

National Housing Act are made to builders in the first instance and then transferred to individuals.

Senator SMITH (*Queens-Shelburne*): On page 6 of your brief you mention that in some instances loans are made for home improvement without security of any kind. Do you do that to any great extent?

Mr. FRIESEN: The major portion by far I would say.

The ACTING CHAIRMAN: That would probably be due to the fact that the borrower is known to the bank and perhaps has been doing business with the bank for a number of years.

Mr. FRIESEN: Yes, for the most part they are people who have already established a credit rating or are known to the bank manager.

The ACTING CHAIRMAN: Whereas the young fellow looking for an N.H.A. loan is perhaps not so well known.

Mr. FRIESEN: Providing always that the plan of renovation is sensible, I would say that the turndowns are very, very minute indeed. I have no figures with me as to that. It is fair to say that the branch managers are willing to say yes more than no in matters of that kind.

Senator SMITH (*Queens-Shelburne*): One day when Mr. Bates was here testifying he stated that they might consider lending money for the construction of an unfinished house, that is to say a second bedroom will be left unfinished at the time the house is built, or perhaps the second storey will be entirely left unfinished. In a case like that what would be the policy of your association with regard to lending money under the home improvement loan legislation to a young man who started to build a house under that provision?

Mr. FRIESEN: You are speaking now of a house that has just been finished under N.H.A.?

Senator SMITH (*Queens-Shelburne*): I am speaking of a house that has been lived in for a few years. Do your banks have any policy that would deny him the opportunity to borrow additional money to improve his home by finishing the bedroom that was left unfinished at the time of its construction?

Mr. FRIESEN: I would say that that is something that would be considered in each individual case, and would depend on how he met his payments on the original N.H.A. contract and things like that.

Senator SMITH (*Queens-Shelburne*): But you do not have any policy that would deny him incurring a loan for that purpose, it is just a matter of risk as far as you are concerned?

Mr. FRIESEN: Yes.

Senator ISNOR: From what you said this morning in your brief I would judge it will be 1971 or 1972 before the loans are paid off?

Mr. FRIESEN: After 15 years, which would be fifteen after four years ago, and on the first mortgages it would be 1969.

Senator ISNOR: Taking 1955 as your big year?

Mr. FRIESEN: That is right.

Senator CRERAR: I note from your brief that in the four-year period, it is practically four years or a little bit more since this device by the banks was entered upon and in that interval you loaned about \$900 million. My first question is, has that affected in any way your ability to make loans to ordinary commercial businesses?

Mr. FRIESEN: Perhaps I might borrow Mr. Lemmon's words and say you cannot use the money twice. If you use it in one place it must of necessity not be available in some other place.