
INFORMATION BULLETIN

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Ministry of Housing and Social Development

RECONSTRUCTION LOAN PROGRAM TO END

VICTORIA – Minister of Housing and Social Development Rich Coleman today announced that the reconstruction loan program will stop accepting new applications, effective July 31, 2009, and that the program will end with legislation expected in the coming months. The financial viability of the program has severely declined and can no longer be sustained.

The reconstruction loan program provides financial support to help with the cost of repairing homes damaged by water, which were built before July 1, 1999. The program is funded through a \$750-levy charged on new residential construction. A recent slowdown in residential construction has resulted in less money collected to fund the program, causing the Homeowner Protection Office to reach its annual borrowing limit for 2009.

The program was launched 11 years ago to run for 10 years, and was anticipated to give out approximately \$250 million in interest-free loans. To date, the province has approved more than \$670 million in no-interest loans through the reconstruction loan program, helping more than 16,000 households repair leaky homes. The Province has also provided an additional \$23 million in Provincial Sales Tax rebates on repairs.

To ensure it was in a position to fulfil all existing commitments for approved projects, the Province recently approved an additional \$9 million for the program in June 2009, bringing the total amount borrowed from government to \$83 million. The Province will ensure that all eligible applications received by July 31 will be funded.

In addition, Shayne Ramsay has been appointed Chief Executive Officer, replacing former CEO Ken Cameron. Ramsay was responsible for setting up the Homeowner Protection Office 11 years ago and previously served as its CEO. He will also remain CEO of BC Housing.

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Contact: Paul Woolley
Communications Director
250 387-6489

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