

the approval of loans for 14,338 units, trust companies were the largest source of funds for insured mortgage lending in 1964; lending activity by life insurance companies represented 12,261 dwellings.

The reduced volume of NHA lending by the private companies was accompanied by a marked upswing in conventional loans from these sources. This type of assistance was extended for 85,090 dwellings started during the year as against 71,983 in 1963. Much of the increase resulted from the demand for funds to support the unprecedented volume of rental construction, and important innovations in lending practices served to channel additional mortgage money into the home-ownership sector. In response to a demand for loans in excess of the limit of 66 $\frac{2}{3}$  p.c. they were permitted to make under a first mortgage, a number of lending institutions joined with other financial firms to make combined first and second mortgage loans of 83 $\frac{1}{3}$  p.c. on the security of owner-occupied, single-family houses and duplexes. With Parliamentary approval in March 1965 of an increase in the permissible first mortgage limit to 75 p.c., combined first and second mortgages representing 87 $\frac{1}{2}$  p.c. of lending value became available.

As in 1963, the highest level of direct lending by CMHC was reached in the last quarter of the year because many prospective home owners postponed their building plans to take advantage of the \$500 bonus payment offered under the Federal Government's winter house-building incentive program.

#### 17.—Mortgage Loans Approved by Lending Institutions, by Type of Property and of Loan, 1955-64

Year	New Housing		Existing Houses	Other Property	Total
	NHA Loans	Conventional Loans	Conventional Loans	Conventional Loans	
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000
1955.....	639	235	183	138	1,195
1956.....	425	255	177	141	998
1957.....	278	239	150	104	771
1958.....	519	291	208	174	1,192
1959.....	308	343	216	216	1,083
1960.....	242	307	221	263	1,033
1961.....	453	333	300	298	1,384
1962.....	412	450	358	311	1,531
1963.....	385	652	430	373	1,840
1964.....	353	812	640	507	2,312

*Borrower and House Characteristics.*—Applicants for NHA loans in 1964 had an average income of \$6,375 compared with \$6,179 in 1963. The average income of purchasers who obtained loan assistance through approved lenders operating under the Act was \$6,700 and of those who obtained direct loans from CMHC, \$6,035. The cost of the average NHA-financed house, at \$15,826, was approximately \$600 higher in 1964 than in 1963. Down payments, including any secondary financing, averaged \$2,700, slightly above the \$2,634 average for the previous year. For a large portion of borrowers, the \$500 bonus available under the federal winter house-building incentive program was applied to the down payment requirement. On the average, payments of mortgage principal and interest, together with taxes, represented 21.5 p.c. of the borrower's income, virtually unchanged from 1963. The average age of borrowers was 34.7 years and 56 p.c. of the families had one or two children. More than 71 p.c. of the borrowers were purchasing a house for the first time.

Three of every four houses constructed were bungalows, 20 p.c. were split-level dwellings and the remainder were mainly two-storey units. There was a small increase in the size of the average dwelling financed under the NHA—from 1,204 sq. feet in 1963 to 1,218 sq. feet in 1964.