

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

(In millions of dollars)

Federal Government:	
Loans.....	50.4
Total, Federal expenditures.....	50.4

NOTE.—Above figures do not include salaries and expenses of Federal employees.

RURAL RENEWAL

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

Provide loans and technical assistance to public agencies in low-income areas to carry out complete economic development. To stabilize and improve rural communities and provide environmental facilities, resources, and economic development opportunities for rural people.

2. *Operation*

The Farmers Home Administration, a Department of Agriculture agency, provides supervised credit and management advice to rural families and groups who are unable to get sufficient credit from any source at reasonable rates and terms. The national office, under the direction of an Administrator, issues procedures, controls budgets, and gives technical training to field staffs. The 42 State offices serve all States, Puerto Rico, and the Virgin Islands. A State director is in charge of each State office. He and his staff direct and train county office staffs, analyze loan programs, control State budgets for loans, and approve the larger loans. Some 1,600 county offices are located throughout the country. Some offices serve several counties. All applications for loans are made at the county offices. The county supervisor who is in charge of each office is a capable agriculturist who approves most loans, gives technical advice to borrowers, services security given for loans, makes collections from borrowers, and transmits the collected funds to the National Finance Office. County Farmers Home Administration Committees consisting of three members are appointed by the State director. These committees determine the eligibility of applicants and make recommendations concerning certain loan approval and loan servicing actions. The rural renewal program operates in only designated areas under the direction of a program leader who is responsible to the State Director.

3. *History*

The rural renewal program was authorized September 1962. From requests received from local interest groups the Secretary in 1964 designated five areas for rural renewal program assistance. With the assistance of the Farmers Home Administration program leader, rural renewal plans have been developed and approved for each area by the local public agency, Governor's office, and the Administrator of the Farmers Home Administration. These plans showed the need for technical assistance and loans from many sources including rural renewal loans and technical assistance funds. The funds that have been made available have been utilized for loans and technical assistance in these areas.