

(c) Resettlement Projects.

- Similar to 6 (b) above but heavily subsidized.
 - Intended for the "poorest of the poor". Occupants will pay maximum C\$3.25 per month.
7. The subsidized projects of NHA are funded by an annual budget of C\$32,200 which is the only funding from the national treasury supplementing the mortgage money drawn from SSS, GSIS and HDMF.

NHMFC. National Home Mortgage Finance Corporation.

1. Is now the sole agency processing public sector mortgages.
2. All funds are drawn from GSIS, SSS, and HDMF and channelled to the public through private sector development banks who do the actual loan processing and charge NHMFC a service fee.
3. There is no counterpart funding from the Government other than the annual grant of C\$32,200 to NHA.

HIGC. Home Insurance and Guaranty Corporation. (It replaced the former HFC, Home Finance Corporation.)

1. It is capitalized from the national treasury.
2. HIGC's prime purpose is to encourage private developers to enter into low-cost housing projects by acting as guarantor for their bank loans.
3. If a developer defaults on a bank loan, the bank will call the HIGC guarantee for the entire outstanding principal plus interest at 8-1/2%. From the private bankers' standpoint, there are several advantages to an HIGC guarantee.
 - (a) In the event of a guarantee call, the 8-1/2% interest is tax free.
 - (b) The bank is exempted from the single borrower limit of 70% of the appraised value of the collateral property.
 - (c) The entire principal of the loan is considered non-risk and therefore does not affect the banks' reserve requirements.