

National Housing Act

for some immediate relief and a better distribution of the available stock among income groups and a better integration of public housing into the general community. We want to explore with the provinces the increased contribution these programs can make.

These are other low income people who need help—those whose incomes are above the practical limits for public housing but who still cannot obtain decent accommodation in the open market. Therefore, I am particularly pleased that the bill before us will enable limited-dividend companies and non-profit organizations to make an even greater contribution toward reasonably priced accommodation.

Although section 16 of the act has been operative for years and many worthwhile projects have been constructed by limited-dividend companies, the volume has never reached adequate proportions when measured against need. The same applies to section 16A, which authorizes loans to non-profit corporations. Over the years since the inception of this program these types of housing projects have received a preferential interest rate and greatly extended repayment period.

• (3:20 p.m.)

To provide further impetus the new measures contained in the bill will increase the loan level to 95 per cent of value from the present 90 per cent. It will also allow hostel and dormitory accommodation to be included in developments, irrespective of sponsorship. In fact, it widens eligibility for assistance to embrace sponsorship by any organization, corporation or individual.

I believe that these new arrangements will provide more low rental housing. In addition, it is an opportunity for private enterprise to add its full weight to our current endeavours. While the changes will have the effect of removing the 5 per cent limitation or restriction on potential profits, they will not affect the rentals charged because these are governed directly by contractual arrangements between the sponsor and C.M.H.C., as are the income limits for the tenants. It will be a requirement that these rents be substantially lower than those for comparable accommodation produced under normal lending arrangements.

One of the more significant features of Bill C-192 is the recommendation for a substantial increase in the assistance available for existing housing. Hon. members will appreciate that, even with easier home-ownership facilities now being made available for new hous-

ing, all Canadian families who aspire to home ownership will not be able to or may not even wish to realize their ambition in the new housing market.

Many of these families could satisfy their hopes through the purchase of lower priced dwellings in the existing stock. But mortgage financing for such homes is often difficult to obtain, especially in an amount which would allow the purchase with the modest down payment essential in the vast majority of cases.

At the present time many buyers have to resort to secondary financing, with the result that they are forced to make payments on first and second mortgages at the same time. Loans of up to \$10,000 for the purchase of existing housing were first authorized about three years ago. The program proved successful in many communities; but again, particularly in our major centres, it is obvious that larger first mortgages are needed. An amendment in Bill C-192 now provides for 95 per cent loans up to a maximum of \$18,000 and permits the full proceeds of the loans to be utilized for purchases and/or improvements. I wish to point out that home improvement is no longer a basic condition for the loan. I am firmly convinced that these changes have great implications for our housing program. They will be particularly effective in our largest centres where the need is most urgent.

Some of these changes will benefit public housing tenants. The incomes of some families living in public housing units have increased to the point where those families no longer need subsidy assistance. Until now it has been necessary for such families to seek other accommodation or pay higher rents based on their income and ability to pay. Some provinces have suggested that families be given the opportunity to buy the house in which they live and thus become home owners rather than public housing tenants.

This new loan level for existing housing of \$18,000 would be suitable for all public housing projects in Canada. Consequently, where the provinces and the federal government agree it will be possible to make mortgage arrangements to allow tenants to buy their units.

Although the present legislation would appear to be wide enough to allow NHA insured loans for condominium projects, the bill before us states clearly the authority for the support of this form of housing. This relatively new type of home ownership is growing rapidly in Canada. I think eight out of 10 provinces have passed appropriate legislation