



Bulletin

Vol. 24, No. 20

May 14, 1969

NATIONAL HOUSING ACT AMENDED

Changes in the National Housing Act were proposed by Prime Minister Pierre Elliott Trudeau during a debate on housing in the House of Commons on April 25. Part of Mr. Trudeau's remarks follow:

...Since receiving the task force report we have covered a lot of ground. The examination of the substance of the proposed amendments to the National Housing Act was virtually completed by the beginning of this month and since then the actual drafting of the amendments has been completed by the Department of Justice. The Government will introduce these amendments into the House in the very near future. Indeed, Mr. Speaker, I believe that these amendments will be ready for placing on the order paper at the beginning of next week.

The amendments which will be offered at that time will, of course, deal with those matters which are essentially under federal jurisdiction.

Among the amendments will be:

- Provisions to increase the flow of mortgage funds from private lenders.
- Provisions to permit loan value ratios and limits to be established from time to time by the Governor in Council.
- Provisions to extend the maximum amortization from 35 to 40 years.
- Provisions to extend to existing housing generally the same terms as apply to new construction, except that the maximum loan on existing housing would be \$18,000.
- Provisions to amend the national housing loan regulations to establish the maximum loans for home ownership or rental at \$25,000 and, for loans on existing housing at \$18,000.

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- Provisions to approve a form of mortgage with a five year roll-over, but with monthly payments calculated on an amortization of at least 25 years.
- Provisions to reduce the rate of mortgage insurance fees by 50 per cent.
- There will also be measures to increase the activity of limited dividend housing companies and non-profit housing companies in meeting the needs of low income families and elderly citizens. It is proposed to amend the present provisions of the Act, (a) to increase the loan levels on projects constructed by such organizations from the present 90 per cent of value to 95 per cent of value; and (b) to permit limited dividend companies to construct projects in hostel or dormitory form as well as the self-contained accommodation to which the present provisions of the Act restrict them.

CONSULTATION WITH PROVINCES

Legislation on other important housing questions requires further consultation with the provinces. This introduces another aspect of housing policy which is every bit as important as the details of the amendments to the National Housing Act, that is, the way in which the Federal Government deals with the provinces and municipalities in housing