

Order Paper Questions

3. Under the procedures in force at the time this loan was approved, the Executive Committee of CMHC gave the final authorization for financing the project, with the commitment to the sponsor being issued by the Manager, Hamilton Office.

4. Solicitors for Mr. Morganti were not involved in the negotiations on the original loan application. Mr. John C. Pelech was involved in making submissions on behalf of Mr. Morganti with respect to the two loan increases.

5. CMHC makes advances on its direct loans jointly to its solicitors and the borrower, but details of mortgage transactions are considered to be privileged information between borrower and lender.

6. (a) A request for an increase on the loan was refused on June 10, 1976. (b) (i) and (ii) An increase of \$475,000 was approved on August 27, 1973, and a second increase of \$1,054,500 was approved on December 13, 1974. (iii) These increases were subject to the retention of sufficient funds at all times by CMHC to ensure the completion of the project, and the first mortgage to include the personal covenant of Mr. Morganti.

7. See answer to 3 above.

8. Yes, any liens or claims of which CMHC had knowledge were either satisfied at the time the advances were released by its solicitor, or the names of the lien holders or claimants were added as payees to the advance cheques.

9. (a) The solicitor who was acting on behalf of CMHC for the mortgage on York Place of Hamilton Inc. was Stanley F. Dudzic. (b) Mr. Dudzic has handled the mortgage documentation for seven other loans for CMHC, where the borrowers paid the legal fees. (c) CMHC has not made any claims on Mr. Dudzic. (d) CMHC is not aware of any work which Mr. Dudzic may have received from federal departments or agencies or from other Crown corporations.

10. Yes, see answer to 8 above.

11. CMHC is not aware of the York Place of Hamilton Inc. project being used as collateral for Main Place of Hamilton Limited.

12. CMHC's solicitor was authorized to make the advances on the loan, subject to his establishing that "... there are no claims having priority over our mortgage". The solicitor was, therefore, responsible for ensuring that each advance was a first charge.

13. No.

14. The current estimate of \$1.2 million, as the cost of completing York Place, is based on a report prepared by an engineering consultant retained by the Receiver appointed by the Supreme Court of Ontario.

15. The municipality carries a current assessed value on its assessment role of \$960,139 for York Place.

16. No.

17. When foreclosure action on York Place was begun, 70 per cent of the first tower was occupied, and it was not possible

[Mr. Ouellet.]

for tenants to occupy the second tower since it was still under construction.

18. Yes.

19. No.

20. Mr. Morganti's financial relationship with York Place is as a mortgagee and as a guarantor, and his legal relationship with York Place is as an officer of York Place of Hamilton Inc.

21. The Abstract of Title discloses that Mr. Morganti holds two mortgages on York Place, one of which was registered on May 2, 1973 in a principal amount of \$95,000 and the second registered on November 2, 1973 in a principal amount of \$160,000.

22. No.

YORK PLACE—HAMILTON INC.

Question No. 1,169—**Mr. Clarke:**

1. Was a mortgage(s) granted by York Place of Hamilton Inc., to Central Mortgage and Housing Corporation against a parcel of land of approximately 2.89 acres in the block bounded by York, Queen, Greig, Barton and Oxford Streets being municipally known as 151 Queen Street South, in the City of Hamilton, Ontario and, if so (a) what were the dates and amounts of all advances made under the mortgage(s) (b) what other payments were made by CMHC that constituted a charge against the property (c) as of August 12, 1976, what was the total amount of interest accrued and unpaid and how was this amount calculated (d) was an increase of (i) \$475,000 granted in the face value in 1973 (ii) \$1,054,500 granted in January, 1975 and, if so, in each case, for what reason (e) were previous applications for increases in the mortgage amount rejected and, if so, for what reason?

2. In what state of completion are the buildings located on the parcel of land described in Part 1?

3. What is the estimated cost of completing the building, appurtenances and amenities on the said parcel of land?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. Yes. (a) See answer to Question 812 answered this day. (b) CMHC paid \$37,338.86 on April 15, 1976 to the Corporation of the City of Hamilton for arrears of Realty Taxes. (c) To and including August 12, 1976, accrued and unpaid interest amounted to \$1,599,066. The interest has been calculated on the amount of each advance from the date of the advance to and including August 12, 1976, at 7½ per cent compounded semi-annually. (d) (i) Yes (ii) Yes; see answer Question 812 answered this day. (e) No.

2. As of November 4, 1976, Tower A was 100 per cent complete, and Tower B was approximately 88 per cent complete with the exception of certain amenities, underground parking and necessary repairs.

3. See answer to Question 812 answered this day.

SECRETARY OF STATE—USE OF PRIVATE EMPLOYMENT AGENCIES

Question No. 1,529—**Mr. McKenzie:**

1. Has the Department of the Secretary of State obtained (a) part-time (b) full-time employees from private employment agencies in (i) British Columbia