The volume of new loan business granted since 1935 is shown by the statement submitted hereunder :

	Number.	Amount.
Loans authorized—		
Residential		£
Refinancing	3,808	2,346,532
Erection	6,272	5,458,276
Other purposes	1,913	1,251,183
	11,993	9,055,991
Farm—		
Refinancing	2,439	5,568,192
Other purposes	1,508	1,579,548
	3,947	7,147,740
Total authorized	15,940	16,203,731

An analysis of the loans under administration as at 31st March, 1940, which is appended, shows the number and amount of mortgages in districts subdivided into farm and residential sections.

District.	Farm.		Residential.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
Auckland	4,272	4,492,199	10,935	6,963,442	15,207	11,455,641
Hamilton	1,600	5,890,379	4,102	1,941,871	8,702	7,832,250
Napier	1,409	1,655,633	2,860	1,406,712	4,269	3,062,345
New Plymouth	2,346	2,738,292	1,555	651,754	3,901	3,390,046
Wellington	2,511	3,202,089	13,471	9,149,142	15,982	12,351,231
Nelson	1,603	1,319,198	2,011	870,700	3,614	2,189,898
Christchurch	2,221	2,619,213	7,364	3,801,144	9,585	6,420,357
Dunedin	1,057	1,146,534	1,555	802,993	2,612	1,949,527
Invercargill	1,685	2,263,255	925	479,650	2,610	2,742,905
Total	21,704	25,326,792	44,778	26,067,408	66,482	51,394,200

In addition to the accounts included in the above statement, the Corporation is responsible for the management of some 11,000 tenancies, the bulk of which are in respect of houses erected under the new Government Housing Scheme, which is referred to in more detail in Part II of this report. The Rural Intermediate Credit system of stock loans, which is under the control of this Board, involves the administration and supervision of a business consisting of approximately 900 loans, the majority of which have been arranged through Co-operative Rural Intermediate Credit Associations.

Interest-rates and Terms of Lending.

The lending rate for first mortgages remains unchanged at $4\frac{1}{8}$ per cent., and this rate has been maintained since 1935. The Corporation's main lending policy is allied to long-term table mortgages. For house-building loans the terms vary according to the type of building and the circumstances of the borrower, and for suitable farm securities the maximum term is forty-five years.

New Business.

The Board has continued to give preference to loans for erecting houses either in rural or urban districts and has also met the requirements of its existing rural mortgagors for improvements and development work undertaken for the purpose of increasing production.

The loans granted for the year may briefly be stated as under :—

	No.	Amount.
		£
For house building	1,617	1,540,130
For other purposes	494	328,238
Total	2,111	1,868,368