(ii) Loan Facilities available

185. The following is a summary showing generally the limits within which the Rehabilitation Loans Committee now operates, and the interest rates and concessions applicable to each type of loan :—

(a) Loans for tools of trade : Up to £50, free of interest.

(b) Loans for the purchase of furniture : Up to £100, free of interest.

(c) Loans for the purchase of businesses : Up to £500, with interest at $4\frac{1}{8}$ per cent. with a reduction to 2 per cent. for the first year. (N.B. Consideration will be given to increasing the limit amount for loans of this type provided the venture is regarded as essential from the national viewpoint and provided the business is not capable of absorbing more than one operator.)

(d) Loans for the purchase of farms and stock : Up to £5,000 as a going concern. For a sheep-farm this may be increased to £6,250. Interest on land loans to be at the rate of $4\frac{1}{8}$ per cent., with a reduction to 2 per cent. for the first year and 3 per cent. for the three subsequent years.

(e) Loans for the separate purchase of stock : Up to £1,500. Interest on stock loans at the rate of 5 per cent., with a reduction to $2\frac{1}{2}$ per cent. for the first year.

(f) Loans for the purchase or erection of houses : Up to £1,500, with interest at the rate of $4\frac{1}{8}$ per cent., reducible to 2 per cent. for the first year and 3 per cent. for the second year.

186. Loans are granted by the Rehabilitation Loans Committee for the purchase or erection of houses or for the purchase of farms and stock, and the guarantee given by the Government enables the Board to make loans up to 100 per cent. of value for rehabilitation purposes. Loans for businesses, furniture, and tools of trade are made from funds provided by Treasury from the War Expenses Account. Loans are also available for rehabilitation purposes in cases where ex-servicemen require finance to effect necessary improvements to existing farms or house property. Loans for re-financing of existing mortgages are not available unless there are special justifying circumstances, such as reduction in the earnings of the ex-serviceman arising out of a service disability, unusually high interest rates, or some other conditions that are considered unduly onerous. These loans do not normally carry interest concessions.

187. In addition to the foregoing concessions, assistance is being given to ex-servicemen as under :—

(a) The contribution of 2 per cent. which is required from other borrowers from the Corporation is now being paid on behalf of ex-servicemen from the War Expenses Account ;

(b) A right of repayment of amounts of principal in excess of instalments is granted to ex-servicemen with interest adjustments at instalment dates ;

(c) Registration fees in connection with loans granted to ex-servicemen and stamp duties on mortgages from ex-servicemen have now been waived ;

(d) The New Zealand Law Society has agreed to a special reduced scale of fees for preparation of mortgages and instruments of security in respect of rehabilitation loans ;

(e) Reports and valuations of businesses for the purchase of which ex-servicemen require loan finance have been furnished by public accountants at a reduced scale of fees.

188. Where application is made for a loan for the purchase of a farm or for the purchase or erection of a house and the price approved by the Land Sales Committee or (as the case may be) the cost of acquiring the section and erecting the dwelling exceeds the normal lending-value of the property as determined by the Loans Committee, the difference may in appropriate cases be advanced by way of interest-free loan, repayable only in the event of sale of the security. This arrangement is known as the supplementary loans provision. The purpose of this is to enable the purchase of properties, as far as possible, at pre-war values, it being recognized that values accepted for transfer by Land Sales Courts need only conform to values as at December, 1942 (the date of the introduction of the stabilization plan). The Board has approved applications for retrospective supplementary loans provided that they have not pre-dated December, 1942, and in some few cases where hardship has been established supplementary accommodation in respect of loans negotiated before that date has been granted.

(iii) Lending Results

189. Table XVIII of Appendix II gives details of the loans granted by the Rehabilitation Loans Committee during the year and the total of all loans approved since the inception of the scheme. It reveals that a total of £1,972,740 has to date been expended by the Loans Committee on behalf of the Board. Of this sum, £1,595,552 have been disbursed during the twelve months ended 31st March, 1944.

(iv) The Lending Outlook

190. With increasing numbers of ex-servicemen returning to civil life it follows that the problems attending the provision of financial assistance will also increase. It has been the policy of the Rehabilitation Board to give preference to applications from men with the greatest service, particularly in battle zones, and the needs of those men still overseas are not being overlooked. It has been recognized that in order to ensure that there may be available for such men a fair share of the better class of farms, homes, or businesses it will be necessary to defer the applications of men with a lesser degree of service.

191. This policy does not, of course, preclude the immediate consideration of deserving cases irrespective of service where the assistance required will place the applicant back in his pre-service position. This is rehabilitation in the truest sense.

192. The ultimate intention of the Board is, of course, to make suitable provision for all servicemen and servicewomen whose period of service, disability, or loss of opportunity justify the granting of assistance. This eventually will certainly include all men and women who have served outside New Zealand.