

section 502 loans was broadened to include the purchase of previously occupied dwellings and a minimum adequate building site for elderly persons in rural areas. Elderly persons who did not have sufficient income to meet all their debt obligations were permitted to use cosigners on their housing notes. The 1962 amendments also increased the maximum assistance available under section 504 of title V of the Housing Act of 1949 from \$500 to \$1,000. A new senior citizens rental housing program also was added that year. Insured loans could be made to individuals and eligible organizations to provide rental housing for elderly families in rural areas. Low-interest-rate direct loans for similar purposes were authorized for elderly rural families with low or moderate incomes.

In 1964 a new section was added to authorize labor housing grants to purchase, construct, or improve housing and related facilities. Funds for this phase of the housing program were made available late in 1965.

Major changes were made in 1965 with the enactment of Public Law 89-117. The basic ones were placing most of the section 502 activity on an insured basis; authorizing section 502 loans to any qualified rural resident or farmowner to buy a previously occupied dwelling, minimum adequate building site, and farm service buildings; and defining a rural area to include rural towns which have not more than 5,500 population.

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

Program: Rural housing program.

Department or agency, and office or bureau: Department of Agriculture; Farmers Home Administration.

TABLE 1.—*Level of operations or performance, fiscal years 1964-65, and estimated level of operations, fiscal years 1966-67 and 1970*

(Thousands of dollars)

| Measure                                                                                           | Unit                   | Fiscal year 1964 | Fiscal year 1965 | Fiscal year 1966 estimate | Fiscal year 1967 (budget estimate) | Fiscal year 1970 estimate |
|---------------------------------------------------------------------------------------------------|------------------------|------------------|------------------|---------------------------|------------------------------------|---------------------------|
| (a) Magnitude of the program.....                                                                 | Persons assisted.      | 79,372           | 70,738           | 172,615                   | 198,890                            | -----                     |
| (b) Applicants or participants:                                                                   |                        |                  |                  |                           |                                    |                           |
| (1) Individuals or families.....                                                                  | Loans and grants made. | 19,543           | 17,579           | 40,535                    | 46,615                             | -----                     |
| (2) Associations.....                                                                             | do.                    | 27               | 32               | 230                       | 235                                | (1)                       |
| (c) Federal finances:                                                                             |                        |                  |                  |                           |                                    |                           |
| (1) Appropriation and authorizations available. <sup>2</sup>                                      |                        | \$265,264        | \$285,134        | \$501,126                 | \$412,000                          | -----                     |
| (2) Obligations incurred.....                                                                     |                        | \$137,692        | \$134,962        | \$378,450                 | \$397,000                          | -----                     |
| (d) Matching or additional expenditures for the program.                                          |                        |                  |                  |                           |                                    |                           |
| (e) Number of Federal Government employees administering, operating, or supervising the activity. |                        | (3)              | (3)              | (3)                       | (3)                                | -----                     |
| (f) Non-Federal personnel employed in the program.                                                |                        |                  |                  |                           |                                    | -----                     |

<sup>1</sup> There is at present a backlog of 4.5 million homes in rural America that need major repairs or replacement. The anticipated growth in the number of families living in rural areas, the yearly increase in the number of senior citizens who need adequate housing and related facilities in rural areas, the termination of the bracero program and the increased emphasis on adoption and enforcement of housing and sanitation codes in farm labor housing, and the general trend toward higher living standards throughout our society will create a demand for this type of assistance by 1970 substantially above current levels.

<sup>2</sup> Includes appropriations, borrowing authority, and insuring authority.

<sup>3</sup> With the exception of a small number of staff positions, Farmers Home Administration employees are responsible for loan making, loan servicing, and administrative functions in connection with all of the agency's programs, whereas this report reflects only the loan-making activity by year for this particular program. Therefore, it is impracticable to determine the number of employees or man-years utilized in conducting only this segment of FHA's total lending authorities.