TABLE 4.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Category	Trust fund expenditures: Expenditures for operations	Trust fund expenditures: Expenditures to the Federal Government general and special accounts (intragovernmental exchanges)	Trust fund expenditures: Total expenditures financed by business enterprises and others (individuals)
Purchase of goods and services:			
Wages and salaries	3,371		3,371
Other (including administrative expense)	6,344		6,344
Mortgage servicing fees	9,797		9,797
Legal services	817		817
Other categories:			
Operating costs:			
Interest on borrowings from:			
Public	74,315		74,315
Treasury		1,260	1,260
Provision for losses	1,386		1,386
Miscellaneous expenses	19		19
Dividends on preferred stock held by the Treasury		2,023	2,023
Dividends on common stock held by the public	3,399		3,399
Federal income tax equivalent		11,483	11,483
Program costs:			
Mortgages acquired from FHA in exchange for FHA debentures	51,552		51,552
Mortgage purchases from, and loans to, the public	248,268		248,268
Borrowings from the Treasury		[1] 4,460	4,460
Purchase of preferred stock from Treasury		38,000	38,000
Total program and operating expenditures	399,268	57,226	[2] 456,494

[1] Represents net repayments to the Treasury in fiscal 1965 ($566,800,000 was repaid and $562,400,000 was borrowed).

[2] The secondary market operations produce receipts from earnings of interest, fees, and other income, and from sales, repayments, and other liquidations of the mortgage portfolio. These receipts were used to reduce expenditures so that the net trust expenditure amounted to only $91,468,000. Of the total $57,226,000 in expenditures made to the Federal Government, $42,460,000 represents the amount included in the Federal budget as administrative budget receipts.

NOTE.—In the national income accounts the secondary market operations of the Federal National Mortgage Association are classified as a Government enterprise. The administrative budget net expenditures of negative $42,500,000 are combined with the net trust fund expenditures of $91,500,000. After allowance is made for intragovernmental transfers, the net cash expenditures in fiscal 1965 are $32,000,000.

SPECIAL ASSISTANCE FUNCTIONS

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives [1]

The special assistance functions of the Federal National Mortgage Association have as their statutory objective the provision of special assistance (when, and to the extent that, the President or the Congress have determined that it is in the public interest) for the financing of (1) selected types of home mortgages (pending the establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and homebuilding activities which threatens materially the stability of a high level national economy.

[1] The special assistance functions of the Federal National Mortgage Association are authorized by the Federal National Mortgage Association Charter Act as set forth in 12 U.S.C. 1716 et seq., and more particularly in secs. 1716 and 1720 thereof.