

Act are available throughout Canada to the fullest extent, the Corporation is also authorized to make direct loans if joint loans are not available. Terms and conditions of direct loans are made on a joint basis.

Loans To Limited-Dividend Companies

Central Mortgage and Housing Corporation is also authorized to make direct loans to limited-dividend companies to assist in the construction of low-rental housing projects. Such loans may be for 90% of the lending value. The period of amortization extends 50 years, and the interest rate is 3%.

Slum Clearance Grants

The Act provides for slum clearance grants where land is sold to limited-dividend companies for the construction of a rental housing project. However, there is still a very great need for continuous occupancy of all available living accommodation. For this reason, no active steps have been taken to encourage slum clearance projects.

Loans to Primary Industries

If stable and permanent employment is to be provided in outlying areas where primary materials are produced, it is recognized that a fairly large proportion of married men must be employed. Married men can be attracted only if housing is available for themselves and their families.

Central Mortgage and Housing Corporation is therefore prepared to give every encouragement to the development of this type of housing in connection with on-site operations of primary producing companies.

Any incorporated company engaged in the mining, lumbering, logging or fishing industry may become a borrower. The maximum loan is 80% of the lending value; the rate of interest is 4%, calculated semi-annually. The term of amortization depends on the productive period of the area and the class of housing involved, but in any event may not be more than 15 years.

Loans for Farm Housing

The need for a higher standard of farm housing is not overlooked in the National Housing Act which provides for loans to assist in the construction of new houses on farms.

A procedure has been established for receiving and processing farm loan applications which are being considered from all sections of the country, except Saskatchewan and from owners of predominantly grain-growing farms in Manitoba and Alberta. Until the validity of the Saskatchewan Farm Security Act and its application to National Housing Act farm loans have been determined, no such farm loans will be made in that province. Similarly, until satisfactory arrangements can be concluded with each of the Prairie Provinces to permit the use of a flexible payment plan for repayment of loans by farmers operating farms primarily grain-growing in character, the Corporation is not willing to approve applications from this type of farm.

For the present at least, all farm loans under the National Housing Act will be direct loans by the Corporation.

The Act provides also for loans to farmers. Where there is no existing mortgage or other encumbrance on the farm, the amount of the loan is limited to either \$5,000, the cost of building the house or two-thirds of the appraised value of the farm, whichever is the least