

(c) *Federal Assistance Programs*

Congress approved several programs in 1965 to assist in the development of water systems.

The Housing and Urban Development Act (Public Law 89-117) authorizes \$200 million in grants to finance up to 50 percent of the cost of basic public water and sewer facilities. It is estimated that \$50 million of this will be spent on public water supply facilities in fiscal 1966 and again in 1967.

The Public Works and Economic Development Act (Public Law 89-136) authorizes \$500 million per year for 4 years in grants of up to 50 percent for public works in economically distressed areas. The law also authorizes \$170 million per year for loans to assist in public works development and improvement.

Public Law 89-240, the Rural Water and Sanitation Facilities Act, increases the loan insurance limit of the Farmers Home Administration to \$450 million, authorizes \$55 million a year in grants for facilities, and provides \$5 million in grants for planning. The law covers both water supply and waste disposal systems in rural areas (towns up to 5,500 population). Grants are limited to no more than 50 percent of the project cost.