

Loans made available through private lenders in 1965 amounted to \$320,179,000 for 25,516 dwellings. With the approval of loans for 15,974 units, trust companies were the largest source of funds; lending activity by life insurance companies represented 8,529 dwellings. More than 65 p.c. of all the housing started during 1965 was financed by conventional mortgage loans, accounting for 111,723 dwelling starts compared with 110,309 in 1964.

Mortgage money was in plentiful supply during the first half of 1965, as it had been throughout most of the previous year, and in this period starts were 8.3 p.c. above the number for the corresponding months of 1964. However, after July, funds became scarce for some types of loans and were virtually unavailable toward the end of the year. The reduction in the over-all flow of mortgage funds from lending institutions led to more stringent lending terms, including an increase in interest rates. In the first half of 1966, loans were approved for the construction of 20,136 new dwellings compared with 21,733 new dwellings in the same period of 1965, a decrease of 7.6 p.c.

17.—Mortgage Loans Approved by Lending Institutions, by Type of Property and of Loan, 1966-65

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
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
1965.....	320	902	749	581	2,552

Borrower and House Characteristics.—Applicants for NHA loans in 1965 had an average income of \$6,655 compared with \$6,375 in 1964. The average income of purchasers who obtained loan assistance through approved lenders operating under the Act was \$7,063 and of those who obtained direct loans from CMHC, \$6,450. The cost of the average NHA-financed house, at \$16,531, was approximately \$700 higher in 1965 than in 1964. Down payments, including any secondary financing, averaged \$2,999 above the \$2,700 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 21.4 p.c. of the borrower's income, virtually unchanged from 1964. The average age of borrowers was 34.6 years and 58.5 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, 17 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 1,218 sq. feet in 1964 to 1,226 sq. feet in 1965.

Loans to Non-profit Corporations and Limited-Dividend Companies.—In 1965, 56 loans in an aggregate amount of \$14,213,000 were approved to non-profit corporations to assist in the construction of 1,175 self-contained units of low-rental housing and hostel accommodation for 1,293 persons. Of the total, 1,134 units were intended for occupancy by elderly people and 41 by low-income families. In 1964, 44 limited-dividend loans to non-profit housing companies and private entrepreneurs were approved for the construction of 1,861 dwellings.