

market, by means of public advertisement, and are purchased by the Government only when there is no other equally favorable offer by private investors or bond houses. The Government may purchase all or only a part of the bond issue. Loans may be made for up to 100 percent of the eligible costs of developing and constructing projects. However, financial participation by the applicant is encouraged to the extent possible.

The program is financed through a revolving fund which is funded by an authorization to borrow from the Treasury as a public-debt transaction. The initial enactment in 1950 provided a borrowing authorization of \$300 million; this amount has been increased on several occasions to a cumulative total of \$3,175 million during fiscal year 1966. Program policies are directed toward the development of sound loans to protect the interests of the Federal Government, private lenders, and the borrowers. The success of the Agency efforts in this regard is attested to by the fact that as of June 30, 1965, more than \$1,883 million in bond issues were held by the Agency, none of which was in default. Loans may be repaid over a period not to exceed 50 years.

3. History

The college housing program was enacted as title IV of the Housing Act of 1950 to provide loans for the construction of housing on college campuses. It provided an initial authorization of \$300 million to fulfill the purposes of the act.

Plans to carry out the mandate of title IV were suspended when the Korean war began, and the need to conserve construction materials became pressing. However, in December 1950, a Presidential Executive order made available \$40 million of the \$300 million that had been authorized, with the stipulation that funds were to be used only for college housing that contributed to defense activities. This defense-connected requirement lasted until August 1953.

Amendments adopted during the 84th Congress broadened the types of facilities which could be included under the program to include cafeterias, dining halls, student centers, or unions, health facilities, and other essential service facilities for students (the 1950 act provided these facilities only for students in dormitories financed by the college housing program); lowered the interest rate; and increased the size of the loan fund by \$200 million.

The new lower interest rate stimulated a flood of loan applications. During fiscal year 1956, 388 applications for loans of \$430.2 million were filed, as compared with the previous 5 fiscal years, when there had been a total of 460 applications for \$340.7 million in loans.

The Housing Act of 1956 added another \$250 million to the \$500 million already authorized. In 1957 the loan fund was increased by \$175 million, and in 1958 by yet another \$250 million. There was not any authorization in 1959, because no Housing Act was passed. In 1960 the authorization was increased by another \$500 million.

The Housing Act of 1961 was a high point in the development of the program. The act provided funds for 4 years, instead of annually as in the past. Furthermore, it raised the annual rate of authorization for fiscal years 1962 through 1965 to \$300 million, which was almost double the average annual rate of \$165 million in the first 10 years of the program.

During the 89th Congress in 1965, eligibility under the program was broadened to include new colleges and certain public vocational and