4,711	8,989	6,348	3,489
June.....	6,873	4,696	9,045	7,069	4,042
July.....	4,795	5,614	9,351	5,857	2,509
August.....	4,633	3,592	7,874	3,840	3,131
September.....	2,985	4,425	8,234	10,095	5,173
October.....	2,583	10,104	8,614	7,850	5,685
November.....	1,020	7,725	6,559	3,732	6,493
December.....	662	3,365	5,271	584	3,810

<sup>1</sup> Includes CMHC loans—direct and agency.