life of the project. Applicants are required to show that income will be available to repay the loan.

After a loan commitment from the Department of Housing and Urban Development has been received, the applicant political subdivision is required to secure the services of a bond counsel and to advertise its bond issue in financial publications to maximize the possibility of securing private financing. When possible, Department of Housing and Urban Development staff assist in the preparation and in the review of prospectus, advertising notices, and essential financial data related to the political subdivision. Department of Housing and Urban Development will purchase those portions of a bond issue for which there is no bid by private underwriters at interest rates deemed to be reasonable. Interest rates charged for public facility loans since 1962 are presented on the following page.

TABLE III.—*Interest rates under public facility loan program*

Fiscal year	Regular interest rate	Interest rate in designated redevelopment counties [1]
1962	3.75	3.50
1963	3.875	3.625
1964	4.00	3.75
1965	4.00	3.75
1966	4.00	3.75

[1] Counties, or county equivalents (including, Indian reservations, independent Virginia cities, territories, and cities of 250,000 meeting specified income, employment, or outmigration conditions), designated as redevelopment areas under the provisions of the Public Works and Economic Development Act.

EVALUATION OF THE PUBLIC FACILITY LOAN PROGRAM

The public facility loan program has proved beneficial to a limited number of local government units. Approximately a thousand loans have been made through this program since it began in fiscal 1956. These loans have been concentrated in the 16 Southern and Southwestern States in the Department of Housing and Urban Development regions III and V, as indicated in table IV below. Political subdivisions in these two regions have received approximately 80 percent of the loans approved since the program was inaugurated.

TABLE IV.—*Geographical distribution and amount of approved loans from 1965 to date* [1]

Region [2]	Number	Amount of loans
I	1	$366,000
II	37	20,913,000
III	510	214,820,000
IV	74	32,013,000
V	313	65,113,000
VI	89	54,104,000
VII	2	330,000
Total	1,026	387,659,000

[1] Unofficial data obtained from the Public Facility Loan Division, Department of Housing and Urban Development.

[2] Distribution of States among the Department of Housing and Urban Development regions is as follows: Region I: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont; region II: Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, and the District of Columbia; region III: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee; region IV: Illinois, Indiana, Iowa, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; region V: Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas; region VI: Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; and region VII: Guam, Puerto Rico, and the Virgin Islands.