is due. This is even more the case if indeed owner labour is to form part of the equity requirement, because much of the work undertaken by the owner is in the finishing stages. For this reason and because of the prospect that the construction period will be lengthy, lending institutions have been relucted to join in loans where a substantial part of the equity is to be owner labour.

Loans to co-operatives

Joint loans to co-operatives may be made under the Act. Housing co-operatives are of two general types, one, a co-operative which will build, own and manage a group of properties and, two, a co-operative building society where the co-operative aspects are limited to the building operation and the finished houses are owned outright by the individual members of the co-operative. In the case of the latter type, as each property is completed and conveyed to the individual, that property is released from the blanket mortgage and made subject to an individual joint loan. Frequently, co-operatives contemplate providing much of the required equity or down payment in the form of labour contributions by its members. This technique presents the same difficulties in group housing as it does in the case of loans to home owners.

Loans to builders

Joint loans are made to builders building houses for sale on very much the same basis as loans to home owners. The difference is that in the first instance the loan is made to the builder and subsequently, the mortgage debt is assumed by a purchaser. Another is that part of the proceeds of the loan are withheld by the lending institution until the builder completes a sale to a purchaser approved by the lending institution and the corporation.

Loans for rental housing

Under section 8 of the National Housing Act, joint loans may be made to builders of rental housing projects. The maximum loan is 80 per cent of the lending value of the project. Regulations for these loans prescribe certain limits of loan per unit based on the average size of the units, the type of construction and the extent to which services are provided.

Loans for defence workers

In the case of loans made to defence workers and builders building for sale to defence workers, the maximum loan is 90 per cent of the lending value. A builder must not sell a house before completion and may sell only to a defence worker during the two months following completion. The defence industry employing the home owner is required to make payroll deductions in respect of the mortgage payments. To date all loans to defence workers have been made directly by the corporation rather than jointly with lending institutions.

Pool guarantees

All joint loans are subject to a guarantee to the lending institution. Under the agreement with the lending institutions, the corporation, at the time a loan approval is issued, credits a pool guarantee fund with an amount fixed by the agreement. These credits are now a percentage of the lending institution's share of the loan and vary from 4·3 per cent to 15 per cent depending on the degree of risk.

Losses on joint loans are shared by the corporation and the lending institution in the same proportion as the shares of the corporation and the lending