

Losses under the rehabilitation scheme are shown later in this report.

Losses Written Off in Respect of—	Amounts Written Off.			
	For Year Ended 31st March, 1950.		Total From 1935 to 1950.	
	£	s. d.	£	s. d.
Loans approved prior to 1935—				
Farms .. .. .	5,686	19 9	2,338,631	5 2
Residential .. .. .	132,758	9 5	660,587	16 9
Totals .. .. .	138,445	9 2	2,999,219	1 11
New Corporation loans since 1935—				
Farms .. .. .	..	..	7,192	1 9
Residential .. .. .	..	..	385	16 3
Totals .. .. .	..	..	7,577	18 0

#### INTEREST RATES

The Corporation has maintained the rate charged on loans granted at 4½ per cent., which allows little margin to meet management and other overhead expenses. This rate is competitive on present market conditions, particularly for long-term loans, and having regard to increased costs of administration. The Board considers it very satisfactory that it has been possible to keep the charge to clients at this moderate level.

#### LENDING POLICY

With the advent of the present Government following the general election in December last, and following Government policy, extended loan limits have been brought into operation and loans to erect houses may now be obtained up to a limit of £2,000 (inclusive of any suspensory loan) and subject, of course, to normal requirements as to type of construction, value, &c., being complied with. Civilian applicants are required to contribute not less than 10 per cent. of the cost of the proposition, but eligible ex-servicemen may obtain loans up to the full approved cost, but not exceeding the loan limit of £2,000. Evidence is not lacking that this increase in special loan limits is having the desired effect of encouraging home-seekers to build new houses rather than to purchase existing dwellings. The new basis of lending did not, however, come into operation until late in the financial year, and it will be some months yet before the full effect of the scheme is evident. It must not be inferred that cost alone is the determining factor in dealing with loan applications, the personal factor of the applicant and the economic value of the project being most important.

#### SUSPENSORY LOANS

As part of its policy to encourage private-house building in both town and country, the Government has introduced a suspensory loan scheme and placed with the Corporation the responsibility for its promotion and administration. As a secondary, but by no means unimportant, objective the scheme will be specially helpful to those who through increased building costs, would be unable to build at to-day's price levels if