The advances outstanding are as follows:—

	Number.	Amount. £	s.	d.
Not exceeding £1,000	10,822	2,842,227	13	7
Exceeding £1,000 but not exceeding £2,000 ...	764	1,052,595	5	3
Exceeding £2,000 but not exceeding £3,000 ...	127	291,197	3	10
Total	11,713	£4,186,020	2	8

The average amount of the advances now outstanding is £357.

	Number.	Amount. £	s.	d.
On freeholds	7,010	3,154,546	16	4
On leaseholds	4,528	938,151	3	11
On freeholds and leaseholds (combined) ...	175	93,322	2	5
Total	11,713	£4,186,020	2	8

The average freehold advance is £450, the average leasehold advance is £207, and the average freehold and leasehold (combined) is £533.

The advances granted during the year ended 31st March, 1908, are as follows:—

	Number.	Amount. £	s.	d.
Not exceeding £500	1,587	404,595	4	11
Exceeding £500 but not exceeding £1,000 ...	504	366,567	4	6
Exceeding £1,000 but not exceeding £2,000 ...	250	349,760	0	6
Exceeding £2,000 but not exceeding £3,000 ...	30	76,494	0	0
Total	2,371	£1,197,416	9	11

The average amount of the advances granted for the year is £505.

	Number.	Amount. £	s.	d.
On freeholds	1,465	818,485	5	7
On leaseholds	883	357,431	3	4
On freeholds and leaseholds (combined) ...	23	21,500	1	0
Total	2,371	£1,197,416	9	11

For the year the average freehold advance is £558, the average leasehold advance is £405, and the average freehold and leasehold (combined) is £935.

Sixty-seven per cent. of the advances made during the year was for loans not exceeding £500.

The total sum raised by the Government on debentures for investment on mortgage is £4,110,000. Eleven thousand seven hundred and thirteen mortgagors are now indebted to the Department to the extent of £4,186,020 2s. 8d. in respect of principal moneys, an increase during the year of 676 mortgagors, amounting to £631,412 19s. 5d.

The gross profits for the year ended 31st March, 1908, were £55,772 7s. 4d., and the cost of management and expenses of the Department £7,323 6s. 1d., being 0·18 per cent., or 3s. 7d. per £100 on capital employed (the cost of the previous year was 0·14 per cent., or 2s. 8d. per £100). This increase is owing to the mortgages being completed by the office practically free of cost. The net profits amounted to £51,385 2s. 4d., an increase on the previous year of £6,413 9s. 9d., notwithstanding the large concessions granted to the mortgagors.

As predicted in last year's report, the item "Loan-flotation Charges" has been cleared from the balance-sheet, the amount having been written off out of profits.

A sum of £17,206 has been added to the sinking fund established under section 27 of "The Government Advances to Settlers Act, 1906," bringing the total amount standing to the credit of that account to £23,659 appropriated out of profits.

Mortgages under "The Land Transfer Act, 1885," and further charge mortgages are prepared and completed in the office at a nominal cost, including disbursements, of 5s. About 1,650 mortgages have been so completed. It is estimated that by this change a saving to mortgagors of fully £10,000 per annum in legal costs and fees will be effected. In addition to much time and trouble saved, far greater expedition will be given to the completion of loans, and much labour and expense saved to the Department.

Sixteen freehold and eleven leasehold securities have for various reasons been realised by the Department up to the present time. In most cases fairly good surpluses over and above the advances owing to the Department have been obtained and refunded. In no case has a loss been made, and the Department has at the present time no securities on its hands. There is, however, one small loan which is not satisfactory and may ultimately result in a loss for the first time, but it is premature as yet to predict what may be the result. Negotiations are now proceeding with a view to the property being taken over by another person.

Mortgagors continue to meet their half-yearly payments of interest and principal in a manner creditable to themselves and highly satisfactory to the Department.

The total amount of interest collected for the year amounted to £172,060 6s. 11d., an increase on the previous year of £26,988 16s. 5d. The total amount of interest collected to the 31st March, 1908, amounts to the sum of £1,215,931, in addition to the repayments of principal £2,571,335,