

I was wondering if a large percentage of new home owners are building homes under that technique?

Mr. LEMMON: Again, I think Mr. Bates covered that in his brief. Up to a certain price bracket—I think he mentioned \$16,000 to \$17,000. A very high percentage of the houses, up to perhaps 90 per cent, are financed under the National Housing Act. Houses over that figure would be, I mean, entirely financed under the 60 per cent plan.

The Acting CHAIRMAN: Mr. Bates mentioned something about a home builder who would do a good deal of the work himself.

Mr. LEMMON: Even some of those are financed under the Housing Act. The price bracket is the more important break.

Senator ISNOR: I think Mr. Bates gave a figure of \$16,220. Mr. Lemmon, on page 5 you refer to the 60 per cent appraised value as being general.

Mr. LEMMON: That is specified by law.

Senator ISNOR: Prior to 1935, the year of the Dominion Housing Act, it was a higher rate, 70 per cent, was it not?

Mr. LEMMON: No. As far as the life companies are concerned the 60 per cent ratio has been in existence for many many years. I have been in the business for 30 years, and it goes back prior to that.

Senator ISNOR: You say that since the invasion of your field by the Central Mortgage and Housing Corporation under the provisions of the National Housing Act you have not felt obliged to increase that 60 per cent ratio?

Mr. LEMMON: The law has not permitted us to go beyond 60 per cent. The Insurance Companies Act and the Trust Companies Act and the Loan Companies Act limit us to 60 per cent of the appraised value. It is not our choice, it is the legal requirement.

Senator ISNOR: Would you care to give us your opinion, apart from the law, as to whether it would be advisable under present conditions to increase that 60 per cent ratio?

Mr. LEMMON: Mr. Chairman, I would not like to make a general statement on that. I think I would like to let it go at that. It is not a question that has been discussed among our member companies particularly at all. I would not like to make a general statement on that question.

Senator ISNOR: May I be permitted to change my question around a little, Mr. Chairman, and ask Mr. Lemmon the question is this way. Lending of course is your field. Would it increase your business if you were permitted to increase that percentage?

Mr. LEMMON: Would it increase our business if we were permitted? I think we are lending about all we can on mortgages at the present time.

Senator ISNOR: All you care to.

Mr. LEMMON: It is a matter of policy. All our companies think desirable. I will say this, that generally speaking the limits in the United States are 66 $\frac{2}{3}$ per cent, not 60 per cent, and in some states it is 70, and even as high as 75. So 60 per cent tends to be on the low side of practice on this continent.

Senator ISNOR: Now you are coming more to my way of thinking.

Then you feel that the United States is more generous in regard to mortgage lending than we are in Canada?

Mr. LEMMON: The legislative requirements in the United States are more generous than the legislative limitations in Canada.