Table V, below, shows that in the last 5 fiscal years 707 loans, totaling just under $300 million, were made to local political subdivisions. This number of loans is equal to only 1.25 percent of the number of municipalities, counties, townships, and special districts located by the 1962 U.S. Census of Governments. The amounts loaned each year through this program constitute less than 4 percent of the annual increase in long-term debt incurred in any of these years by all such political subdivisions.

TABLE V.—*Number and amount of loans made under the public facility loan program*[1]

Fiscal year	Number of loans	Amount of loans	Percent of increase in long term debt
1962	196	$88,657,000	3.35
1963	242	60,400,000	1.48
1964	121	45,210,000	2.47
1965	79	75,271,000	1.98
1966	69	29,400,000	
Total	707	298,938,000	

[1] Data obtained from the Public Facility Loan Division, Department of Housing and Urban Development and U.S. Bureau of Census, "Governmental Finances," Governmental Finances G–GF61–No. 2, G–GF62–No. 2, G–GF63–No. 2, G–GF64–No. 1, and GF No. 6 (Washington, D.C., U.S. Government Printing Office (1962–66).

The limited use of the public facility loan program by the Nation's local governments can be attributed to several factors. First, the program is not well known among potential users. The National League of Cities (American Municipal Association) survey referred to earlier, found that more than one-third of the municipalities responding had not heard of the program. This situation existed because neither the Washington nor the regional offices have made more than a minimum effort to publicize the program's existence. Second, financial limitations imposed act as constraints on the usefulness of the program. A total of $650 million has been appropriated for the public facility loan revolving fund. Excluding $50 million allocated for transportation facilities, and loans outstanding, there is now only $233 million, approximately, available for future loans. The use of these funds was curtailed in 1966 by an allotment established by the Bureau of the Budget which could not be exceeded. However, probably a greater deterrent to the usefulness of the program is the fact that funds can generally be borrowed at more reasonable rates from private investors. Comparison of the average annual net interest costs charged small- and medium-size municipalities with interest rates charged political subdivisions under the public facility loan program [40] indicates that program rates, even those established for designated redevolpment counties, have been higher than the rates available in the public bond market for all categories of bonds during the last 5 years with the exception of the 1961 "B" and unrated bonds having an average maturity of 10 to 19 years.

[40] See tables I and III.