

## Social housing operators get flexibility on re-financing

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The federal government has finally granted social housing operators new flexibility to borrow money on the open market — a decision that should encourage renovations and upgrading of affordable housing stock.

Housing co-ops have been lobbying Ottawa for more than a year to allow them to opt out of government-backed mortgages so that they can take out new mortgages with credit unions.

They wanted to be able to seek long-term financing on commercial terms so that they could pay for renovations and upkeep. That's because the government-backed mortgages that have supported co-op housing and social housing in the past are no longer available.

Usually, commercial terms are more expensive than government-backed mortgages, but some co-ops are locked into higher-rate mortgages that date back to the 1980s.

Ottawa wanted to charge them huge penalties to back out of those arrangements and set up new deals with the private sector — even though Ottawa is gradually pulling out of the social-housing mortgage business.

Now, Human Resources Minister Diane Finley has conceded and will only charge penalties in line with those levied by commercial banks.

For more on this story, [click here](#).

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