

cost of assembling and servicing land for public housing are available at a preferential interest rate to provinces, municipalities and their agencies.

Under federal-provincial partnerships seven projects for 1,077 residential building lots and one land bank project with a total area of 1,770 acres (716 ha) were approved in 1975. Since the inception of the program in 1948, 34,526 lots have been authorized for development. Of these, 25,369 have been offered for sale and 23,440 have been sold. A total of 33,631 acres (13 610 ha) have been authorized for acquisition in land banks. Of lands actually acquired, 22,181 acres (8 976 ha) remain to be developed. Section 42 of the National Housing Act authorizes the corporation to make loans to provinces and their agencies up to 90% of the cost of assembling and developing land for housing. During 1975, 92 loans amounting to \$57.2 million were approved under this section.

The NHA also provides assistance through CMHC for new communities either through cost-sharing arrangements between federal and provincial governments or through loans with certain forgiveness elements to the provinces or their designated agencies. CMHC may participate in the acquisition of land for the new communities, including land for transportation corridors and open space in or around the communities, planning the communities and designing and installing services. Both the federal commitment to the loan arrangement and the federal-provincial cost-sharing agreement are dependent upon the province satisfying several points: the agency or corporation responsible for the planning and development of the new community must be designated, and CMHC must be satisfied that measures will be taken to allow the public to receive any economic benefits that may accrue from selling the lands and services to the private sector in the new community, and that acceptable plans for urban growth, including the location, size and order of development of other new communities, have been established. A federal-provincial agreement between CMHC and the government of any province will determine which new community will receive assistance.

The amount of capital costs, profits and losses to be shared by CMHC shall not exceed 75% of the total capital costs, profits and losses of the project. A loan to a province or its designated agency may be made in an amount of 90% of the cost as determined by CMHC for the acquisition of land for the new communities, including land for transportation corridors and open spaces in or around the communities, for planning the communities, and for the design and installation of the services. The term of the loan will be 25 years. This term may be extended to 50 years for that part to be used for land and services leased on a long-term leasehold basis for private use.

To encourage the rapid development of recreational and social facilities CMHC may forgive up to 50% of that portion of the loan covering acquisition of land for these purposes. A forgiveness of an amount not exceeding 50% of the part of the loan used for initial planning costs may also be approved. This would include salaries, accommodation and expenses of the new community development corporation or agency and necessary consultants to provide overall administration, site investigations, surveys, background research, concept plans, overall development plans as may be required by the province and detailed phasing elements of layout and urban design.

#### **14.2.7 Mortgage administration**

The NHA mortgage debt outstanding at the end of 1975 amounted to \$17.7 billion, representing 28.9% of the mortgage debt in Canada. With a portfolio of over \$6.8 billion, CMHC continued to hold the largest single share of the NHA mortgage debt. The chartered banks held \$4.0 billion, life insurance companies held \$2.0 billion and other approved lenders held \$2.5 billion. The remainder was held by pension funds and purchasers in the secondary mortgage market. In 1975 sales of insured mortgages by approved lenders totalled \$402 million. Of this amount \$127 million was purchased by various pension funds. The number of NHA loans in arrears increased in 1975. As at December 31, 1975 there were