

approved only if housing is available for themselves and their families.

Central Mortgage and Lending Corporation is authorized to give every encouragement to the development of this type of housing in connection with other operations of primary importance.

Any incorporated company engaged in the building, improving, leasing or selling of houses may receive a mortgage. The maximum loan is 80 per cent of the estimated value of the house, less the value of any other loans outstanding. The term of amortization depends on the productive period of the area and the class of housing involved, but in any event may not be more than 15 years.

Loans for Farm Housing

The Act provides also for loans to farmers. Where there is no existing mortgage or other encumbrance on the farm, the amount of the loan is limited to either \$2,000, the cost of building the house or two-thirds of the appraised value of the farm, whichever is the less amount, where there is already a mortgage or other encumbrance on the farm, the amount of the loan is limited to the least of the following: \$2,000, the appraised value of the farm, less the amount of the mortgage, and the amount necessary to pay all indebtedness on the farm or two-thirds of the appraised value of the farm.

In considering loans to finance the construction of a house on a farm already mortgaged, the Corporation must be satisfied that the existing mortgage was not obtained to finance the amount of the new loan.

Loans for farm housing bear interest at 4 per cent per annum, calculated semi-annually. They are repayable over a period of up to 20 years from the date of completion of the house.

Land Assembly

Because of the shortage of serviced land in almost every Canadian municipality, approved lending institutions are enabled under the National Housing Act, but only with the approval of Central Mortgage and Lending Corporation, to purchase land to be used for housing development and to have the necessary services installed.

The price of the land to the buyer of home-owner will be fixed to assure that the home-owner will receive full benefit of the economies effected by this method of land assembly.

Home Extension Loans

Home Extension Loans, for which provision is made under Part IV of the National Housing Act, are intended to assist home-owners to finance additional self-contained dwelling units in existing houses. They may be used by any chartered bank or approved financial institution, under a license with Central Mortgage and Lending Corporation.

January 12, 1952

W.A.