

## Total loans applied for—

	Number.		Amount.	
			£	£
Residential—				
Refinancing .. .. .	1,355		1,238,145	
New dwellings .. .. .	460		341,660	
Other purposes .. .. .	283		151,820	
		2,098		1,731,625
Farm—				
Refinancing .. .. .	1,697		4,141,635	
Other purposes .. .. .	336		440,665	
		2,033		4,582,300
		4,131		£6,313,925

The loans authorized by the Board of Management from the inception of the lending operations up to the 31st March, 1936, are as follows:—

	Number.		Amount.	
			£	£
Residential—				
Erection of dwellings .. .. .	373		238,585	
Refinancing, &c. .. .. .	662		520,630	
Farms .. .. .	824		1,876,065	
		1,859		£2,635,280

Applications declined by the Board totalled £726,055 in respect of 518 applicants made up as follows:—

	Number.		Amount.	
			£	£
Residential .. .. .	229		142,060	
Farms .. .. .	289		583,995	

In addition to the applications declined by the Board after consideration of detailed reports, a large number of applications were obviously unsuitable and did not merit detailed reports. In these cases a perusal of the applications indicated that the securities offered were either quite unsuitable for the purposes of the Corporation, or that, having regard to the liabilities on the properties, the Corporation could not lend any amount which could be of service to the applicants. By adopting this course applicants were saved the expense of a detailed report and valuation, and although a certain amount of disappointment may have been caused by this action it was taken by the Board as being in the best interests of the applicants themselves.

The applications declined as unsuitable are as follows:—

	Number.		Amount.	
			£	£
Residential .. .. .	515		617,425	
Farms .. .. .	566		1,280,829	

Applications aggregating approximately £1,034,000 were in course of investigation as at 31st March, 1936, but in view of the volume of business offering it is inevitable that there will be a substantial carry-over at any given date so long as active lending operations are continued.

It should perhaps be mentioned here that in general the Board of Management was precluded by statute from advancing more than two-thirds of the determined value of the proffered security, and in assessing the value of rural land for mortgage purposes the Board of Management was bound by statute to pay due regard to the earning-capacity of the land. An exception was made, however, in subsection (3) of section 24 of the Mortgage Corporation of New Zealand Act, 1934-35, and under that section the Board was authorized to make advances in excess of a two-thirds margin but not exceeding four-fifths of the value of the security on condition that the Minister of Finance guaranteed the Corporation against any loss that might be incurred by it in respect of the loan in so far as such loss is attributable to the excess of the loan over two-thirds of the value. Advances under this section of the Act could only be granted for the purpose of discharging existing mortgages on rural land. This has proved a very useful and helpful provision in practice, and early in its operations the Corporation entered into an arrangement with the then Minister