

- To provide access to mortgage funding for any wage earner who has enough income to commit 20% to 25% of his earnings to mortgage payments.

In establishing mortgage eligibility criteria, the target population has been stratified by income as follows: (Percentages in upper and lower groups are cumulative to 100%.)

- Lowest 30%; "The poorest of the poor." These people comprise 50% of the national housing need but cannot afford more than a token monthly payment of C\$3.25 and will have to receive subsidized housing.
- Upper 70%; in this group, housing loans are considered to be recoverable except for the bottom 20% which will have to be subsidized.

<u>INCOME GROUP</u>	<u>HOUSING COST</u>	<u>MORTGAGE CEILING</u>	<u>INTEREST RATE</u>
Lowest 20%	subsidized	C\$2900	9%
Middle 30%	at cost	C\$5800	12%
Highest 20%	at market	C\$9670	15%

To put matters in perspective for Canadian builders, within the context of the Philippine housing program, they are talking in terms of building costs far below anything imaginable in Canada. The selling prices of the four model homes open for display and sales at the NHA head office compound range from C\$6.00 per sq.ft. to C\$15.00 per sq.ft., (not including the lot).

Any Canadian builders seriously considering entry into this market should first adjust their thinking to housing in keeping with local needs and tastes and then determine if they can design a house that meets these cost criteria and mass-produce it at a profit in this environment.