

Government Orders

The corporation is responsible for promoting the construction of new homes, the repair and renovation of existing ones, and improving the level of housing conditions in general across our country.

Canada Mortgage and Housing is a leader in the development of new financial mechanisms to stimulate the private housing market. It also is at the forefront in providing social housing programs for Canadians most in need and it is the prime source of housing expertise right across the board.

The Canada Mortgage and Housing Corporation Act and National Housing Act contain the legislative authority for Canada Mortgage and Housing to carry out its mandate of helping to house Canadians, a mandate which everyone involved with the corporation takes very seriously indeed.

We recognize the importance of being able to change with the times and to ensure that we will be able to carry out our mandate effectively in the future. That is why the House is being asked to consider very seriously the amendments contained in Bill C-82.

These amendments introduce new financial and administrative measures designed to improve the efficiency of CMHC's business operations. The corporation will be able to operate more effectively by improving over-all cost-effectiveness, administration and the delivery of federal housing programs, and some of the main provisions of this legislation are as follows.

This bill will allow Canada Mortgage and Housing to assume more direct responsibility and accountability for its financial affairs. It will do this by enabling CMHC to obtain funding from and invest in the capital market.

The bill contains a provision to allow CMHC to directly finance social housing projects at lower interest rates. CMHC will look to the lending community as a source of funding to allow for the direct financing of social housing. This, we feel, could save more than \$150 million in social housing costs over the next five years. By so doing it becomes evident these savings can be utilized for the benefit of the Canadian housing sector.

The Mortgage-Backed Securities program is often used when renewing assisted housing mortgages to obtain lower interest rates. Direct financing is another financial mechanism and the advantages of the various options included therein will be compared and perhaps levered in order to achieve the best possible rates which again will be of great benefit. The direct financing

provision will require Order in Council approval, needless to say, before it comes into force.

Another significant amendment involves requiring owners of assisted housing projects to accept as a condition of assistance that they will not sell their projects without CMHC approval. This provision is needed to help ensure that where CMHC agrees to provide assistance, the assisted housing remains as a societal asset which cannot be sold or converted for some other purpose without prior approval.

The existing legislation does not provide this support and it is possible for some assisted housing projects to be sold or taken out of the social housing portfolio if sponsors wish to take advantage of market appreciation. This is, of course, contrary to the federal government's goal of maintaining assisted housing for social housing clients over the long term.

The proposed amendment would clearly establish the government's intent to preserve this stock of existing housing. It will reinforce clauses in project operating agreements to ensure that owners maintain the social purpose of the housing for the life of their agreement with Canada Mortgage and Housing.

• (1950)

This bill also contains provisions which would allow CMHC, depending on its future business needs, to consider the option of delegating some of its mortgage insurance responsibilities to selected approved lenders, provided that appropriate arrangements are in place for Canada Mortgage and Housing to monitor and control these delegated functions.

The amendments proposed also allow Canada Mortgage and Housing to supply housing-related property management and developmental services to federal government departments and agencies. It allows CMHC to supply services to support federal-provincial housing arrangements in a cost-effective manner. The proposed amendment makes it clear that CMHC may—it has the possibility, it is an enabling provision—charge fees for these services.

It is obvious to the House that Canada Mortgage and Housing has a contribution to make across the board to other government agencies as well in matters relating to housing. Probably these enlarged powers would have come in very handy in the case of Summerside when all resources were being focused in an effort to find a solution for that problem.