property itself. Loans of this type are made by a variety of institutions such as banks, life insurance companies and loan or trust companies. Mortgage loans are also quite often made by credit unions, fraternal organizations and, in some cases, even by private individuals. The Federal Government and some of the provincial governments also assist families towards home ownership. In fact, more than 661,000 of the housing units built in Canada since 1945 have entailed federal assistance.

Most mortgages are amortized. The borrower agrees to repay in equal monthly instalments, part of the principal together with the interest due on the amount still owing. In this way the loan is fully repaid at the end of the mortgage period. There has been an increasing tendency to lengthen the repayment period. As opposed to the five and ten year mortgages of a few years ago, 25-year amortization is now normal, 30 years is common, and, recently, federally-financed mortgages of 35 years were sanctioned by Parliament. Mortgage loans from both federal and private resources are also available for the construction of rental properties. Existing housing, however, can only be financed through non-government channels.

Under the present National Housing Act, aid for housing from the Federal Government was originally limited to little more than insurance of privately-financed NHA mortgages. In the last few years, though, the Act has undergone changes so that it is now much broader in scope. In recognition of the fact that housing needs are growing constantly wider and more complex, the statute now embraces public housing, housing for the elderly, urban renewal studies, redevelopment programmes, sewage-disposal systems - even dormitory accommodation for university students. Administration of the National Housing Act is carried out by Central Mortgage and Housing Corporation, a Crown company created by Parliament for the purpose.

In addition to insuring privately-financed mortgages, the Corporation also administers Treasury funds periodically appropriated by Parliament as a residual source of mortgage capital. These funds are available in the form of direct loans to borrowers unable to interest private lenders in their proposals.

For both borrower and lender, there are several advantages to a National Housing Act loan. The down-payment, or initial deposit, is usually smaller than in the case of a conventional mortgage. Where a conventional mortgage is limited to 66 per cent of the lending value of the property, an NHA mortgage may cover up to 95 per cent. The 5 per cent equity each borrower must provide from his own resources may comprise cash, land or labour or a combination of these elements.

The maximum rate of interest is set by the Government and is periodically adjusted to meet changing conditions in the capital and housing markets. Recently the rate was 6.75 per cent, but was reduced in 1961 to 6.5 per cent. Although these figures show substantial increases over the immediate postwar rate of 4.5 per cent, the rate on National Housing Act mortgages has always been less than that for conventional housing loans.

Another advantage to the borrower is the fact that mortgage funds are advanced only after inspection has ensured specific design and structural minima have been met in the construction of the building concerned. These standards are compiled by the Division of Building Research of the National Research Council.