

The CHAIRMAN: As to availability of mortgage money, that is a matter which has been before your agenda committee. As your agenda committee sees it there are three main problems that apply to housing to-day; standards and specifications and availability. Under loans to owners you are getting the present percentages which are now available.

Mr. THATCHER: That again brings up this very interesting part of the picture; is this present situation the result of the fact that the insurance companies are not willing to make more money available?

The CHAIRMAN: No. Availability of loan money; we are coming to that and we will have a full scale discussion on that later, but here again I would ask you to wait until we have disposed of the matter now before us.

Mr. HUNTER: There is one point I would like to bring up here and that is the question as to the size of the loan. I recognize that the purpose of the Act is not to build elaborate homes for wealthy people. They should use their own money for that purpose. But I wonder about the maximum size of a loan. It seems to me that you are handicapping people with large families because the type of house that you can build under the maximum loan here as a rule has not more than about 3 bedrooms and where you have families with a large number of children is there any provision for such a man to build a home increasing the size of it for a larger number of bedrooms to house a larger family?

The CHAIRMAN: Well, as I read the resenation and the Act, Mr. Hunter, so long as the owner is able to get his house contracted for under what the corporation indicates is the proper price, or so long as he has bought it from a builder, or so long as he is buying a home of that price, he can get up to that 80 per cent loan.

Mr. HUNTER: But the maximum loan is set forth on page 6, \$10,000 for single family dwellings, and that obviously limits the size of the house he can buy. In other words, why do we fix an arbitrary sum of \$10,000? I recognize it has to be fixed somewhere, but why do we fix it there rather than \$12,000, or something which would perhaps permit more bedrooms?

The WITNESS: Mr. Chairman, in the early days of the corporation the maximum loan on a single house was \$7,000. Between 1940 and 1948 costs had risen, and the Governor in Council brought down some new regulations under which the maximum loan was set at \$8,500. The last time the government looked at this matter they moved it up to \$10,000. At the time the arrangement for maximum agreed building price was introduced there was some misunderstanding that we would not make a loan upon a house if the price to which we agreed should be more than \$12,500. That is not the case. The present situation is that if a man builds a house with say 5 bedrooms and we agree that the maximum sale price is a good one at \$15,000, the \$10,000 loan is available to him. Now, Mr. Chairman, in answer to the direct question as to whether \$10,000 is a proper figure, all I can say is that that is the figure which was determined under the regulations by the government.

The CHAIRMAN: And any increase in that amount would be a matter of regulation?

The WITNESS: Any change in the maximum loan is a matter to be handled under the regulations; and, of course, is determined by the government and not by us.

The CHAIRMAN: Loans to co-operatives, on page 7.

Mr. MACNAUGHTON: I wonder if at this point if Mr. Mansur could tell us something about interest charges to co-operatives?