

Government Orders

If it does not mean that, I would have to again ask the question that my friend across the way has asked, what specifically does it mean?

• (2140)

If there is now a province or municipality that is either lending money for mortgages or insuring mortgage loans I would like to know which ones they are.

Mr. MacKay: Mr. Chairman, the provinces under this provision would be acting as an agent for Canada Mortgage and Housing.

They have been acting, but not in the sense that they can do so independently. This gives them greater scope but it does not allow them to lend money, as my colleague suggests, but simply to act as an agent of Canada Mortgage and Housing.

Mr. Redway: Mr. Chairman, I take it then that this provision just delegates the authority to approve all the insurance provisions that CMHC has to the provincial government or municipal governments, as the case may be, that it only concerns the paperwork and the mortgage insurance fund stays with CMHC.

I take it this would only be for social housing or assisted housing projects and not to provide for a private market home ownership kind of mortgage loans insurance. Is that right?

Mr. MacKay: Mr. Chairman, my distinguished colleague has stated the situation as I understand it. That is correct.

Clause 24 agreed to.

On clause 25—*Aggregate maximum*

Mr. Ross Harvey (Edmonton East): Mr. Chairman, being somewhat fearful of rushing in where prudent angels may fear to tread I would nonetheless ask the minister about clause 25 and its new section 21 and clause 28 and its renewed section 21.5. What is meant by the phrase “the aggregate outstanding amount”, or in the case of clause 28 and section 21.5, “the aggregate outstanding principal amount”?

Does that mean at any given time the total of the original principal amounts issued or is there a running total based on the aggregate of the paid down principals at any given time?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Chairman, it is the aggregate. It is up to \$100 billion.

Mr. Harvey (Edmonton East): Mr. Chairman, to take a simplified example let us say I have a mortgage with an original principal of \$100,000 and after five years I paid that principal down to \$99,000.

For the purpose of the aggregate set out in the bill would the aggregate include the \$100,000 figure until such time as the loan is completely paid off or would it, after five years, be the \$99,000 figure and so on as it is paid down?

Mr. MacKay: Mr. Chairman, would my colleague run his question by me one more time?

Mr. Harvey (Edmonton East): Mr. Chairman, I am trying to find out what precisely is meant by the phrases the “aggregate outstanding amount” and the “aggregate outstanding principal”.

In a fevered attempt to explain this question let us again assume that the entire portfolio consisted of an initial principal of \$100,000 and that after five years, because of payments on that principal, that amount had been reduced to \$80,000.

For the purpose of these sections of the act would the aggregate outstanding amount still be the original \$100,000 after five years or would it have become the \$80,000 that in fact was the outstanding principal at that time? Which would be the total for the purposes of the act?

Mr. MacKay: Mr. Chairman, it would be \$80,000, it would be the lesser figure.

Clause 25 agreed to.

Clauses 26 to 35 inclusive agreed to

On Clause 36—

Mr. Joe Fontana (London East): Mr. Chairman, my comments would be on clauses 36, 37 and 38 as they relate to changes to the National Housing Act, sections 51(2)(b), 52 and 54. It talks about rehabilitation. My question relates very much to RRAP and ERP. In fact it calls for a maximum for loans forgiveness and contributions to be set by the Governor in Council rather than by regulations.

I know this is a simplified procedure, but I get rather nervous with respect to Order in Council as opposed to doing it by regulation because the regulations are transparent and up front. Everyone knows exactly what the rules of the game are as opposed to Orders in Council which are subject to a number of potentially different factors. I am wondering whether or not the minister might want to explain this.