



Bulletin

Vol. 27, No. 39

September 27, 1972

HOUSING DOWN-PAYMENTS LOWERED

Lower down-payments for home buyers, and other changes designed to provide increased National Housing Act financing for a variety of types of housing accommodation, were included among a series of amendments to National Housing Act regulations announced recently by Ron Basford, Minister of State for Urban Affairs.

The maximum mortgage loan for new, single-family homes has been increased to \$30,000 from \$25,000, and to 95 per cent of appraised value. These changes reduce down-payment requirements by as much as one third on the average NHA-financed house. In some instances, down-payments will be reduced by up to 70 per cent.

At the same time, regulation changes increase to 30 per cent from 27 per cent, the amount of income that can be used to cover mortgage payments and property taxes. In addition, in calculating income, the full earnings of both husband and wife may be taken into account.

"The number of two-income families has been increasing," said Mr. Basford. "And this is particularly true of younger Canadian families. We feel that both incomes should be given full recognition, reflecting the findings of the Royal Commission on the Status of Women."

Mr. Basford said that the need for large down-payments deterred many people from buying a home, even though the rents they were paying were, in many cases, equivalent to or larger than the amounts needed to carry a mortgage. Others live for long periods in rented accommodation in order to save enough for a down-payment.

"The effect of these new regulations is to greatly reduce the down-payment needed in the housing range where the majority of Canadians buy homes," said Mr. Basford. "In a very real way, they should help families in making the choice between using their housing dollars for rental accommodation or as an investment in their own homes."

GROWTH OF HOUSING BUDGET

Other regulation changes announced by Mr. Basford related to increases in NHA loan limits on co-operative, condominium and rental housing.

"These changes in the national housing loan regulations, which are effective immediately, give added support to the production of housing for both low and higher income groups," Mr. Basford said.

"In the past few years the federal budget for housing has grown dramatically from about \$300 million dollars a year to close to a billion dollars annually. At the same time we changed the whole emphasis of federal funding for housing. Now, over 80 per cent of the Central Mortgage and Housing Corporation housing budget is directed into accommodation for low-income people. In the ten-year period prior to 1968 an annual average of only 13.3 per cent was devoted to this social objective.

"We have also taken steps through proposed amendments to the National Housing Act, recently introduced in the House of Commons, to provide a number of new programs, including special aids to low-income families for home-ownership, grants and increased financing for rental housing sponsored by

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