

accrued interest will be forgiven for projects completed to the satisfaction of CMHC on or before Mar. 31, 1967. Where construction is not completed before that date, 25 p.c. of the loan advanced or warrantable by construction progress at that date, plus 25 p.c. of the accrued interest on advances, may be forgiven.

Long-term loans to universities, colleges, co-operative associations and charitable corporations are authorized under the Act for the construction of university housing projects or the acquisition of existing buildings and their conversion into a university housing project. CMHC may lend up to 90 p.c. of the project cost, subject to maximum amounts as follows: houses, \$18,000; self-contained apartments, \$12,000 per unit; and hostels, \$7,000 per person accommodated. Term of the loan may not exceed 50 years. The interest rate is prescribed by the Governor in Council.

Guarantees.—CMHC is authorized to give a limited guarantee to banks or approved instalment credit agencies in return for an insurance fee paid by the borrower on loans made for additions, repairs and alterations to existing houses and apartments. A home improvement loan and the balance owing on any existing NHA home improvement loan on the property may not exceed \$4,000 for a one-family dwelling or \$4,000 for the first unit of a duplex, semi-detached or multiple-family dwelling, plus \$1,500 for each additional unit. Loans are repayable in monthly instalments, together with interest at the rate of 6 p.c., in not more than 10 years.

Public Housing.—Under the National Housing Act and complementary provincial legislation, the Federal Government and the government of a province may enter into a partnership agreement to build rental housing for families and individuals of low income or purchase and rehabilitate existing housing for this purpose. Projects may include hostel or dormitory accommodation in addition to self-contained units. The Federal Government pays up to 75 p.c. of the capital costs and the provincial government the remainder, although the latter may call upon the municipality concerned to bear a portion of the provincial share. Rents for units in federal-provincial projects are related to the tenant's family income and size of family and operating deficits are shared on the same contractual basis as the capital costs. The Federal Government and the government of a province may also enter into an agreement to provide for a land assembly project which involves the development of raw land for housing purposes. Such projects are financed in the same manner as federal-provincial housing projects.

As an alternative method of producing public housing, the CMHC is empowered to make long-term loans to a province, or to a municipality or public housing agency with the approval of the province, for the provision of housing accommodation. Projects may consist of new construction or existing buildings and include dormitory and hostel accommodation as well as self-contained family units. Loans may be up to 90 p.c. of the total cost as determined by CMHC and for a term as long as 50 years but not in excess of the useful life of the development. The maximum that may be borrowed for a house is \$18,000, for a fully serviced apartment \$12,000, and for hostels or dormitories \$7,000 for each person accommodated. The interest rate is set by the Governor in Council.

Federal grants may be made covering up to 50 p.c. of losses incurred in the operation of public housing projects, for a period of up to 50 years but not exceeding the useful life of