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Differences Between the On-Reserve Non-Profit Housing Program Pre-1997 and Post-1996

An explanation of the changes made in 1997 and their impact on subsidy calculations.

In 1997, we made several major changes to our On-Reserve Non-Profit Housing Program. As a result, some First Nation communities now have affordable housing units governed by 2 different sets of rules. If you're a First Nation housing manager, it's important to understand the impact these differences have on your on-reserve housing.

The key changes made to the Program in 1997 were related to:

- subsidy calculations
- rental calculations
- replacement reserve contributions
- replacement reserve expenditures
- operating surpluses

How financial assistance is calculated

Before 1997, the maximum subsidy (financial assistance) provided to First Nation communities was based on the difference between 2 calculations:

- the eligible capital costs at the mortgage interest rate
- the eligible capital costs at a rate of 2% over 35 years

This means the maximum subsidy amount changes whenever there's a mortgage renewal due to the changing interest rate. In addition, under the pre-1997 program, a portion of the subsidy is predetermined to help cover operating costs. This portion fluctuates over time, depending on the housing project's operating needs.

Under the new program, the level of financial assistance available is determined at the time we commit to the project. That assistance is calculated by subtracting revenues from eligible operating costs.

Contact your [First Nation Housing Specialist](#) for more advice and information on the typical duties of a First Nation housing manager.

[For help with your financial statement \(Post-1996\)](#).

[For help with your financial statement \(Pre-1997\)](#).

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