

9. *Mortgage-repayment Insurance*.—Up to the close of the financial year now under review provision for cover under this scheme was made in some five hundred loan offers since the inception of the scheme, and the cover to be provided under the policies included therein exceeds the sum of £364,000.

An example will show how the scheme works in practice :—

Borrower is twenty-two years of age and the term of repayment is 30 years—

Amount advanced	..	..	..	..	..	£	1,000
Single premium, approximately	..	..	..	..	..		55
Total mortgage debt	..	..	..	..	..		£1,055
Half-yearly instalment for thirty years on £1,055	..	..	..	..	..	£ s. d.	30 16 3
Half-yearly instalment for thirty years on £1,000	..	..	..	..	..		29 4 2
Half-yearly cost of insurance	..	..	..	..	..		1 12 1
Weekly cost, approximately	..	..	..	..	..	£ s. d.	0 1 3

For a man of thirty the cost of insurance on the same loan would be approximately 1s. 6d. per week.

10. *Establishment of Branch Offices*.—New offices were opened at Whangarei, Hamilton, and Palmerston North during the past year and the advantage of this extension is already apparent.

11. *Transfer of Rural Intermediate Credit*.—The members of this Board, on the 1st July, 1937, assumed control of the rural intermediate credit business, and the active administration of the investments was transferred from the Public Trust Office to the Corporation, but notwithstanding the change in control the accounts and records relating to this work are to be maintained as for a separate and distinct organization.

To facilitate the transfer and management of this business it was necessary to extend the Branch organization of the Corporation to additional district centres in order that the Rural Intermediate Credit Associations and borrowers in various parts of the Dominion should be at no disadvantage owing to the change in control.

The following table gives a summary of the loans and advances at 1st July, 1937 :—

	Number of Loans.	Amount owing.
Loans through Co-operative Rural Intermediate Credit Associations	665	£ s. d. 134,410 5 7
Loans direct by the Board	152	22,855 10 3
Bills discounted	24	993 2 4

The financial year for the Rural Intermediate Credit Board ends on the 30th June, and annual accounts and a report on the administration will be issued after the close of the current year.

12. *Adjustment of Mortgages under Section 39 of State Advances Corporation Act, 1934-35*.—At the 31st March, 1937, the majority of State Advances mortgagors had received offers of variation and had given their decisions, and a commencement had been made with accounts of the borrowers under the Discharged Soldiers Settlement Act. With the exception of a comparatively small number of accounts yet to be dealt with under the Mortgagors and Lessees Rehabilitation Act, the adjustment of accounts under this section has now been completed. It should be mentioned that the borrower's rights under this provision lapse three years from the date of transfer of the respective mortgages to the Corporation.

13. *Mortgagors and Lessees Rehabilitation Act, 1936*.—Applications for relief in which the Corporation was involved totalled 10,291.

To cope with this large volume of work it became necessary to augment the field staff, and the Corporation has been fortunate in obtaining the services of experienced local valuers to assist with the valuations and reports required for consideration by the Board.

The co-operation of the officers of the Lands Department with the representatives of the Corporation in the preparation and presentation of the cases where the Crown was concerned as lessor and the Corporation as mortgagee is gratefully acknowledged. The Valuer-General and his officers have also given valuable assistance, without which the early completion of this work would have been impossible.