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& the National Housing Act

Central Mortgage and Housing Corporation
Société centrale d'hypothèques et de logement

Designer/Présentation
Phyllis Lee CMHC/SCHL

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An NHA-financed home for senior citizens in Vancouver, B.C.
Architects: Birmingham and Wood

Foyer pour personnes âgées, financé aux termes de la LNH,
à Vancouver, C-B.
Architectes: Birmingham and Wood

Canada Mortgage and Housing Corporation
Société canadienne d'hypothèques et de logement

Central Mortgage and Housing Corporation and the National Housing Act

Canadian Housing Information Centre
Centre canadien de documentation sur l'habitation

The National Housing Act is "an Act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions."

It is the *principal* piece of federal legislation dealing with housing and urban development. Under its provisions, the federal government has aided in the production of more than 50% of Canada's new housing in recent years — much of it social housing, much of it housing that might not otherwise have been built.

This involvement is the result of a policy which has evolved over half a century through successive housing legislation. At its core is the principle that the federal government may act to stimulate and support housing, while not assuming direct responsibilities which are constitutionally allocated to other levels of government or which can be borne by private enterprise.

Nevertheless, the National Housing Act has come to play a vital role in Canada's housing growth, and in our social and economic development generally.

Evolution of Housing Legislation

Although there was some federal involvement in housing during World War I, the first legislation on the subject was the Dominion Housing Act, passed at the height of

the Depression in 1935. The first National Housing Act came three years later, in 1938. Replacing the DHA, it carried similar provisions, permitting the federal government to make joint loans with lending institutions or local authorities for house building on a 25/75% basis.

Another piece of pre-war housing legislation was the Home Improvement Loans Guarantee Act of 1937, guaranteeing bank loans made to finance the improvement of existing housing.

Parliament appropriated $80 million for housing under these three pieces of legislation, helping finance the construction of some 26,000 units and the rehabilitation of over 100,000.

The National Housing Act of 1944 continued the joint lending technique, although the loan ratios were changed and mortgage terms set out in greater detail. This Act also began to deal with more specific problems. Direct federal loans were made to limited-dividend companies to assist in the development of low-rental housing. Provision was made for direct federal grants of 50% of the cost to municipalities for slum clearance; for joint loans to aid rural housing; and for investigations into experimental house construction. Later amendments authorized direct loans to home owners, and Federal-Provincial cooperation in housing and land assembly. The 1944 Act remained in effect until 1954.

Central Mortgage and Housing Corporation

In 1945, the Central Mortgage and Housing Corporation Act was passed.

CMHC is the Crown agency charged with carrying out federal housing legislation. It is responsible to the government through the Minister of State for Urban Affairs, and reports to Parliament through the Minister.

The Corporation consists of "the Minister and those persons who from time to time comprise the Board of Directors." The Board, which meets at least four times a year to determine general policy, consists of the President, a Vice-President, and eight other members. Three of these directors are appointed from the public service by the government; the other five are named from outside the public service by the Minister, with Cabinet approval.

The chief executive officer of the Corporation is the President, and he is assisted by: three Vice-Presidents — Development, Programs, Administration and Finance; three Chairmen — Intergovernmental Secretariat, Demonstration Projects, Policy and Research Co-ordination; and a General Counsel.

Recent reorganizational changes in the structure of the Corporation have resulted in the decentralization of more responsibility and resources to the field offices. The field offices are now in a better position to identify the needs of their local areas and have more authority in delivering programs. Head Office focuses on developing national policies and providing program and administrative guidelines for the field.

Operations of the Corporation in the field are carried out through five regional offices which coordinate and supervise the activities of a network of branch and loans offices within their areas. These offices are as diverse as the areas they serve — from Toronto, where 152 employees deal with the complex situation in that metropolis, to the Prince George Office, whose staff of 19 administers the National Housing Act in an area covering all of northern British Columbia and the Yukon.

As a proprietary corporation, CMHC is required to submit its annual capital budget to the Minister for presentation to Parliament. The Minister is authorized to advance money to the Corporation out of the Consolidated Revenue Fund for purposes specified in the National Housing Act and the CMHC Act. It is from these advances that the Corporation makes direct loans. In turn, it gives the Minister debentures undertaking to repay such advances with interest.

The Corporation's income is derived from interest earned on direct loans and on agreements for sale and mortgages, as well as from property rentals, application fees for insured loans, fees earned for services to government agencies and profits from real estate sales.

Operating expenses include the maintenance of rental properties; administration, including salaries and office upkeep; real estate depreciation; and interest on money borrowed from the government.

The Corporation turns all its profits over to the federal treasury. It also is required to pay income tax, and must make provision for this before payment of profits to the treasury.

CMHC is obliged to present the Minister with an Annual Report at the end of its fiscal year (the calendar year). This includes a complete report of its operations and a financial statement which must be approved by two auditors.

In general, Central Mortgage and Housing Corporation is required to comply with any directions given it by the Minister and the government respecting the exercise of its powers, duties, and functions, under the National Housing Act.

The National Housing Act

The present National Housing Act was introduced in 1954. It substituted a system of loan insurance for the earlier joint-loan technique, and increased loan levels. Other provisions were continued, and in many cases they have been broadened by subsequent amendments.

In 1956, legislation was passed permitting NHA assistance for urban renewal studies and wider use of land after slum clearance. In 1960 the Act was amended to authorize low-interest loans for university housing projects and municipal sewage treatment projects.

Extensive amendments were introduced in 1964. Slum clearance was expanded to take in virtually all aspects of urban renewal. This included 50% grants for the preparation and implementation of projects, whether they had a housing connotation or not. A new public housing technique permitted low-interest loans to provinces, municipalities or their agencies for low-income housing. Similar loans were made available

to non-profit companies, to provide housing for families or individuals unable to find suitable accommodation at rents they could afford.

Amendments introduced in 1966 authorized loans on existing housing, and broadened the university housing provisions to include residences for most other types of educational institutions as well.

The scope of the National Housing Act was considerably widened and a definite change in emphasis resulted from amendments approved by Parliament in June 1973. The legislation represented not only an attack on housing problems, but was also part of the government's response to the need for a plan for the development of urban life in Canada for the remainder of this century. The legislation provided assistance for the planning and creation of new communities; public acquisition of residential land as part of an inter-governmental attack on rising land prices and as an instrument to be used for the orderly development of cities and communities; for low-income families to enable them to buy their own homes rather than occupy public housing or other forms of subsidized rental housing; for cooperative housing corporations to encourage development of this kind of tenure in an effort to offer a wider range of choice, especially to low and moderate-income families, in the kind of housing they can occupy; for neighborhood improvement programs; for residential rehabilitation; for Indians living on Reserves.

The legislation also provided for increased assistance to voluntary groups such as church groups and service clubs who wish to provide housing for low-income persons, particularly the elderly, and other disadvantaged people; and new measures to

encourage research and development in housing and community planning. In addition, the NHA permits payments to be made from the Mortgage Insurance Fund to the purchaser of a house financed with an NHA instalment loan in the event that his builder goes bankrupt or insolvent prior to the completion of his unit. These funds, which are over and above the approved loan, would enable the purchaser to complete his house.

These are only a few of the amendments and changes in regulations made over the years. As a result, the National Housing Act is a comprehensive document which enables CMHC to respond effectively to Canada's changing housing needs.

Insured Loans

Federal assistance for home-ownership housing and rental projects built by private entrepreneurs is provided for the most part through a system of mortgage insurance introduced in 1954. Under this arrangement, loans are advanced wholly by private approved lenders authorized by the government to lend under the Act. The guarantee on their investment is provided by CMHC through the operation of a Mortgage Insurance Fund built up from fees paid by NHA borrowers.

Most life insurance companies and trust and loan companies as well as the chartered banks and Quebec savings banks, are lenders under the Act — about 160 in all.

Mortgage loans insurance makes it possible for an approved lender to invest on a long-term basis in residential real estate without risk or loss in the event of default in payment. When a default does occur, the lender on acquiring the mortgaged property

may transfer it to the Corporation, which pays for it out of the Fund. In fact, under the general conditions of prosperity since the war, the rate of defaults has been very low.

Insured mortgage loans are normally available to individual home-owner applicants, to builders constructing houses for sale or for rent and to some special groups such as cooperative housing associations. Loans are also available for existing housing which the purchaser intends to occupy. As the loans must be made in accordance with terms set out in the Act, borrowers can usually obtain a longer repayment period and a lower rate of interest than is available in the conventional lending field.

The ratio of loan to lending value and the period of repayment are prescribed in the Act, while maximum loan amounts and other administrative arrangements are embodied in the National Housing Loan Regulations, which are established by the government.

The interest rate for loans made by approved lenders is by agreement between the borrower and the lender, and may vary among lenders and according to locality and other conditions. Loans are usually for a period of 25 years, but the term may vary up to a period of 40 years under certain circumstances.

In some instances, the mortgage payments and interest rate are consistent for the entire life of the mortgage, but it is now permissible to set the rate for terms as short as five years. In this case, the lender and borrower must renegotiate the interest rate at the end of every term for the subsequent period.

Apart from these basic requirements, the conditions for insured mortgages under the NHA vary with the type of loan.

Loans for New Homes

At the present time, insured loans may be made to the owners of new homes for up to 95% of the lending value, to a maximum of $30,000. (In all cases, the lending value is established by CMHC, and may vary from the actual market price.) For any recent changes in these figures and further details, see the CMHC pamphlet, "Loans for New Homes".

Loans for Existing Housing

Loans to aid in the purchase or purchase and improvement of existing houses are also made under NHA regulations. For a single unit, 95% of the lending value may be borrowed. Comparable loans are available for a duplex or both units of a semi-detached dwelling, for the improvement of a property already owned or for refinancing a property. The principal purpose of this assistance is to provide greater opportunity for people to own and improve their own homes. Further information is contained in the CMHC pamphlet, "Loans for Existing Housing".

Loans for Rental Housing

Loans from approved lenders are made for the construction of rental houses, apartments, hostels and dormitories, in amounts of up to 90% of the lending value, subject to maximums per unit which vary with the type of housing. As for new and existing

home-ownership housing, the repayment period is 25 to 40 years. The CMHC booklet, "Insured Loans for Rental Housing" gives complete information on this type of loan.

Home Improvement Loans

Loans are also made to assist in financing the improvement of existing homes and apartments. CMHC is authorized under the NHA to give a limited guarantee to banks or approved instalment credit agencies, in return for an insurance fee paid by the borrower, on loans made for additions, repairs and alterations. The loan may not exceed $4,000 for a one-family dwelling, or for the first unit of a duplex, semi-detached or multiple-family dwelling, plus $1,500 for each additional existing unit. Further information is contained in the CMHC pamphlet "Home Improvement Loans".

General

To ensure that the housing it supports is a sound investment, the Act also requires CMHC to determine lending values of properties, to prescribe construction standards and to perform compliance inspections during the construction.

Standards are developed by a committee composed of representatives from CMHC, government and private industry, and the requirements are set out in the Canadian Code for Residential Construction, which forms part of the National Building Code. Inspection is carried out at least three times by local inspectors at fixed stages during construction. Although, as mentioned, the basic reason for standards and inspection is to ensure that the building is a good mortgage risk, there is a general beneficial effect on the quality of housing as a result.

Mortgage repayment is amortized for the life of the loan — arranged in equal monthly instalments which include payment of interest and loan principal and an amount equal to one-twelfth of the estimated annual municipal taxes. As a general rule, the total annual payments on principal, interest, and taxes should not exceed 30% of the annual income of the borrower, including a portion or all of the spouse's income. Cases involving a higher gross debt service ratio, as it is called, are considered on their merits by the approved lender concerned and CMHC.

The home-owner applicant or home purchaser must provide at least 5% of the lending value towards the purchase from his own resources. This equity may be in the form of cash, land or labor or a combination of these. Any amount required above the 5% minimum may be borrowed, and such funds are usually raised as a second mortgage.

For all insured loans a fee is paid by the borrower towards the Mortgage Insurance Fund, which enables CMHC to provide the insurance. In the case of home-ownership loans, this amount is equal to 1% of the loan if loan advances are required during construction, or ⅞ of 1% if the loan is made as a lump sum on completion. For rental housing, the fee is 1¼ % and 1⅛ % respectively.

Direct CMHC Assistance

In addition to serving as an insurer for loans made by approved lenders, CMHC is authorized under the National Housing Act to make direct loans on new and existing units for home ownership and for new rental housing where assistance is not available from the approved lenders.

Money for this purpose must come out of funds advanced by the government with parliamentary approval. Since most of this goes to meet the more pressing requirements of social housing, the amount available for home ownership is necessarily limited. As a result, CMHC encourages activity through the approved lenders as much as possible and acts in this field as a residual lender. Direct loans from CMHC are usually only available in small towns, rural areas, and in the remote parts of Canada not normally serviced by approved lenders.

Direct loans are made on virtually the same terms and conditions as those made by the approved lenders. The interest rate is determined by CMHC and information on current rates can be obtained from any Corporation office.

Through its loan insurance and direct loan provisions, CMHC has made a strong impact on Canadian housing. Since 1954, 45% of the almost three million units built have benefited from NHA financing either through direct CMHC lending or lending by approved lenders. Even in the case of "conventional", non-NHA financing, many mortgage practices now considered commonplace — such as blended equal monthly amortization payments and long-term loans — were introduced earlier through the National Housing Act.

Further, by setting building standards and carrying out inspections, CMHC has been able to influence the quality as well as the quantity of housing. All this has provided Canada with an adequate output of private housing.

However, where once this would have been considered satisfactory in itself, today it is only a starting point. Rapid urban growth and an awareness of the need for more

equitable economic conditions have resulted in a shift in emphasis toward social housing. It is here, through the provisions of the National Housing Act, that much of the effort of the federal government and CMHC is now concentrated.

Assisted Home-Ownership Program

The Assisted Home-Ownership Program is designed to help low-income families with one or more dependent children to finance the purchase or construction of a new home by keeping the monthly repayments at a level that does not exceed 25% of the family's gross income. The amount of assistance available under the program is related to family income and can be given in three ways: by reducing the interest rate on the mortgage, extending the time over which the mortgage is repaid, and by a grant from the federal government to help with the monthly payments. The CMHC pamphlet "Assisted Home-Ownership Program" contains more detailed information.

Low-Rental Housing Assistance

With government approval, CMHC may make a loan to any organization, corporation or individual wishing to undertake a low-rental project through either new construction or the purchase and improvement of existing buildings. This loan is available in a high ratio to the lending value (up to 100% in the case of certain types of non-profit organizations), at a preferred interest rate and for long terms, all of which lead to reduced rentals. In some cases "start-up" funds and a 10% contribution toward capital costs are also available.

Accommodation provided under these arrangements is intended to serve families and individuals of limited means, particularly the elderly, and other special groups such as the mentally retarded, the emotionally and physically handicapped, parolees, young persons released from the custody of the courts and foster children. In addition to self-contained dwellings, developments may consist of dormitory or hostel accommodation. Projects designed specifically for elderly persons may provide limited personal and nursing care. Loans to meet the housing needs of other special groups will also be considered. Full details can be found in the CMHC pamphlet, "Low-Rental Housing Assistance".

Cooperative Housing Assistance

While assistance to cooperatives has been available in the past from CMHC, they have not benefited from a single and concise section in the National Housing Act outlining the programs available to them. A separate section of the Act has been created to encourage to the maximum possible extent the development of cooperative housing as yet another way people can look after their shelter needs.

The two most important provisions of benefit to cooperatives are: they are now eligible for NHA loans for both the purchase and rehabilitation of existing housing (formerly loans were for new construction only); housing cooperatives may now qualify as non-profit corporations and receive the special assistance (100% loans, start-up funds) available to non-profit corporations.

Neighborhood Improvement Program

This program offers a wide range of federal government contributions and loans through CMHC to assist in the improvement of living conditions in seriously deteriorated neighborhoods. The program deals not just with housing but with the whole neighborhood.

Federal contributions are available for up to 50% of the cost of such things as choosing the areas and formulating plans; acquiring and clearing land for open spaces, community facilities and moderate and low-income housing; and for constructing or acquiring and improving recreational and social facilities. Further contributions may be made for up to 25% of the cost of improving utility services, clearing land which is being used for purposes not consistent with the neighborhood, and clearing isolated pockets of seriously deteriorated housing.

Low-interest loans are available to municipalities to cover 75% of the net cost of improvements, after deducting the amount of the grants, and to commercial enterprises for the improvement of their properties.

As the success of the Neighborhood Improvement Program can only be assessed in terms of the benefits accruing to the residents, the involvement of the residents in the process of planning and implementation is mandatory.

Residential Rehabilitation Assistance Program

Generally, this program is used in conjunction with the Neighborhood Improvement

Program. Its purpose is to assist in the improvement and repair of substandard dwellings in order to bring them up to the minimum standards of health and safety. Priority is given to the repair of the housing structure itself and the upgrading of the plumbing, electrical and heating systems. It is intended that the nature and quality of repair work should ensure a further useful life of the property of about 15 years.

Loans and grants under this program are available to home-owners earning $11,000 a year or less, to landlords who agree to rent controls, and to non-profit corporations and cooperatives. Assistance will be in the form of loans of up to $5,000 per dwelling unit, at a beneficial interest rate, of which repayment of up to a maximum of $2,500 may be forgiven if the housing continues to be occupied and maintained by the applicant or, in the case of a landlord, if he agrees to rent controls. The actual amount of the loan is dependent upon the amount of work to be done and the applicant's income.

Land Assembly Assistance

To increase the supply of reasonably priced building lots and enable local governments to participate more effectively in planning their growth, federal funds are available to aid in the acquisition and servicing of land for housing or for any purpose incidental to it. Again, this can be undertaken through either of two provisions in the National Housing Act.

Under Section 42, loans may be made at preferential interest rates to provinces, municipalities and their agencies. These cover up to 90% of the cost, repayable over 15 years or when the land is sold or used. Lots developed under this program may

be made available to home owners, builders constructing housing for sale or rent, sponsors of housing to be built under condominium or cooperative arrangements or may be used for NHA-assisted housing projects.

As an alternative, residential land development may also be undertaken by Federal-Provincial partnerships under Section 40 of the NHA. Under these provisions, costs, profits and losses are shared on a 75%-25% basis.

New Communities

Recent amendments to the NHA permit CMHC to provide assistance to a province or its agency for the development of new communities. This assistance may take the form of loans with certain forgiveness provisions relating to the cost of the acquisition of lands, including lands for transportation corridors and open space in or around the communities, the planning of the communities and the design and installation of services. It is hoped by these means to help accommodate urban growth in ways other than by urban sprawl, and to help promote the development of regional growth centers.

Development Program

Central Mortgage and Housing Corporation is authorized to carry out developmental projects in which new forms of housing, new community designs, new methods of providing services or new social relationships are put into practice, so that their effects can be seen and tested. They are directed on a priority basis, to specific goals, such as the improvement of housing quality and the reduction of costs, but include social and economic, as well as physical and technological, problems.

Developmental projects may be used to try out new ideas for making the best use of available land, for testing new kinds of medium-density low-rise housing, new building systems, new building materials, new ways of heating houses with the least waste of energy, new ways of recycling wastes, new ways of ensuring privacy and shutting out noise, new ways of integrating social and recreational services into housing projects and creating more social and economic diversity, new ways of involving people in the design and improvement of their housing.

An important aspect of the program will be to make information about worthwhile projects and innovations widely available in order to increase public awareness about alternative ways of dealing with problems and meeting housing needs.

Research and Educational Studies

Other research assistance is given by way of grants to universities, government agencies, municipalities, research institutions and housing organizations, to cover research workers' salaries, travel costs, clerical assistance, supplies and the publication of reports. Studies done by individuals are usually carried out within universities or other institutions which have the facilities.

In addition to contributions to individuals and groups for special studies, a number of organizations such as the Community Planning Association of Canada, the Canadian Housing Design Council and the Canadian Council on Urban and Regional Research, have been established and their operations financed under these provisions.

CMHC has no laboratory facilities itself, so the Division of Building Research of the

National Research Council carries out scientific work in the testing and evaluation of building materials and systems, and in other engineering aspects of housing construction.

To help fill the need for qualified professionals in urban planning, CMHC each year awards fellowships and bursaries to graduate students in community planning and other fields related to housing and urban development.

Public Housing Assistance

The National Housing Act offers two forms of federal aid for the development of public housing to meet the needs of low-income families and individuals. Essentially, one involves long-term loans, the other a Federal-Provincial partnership cost-sharing arrangement.

Under Section 43 of the Act, CMHC may make long-term, low-interest loans to provinces, municipalities or their public housing agencies for public housing projects. This may involve new construction or the purchase and conversion of existing buildings, and may include hostel or dormitory accommodation as well as family units. At present, loans may equal up to 90% of the total cost, for as long as 50 years, but not in excess of the projected life of the project.

Section 40 of the Act authorizes the federal government to bear up to 75% of the capital cost of a public housing project which is undertaken jointly with the government of a province. The remaining 25% of the cost is borne by the province, but the municipality may be requested by the province to assume a portion of the provincial share.

Management of completed projects is provided by a housing authority created specifically for this purpose, whose members are selected by the participating governments. Rents charged in these developments are related to the tenants' incomes.

Whether or not a public housing project has been undertaken with a loan under the National Housing Act, it may be eligible under Section 44 of the Act for federal contributions to assist in meeting any operational losses. These grants may cover up to 50% of operating losses and may be for a period of not more than 50 years.

The CMHC pamphlet, "Public Housing Assistance", contains detailed information on these provisions.

Loans for Sewage Treatment Projects

To combat the growing menace of water and soil pollution, low-interest loans are made to municipalities and provinces to build sewage treatment plants and trunk lines. A loan may cover two-thirds of the cost, for a term of up to 50 years. Most importantly, for any project completed by 1975, 25% of the loan principal and of the accrued interest is forgiven by CMHC.

As another means of curbing pollution, CMHC has a long-standing policy of refusing to insure home construction utilizing septic tanks in built-up areas.

Loans for Student Housing

CMHC provides long-term loans to assist in the construction of student housing projects or the acquisition and conversion of existing buildings for this purpose.

Loans may be used to house students in universities, nursing schools, technical schools, seminaries, schools for the handicapped and technological institutes, among others. The loans can be made to provinces, municipalities and their agencies; or to hospitals, school boards, universities, colleges, cooperative associations and charitable corporations. The housing may be in the form of dormitories, hostels or family units for married students. Lounges, dining halls and other necessary facilities may also be covered by the loan.

The loan is made for up to 95% of the cost of the project, subject to a maximum per unit, and for a term which cannot exceed the useful life of the project, to a maximum of 50 years. A pamphlet covering this section of the NHA, "Loans for Student Housing", is available from CMHC offices.

Housing Management

Through various means, the Corporation has come to own and administer a stock of rental housing units throughout Canada.

This includes wartime housing for munition workers, veteran projects, units constructed for federal government departments and agencies, dwellings that have become assets of the Mortgage Insurance Fund through default, and multiple-housing projects which have been acquired through default on direct Corporation loans.

At one time, most of this stock consisted of single houses built under the wartime programs. As a result of a continuing sales program, most of these have been sold to home owners. On the other hand, recent acquisitions have consisted mainly of large

multiple-dwelling rental projects, with the result that these now make up the greater part of the property management inventory.

Construction Activity

CMHC is empowered to construct and administer housing and certain other building on its own account and for other government departments and agencies. Its responsibilities in this regard include the provision of architectural and engineering designs, the calling of public tenders and the administration of construction contracts. The Corporation also carries out full architectural and engineering inspections on these projects.

Among the developments undertaken through these arrangements are new town sites built for Atomic Energy of Canada Limited and housing constructed for armed forces personnel.

Responsibilities for the development of public housing projects under the joint Federal-Provincial agreements are shared as may be mutually agreed upon by the participating governments.

Summary

Central Mortgage and Housing Corporation is the federal agency which administers the National Housing Act.

Recent years have seen significant shifts in emphasis in the legislation which the

Corporation administers. From a role primarily concerned with the making of mortgage loans and the insuring of loans made by approved NHA lenders, CMHC has become responsible for a growing number of socially oriented housing programs. Amendments to the National Housing Act have been designed to facilitate the supply of housing and to make it possible for more Canadians, particularly low and moderate-income Canadians, to own or rent accommodation according to their needs. Through assisted home ownership, through non-profit corporations and cooperatives or through more socially acceptable public housing projects, there is an increasing range of choices in which housing is being delivered to those who need it most.

In addition, special programs are available to provincial and municipal governments to help them deal with the varied impacts of urbanization. There is a neighborhood improvement program, residential rehabilitation assistance program, new communities program and land assembly assistance program, all aimed at responding to changing local and regional needs and conditions.

Another concern of CMHC is the development of new and innovative solutions to Canadian housing problems. On its own account and in cooperation with other governments and the private sector, CMHC is authorized to seek new ways of creating housing and housing forms, new ways of using land and servicing it, new ways of approaching the planning process and, generally, new ways of dealing with social, economic, physical and technological problems associated with housing and the communities in which people live.