builders are most ready to take advantage of the new vehicle. Urban renewal activities are expected to supply many sites for these projects which will be built within the central cities of large metropolitan areas.

(*g*) *The measurable contribution of the program to either the magnitude or the rate of growth of the gross national product.*—The following identifies the relationship of economic contribution of the rent supplement program to the GNP.

	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968	Fiscal year 1969
Dollar value of construction (millions)	375	437.5	500	562.5
Estimated GNP (billions of dollars)	670	730	765	800
Percent of dollar value of construction to GNP	0.056	0.060	0.065	0.070

The foregoing assumes that rent supplement housing will represent net additions to the GNP that would otherwise not have occurred. It should be noted, however, that the volume of new rental housing starts has been declining during the last year. In this regard, the rent supplement program provides a desirable "offset" to declines that might seriously affect the health of the economy. The "lead" cyclical effect of the construction industry is well known; any program which can contribute to the stability and orderly growth of the homebuilding industry will have a value far greater than the actual dollar volume of benefits which is involved.

10. Economic classification of program expenditures

The program was not funded in 1965. Administrative expenses were provided in Supplemental Appropriation Act, 1966, dated October 31, 1965.

College Housing Program

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The college housing program was created by title IV of the Housing Act of 1950 to assist educational institutions, through long-term Federal loans, in the construction, expansion or rehabilitation of dormitories and other housing for students and faculty. The program has since been expanded to cover service facilities such as dining halls, student unions, and infirmaries and to cover housing for student nurses, interns, and resident physicians at approved hospitals.

2. Operation

The program is conducted in the seven regional offices of the Department of Housing and Urban Development under the direction of the regional director of community facilities with general policy supervision by the central office of the Community Facilities Administration. Eligibility, financial, legal and engineering reviews are conducted on each application. Actual construction is the responsibility of the borrower with the Government a third party to the contract, performing specified inspection only.

Loans under the college housing program may be made only to the extent that the applicant institution is unable to obtain the necessary financing elsewhere on equally favorable terms and conditions. Loans are made through Government purchase of bonds issued by the college or hospital. The bonds are first offered for sale in the open