

# Canada Weekly

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## Federal assistance for new national housing programs

Details of regulations for new housing programs authorized by amendments to the National Housing Act were announced recently by William Teron, President of Central Mortgage and Housing Corporation (CMHC).

"CMHC offices throughout Canada are now prepared to implement locally all the new programs introduced through recent amendments to the NHA," Mr. Teron stated. "I am confident that these new facilities, together with existing programs, will give us the flexibility and range of aids needed to better meet the housing requirements of Canadians."

Under the Assisted Home-Ownership Program, which provides for direct loans by CMHC to help families with incomes ranging from \$6,000 to \$11,000 annually with one or more children become owners of new or existing housing, CMHC will adjust interest rates in accordance with income from its market rate of 9½ per cent down to its lowest lending rate of 8 per cent. CMHC may also make an annual contribution of up to \$300 to assist the family in meeting its monthly payments of principal, interest and municipal taxes.

The CMHC loan, which will be 95 per cent of lending value, will require a minimum down payment of 5 per cent that may be in the form of cash, land, labour, provincial grant or any combination of the four. The loan will be for a five-year renewable term with amortization over 35 years.

## Non-profit housing assistance

Mr. Teron explained that another new program — Non-Profit Housing Assistance — provides for loans of up to 100 per cent of lending value to non-profit organizations undertaking the building or acquisition of rental housing projects for low-income people such as the elderly and other disadvantaged groups whose housing choices in the market are extremely limited.

"Loans to these organizations, which are dedicated to the task of providing

housing help for others, will be amortized over periods of up to 50 years at CMHC's lowest interest rate of 8 per cent. A contribution of 10 per cent of the cost of a project may also be made by CMHC to be applied against the reduction of the loan and thus reduce rents," Mr. Teron stated.

"As additional aid to sponsors of non-profit housing, CMHC may provide start-up funds of up to \$10,000 to be used to ensure that a group is able to reach the point of a properly prepared loan application. The grant money can be used to meet a variety of expenditures other than actual construction or acquisition costs."

## Neighbourhood improvement

Turning to new aid for municipalities in improving the physical environment and developing new social and recreational amenities in deteriorating neighbourhoods where most of the housing is occupied by low to moderate income groups, Mr. Teron said the new Neighbourhood Improvement Program was expected to become very active.

"This program offers a broad range of contributions and loans to municipalities to support their efforts in ensuring that existing neighbourhoods are healthful and satisfying living places," the CMHC president said.

"The program requires an agreement between CMHC and the government of a province to bring it into operation. The province will designate the municipalities to participate and the municipalities will identify the actual neighbourhoods. Residents of the neighbourhood must be involved in any neighbourhood program receiving CMHC assistance."

CMHC may contribute 50 per cent of the municipality's cost of selection of the neighbourhood and development of improvement plans, land acquisitions, construction of new or improvements to existing social and recreational facilities, development of occupancy and building maintenance standards, relocation of any persons dispossessed of