

Assisted Home-Ownership Program (AHOP). The program encouraged approved lenders and the building industry to make moderately-priced housing available for sale. To promote home ownership, CMHC provided loans and grants to qualified purchasers of designated units.

To be designated for AHOP assistance, housing had to be built within maximum sale price limits imposed by CMHC for specific market areas. In May 1978 a revised version of AHOP was introduced which provided payment reduction loans to applicants buying new houses financed under NHA insured loans. This program was gradually phased out as the graduated payment mortgage became more widely used.

Graduated payment mortgages, introduced in 1978 by CMHC, can be applied to both new and existing dwellings, for home-ownership and rental projects. Monthly mortgage payments start at a relatively low level and are increased each year over the first decade of the amortization period. The subsequent payments remain constant for the remainder of the mortgage term. With a conventional mortgage, the full amount of the debt is repaid by equal monthly payments. At year end 1978, 3,743 units had been approved under the new arrangements of which 2,124 were rental units.

Assisted Rental Program (ARP). This program stimulated the production of moderately-priced housing for rent. Projects were mostly privately financed through approved lenders and had to be built within size and price levels determined by CMHC.

Assistance was available to builders when the cost of constructing and operating a project exceeded the rents that could be charged. During the first eight months of 1978, 1,920 units were approved under the rental program. In September 1978, the program was terminated.

Land assembly and municipal infrastructure. The provision of an adequate supply of serviced land for residential development has been a major objective of the federal government. During 1978 the federal-provincial task force inquiring into the supply and price of serviced residential land published its report. One of its findings was that the effectiveness of land banking by governments in stabilizing and reducing serviced land prices had not been proven. Later in the year the government stopped funds for new land assembly projects because of the substantial inventory on hand. It also limited future funding for the continued development of lands held in partnership with the provinces. By the end of 1978, \$525.3 million had been provided to municipalities and provinces for the acquisition, development and planning of land for residential purposes.

The municipal infrastructure program came to an end in 1978. It had been in effect for 18 years and had provided more than \$2 billion to assist 6,000 projects in the abatement of pollution and the encouragement of residential development.

Commitments for sewage treatment projects in 1978 totalled \$290.3 million compared to \$247.5 million in the previous year.

A municipal incentives grants program was designed to be in effect for the three-year period 1976-78 and proposals were accepted during these years. Grants became available during that period to motivate municipalities to encourage the development of modest housing, to make more economical use of land through increased density, and to help municipalities offset higher expenditures associated with medium-density development. Grants totalled \$45.8 million in 1978 and \$84.2 million for 1976-78.

Neighbourhood improvement and residential rehabilitation. The principal sources of NHA funding for neighbourhood and residential improvement were the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP). NIP legislation expired as of March 31, 1978.

NIP encouraged municipalities to revitalize older residential neighbourhoods which were occupied predominantly by families and individuals with low and moderate incomes. Projects were planned and implemented by the municipalities and neighbourhood residents. NIP operated under annual agreements between CMHC and the provinces.

During the period the legislation was in effect, from 1973 to 1978, \$202 million of federal contributions and \$64.4 million of federal loan commitments were disbursed to