

terest on borrowings from the public, dividends paid to holders of its common stock and costs of administration, including wages and salaries of its employees. The total of these, detailed below, amounts to \$412.3 million or 0.06 percent of the estimated 1965 gross national product of \$678 billion.

Value of housing:	\$272.0
FHA-insured mortgages-----	48.9
VA-guaranteed mortgages-----	
Total housing value-----	320.9
Other goods and services-----	13.7
Interest (to public)-----	74.3
Dividends (to public)-----	3.4
Total contribution to gross national product-----	412.3
Ratio to \$678 billion GNP, 1965 (percent)-----	.06

It should be noted that although many of FNMA's mortgage purchases are applicable to existing housing, it is assumed that such purchases serve to release private funds for the generation of new housing. In addition, FNMA's contribution to the gross national product may be duplicated by the FHA and VA to the extent of the value of housing applicable to the mortgages insured or guaranteed by each of those instrumentalities as detailed above and, as a consequence, allowance should be made for such duplications.

(h) *Other data or comments relevant to economic impacts of secondary market operations.*—FNMA's activities under the secondary market operations involved the purchase of 28,286 mortgages covering 29,439 housing units for a total mortgage value of \$304.8 million during 1965. Using the measurements provided by the U.S. Department of Labor, it is estimated that these purchasing activities generated 59.2 million man-hours of employment providing \$176.4 million in wages, for the year. The foregoing is applicable to FHA-insured and VA-guaranteed mortgages as follows:

(Dollar amounts in millions)

	FHA mortgages	VA mortgages
Mortgages purchased-----	24,661	3,625
Housing units-----	25,814	3,625
Amount-----	\$258.4	\$46.4
Employment:	50,175,218	9,008,664
Hours-----	\$149.5	\$26.8
Amount-----		

10. Economic classification of program expenditures. (See table 4.)

Program: Secondary market operations.
Department or agency, and office or bureau: Department of Housing and Urban Development; Federal National Mortgage Association.