cations processed is due to the fact that some applications were withdrawn and others were converted to applications for different types of FHA loans.)

A breakdown of individual loans made in the United States indicates that 63 percent went to borrowers in the Southeast, 20 percent in the Midwest, 9 percent in the Northeastern and Middle Atlantic States, and 8 percent in the Western States. In addition, a large number of individual loans were made in Puerto Rico to help capitalize small farmers and to finance services and small businesses providing for the essential needs of isolated rural communities.

In the last 6 months of 1965, 82 cooperatives were financed by EO loans. The average loan was for $11,000. The overwhelming majority of cooperatives receiving aid were small groups (four or five members) formed to purchase an item of farm machinery that would help members of the group do a better job of farming and compete on a more equal footing with their larger neighbors. Financing markets handling the products of small farmers was the second most important loan purpose. Often these markets make it possible for farmers to expand livestock, vegetable, and small fruit production to meet the demand generated by the new market.

EO loans are made only to cooperatives with a membership at least two-thirds of which is in the low-income group.

States where the largest number of cooperative loans were made in 1965 are Arkansas (14), Mississippi (11), North Carolina (11), South Carolina (8), and Tennessee (6).

4. *Level of operations.* (See table 1.)

Program: Rural loan program.
Department or agency, and office or bureau: Office of Economic Opportunity.

TABLE 1.—*Level of operations or performance, fiscal years 1965–67*

Measure	Unit	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 estimates
(a) Magnitude of the program:				
Loans to farm families	Million dollars.	18.8	29	28.9
Loans to cooperatives	do	.9	4	5
(b) Applicants or participants:				
Loans to farm families	Number	11,022	15,500	15,500
Loans to cooperatives	do	82	350	400
(c) Federal finances:				
Obligations incurred	Million dollars.	[1] 21.5	[1] 36.3	[1] 38.5
Program costs funded	do	18.9	34.0	35.0
(d) Matching or additional expenditures for the program.				
(e) Number of Federal Government employees administering, operating, or supervising the program (full-time equivalent).	Employees	250	250	250
(f) Non-Federal personnel employed in the program.				

[1] Includes interest costs and administrative costs.

NOTE.—OEO finances the administrative expenses incurred by the Farmers Home Administration of the Department of Agriculture in operating the rural loan program. Loans are financed from the FHA revolving fund.

5. *Estimated magnitude of program in 1970.* (This is discussed later in section covering all OEO programs.)

6. *Prospective changes in program orientation.* (This is discussed later in action covering all OEO programs.)