

The advances granted during the year ended 31st March, 1911, on freehold and leasehold are as follows :—

					Number.	Amount.		
						£	s.	d.
On freeholds	..	..	..	..	1,208	390,700	0	0
On leaseholds	..	..	..	..	88	17,060	0	0
Total	..	..	..	..	1,296	£407,760	0	0

For the year the average freehold advance was £323, and the average leasehold advance £194.

The total sum raised by the Government on debentures for investment on mortgage to workers is £1,169,765.

Four thousand two hundred and eighty-two mortgagors are now indebted to the Department to the extent of £1,178,440 11s. 9d. in respect of principal moneys, an increase during the year of 1,247 mortgagors, amounting to £359,834 17s. 3d.

The gross profits for the year ended 31st March, 1911, were £8,598 6s. 11d., and the cost of management and expenses of the Department £1,645 9s. 4d., being 0·14 per cent., or 2s. 10d. per £100 on the capital employed. The net profits amounted to £5,912 1s. 2d.

A sum of £8,447 13s. has been added to the sinking fund established under section 30 of the State-guaranteed Advances Act, 1909, which, with £311 17s. 1d. interest earned and added to the fund by the Public Trustee, brings the total amount standing to the credit of that account to £16,597 7s. 1d.

Three freehold securities have since 1907 for various reasons been realized by the Department.

Losses for the year amount to £88 8s. 4d.

The plans and specifications of various types of buildings referred to in my last report have been prepared, and are now available to borrowers. They include eighteen different kinds of dwellings of from two to seven rooms, costing from £120 to £750 to build. They can be inspected at the chief post-offices throughout the Dominion, and are supplied to borrowers free of charge.

Provision has now been made for short-term loans. Advances are granted on three classes of securities—viz., first class for a term of thirty-six years and a half, second class for a term of thirty years, and third class for a term of twenty years.

The power given to the Board to grant loans for a shorter term than thirty-six years and a half has enabled owners of sections of little value to obtain loans which would be unsafe to grant for so long a period. It is obvious that when a security consists very largely of improvements which quickly deteriorate, the term of the loan should not be so long as thirty-six years and a half.

J. W. POYNTON, Superintendent.

State-guaranteed Advances Office, Wellington, 8th July, 1911.

ADVANCES TO LOCAL AUTHORITIES BRANCH.

The number of applications dealt with during the year totalled 429. Of these, 44 were declined, 376 were provisionally approved—that is, agreed to be granted subject to sufficiency and validity of the security offered—and 9 were either postponed or withdrawn.

The applications from the different provincial districts were,—

Provincial District.					Number of Applications.	Amount of Advances authorized. £
Auckland	..	..	..	..	139	732,599
Taranaki	..	..	..	..	52	188,236
Hawke's Bay	..	..	..	..	27	709,670
Wellington	..	..	..	..	129	826,890
Marlborough	..	..	..	..	9	75,625
Nelson	..	..	..	..	6	31,225
Westland	..	..	..	..	11	83,660
Canterbury	..	..	..	..	31	373,380
Otago	..	..	..	..	14	381,800
Southland	..	..	..	..	11	169,500
Total	..	..	..	..	429	£3,572,585

The number of applications finally approved was 193; the amount of the loans fully approved, £947,770. The number of loans finally completed was 186; the amount of cash paid over, £405,195.

The complicated procedure formerly necessary before a loan could be obtained has now been greatly simplified. After the ratepayers have sanctioned the loan the Department does all that is necessary, thus saving much time and expense to borrowers.

J. W. POYNTON, Superintendent.

State-guaranteed Advances Office, Wellington, 8th July, 1911.