

The effectiveness of the administration is reflected in some degree by the losses written off (as irrecoverable) from year to year, and the table below shows the amounts disposed of in this manner during the year covered by this report and the total thereof since the establishment of the Corporation in 1935. Losses in respect of rehabilitation loans are not included as these are recoverable from the War Expenses Account and are not chargeable against the Corporation's reserves. They are, however, recorded in the section dealing specifically with rehabilitation loans.

Losses Written Off in Respect of—	Amounts Written Off.			
	For Year Ended 31st March, 1949.		Total From 1935 to 1949.	
Loans approved prior to 1935—	£	s. d.	£	s. d.
Farms	21,633	13 6	2,332,944	5 5
Residential	11,976	8 1	527,829	7 4
Totals	33,610	1 7	2,860,773	12 9
New Corporation loans since 1935—	£	s. d.	£	s. d.
Farms	1,325	2 8	7,192	1 9
Residential	..	..	385	16 3
Totals	1,325	2 8	7,577	18 0

In comparing the losses written off on loans granted prior to 1935, due regard must be paid to the fact that these loans were subjected to adjustment in terms of the Mortgagors and Lessees Rehabilitation Act, 1936, following the depression in 1931-35. Nevertheless, the very small amount written off on loans granted by the Corporation itself since 1935 does indicate sound administration from both a field and office angle. Looking back over its fourteen years of administration the Board is more convinced than ever that a basic requirement for any lending institution operating on such a large scale as the Corporation is the provision of a competent and adequate field staff. It is not only on the soundness or otherwise of the initial reports that success or failure depends, but also on the subsequent technical advice and constructive criticism that the field staff are able to offer its borrowers and to the Board. This is of particular value in connection with the rehabilitation loans, most of which are on a 100-per-cent. basis and made to young men making their first venture into property ownership. Inevitably they have in their early years problems of a financial, housing, or farming nature to overcome, and the Corporation's field staff are continuously available for consultation and advice as occasion arises. Experience has shown that this advice is freely sought, and has been the means of solving many of the mortgagors' problems and of assisting in their establishment on a sound basis. The Corporation has been fortunate in the calibre of its field officers, both rural and urban, and the Board and its clients have benefited accordingly.

INTEREST RATE AND LOAN TERM

There has been no variation in the rate charged for loans granted. This has remained at 4½ per cent., subject to adjustment to rehabilitation rates where the borrower is an ex-serviceman entitled to that concession. Since the Corporation's lending is on long-term mortgage the rate charged is in no way excessive, and provides a minimum margin to meet management, interest, and other overhead charges. Ample funds are available