

Improved assistance for new housing

Jean-Robert Gauthier, Parliamentary Secretary to Urban Affairs Minister Barney Danson, has announced that Order-in-Council approval has been given for changes in the rules that govern the amount of assistance available under several federal housing programs, including the Assisted Home-Ownership Program, the Residential Rehabilitation Assistance Program and the Assisted Rental Program.

The new regulations complement amendments made to the National Housing Act in December, when Parliament approved the new Federal Housing Action Program.

Details of the changes are as follows:

Assisted Home-Ownership Program – Assistance under this program is now available to any household of two or more persons buying a new house priced within AHOP limits. Previously, AHOP was limited to families with one or more dependent children whose family incomes did not exceed a maximum set by Central Mortgage and Housing Corporation (CMHC).

Financial support

Two types of financial support are available under the revised program. All purchasers, regardless of income, are eligible for a loan advanced over a five-year period. Its amount in the first year is sufficient to bridge the gap between an interest-rate of 8 per cent and the rate of interest charged to the borrower on the first mortgage. The advances diminish gradually during the five-year period. This loan replaces the interest-reducing grant available under the old AHOP regulations, and is secured by a second mortgage. It is interest-free for the first five years and repayable with interest after that time or when the house is sold or refinanced.

Persons with children who need additional help to keep their monthly payments under 25 per cent of their income may be eligible as well for a subsidy of up to \$750 annually in the form of a non-repayable grant.

Assisted Rental Program – Changes in the rules governing this program will permit CMHC to make loans to the builders of modest rental accommoda-

tion to bridge the gap between market rents and the annual costs of operating new rental projects financed at current mortgage-interest rates.

Under the old regulations, CMHC could make an outright grant of up to \$900 a unit to builders in return for an agreement to control rental-rates.

Unit assistance up

The new rules increase the maximum unit assistance to \$1,200 in the first year of a period of ten years during which successive annual loans are made in regularly diminishing amounts. The loans are interest-free during this period, but are subject to interest at the end of the disbursement period. Repayment by instalments begins one year after the end of the disbursement period.

Residential Rehabilitation Assistance Program – The maximum amount of money a home-owner may borrow from CMHC to rehabilitate a house is, increased from \$5,000 to \$10,000 under the new RRAP regulations. The maximum amount of a grant in the form of loan-forgiveness is increased from \$2,500 to \$3,750. This grant portion of an RRAP loan is determined by various factors, including the size of the loan and the borrower's income.

The maximum amount that may be borrowed to rehabilitate hostel- or dormitory-type accommodations remains the same at \$1,000 for each bed in the building.

RRAP funds are intended primarily for persons of moderate income who want to extend the useful lives of their houses. The program is not universal but is closely associated with the Neighbourhood Improvement Program, which is helping many municipalities preserve and improve older urban neighbourhoods that are in danger of decay or destruction. RRAP is available also in other specially-designated areas and for housing operated by non-profit companies.

For the first time, CMHC will be able to make moderate-priced housing developments more attractive to municipalities by providing a \$1,000-a-unit grant to cities and towns that approve medium-density housing within AHOP and Assisted Rental Program price-limits. The regulations define medium-density housing as not more than 45 units an acre and not fewer than ten.

Canada/Finland nuclear pact

On March 5, Canada and Finland signed in Helsinki an agreement concerning safeguards on nuclear material, equipment, facilities and information transferred between the two countries. At present nuclear trade between Canada and Finland consists largely of the sale of Canadian uranium to Finland, which is developing an important nuclear-power-generating program.

Both Canada and Finland are parties to the nuclear non-proliferation treaty and have placed their entire nuclear power programs under the safeguards regime of the International Atomic Energy Agency.

The present agreement is intended to satisfy the national safeguards policies of both countries on a bilateral basis, in support of their commitments under the non-proliferation treaty.

Both governments see the pact as a positive step in the promotion and expansion of nuclear co-operation for peaceful purposes between the two countries, and as a useful example of international understanding in this field.

Main items of agreement

The salient elements of the agreement are:

Transferred items shall be retransferred to third states only with the consent of the supplying party.

Nuclear materials covered by the agreement shall be enriched or reprocessed only with the consent of both parties.

Materials covered by the agreement shall not be used for any nuclear-explosive device.

If international safeguards under the non-proliferation treaty should for any reason cease to be applied in either country, standby safeguards mechanisms shall be implemented.

Both parties shall take such measures as are necessary, and satisfy the recommendations and requirements of the International Atomic Energy Agency, to ensure the physical protection of nuclear material covered by the agreement.

Both parties shall consult annually, or at any time at the request of either party, with the possible participation of the International Atomic Energy